

RE: NJ Board of Public Utilities

Docket No. Q024020109

Fourth Solicitation Comments

In response to the NJ Board of Public Utilities' (BPU) request for comments on the Fourth Solicitation due March 27, 2024, the following concerns are presented.

In § 1.6 the BPU has permitted bidders awarded Offshore Wind Renewable Energy Certificates (OREC) in the First and Second Solicitations to rebid their contracts. In essence, the BPU is willfully opening a new process for the explicit purpose of allowing offshore wind companies to receive a second opportunity. Atlantic Shores has openly publicized their concern about profit margins and requested preferential treatment such as that rendered by P.L. 2023, C. 99, § 34:1B-337. The typical complaints do not argue on specific, tangible grounds tailored to the individual project. Instead, they insist on the infeasibility of pursuing development due to inflationary concerns created by labor shortages and supply chains issues from Covid and the Ukraine war. Indeed, inflation concerns are legitimate and New Jerseyans are acutely aware of their presence.

Within the past three years, NJ ratepayers have experienced extraordinary rates increases from energy providers. For instance, on September 7, 2022, the BPU President Joseph Fiordaliso, approved a 25% rate increase for PSEG, the state's largest utility company providing service to 2.4 million customers. <https://www.nj.com/news/2022/10/your-energy-rates-in-nj-are-about-to-go-up-nearly-25-here-are-5-tips-to-save-money.html> Atlantic City Electric customers experienced a 4.1% increase in 2023, <https://patch.com/new-jersey/across-nj/nj-electric-bills-going-heres-how-much-more-y> and a 4.8% increase in 2024.

<https://www.njspotlightnews.org/2024/02/nj-residential-commercial-electric-bills-will-increase-june-2024/>

Clearly, NJ ratepayers are familiar with inflationary trends as they struggle to maintain household budgets while the price of basic necessities soar. In the NJ.com article provided, a remedy for financial woes was packaged in the form of “tips” to decrease your energy bills including lowering your thermostats. A quote from the same article states, “We recognize many customers are struggling to pay bills in the current economic state and we encourage them to take advantage of all available assistance ...,” a PSE&G spokeswoman said.

Within this environment, the legitimacy of the NJBPU’s role is questioned as the state agency capitulates to foreign offshore wind companies over the interests of New Jerseyans. The singular purpose of a rebid is to eliminate the business and financial risks the companies have already voluntarily assumed and shift the financial burden to the NJ ratepayers. Moreover, the NJBPU consistently references Governor Murphy’s political objectives as the legal premise for their actions illustrating a “hyper” political agenda not consistent with methodical planning and deliberation.

Demonstrated through multiple incidents, the NJBPU has deployed dubious tactics to promote the Governor’s agenda. In public forums, President Fiordaliso brandished a wind turbine lapel pin conveying an overt symbol of his approval for offshore wind development. The emblem was worn consistently and at various crucial stages of the permitting process. Notwithstanding that this custom was unprofessional and inappropriate, a deeper concern materialized of its intent. Additional commissioners began to appear in public meetings wearing the same lapel pins. A representative leading a meeting made derogatory comments about the leader of an anti-wind group not realizing she had failed to mute her microphone. In one

instance, the BPU had recorded a vote which approved the removal of home rule on the day *prior* to opening the contentious issue for public comments. One commissioner who voiced concerns about BPU's actions, Dianne Soloman, was removed by the Governor. It became clear to the general public and the underlings at the BPU that the Agency had been compromised. A culture evolved from the higher echelons promoting an image of power communicated through condescension.

In reference to other issues, §1.3 of the Fourth Solicitation should provide specific OREC pricing for decommissioning costs to afford a realistic and transparent depiction of overall costs to consumers. Also, under the same section, the addition of an inflation adjustment has been added to provide assurance to the wind developers without consideration of the ratepayers.

Under §3.17 identified as the "Cost-Benefit Analysis," a calculation of emissions is presented from the perspective of a *worldwide* benefit. Regardless of this ambitious goal, the analysis has no legal basis beyond the boundaries of the State of New Jersey and therefore has no value in this application.

From a broader perspective, the BPU analysis for the Fourth Solicitation weighs the OREC purchase price and ratepayer impacts at 60% within the overall decision-making process. The BPU should follow its own evaluation criteria and reject any proposal that includes increased costs to utilities and to ratepayers.

In summary, the NJBPU has arbitrarily accepted rate increases for offshore power generation not because of necessity from the true cost of power generation but to subsidize offshore wind power which is outside of their statutory authority. The contents of the Fourth Solicitation demonstrate that the NJBPU has made a conscious effort to expedite the goals of

offshore wind developers. Unfortunately, adopting this policy runs counter to the interests of New Jerseyans. Offshore wind developers should not be permitted to circumvent the established bidding process that is on record and recognized as a “contract.” Furthermore, the content of the Fourth Solicitation presents an unbalanced approach favorable to promoting Governor Murphy’s political agenda. The reputation of the BPU has been diminished and due diligence from an overseer should be initiated to restore professionalism and public trust.

Protect Our Coast NJ

Submitted on 3/27/2024