

Testimony of Marlene Asselta
Southern New Jersey Development Council
Before the New Jersey Department of Environmental Protection
Oyster Creek Generating Station Draft NJPDES DSW Permit NJ0005550
Public Hearing – March 3, 2010

Good afternoon and thank you for the opportunity to testify on the NJ Department of Environmental Protection's draft water discharge permit for the Oyster Creek Generating Station. My name is Gene Fricks, and I am the co-chair of the Energy and Environment Committee of the Southern New Jersey Development Council, commonly referred to as SNJDC. I am a professional engineer and planner licensed to practice in the state of New Jersey. Joining me today is Steve Addezio, the Government Affairs Coordinator for the SNJDC. We are here behalf of our President, Marlene Asselta who could not be present today. The SNJDC functions as a government affairs liaison and economic development advocate for the eight southern counties of New Jersey. The SNJDC membership is comprised of key leaders and decision-makers from the public and private sectors, in addition to organizations among 30 broad business types including education, engineers, the health care industry, transportation, utilities and tourism. SNJDC is proud to contribute to the region's growth by working cooperatively with its members and county economic development directors to provide a unified voice for economic development opportunities in South Jersey.

It is in the interest of the continued economic health of our region that I would like to voice our opposition to the DEP's requirement that Oyster Creek convert to a closed-cycle cooling system. Under the deregulated energy market of New Jersey, electrical generation is a business that must earn a profit like any other. The construction of cooling towers at Oyster Creek have been deemed economically cost prohibitive, and consequently, the adoption of this draft permit as it stands would force the facility to close.

Should Oyster Creek shut down, New Jersey would lose a local electric generator that safely, consistently and cleanly meets 6 percent of our state demand and 15 percent of our carbon-free energy production. The subsequent loss in jobs and economic stimulus would be equally devastating. Oyster Creek's closure would result in a direct loss of \$190 million annually due to increased electricity prices, plus an additional loss of at least \$126 million in annual economic activity. Investment in transmission upgrades exceeding at least \$100 million would also be required to anticipate the overloads that Oyster Creek's retirement would create, not counting the cost of permitting and acquiring the land, or the costs associated with replacement power.

The business, commercial and industrial ratepayers of New Jersey, who consume 64% of our electricity, would be the ones to assume the large bulk of these expenditures. This community relies on a consistent and affordable stream of base load power to operate their businesses efficiently and economically. Nuclear power is one such power source, and it supplies half our state's power requirements. The draft permit, however, seeks to limit the amount of nuclear base load power available to our businesses by placing an unnecessary regulatory burden on one of our suppliers. If the DEP were to impose these conditions on our largest source of clean generation, then the price of power will increase for every ratepayer.

One last factor to note is that New Jersey currently imports 15 to 30 percent of our electricity on a daily basis. PJM, our regional transmission operator, is currently citing transmission lines to bring additional power to our state to relieve congestion. If any existing source of generation were to go offline, the congestion on the electric grid would increase as well as our reliability pricing costs, which are passed onto ratepayers.

SNJDC urges the DEP to consider the economic as well as the environmental ramifications of the finalization of this permit as it stands. As we struggle to maintain the status quo in this difficult economic climate, it is vitally important that our state government avoid any course of action that could place additional burdens on members of the business community. Our state, and South Jersey especially, depend on a reliable

supply of in-state power to provide clean, affordable energy that keep our businesses running and development moving forward.