

STEVE SWEENEY CENTER FOR PUBLIC POLICY

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Sweeney Center highlights importance of offshore wind tax-credit bill signing

NJ was in danger of losing offshore wind manufacturing, supply chain edge, policy report warned

GLASSBORO – Tax credit legislation signed by Governor Murphy will bolster New Jersey's efforts in the competition for green energy jobs, ensure the expansion of the EEW AOS monopile plant in Paulsboro, and keep offshore wind farm development on track as a critical strategy in the effort to mitigate climate change, leaders of the Steve Sweeney Center for Public Policy at Rowan University said today.

"It is appropriate that Governor Murphy chose to sign the tax credit bill at EEW AOS plant in Paulsboro because investments like this ensure that offshore wind farms up and down the Atlantic Seaboard will be built with components manufactured by New Jersey workers and shipped out of New Jersey ports," said Steve Sweeney, who chairs the Sweeney Center's advisory board.

"Both the Administration and the Legislature worked hard over the past five years to put New Jersey in the forefront of offshore wind manufacturing, supply chain and development, and this legislation preserves our edge in the increasing competition with New York, Maryland and other states for offshore wind jobs," said Sweeney, who sponsored the state's first offshore wind tax credit law as Senate president in 2010.

The Sweeney Center's June 5 report, *Benchmarking New Jersey on Offshore Wind*, brought to public attention the behind-the-scenes negotiations between the Governor's Office and legislative leaders over whether New Jersey should match other states in allowing Orsted, the developer of New Jersey's first offshore wind farm and the principal investor in EEW AOS, the use of federal tax credits for their projects.

The report authored by Sweeney Center Director Mark Magyar warned that New Jersey was in danger of losing its "first mover" advantage in the competition for offshore wind jobs. Specifically, the report said, expansion of EEW AOS in Paulsboro from a plant with 100 workers that welded, sanded and painted monopile sections shipped over from Germany to an 800-worker factory that manufactured the massive foundations for the offshore wind turbines from steel sheets hinged on the passage of tax credit legislation.

Assembly Majority Leader Lou Greenwald and Senate Environment Committee Chair Bob Smith introduced A5651/S4019 on June 20 and the bill swiftly passed both the Senate and Assembly on June 30. The bill specifically required Orsted to put up \$200 million for EEW AOS and other wind manufacturing facilities in Gloucester and Salem counties as a condition for use of the federal tax credits.

"Governor Murphy committed New Jersey to the most ambitious wind energy generation target on the East Coast, our Economic Development Authority secured over \$650 million for the New Jersey Wind Port in Salem County, and the state has been aggressive in requiring offshore wind developers to invest in New Jersey projects," said Magyar. "But the competition for offshore wind manufacturing jobs has rapidly intensified."

The Sweeney Center report noted that New York Gov. Kathy Hochul has secured commitments to establish offshore wind tower, turbine blade and nacelle manufacturing plants near Albany, while Maryland Gov. Wes Moore is pushing to build a monopile factory as part of a major offshore wind complex at Sparrows Point.

The Sweeney Center hosted a major conference on "Offshore Wind Technology in New Jersey: Sustainability, Emerging Markets and Policy" at Rowan University on May 3. Speakers included Sullivan, Sweeney, state Environmental Protection Commissioner Shawn LaTourette, Labor Commissioner Rob Asaro-Angelo, Congressman Donald Norcross, Rowan University President Ali Houshmand and Henry M. College of Engineering Dean Giuseppe Palmese, Rowan College of South Jersey President Frederick Keating, and executives from JCP&L, PSEG, Orsted, Atlantic Shores and Invenergy. The Sweeney Center report and articles on the conference proceedings can be accessed at https://chss.rowan.edu/centers/sweeney_center/offshore-wind-technology.html.

The Sweeney Center for Public Policy was established in 2022 and is part of Rowan University's College of Humanities and Social Sciences.
