

# Mayors Seek to Stop Atlantic Shores Rebid of Offshore Wind Contract

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**By Gina G. Scala**

Mayors from eight Jersey Shore communities, including all six on Long Beach Island, are opposing the New Jersey Board of Public Utilities' plan to allow wind developers to rebid previously approved proposals.

On March 27, the Hackensack-based law firm of Pashman Stein Walder Hayden filed comments with BPU commissioners regarding its draft guidance for its fourth offshore wind solicitation, saying it "appears to be targeted at permitting Atlantic Shores Offshore Wind to rebid its project to obtain increased" offshore wind renewable energy certificate pricing.

The comments were filed on behalf of the mayors of Barnegat Light, Beach Haven, Harvey Cedars, Long Beach Township, Ship Bottom, Surf City, Brigantine and Ventnor City.

Increased subsidies would come at the "expense of New Jersey's ratepayers. And indeed, Atlantic Shores commented orally at the BPU's March 20, 2024 stakeholder meeting, strongly suggesting that it does intend to rebid," according to the letter.

The Atlantic Shores offshore wind project is comprised of three phases. It includes 120 already-approved turbines to be placed in the Atlantic Ocean, with phase two calling for the placement of an additional 80 turbines; phase three has 157 more turbines. As proposed, the wind farm would site 1,050-foot-high turbines between 9½ and 13½ miles off the entire length of LBI, extending farther eastward into the Atlantic Ocean. The project is a 50-50 partnership between Shell New Energies US LLC and EDF Renewables North America. It was formed in December 2018 to co-develop nearly 183,353 acres of leased sea area on the Outer Continental Shelf, located within the New Jersey Wind Energy Area.

"If Atlantic Shores is to be permitted to construct its proposed offshore wind project, it should be held to the original deal," the letter said, adding the mayors "believe it would be the definition of arbitrary, capricious, and unreasonable for the BPU to voluntarily permit Atlantic Shores to walk away from the OREC pricing it agreed to and allow it to seek a greater subsidy from New Jersey's ratepayers."

Noting Atlantic Shores is owned by global energy conglomerates, the letter said the company has the means to include inflation costs in its economic projections as well as handling any supply chain issues and including those risks in its application.

“Atlantic Shores – not New Jersey ratepayers – should bear the cost of any mistakes it made,” according to the letter. “If they refuse to honor their obligations and initial OREC pricing agreed to, Atlantic Shores should not be viewed as a reliable company trusted to construct a project of such scale that will permanently alter New Jersey’s coastal ecosystems and coastal economy and way of life.”

Citing the state’s Offshore Wind Economic Development Act, the letter notes the BPU is required to find the company “proposing the project demonstrates financial integrity and sufficient access to capital to allow for reasonable expectation of completion of the project. ... The BPU’s rules plainly place the risk of increased costs on the developer, not the ratepayers.”

Additionally, the letter notes the mayors not only reviewed but endorse a financial analysis of Atlantic Shores’ rebid prepared by Whitestrand Consulting LLC. The firm has also prepared a report in support of Defend Brigantine Beach and Protect Our Coast NJ’s legal challenge to the BPU’s offshore wind contracts and its plans to allow wind developers to rebid previously approved proposals. The New Jersey appeals court is expected to hear that case sometime this year with a decision being handed down in late 2024 or early 2025. The BPU anticipates launching the state’s fourth offshore wind solicitation early this year with the projects to be awarded sometime next year.

“Our analysis indicates that a new contract for Atlantic Shores 1 will burden NJ ratepayers with significantly higher above-market power prices,” said Ed O’Donnell, Whitestrand founder. “The cumulative impact of a potential new Atlantic Shores 1 award in combination with other approved projects will increase rates by more than 20% for all customer classes.”

He said the new report found any re-bid for Atlantic Shores 1 would fail to meet the cost-benefit thresholds, or fairly balance the risk and rewards between ratepayers and shareholders as required by the state’s offshore economic development law.

“Any Atlantic Shores re-bid award by the NJBPU will exacerbate these legal deficiencies while the above market power prices and subsidies will disproportionately impact lower income residents and communities,” he added.

— **Gina G. Scala**