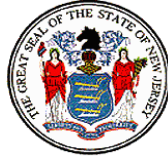


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Testimony of Kelly Mooij  
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Good Morning, Chairman Lowenthal. Thank you for coming to New Jersey today for this hearing. Thank you also to Ranking Member Gosar and to Representative Van Drew for your work on the Natural Resources committee and for your continued partnership in helping NJ become a leader on offshore wind.

My name is Kelly Mooij and I am the Deputy Director of the Office of Clean Energy at the New Jersey Board of Public Utilities (BPU or Board). Thank you for the opportunity to provide testimony on offshore wind on behalf of the Board's President, Joseph L. Fiordaliso.

The offshore wind industry sits at the crossroads of energy and the environment, bringing jobs and economic opportunity to the State of New Jersey while providing clean energy and reduced emissions for citizens of our state.

Offshore wind will play a key role in helping to meet Governor Phil Murphy's ambitious but achievable goal of 100% clean energy by 2050, and is critical in both reducing greenhouse gas emissions, which contribute to climate change, while helping to build a clean energy innovation economy.

The Board's historic offshore wind award of 1100 megawatts (MW) in June further cements New Jersey's role as a regional and national leader in both offshore wind and clean energy, and it brings New Jersey another step closer to the goal of 3,500 MW of offshore wind by 2030. 3,500 MW of offshore wind will generate sufficient energy to meet the annual electricity needs of 1.5 million homes and is the equivalent of removing over 2 million passenger vehicles from the road each year.

Global climate change is among the most pressing threats facing New Jersey's economy and represents an imminent danger to the health, safety and welfare of our citizens. The effects of climate change are already being felt throughout New Jersey. From flooding to the escalation in number and severity of storms to the unrelenting increases in average

yearly temperatures, citizens are faced daily with these threats. At the same time, emissions from burning fossil fuels are impacting our citizens' health with increased asthma rates and heat islands in our cities diminishing the quality of life of our residents. The threat is real and global. Combating this climate crisis demands swift action and focused leadership.

### **Setting and achieving goals; Creating renewable energy infrastructure**

Recognizing the need to act to reduce our energy usage and transition in a thoughtful way to a clean energy future, Governor Murphy set forth an ambitious and important goal of reaching 100% clean energy by 2050.

New Jersey has long had an interest in offshore wind and passed the Offshore Wind Economic Development Act (OWEDA) in 2010. Despite the passage of OWEDA nearly a decade ago, the offshore wind program lay dormant until, within his first few weeks in office, Governor Murphy signed Exec. Order No. 8, making New Jersey's leadership in Offshore wind a centerpiece of his environmental and energy agenda. Exec. Order No. 8 set forth a bold vision for a clean energy economy on a scale large enough to attract an active and robust wind energy market supporting large-scale production, in-state supply chain, and utilizing a trained New Jersey workforce for construction, installation, interconnection, and operations and maintenance.

Governor Murphy's Exec. Order No. 8 called upon the BPU to fully implement OWEDA and to proceed with a solicitation of 1,100 MW of offshore wind capacity as a first step in meeting the State's goal of 3,500 MW of offshore wind capacity by 2030. This order provided a much-needed boost to New Jersey's offshore wind program and set off an 18 month period in which rules were adopted, the solicitation was developed and released, and New Jersey announced its historic first offshore wind award.

### **Overview of the award and ratepayer impact**

In June, New Jersey delivered on the promise of offshore wind with an award of the first 1100 MWs of offshore wind energy to Orsted's Ocean Wind project. This project, the largest single awarded project in the United States, is expected to power roughly half a million homes and generate \$1.17 billion in economic benefits. It will be located 15 miles off the coast of Atlantic City, and we anticipate the project coming online in 2024. Importantly, the project is also estimated to yield 15,000 jobs.

While the award yields enormous benefits for the State, the Board remained conscious of the potential impacts on New Jersey ratepayers. These impacts were considered throughout the evaluation process and the Board's approval of the project is responsive to economic imperatives because it combines a highly competitive pricing structure with maximum economic development benefits. The BPU acknowledges that developing offshore wind to combat the extreme effects of climate change is being done in partnership with families and businesses across the state and we took the charge of ensuring fair, reasonable and cost-effective rates seriously. Impacts to residential customers from this project are expected to be \$1.46 per month.

The timing was right for this first solicitation. Prices for offshore wind projects have dropped dramatically in recent years, thanks to the global growth of the industry. The Murphy Administration seized the opportunity provided by the decreasing cost of offshore wind timed with the occasion to kickstart an offshore wind business hub with attendant economic benefits; an opportunity further strengthened by a geographical location prime for development. The BPU also acted swiftly to develop rules and a solicitation to ensure this first project was able to take advantage of a critical 12% federal investment tax credit which significantly reduced the overall cost of the project.

We are also working closely with our sister agencies: the Economic Development Authority, the Department of Environmental Protection, and of course the Department of Labor and Workforce Development to further mature all aspects of both this important first project as well as the birth of the industry through critical collaborative work on labor and workforce development, infrastructure and supply chain, and developing of tools such as the Offshore Wind Supply Chain Registry.

### **Protection of natural resources**

As we meet today in a location which is one of the most important migratory pathways in the world, I would be remiss if I didn't highlight the efforts taken by the BPU and sister agencies to ensure, as we move swiftly to develop a robust offshore wind industry, we act responsibly to protect the many things that make the Garden State a great place to live, do business and raise a family. Protecting the environment by ensuring we have projects that are responsibly developed and sited to be protective of our natural resources remains a primary focus for the State. Importantly, the foundation for our offshore wind program, including OWEDA, requires net environmental benefits which includes avoiding and mitigating impacts to natural resources.

While heralding the establishment of a new industry, the Board also remains cognizant of its charge to protect New Jersey's natural resources and significant cultural and tourism economies. The Board remains committed to ensuring that natural resources, including fish, marine mammals, birds, and other wildlife, are protected throughout the development and operation of current and future wind projects. The BPU will continue to work with stakeholders as we look forward to our anticipated next two solicitations and the release of our offshore wind strategic plan, to ensure we continue to protect our valuable natural resources.

Stepping boldly into a new industry, New Jersey once again leads the way on protecting the environment while growing the economy. By announcing the award on time and as promised, New Jersey sets an expectation for a predictable and reliable industry that will generate additional private investment with the expectation of continued solicitations and awards in the very near term. This historic first project and the kickoff of our offshore wind industry is another step on the path to continuing New Jersey's leadership in the fight against the impacts of climate change, for the benefit of current and future residents.

Thank you to the members of the Subcommittee on Energy and Mineral Resources for your time and attention and for the opportunity to testify. I look forward to your questions.