

Hon. Sherri L. Golden, Secretary
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
PO Box 350
Trenton, NJ 08625-0350

**RE: THE MATTER OF NEW JERSEY'S FOURTH SOLICITATION FOR OFFSHORE
WIND RENEWABLE ENERGY CERTIFICATES (ORECs)
Docket No. QO24020109**

Dear Madam Secretary:

October 23, 2024

Please place this letter and the enclosure in the Docket above.

Our organization, Save Long Beach Island Inc. is a non-profit, non-partisan, charitable group of over 10,000 supporters not opposed to offshore wind energy in general, but strenuously opposed to the Atlantic Shores Offshore Wind project, which we believe is ill-sited for the large wind turbines of today.

We have expressed those concerns repeatedly to the Bureau of Ocean Energy Management in our extensive comments on the draft environmental impact statement, to the National Marine Fisheries Service in our extensive comments on the proposed rule making to authorize the project under the Marine Mammal Protection Act, and to the NJBPU on various occasions.

The extreme proximity of the project to shore compared with similar projects in the world all sited much farther out and it's location within a primary migration path for a critically endangered whale should raise alarms with respect to any future award to it. This project, in this area selected many years ago, with no public consideration of wind turbine impact, would place hundreds of huge, disturbing, rotating, noisy, clearly visible, multi-thousand ton industrial structures 9 miles off a beautiful 18-mile long barrier island beach barrier island beach that millions of people visit, closer than any other modern offshore wind turbine project in the world, with no plan or funding provided for cleaning up the beaches and neighboring ocean as turbine parts fail and wash up-potentially at the height of tourist season, and with no plan or funding for removing the turbines and processing them onshore as they stop running.

Additionally, it would :

- jeopardize the North Atlantic right whale's existence from the project's high levels of underwater noise from turbine operation
- Destroy the shore experience with those highly visible turbines and disturbing blade rotation, airborne noise, reduced breeze, and higher local air temperature and humidity.
- Degrade the nearby Brigantine National Wilderness Area from construction air pollutants
- Have a severe economic impact on tourism, jobs, rentals, property value, and tax revenues.
- Dramatically increase electric bills to every user in the State, placing an additional financial burden on households and businesses.
- Remove key fishing grounds, and
- Impair our defense air radars in Gibbsboro, NJ, while having

- only a “negligible” effect on climate change according to the official project impact statement. Because climate change is caused by global heat transfer that is already underway, this project would only delay future sea level rise for a matter of days, not stop or even reduce it.

In this context, we are aware that the Board has received bids from Atlantic Shores to construct the offshore wind South project within lease area OCS-A-0499, and possibly for a wind project in the adjacent lease area OCS-A-0549, and receive payment for Offshore Renewable Energy Credits (ORECs) pursuant to the subject solicitation. As the Board’s procedures do not permit our direct involvement in this procurement, we wish to hereby register our concerns and objections to any potential award of new contracts to this contractor in these areas.

In the event that the BPU considers a new award to this project, we urge it, within the extraordinary project siting context described above, to fully consider all costs to the State associated with it. This would include costs to the State’s **fishing and tourism industries**, and the **indirect costs of the higher electric rates** from the project on residential electric user consumer spending, and on revenue loss and lost jobs and lower wages in the commercial and industrial sectors.

The BPU analysis should include the **cost to the State** to periodically clean up beaches and neighboring ocean from **expected major failures of turbine components** such as the recent blade disintegration off of Nantucket, MA from a project in its infancy. As we are learning, such events could be frequent and costly, and the full cost of clean-ups have not been accounted for in the BPU awards made to date. In that regard, we would urge the BPU not to approve any project constructed with blades using fiberglass since they are much more prone to structural failure than blades constructed with carbon fiber.

We urge the BPU to consider in its cost-benefit analysis the **future cost of removal** of these huge steel and concrete structures **and their dismantling and processing onshore, because that cost will likely fall to the State**. There is no requirement in federal regulations for removal of the wind turbines at the end of their useful life. There has been no feasibility study presented showing that just from a technical standpoint they can be removed. There has been no proposal for and cost analysis of what industrial infrastructure would be required onshore to dismantle and process them, and who would create that. Therefore, it is expected that the federal agency will authorize their remaining in place or being toppled in place once they stop operating. To prevent this extremely long term degradation of the New Jersey shore, the attendant vessel navigation risk, and the removal of hundreds of thousands of acres of productive marine environment essentially in perpetuity, any BPU award to this project should include firm contractual arrangements for the company to **remove all** of the wind turbines at the end of their useful life, funding provided to do so, and clear penalties if the company for whatever reason does not do that removal and processing. The cost of such removal and onshore processing would be substantial, even comparable to the cost of installation, and has not been accounted for in the OREC Awards made to date.

We would also ask the BPU to consider **the wake effect** of upwind turbines on downwind turbines in reducing annual average wind speeds and delivered energy from the project in its estimates of project benefit. New data suggests that power generation for Atlantic Shores will likely be substantially lower than originally anticipated. This will require greater reliance on back-up fuels and systems and affect costs.

Finally, It is important to note that the costs involving the direct ratepayer subsidies and the effect of those higher electric rates on NJ economy in the form of lost jobs and lower wages, as well as lost tourism dollars, as detailed in the attached report, all fall disproportionately on lower income residents and communities who can least afford them and would be forced to seek more affordable places to live.

Atlantic Shores has indicated that their bid comprises projects located in their Atlantic Shores South (AS South) lease area OCS-A-0499, which include the Atlantic Shores One (AS1) and the Atlantic Shores Two (AS2) projects, both of which have been previously bid into BPU Solicitations. The AS1 project currently has an existing OREC contract awarded in the Second Solicitation in 2021. The AS2 project unsuccessfully bid into the Third Solicitation. From a ratepayer cost perspective, both these factors raise grave concerns regarding any potential awards to Atlantic Shores under this Fourth Solicitation:

- Atlantic Shores has not formally requested that the existing AS1 contract be changed or vacated. As such any new contract with higher OREC pricing or more favorable terms should not be allowed.
- Any AS2 bid that again exceeds the OREC pricing of recent awards will entail significantly higher ratepayer subsidies than the existing AS1 contract or those awarded in the Third Solicitation, which are the subject of ratepayer challenge.

To further detail our concerns, we have enclosed an analysis of the likely impact of any new awards to Atlantic Shores which may result from this Fourth Solicitation. The conclusions of this report are clear. At the likely OREC prices for potential awarded AS1 and AS2 bids:

- The ratepayer subsidies and increases in retail customer bills will exceed levels that are reasonable and just under NJ law.
- A positive benefits-cost ratio or net economic or environmental benefits cannot be achieved as required by the Offshore Wind Economic Development Act (OWEDA).
- A fair balance of financial risks and rewards between ratepayers and Atlantic Shores shareholders cannot be achieved and thus would fail to comply with OWEDA.

Indeed, the same conclusions can be reached based on the existing AS1 OREC agreement, which has a levelized OREC price of \$106/MWH. Therefore, unless the Atlantic Shores bid is significantly *below* those previously awarded OREC prices, no award can be made in compliance with applicable state law.

Accordingly, the undersigned, representing about 10,000 concerned residents and visitors to Long Beach Island, NJ , call upon the BPU to entertain only bids by Atlantic Shores that significantly *reduce* the approved OREC pricing for AS1. Any bid seeking to increase the approved OREC prices must be rejected as it would violate OWEDA and cause severe and irreversible environmental impact, and economic harm to the State and ratepayers.

Should the Board persist in making such awards under this Fourth Solicitation, we will pursue all available legal avenues to ensure that any resultant contract is challenged and overturned in accordance with applicable law.

Enclosure: Economic Analysis of the Atlantic Shores South Offshore Wind Project, August 2024

Signatory,

Robert Stern

Robert Stern, President

Save LBI, Inc.

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