

Save Long Beach Island, Inc.
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Stop Further Offshore Wind Project Awards and Subsidies Until a Thorough Economic Impact Report is Done

Ship Bottom, New Jersey - to protect the interests of New Jersey residents and businesses, Save LBI, representing a coalition of concerned stakeholders is calling for a halt to offshore wind project awards and additional subsidies until a comprehensive economic impact analysis is done.

The lack of such an analysis has left all electric users in the State vulnerable to major economic consequences.

The New Jersey Legislature recently approved diverting about \$1.4 billion that was destined to reduce New Jersey electric user's costs to the Danish company, Orsted, to sustain the Ocean Wind 1 project off the South Jersey coast. This adds to the already approved \$16.1 billion in electric user subsidies for the Ocean Wind 1, Ocean Wind 2, and Atlantic Shores 1 projects.

For these first three projects alone, with 3,757 megawatts of power, the average residential user can expect an increase of \$1,800 in their electric bill over their 20-year life, while commercial and industrial users face even higher costs, averaging \$15,000 and \$126,000 respectively, over the project life.

The projected level of these increased costs from the full New Jersey offshore wind energy program is alarming. Scaling up to the program target of 11,000 megawatts, the estimated total increase in electricity user costs exceeds \$47 billion. Residential users could see a 20 percent increase, or \$5,300 over the project life, commercial users a 25 percent increase or \$44,000 over the project life, and industrial users a 30 percent increase or \$370,000 over the project life, in their bills. These figures do not even account for the anticipated rise in electricity usage due to mandated electric cars and heating systems.

These costs will be shouldered by all residential, commercial, and industrial electric users in the State, not just shore communities, including those who are least able to bear the burden.

New Jersey already faces the burden of having the 10th highest electric rates in the country, 26 percent above the national average. Further increases of this magnitude would severely hamper the state's competitiveness and have a significant detrimental impact on its economy.

The coalition's concerns are heightened by the swift request for an additional bailout by Atlantic Shores Offshore Wind, another foreign-owned wind project developer, for its project off Long Beach Island, raising the specter of even higher electric bills.

Adding to this, the State has invested approximately \$250 million of taxpayer funds in the Paulsboro turbine foundation facility, about \$ 350 million in the Salem County turbine staging area, and has committed electric users to over \$1 billion in onshore transmission system upgrades. Moreover, an integrated offshore transmission system is under

consideration, which would transmit power to New York as well as New Jersey, and would cost billions of dollars in additional user costs.

Without a thorough economic impact analysis, including impact to the commercial and industrial sectors from the higher electric rates, small businesses, tourism, fishing, and property tax revenues, neither the Legislature nor the general public can make informed decisions regarding the pursuit of these projects.

Regarding getting such information, the New Jersey Board of Public Utilities (BPU) has not disclosed its cost-benefit analysis for any of these projects, and attempts to obtain it through the Open Records Act have been denied, citing proprietary data. Further, the BPU has stated that its evaluations do not account for impacts on local tourism, property tax revenues, school funding, and small businesses dependent on tourism. Similarly, the federal agency's Environmental Impact Statements (EISs) provide qualitative statements on some socio-economic impacts but lack any quantification of those impacts to the State. Neither the BPU or the EISs address at all the impact on business and jobs from higher electric rates.

Therefore, the coalition urges the Legislature to engage an independent consultant to conduct this analysis. All future wind project awards and subsidy decisions should be deferred until that economic impact analysis is completed and provided to the Legislature and the public.

Save LBI is a non-partisan, tax-exempt 501(c)(3) organization, here seeking only the sensible deployment of any new electric energy source.

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