



Testimony of Robert Marshall

New Jersey Energy Coalition

Before the New Jersey Department of Environmental Protection

Oyster Creek Generating Station Draft NJPDES DSW Permit NJ0005550

Public Hearing - February 24, 2010 - 7:00 PM

Lacey Township Municipal Building, Lacey Township, NJ

Thank you for the opportunity to testify on the draft New Jersey Pollutant Discharge Elimination System (NJPDES) permit for the Oyster Creek Generating Station. My name is Robert Marshall and I currently serve as an Advisory Board Member for the New Jersey Energy Coalition. I previously served as the Regional Vice President for Government and External Affairs for Atlantic City Electric, Pepco Holding's Southern New Jersey electric delivery subsidiary. During my 33 year career in the electric utility industry, I was responsible for several different areas, including corporate finance, investor relations and government affairs.

The New Jersey Energy Coalition is a broad-based advocacy group whose membership includes businesses, industry, labor leaders, civic organizations and distinguished citizens from across New Jersey. Our focus is to provide a reliable third-party voice in the discussion on New Jersey's energy needs. The Coalition was involved in the New Jersey Energy Master Plan stakeholder process and has provided educational initiatives on energy conservation, energy efficiency, renewable energy, generation needs and transmission challenges. Some of our prominent organizational members include:

- NJ SEED
- NJ State Chamber of Commerce
- NJ Business and Industry Association
- Chemistry Council of New Jersey
- NJ Alliance for Action



- Southern New Jersey Development Council
- AFL-CIO
- NJ IBEW
- NJ Laborers-Employers Cooperation and Education Trust (NJ LECET)

Our mission is simple: raise public awareness and generate public support for the increased production of clean, affordable and reliable energy in our state. As energy demand increases and our state leaders look to close that gap, it is critical that the discussion on new generation include a voice for clean energy generators, particularly reliable baseload providers. New Jersey's fleet of nuclear reactors furnish our state with 51.8% of our energy supply, and they do so without producing any carbon emissions or criteria pollutants. In the coming years, it is important that nuclear energy generators like Oyster Creek remain in operation even as new generation comes online. Investment in renewables and the implementation of energy efficiency measures represent integral steps in meeting goals of our state's Energy Master Plan, but they will never replace the need for constant, reliable, low-cost sources of 24/7 baseload power.

The intention of the draft NJPDES permit under discussion today is to address and mitigate the ongoing degradation of the Barnegat Bay by requiring Oyster Creek to convert to a closed-cycle cooling system. But despite its intent, finalization of this permit as it stands would have far-reaching negative consequences on the regional economy and reliability of our state's energy supply. The installation of cooling towers at Oyster Creek were deemed cost prohibitive after a 2006 independent study estimated that their construction would cost \$700-\$800 million to install, more than the value of the facility. Simply put, if cooling towers are mandated by the DEP, Oyster Creek will be shut down.

In 2007, the independent consulting firm Bates White released a report that detailed the benefits of Oyster Creek and the potential consequences of retiring the facility. Their report, which is available in full on our website at www.njenergycoalition.org, identified three major consequences of Oyster Creek's closure: 1.) the economic impact from lost jobs and higher



energy costs; 2.) the loss of regional electric reliability; and 3.) the impact on the environment and air quality.

Oyster Creek currently employs over 700 individuals, not including the high number of contractors and local businesses that depend on the plant's operation for their business. The workforce constitutes \$70 million of direct and indirect compensation for workers, \$9.2 million in direct sales and local taxes, and another \$3 million in local taxes paid by company employees. The total economic impact of the plant is approximately \$250 million to New Jersey including taxes of more than \$9 million. In addition, through ongoing plant expenditures, Oyster Creek injects \$129 million annually into the State's economy. Oyster Creek's energy supply benefits New Jersey with \$190 million annually in lower wholesale electrical prices. Closing Oyster Creek at a time when our energy demand continues to grow would cause a rise in energy bills totaling \$190 million across the State. In addition, our nation is in the midst of one of the worst financial crises in our history. We cannot afford to lose a single job, let alone forfeit such a viable center of economic stimulus.

Oyster Creek now supplies New Jersey with 6 percent of its electricity in addition to playing a critical role in supporting energy reliability throughout the region. PJM, the regional transmission operator, has projected that it would need to invest at least \$100 million in transmission upgrades to deal with the overloads that Oyster Creek's retirement would cause. The siting and developing of such transmission upgrades is also time consuming and costly; costs that the customers would be required to pay. Without Oyster Creek, New Jersey's citizens would be unnecessarily forced to pay more for unreliable electricity at a time when we can least afford it.

Environmentally, closing Oyster Creek would have a severe detrimental impact on a state and regional level. Nuclear generation is the only baseload power source available in our state that does not produce carbon emissions or greenhouse gases. If we are to meet the ambitious goals of the NJ Energy Master Plan and achieve both state and federally mandated carbon



reduction standards, nuclear generation must continue to play a major role in our clean energy portfolio.

The facts speak for themselves. Economically, environmentally, and for the sake of a reliable energy supply, New Jersey cannot afford to lose Oyster Creek. There are many factors affecting the Barnegat Bay, including non-point source pollution, overdevelopment and storm water runoff. Oyster Creek does have an inevitable impact on the local environment, but it is not the only one, and there is a lack of significant evidence that suggests the conversion to a closed-cycle cooling system will realistically or adequately solve the problem it is intended to fix. Furthermore, the DEP has already conceded that a cost-benefit analysis for the construction of cooling towers has not been conducted. One of Governor Christie's first actions in office was the release of an Executive Order requiring that state agencies perform a cost-benefit analysis when considering significant actions such as this.

There is a solution to the degradation to Barnegat Bay, but it must be achieved after a comprehensive analysis looks at all the issues at play and a course of action is adopted that addresses each one. In the mean time, we must ensure that the regulations affecting Oyster Creek allow it to continue to play the same role that it has for the past forty years in providing jobs, economic stimulus and a reliable, affordable supply of clean energy for New Jersey residents and businesses.