

Sweeney wants Orsted wind energy pact suspended as state embarks on more projects

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As the state moved Wednesday to expand its offshore wind program, Senate President Steve Sweeney and two assemblymen asked the Board of Public Utilities to suspend its approval of Orsted's project off Atlantic City, saying the company has not kept promises about economic development in their district.

It happened the same day the BPU voted to open the application window for the state's second solicitation of offshore wind capacity, in which it will award between 1,200 and 2,400 megawatts of offshore wind energy.

In a Sept. 9 letter to BPU President Joseph Fiordaliso, Sweeney and Assembly Deputy Speaker John Burzichelli and Assemblyman Adam Taliaferro, all D-Salem, Gloucester, Cumberland, also requested an "investigation into potential misrepresentations that Orsted made in its application to the NJ Board of Public Utilities."

An Orsted spokesperson said the company was surprised by the letter.

"We are still in the early stages of building the state's first commercial-scale offshore wind farm," said Lauren Burm, head of public affairs, communications and sustainability for Orsted's offshore programs. "The process from start to finish is about seven years, and we are well on our way toward carefully and mindfully delivering on our \$695 million in-state spend commitment."

Gov. Phil Murphy has set a goal of 7,500 megawatts of offshore wind energy in New Jersey by 2035, enough to power 3.2 million homes.

Orsted's Ocean Wind project was chosen in 2019 by the BPU to receive ratepayer subsidies to develop the state's first offshore wind farm, a 1,100 megawatt wind farm about 15 miles out in federal waters.

It was picked, in part, because Orsted promised to create 15,000 jobs over its 25-year lifespan, power 500,000 homes and provide \$1.17 billion in net economic benefits to New Jersey through jobs and siting of supply chain businesses.

Burzichelli said Wednesday evening the three legislators are concerned about "a lack of progress and the inability for them (Orsted) to get agreements in place for what will be the basis of jobs in New Jersey."

He said they are particularly concerned that Orsted's promised agreement with a German firm to locate a factory for manufacturing monopole foundations in Salem County has never materialized. Monopoles are the foundations for the large wind turbines.

Construction is expected to begin soon and be completed by 2024, but the company is still awaiting federal approval.

Burm said the company is "disappointed by this unexpected turn of events, but we remain focused on the jobs, economic development and environmental benefits of offshore wind in New Jersey. We are committed to delivering on all of our commitments in our bid to the New Jersey Board of Public Utilities."

In total, the Ocean Wind project will cost ratepayers \$1.6 billion over 20 years, according to Kelly Mooij, deputy director of the BPU's Division of Clean Energy.

That breaks down to a \$1.46 increase on New Jersey residential customers' monthly bills, the BPU has said.