



**Testimony of Richard Mroz**

**New Jersey Energy Coalition**

**Before the New Jersey Department of Environmental Protection**

**Oyster Creek Generating Station Draft NJPDES DSW Permit NJ0005550**

**Public Hearing – March 3, 2010 – 1:00 PM**

**DEP Office – Trenton, NJ**

Thank you for the opportunity to testify on the DEP's draft water discharge permit for the Oyster Creek Generating Station located in Lacey Township, NJ. My name is Richard Mroz and I currently serve as the Senior Advisor for the New Jersey Energy Coalition, a broad-based advocacy group whose mission is to generate public support for the increased production of clean, affordable and reliable energy in our state. Our membership includes businesses, industry, labor leaders, civic organizations and distinguished citizens from across New Jersey. Both at today's hearing and at the hearing held last week in Lacey Township, a number of the Coalition's members have provided testimony voicing our opposition to the finalization of the draft water discharge permit as it stands. Mandating a closed-cycle cooling system, and by extension, the construction of cooling towers at Oyster Creek will force the facility to close its doors. Members who have provided testimony include:

- NJ Society for Environmental, Economic Development (NJ SEED)
- Southern New Jersey Development Council
- NJ Business and Industry Association
- NJ Chamber of Commerce
- NJ IBEW
- Robert Marshall, former Atlantic City Electric VP of Government Affairs
- Dr. Fred Abbate, former President and CEO of the NJ Utilities Association
- Tom Pankok, Former Salem County Freeholder and NJ State Assemblyman



Our members' individual testimonies have repeatedly illustrated the potential economic and environmental impacts of Oyster Creek's closure on a state and local level should Exelon be forced to construct cooling towers. There are three specific points that I would like to reiterate on this matter, and they are based on the findings of the 2007 Bates Whites study that detailed the benefits of Oyster Creek and the potential consequences of retiring the facility.

The first is the economic impact of Oyster Creek's closure. This constitutes the loss of over 700 high paying jobs, \$129 million in annual economic stimulus and \$190 million in annual energy savings thanks to the low cost wholesale electric prices the facility's base load output provides. The second impact is environmental. The production of nuclear energy releases zero carbon emissions, greenhouse gases or criteria air pollutants. The loss of Oyster Creek would equate to the loss of 15 percent of our state's low carbon output, without which it will be extremely difficult for New Jersey to meet federal and state carbon reduction standards or the ambitious goals of the NJ Energy Master Plan.

Finally, Oyster Creek plays a fundamental role in ensuring the stability and reliability of our regional transmission grid. The facility produces 6 percent of our state's energy load and provides critical support for electric reliability, including the maintenance of uninterrupted electric service and the prevention of transmission network overloads. PJM, The independent transmission system operator, has determined that the retirement of Oyster Creek would result in significant transmission overloads, particularly in combination with the scheduled retirement of other New Jersey power plants. PJM estimates at least \$100 million in transmission upgrades would be required to address Oyster Creek's closure. This estimate does not include the costs of obtaining new rights of way, nor did the analysis address the substantial challenges involved in making such upgrades, such as the time required to conduct environmental impact assessments, obtain state and local construction permits, and overcome potential local opposition. Additionally, New Jersey's ratepayers would be the ones burdened with paying for these upgrades. One last figure to note is that New Jersey imports upwards of 15% of its electric supply from other states on a daily basis. Eliminating any in-state base load supplier will only increase that percentage, and consequently, the energy costs inherited by the consumer.



The new gubernatorial administration in Trenton and the new leadership at the DEP provides us with the opportunity to start fresh on this issue, and we are pleased to hear that a separate stakeholder process on Barnegat Bay is already being planned. Oyster Creek should be provided the opportunity to engage in that process when it takes place instead of being singled-out by burdensome regulations that threaten the economic stability of Lacey Township, Ocean County and New Jersey as a whole. 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 the requirements of this draft discharge permit. A resolution to the degradation of the Barnegat Bay must be achieved through a collaborative effort and comprehensive analysis that addresses all the issues at play. The NJ Energy Coalition hopes that the DEP can find a solution through the proposed stakeholder process that protects the Barnegat Bay environment without sacrificing the enormous economic center that is Oyster Creek.