

**RESOLUTION NO. 2024-206**

**RESOLUTION OF THE TOWNSHIP OF LITTLE EGG HARBOR, COUNTY OF OCEAN, STATE OF NEW JERSEY, IN THE MATTER OF NEW JERSEY'S FOURTH SOLICITATION FOR OFFSHORE WIND RENEWABLE ENERGY CERTIFICATES (ORECs)**

**WHEREAS**, the governing body of the Township of Little Egg Harbor is deeply concerned with the large subsidies and rate increases supporting offshore wind development; and

**WHEREAS**, in particular, the Township objects to permitting Atlantic Shores to re-bid its existing contract for Offshore Renewable Energy Certificates (ORECs) pursuant to the subject solicitation; and

**WHEREAS**, the Board of Public Utilities' (BPU) procedures do not permit the Township's direct involvement in this procurement and the Township is concerned as to any potential award of revised or new contracts to Atlantic Shores; and

**WHEREAS**, 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; and

**WHEREAS**, the AS1 project currently has an existing OREC contract awarded in the Second Solicitation in 2021; and

**WHEREAS**, the AS2 project unsuccessfully bid into the Third Solicitation; and

**WHEREAS**, both these factors raise grave concerns regarding any potential awards to Atlantic Shores under this Fourth Solicitation:



Rothstein, Mandell, Strohm,  
Halm & Cipriani, P.A.  
ATTORNEYS AT LAW

98 East Water Street  
Toms River, NJ 08753

o: 732.363.0777  
f: 732.905.6555

- Atlantic Shores has not formally requested that the existing AS1 contract be changed or vacated. As such any revised or 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 (\$140-165/MWH) 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; and

**WHEREAS**, an analysis of the likely impact of any new awards to Atlantic Shores which may result from this Fourth Solicitation reveal:

- It is estimated that the project subsidies, together with the Third Solicitation awards, would increase electric bills by 28% for residential users, 35% for commercial users, and 39% for industrial users. These added costs amount to direct rate-payer subsidies of \$65 billion over the lifetime of the projects. As a result, the ratepayer subsidies and increases in retail customer bills will exceed levels that are reasonable and just under NJ law.
- Total present value costs of the AS South projects outweigh benefits by \$86 billion and a factor of 6 to 1. Thus, a positive benefits-cost ratio or net economic or environmental benefits cannot be achieved as required by the Offshore Wind Economic Development Act (OWEDA).
- With Federal tax credits and rate subsidies the project's owners will realize an annual return on investment of 18-22%, far more than the 9% allowed to regulated utilities. At this level, a fair balance of financial risks and rewards

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between ratepayers and Atlantic Shores shareholders cannot be achieved and thus would fail to comply with OWEDA; and

**WHEREAS**, 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; and

**WHEREAS**, costs involving the direct ratepayer subsidies and the effect of those higher electric rates on NJ economy are directly associated with lost jobs and lower wages, as well as lost tourism dollars and 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; and

**NOW, THEREFORE, BE IT RESOLVED**, by the governing body of the Township of Little Egg Harbor, County of Ocean, State of New Jersey as follows:

1. That the governing body requests strongly that the BPU entertain only bids by Atlantic Shores that significantly *reduce* the approved OREC pricing for AS1.
2. That the governing body further urges the BPU to reject any bid seeking to increase the approved OREC prices as it would violate OWEDA and cause economic harm to the State and ratepayers.
3. That the Township reserves the right to pursue all available legal avenues to ensure that any resultant contract is challenged and overturned in accordance with applicable state law.
4. That Mayor is authorized and the Township Clerk to attest to any and all documents necessary to accomplish the terms of this resolution.

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5. That certified copies of this Resolution shall be sent to Governor Phil Murphy, the 9<sup>th</sup> Legislative District Representatives, all Ocean County municipalities, and the Board of Public Utilities.

**CERTIFICATION**

I, **KELLY LETTERA, CMC, RMC**, Municipal Clerk of the Township of Little Egg Harbor do hereby certify that the foregoing resolution was duly adopted by the Township of Little Egg Harbor Township Committee at a meeting held on the 12<sup>th</sup> day of **September, 2024**.



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**KELLY LETTERA, CMC, RMC**  
Township Clerk  
Little Egg Harbor Township

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