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February 24, 2010

TO: The Department of Environmental Protection

FR: Sara Bluhm, Assistant Vice President, Energy & Federal Affairs

RE: Oyster Creek Generating Station Draft Permit Adoption

On behalf of the 22,000 members of the New Jersey Business & Industry Association, I would like to express our opposition to the Department requiring cooling towers for Oyster Creek through the adoption of the draft permit.

The Commercial and Industrial ratepayer consumes 64% of the electricity in New Jersey. Businesses rely on base load power that is reliable, affordable, and available. Currently, our state imports anywhere from 15-30% of the needed power on a daily basis. Nuclear power supplies half of our power requirements and this bill seeks to limit the amount of nuclear base load power that we could rely on for our electric needs. If New Jersey were to impose these conditions on our largest source of clean generation, then the price of power will increase for every ratepayer.

PJM is currently citing transmission lines to bring additional power to our state and relieve congestion. If any sources of generation were shuttered in our state, the congestion on the electric grid would increase as well as our reliability pricing costs which are passed onto ratepayers. While protecting the Barnegat Bay is an admirable idea, this does not get at the real problems facing the bay. Furthermore, the technology needed to comply with this legislation is untested and unproven to help the bay which would mean we are just adding costs to the price of electricity without an end result of help the bay.

This adoption of the draft permit would close the Oyster Creek, a plant that safely and reliably provides 6 percent of NJ's total electricity needs, 52% of its carbon-free electricity and is a significant economic contributor to NJ. Oyster Creek's retirement would result in a direct loss to NJ of \$190 million annually, because of increased electricity prices, and an additional loss of at least \$126 million in economic activity. Ratepayers would also assume the burden for additional transmission investments exceeding \$100 million, not including the cost of permitting and acquiring the land, or the costs associated with replacement power.

NJBIA encourages the Department to consider the economic as well as the environmental implications of this permit and the ramifications for future base load

power development. As our economy is trying to rebound the business community needs affordable, reliable base load power sources located in state to power our companies. We urge you to not adopt this permit as is currently drafted.