

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

Brent Johnson - For Times of Trenton, 'Gov. hails trio of new laws as 'monumental' for N.J. economy
Controversial wind tax credits among measures Murphy signed, despite critics' concerns.', *Times, The* (online), 8
Jul 2023 001

Matthew Fazelpoor, 'Murphy signs trio of bills aimed at economic development', *NJBIZ* (online), 7 Jul 2023

CL/JA

P.L. 2023, CHAPTER 99, *approved July 6, 2023*
Assembly, No. 5651 (*Second Reprint*)

1 AN ACT concerning federal tax benefits for certain qualified
2 offshore wind projects and supplementing chapter 3 of Title 48
3 of the Revised Statutes.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. The Legislature finds and declares that:

9 a. Offshore wind, as a source of clean, renewable energy,
10 provides opportunities for New Jersey to reduce dependence on
11 fossil fuels that contribute to climate change, while significantly
12 expanding and securing the State’s economy for the short and long
13 term.

14 b. The COVID-19 global pandemic, declared by the World
15 Health Organization on March 11, 2020, created significant
16 challenges for the United States and global economies, including
17 labor shortages and supply chain disruptions, which, combined with
18 other factors, have resulted in rising interest rates.

19 c. To support the offshore wind industry in light of the unique
20 macroeconomic challenges posed by the COVID-19 pandemic, the
21 federal “Taxpayer Certainty and Disaster Tax Relief Act of 2020,”
22 Pub.L.116-260, included an investment tax credit rate of 30 percent
23 for offshore wind projects.

24 d. Economy-wide inflation rates in the United States were
25 higher in 2021 and 2022 than at any time since the early 1980s.

26 e. On February 24, 2022, the Russian Federation invaded
27 Ukraine, starting a war that, in addition to causing a horrific loss of
28 life and human suffering in Ukraine, has further exacerbated global
29 market disruptions and further contributed to commodity shortages
30 and higher rates of inflation.

31 f. The federal “2022 Inflation Reduction Act,” Pub.L.117-169,
32 was designed to further spur investment in the American clean
33 energy economy in the face of continuing macroeconomic
34 challenges.

35 g. The federal “2022 Inflation Reduction Act,” Pub.L.117-169,
36 includes wage and apprenticeship requirements to receive the full
37 offshore wind investment tax credit and includes additional

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ABU committee amendments adopted June 27, 2023.

²Assembly ABU committee amendments adopted June 28, 2023.

1 investment tax credits for clean energy projects that source
2 components and materials manufactured in the United States.

3 h. In light of Congress' intention to provide tax credits to
4 support and bolster the offshore wind industry and the production of
5 offshore wind energy in the United States, and in light of the high
6 rates of inflation and unprecedented macroeconomic challenges
7 arising from the global pandemic and war in Ukraine, it is
8 appropriate to reexamine the allocation of tax benefits arising from
9 the "Taxpayer Certainty and Disaster Tax Relief Act of 2020,"
10 Pub.L.116-260, the Research and Development Tax Credit under 26
11 U.S.C. s.41, and the "2022 Inflation Reduction Act,"
12 Pub.L.117-169, and, for these specific federal statutes only, to allow
13 'for a' qualified offshore wind **'[projects] project'** to elect to retain
14 the benefit of the federal tax credits that were not in existence at the
15 time of a qualified offshore wind project's award in exchange for
16 **'[corporate commitments] pledged assurances'** that the **'[projects]**
17 qualified offshore wind project' will proceed to construction and
18 'that it will' make additional investments in New Jersey offshore
19 wind manufacturing facilities.

20

21 2. As used in P.L. , c. (C.) (pending before the
22 Legislature as this bill):

23 "Affiliated New Jersey offshore wind project" means any
24 qualified offshore wind project awarded prior to the effective date
25 of P.L. , c. (C.) (pending before the Legislature as this bill)
26 with at least 10 percent common upstream ownership as another
27 qualified offshore wind project.

28 "Board" means the New Jersey Board of Public Utilities or any
29 successor agency.

30 "Enhanced area" means the same as that term is defined in
31 section ²**[30 of P.L.2021, c.160]** 69 of P.L.2020, c.156²
32 (C.34:1B-337).

33 "Incremental federal tax benefit" means a federal tax benefit that
34 was established or increased after a project was approved by the
35 board as a qualified offshore wind project and thus was not
36 estimated in the project's original financial analysis and not
37 included in the calculation of the OREC price submitted to the
38 board.

39 "Offshore wind renewable energy certificate" or "OREC" means
40 a certificate, issued by the board or its designee, representing the
41 environmental attributes of one megawatt hour of electric
42 generation from a qualified offshore wind project.

43 "Qualified offshore wind project" 'or "project"'¹ means a wind
44 turbine electricity generation facility in the Atlantic Ocean ²in the
45 Bureau of Ocean Energy Management Lease Area OCS-A 0498,
46 awarded by the board prior to July 1, 2019,² and connected to the

1 electric transmission system in this State, and includes the
 2 associated transmission-related interconnection facilities and
 3 equipment, and approved by the board pursuant to section 3 of
 4 P.L.2010, c.57 (C.48:3-87.1).

5 "Qualified wind energy facility" means the same as that term is
 6 defined in section 6 of P.L.2010, c.57 (C.34:1B-209.4).

7
 8 3. a. Notwithstanding the provisions of P.L.2010, c.57
 9 (C.48:3-87.1 et al.) or of any other law, rule, or regulation, or board
 10 regulation or order concerning the development of offshore wind
 11 projects, to the contrary, a qualified offshore wind project awarded
 12 prior to July 1, 2019 that satisfies the requirements ¹**[enumerated]**¹
 13 in section 4 of P.L. , c. (C.) (pending before the Legislature
 14 as this bill) ¹, as determined by the board,¹ may elect to retain any
 15 incremental federal tax benefits that the project receives pursuant to
 16 the "Taxpayer Certainty and Disaster Tax Relief Act of 2020,"
 17 Pub.L.116-260, the "Inflation Reduction Act of 2022,"
 18 Pub.L.117-169, and section 41 of the federal Internal Revenue Code
 19 of 1986 (26 U.S.C. s.41).

20 b. For the purpose of subsection a. of this section, the amount
 21 of each applicable incremental federal tax benefit shall be the
 22 product of:

23 (1) the project's total IRS-approved eligible costs; and

24 (2) the difference between each federal tax credit rate applicable
 25 to the project pursuant to the "Taxpayer Certainty and Disaster Tax
 26 Relief Act of 2020," Pub.L.116-260, the "Inflation Reduction Act
 27 of 2022," Pub.L.117-169, or section 41 of the federal Internal
 28 Revenue Code of 1986 (26 U.S.C. s.41) and the federal tax credit
 29 rate identified in the qualified offshore wind project's approved
 30 OREC pricing proposal.

31 c. Notwithstanding the provisions of P.L.2010, c.57
 32 (C.48:3-87.1 et al.) or of any other State law, rule, or regulation, or
 33 board regulation or order concerning the development of offshore
 34 wind projects, to the contrary, a qualified offshore wind project
 35 awarded prior to July 1, 2019 that elects to retain incremental
 36 federal tax benefits pursuant to subsection a. of this section and
 37 ¹that¹ satisfies the ¹**[corporate commitment]**¹ requirements in
 38 section 4 of P.L. , c. (C.) (pending before the Legislature
 39 as this bill) may additionally retain the portion of the federal tax
 40 credits received by the project, calculated by multiplying the tax
 41 credit rate identified in the project's approved OREC pricing
 42 proposal by the difference between the project's total IRS-approved
 43 eligible costs and the project's estimated costs at bid.

44

45 4. a. Within ¹**[180]** ²**[30¹]** ^{60²} days of ²the date of²
 46 enactment of P.L. , c. (C.) (pending before the Legislature

1 as this bill), an eligible qualified offshore wind project that elects to
2 retain incremental federal tax benefits pursuant to section 3 of
3 P.L. , c. (C.) (pending before the Legislature as this bill)
4 shall file with the board, in a form and manner ¹reasonably
5 acceptable to ¹as determined by¹ the board, a compliance filing that
6 includes the following information:

7 (1) an affidavit from a corporate officer with authority to
8 ¹legally¹ bind the project company affirming that the project
9 company ¹commits to moving forward with the ¹shall complete
10 ¹the qualified offshore wind¹ project and ¹the ¹any¹ investments in
11 qualified wind energy facilities identified pursuant to paragraph (2)
12 of this subsection;

13 (2) (a) a schedule by which the ¹eligible ¹qualified offshore
14 ¹wind¹ project shall make:

15 (i) all ¹required¹ outstanding investments in qualified wind
16 energy facilities included within the project's awarded solicitation
17 application; and

18 (ii) ¹required¹ additional investments in qualified wind energy
19 facilities, including investments in one or more offshore wind
20 component manufacturing facilities located in an enhanced area.

21 (b) The schedule shall include the dates by which the project
22 ¹will fulfill each commitment ¹company shall complete the
23 ¹necessary investments described in this subsection¹ and the dollar
24 amount of each ¹commitment ¹investment¹. The schedule shall be
25 approved by the board so long as it is consistent with the project's,
26 and any affiliated New Jersey offshore wind project's, awarded
27 solicitation application and will not result in the delayed completion
28 of any qualified wind energy facility or any other qualified offshore
29 wind project. Nothing in this paragraph shall be construed as
30 preventing the board and the ¹eligible ¹qualified offshore wind¹
31 project from agreeing to a schedule that diverges from that set forth
32 in the awarded solicitation applications. The schedule may be
33 adjusted with the board's approval for good cause shown;

34 (3) ²¹commitment ¹an obligation¹ to post ¹a¹ performance
35 security in the amount of \$200,000,000 for the ¹eligible ¹qualified
36 ¹offshore wind¹ project's investments in qualified wind energy
37 facilities described in paragraph (2) of this subsection in the form of
38 a parent company guarantee or other financial security in a form
39 reasonably acceptable to the board. The performance security shall
40 be provided in a compliance filing made with the board within
41 ¹180 ¹90¹ days of enactment of P.L. , c. (C.) (pending
42 before the Legislature as this bill). The performance security shall
43 be reduced by the corresponding amount of investments in qualified
44 wind energy facilities on a dollar-for-dollar basis until the security
45 is reduced to zero. Reductions of the performance security shall be

1 subject to approval by the board, which shall not be unreasonably
2 delayed or conditioned. If the project fails to make the required
3 investments according to the schedule established pursuant to
4 paragraph (2) of this subsection, including any adjustments thereto,
5 the board, in consultation with the New Jersey Economic
6 Development Authority, is authorized to draw upon the qualified
7 wind energy facilities performance security to the extent necessary
8 to provide grants or other funding, post security, enter into
9 contracts, or take any other action necessary to ensure the
10 achievement of the required ¹**[commitment]** investments described
11 in subsection a. of this section¹. A decision by the board to call on
12 the qualified wind energy facilities performance security shall not,
13 by itself, constitute a default under paragraph (4) of this subsection **]**
14 in support of the investments enumerated in the schedule filed with
15 the board pursuant to paragraph (2) of this subsection, no later than
16 90 days after the date of enactment of P.L. , c. (C.) (pending
17 before the Legislature as this bill), the qualified offshore wind
18 project shall deposit of \$200,000,000 into an escrow account, which
19 shall be available to qualified wind energy facilities described in
20 paragraph (2) of this subsection in accordance with milestones and
21 commercial terms agreed to by the qualified offshore wind project
22 and the qualified offshore wind energy facilities and the board²; and

23 (4) (a) ¹**[a commitment]** an obligation¹ to post ¹a¹ performance
24 security ¹in the amount of \$100,000,000¹ for the completion of the
25 ¹**[eligible]** qualified offshore wind¹ project in the form of a parent
26 company guarantee or other financial security reasonably
27 acceptable to the board ¹**[in the amount of \$100,000,000]**¹. The
28 performance security under this paragraph shall be forfeited if the
29 board determines that the project failed to reach commercial
30 operation within 12 months of the date approved by the board,
31 including any extensions to the date specified in the initial order as
32 may be approved by the board. The performance security shall be
33 provided in a compliance filing made with the board within ¹**[180]**
34 90¹ days of enactment of P.L. , c. (C.) (pending before the
35 Legislature as this bill). If the performance security is forfeited, the
36 board may elect to return the funds to ratepayers or may utilize the
37 forfeited funds to support infrastructure necessary to advance the
38 offshore wind industry.

39 (b) The performance security under this paragraph shall not be
40 forfeited if the board finds that the project did not achieve
41 commercial operation within 12 months after the board-approved
42 commercial operations date due solely to a change in federal law,
43 policy, or procedures that affect the entire industry and result in
44 material delays to the project through no faults of its own. A
45 finding by the board that the performance security is not forfeited

1 pursuant to this subparagraph shall not, in and of itself, constitute
2 board approval of a change to the project's OREC Pricing Schedule.

3 b. The board shall consult with the New Jersey Economic
4 Development Authority in its review of the compliance filings made
5 pursuant to this section but shall not unreasonably delay or
6 condition its acceptance of the compliance filings.

7
8 5. a. Nothing in P.L. , c. (C.) (pending before the
9 Legislature as this bill) shall affect the allocation of any tax credits
10 or other governmental benefits available to a qualified offshore
11 wind project awarded prior to July 1, 2019 except as explicitly
12 provided in section 3 of P.L. , c. (C.) (pending before the
13 Legislature as this bill).

14 b. Nothing in P.L. , c. (C.) (pending before the
15 Legislature as this bill) shall affect the allocation of any tax credits
16 or other governmental benefits available to a qualified offshore
17 wind project awarded after July 1, 2019.

18
19 ²6. No later than one year after the date of enactment of P.L. ,
20 c. (C.) (pending before the Legislature as this bill), an
21 eligible qualified offshore wind project that elects to retain
22 incremental federal tax benefits pursuant to section 3 of P.L. ,
23 c. (C.) (pending before the Legislature as this bill) shall
24 submit to the board a report on the anticipated environmental
25 impacts of the project, the anticipated economic benefits of the
26 project, the financial viability of the project, and the feasibility of
27 completing the project by the commercial operation date approved
28 by the board, including any extensions thereto.²

29
30 ²[6.] 7.² This act shall take effect immediately.

31
32
33
34
35 Concerns qualified offshore wind projects and federal tax
36 benefits for certain offshore wind investments.

ASSEMBLY, No. 5651

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED JUNE 20, 2023

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

Assemblyman PAUL D. MORIARTY

District 4 (Camden and Gloucester)

Assemblywoman CAROL A. MURPHY

District 7 (Burlington)

SYNOPSIS

Concerns treatment of federal tax benefits for certain qualified offshore wind projects.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/26/2023)

1 AN ACT concerning federal tax benefits for certain qualified
2 offshore wind projects and supplementing chapter 3 of Title 48
3 of the Revised Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. The Legislature finds and declares that:

9 a. Offshore wind, as a source of clean, renewable energy,
10 provides opportunities for New Jersey to reduce dependence on
11 fossil fuels that contribute to climate change, while significantly
12 expanding and securing the State's economy for the short and long
13 term.

14 b. The COVID-19 global pandemic, declared by the World
15 Health Organization on March 11, 2020, created significant
16 challenges for the United States and global economies, including
17 labor shortages and supply chain disruptions, which, combined with
18 other factors, have resulted in rising interest rates.

19 c. To support the offshore wind industry in light of the unique
20 macroeconomic challenges posed by the COVID-19 pandemic, the
21 federal "Taxpayer Certainty and Disaster Tax Relief Act of 2020,"
22 Pub.L.116-260, included an investment tax credit rate of 30 percent
23 for offshore wind projects.

24 d. Economy-wide inflation rates in the United States were
25 higher in 2021 and 2022 than at any time since the early 1980s.

26 e. On February 24, 2022, the Russian Federation invaded
27 Ukraine, starting a war that, in addition to causing a horrific loss of
28 life and human suffering in Ukraine, has further exacerbated global
29 market disruptions and further contributed to commodity shortages
30 and higher rates of inflation.

31 f. The federal "2022 Inflation Reduction Act," Pub.L.117-169,
32 was designed to further spur investment in the American clean
33 energy economy in the face of continuing macroeconomic
34 challenges.

35 g. The federal "2022 Inflation Reduction Act," Pub.L.117-169,
36 includes wage and apprenticeship requirements to receive the full
37 offshore wind investment tax credit and includes additional
38 investment tax credits for clean energy projects that source
39 components and materials manufactured in the United States.

40 h. In light of Congress' intention to provide tax credits to
41 support and bolster the offshore wind industry and the production of
42 offshore wind energy in the United States, and in light of the high
43 rates of inflation and unprecedented macroeconomic challenges
44 arising from the global pandemic and war in Ukraine, it is
45 appropriate to reexamine the allocation of tax benefits arising from

1 the “Taxpayer Certainty and Disaster Tax Relief Act of 2020,”
2 Pub.L.116-260, the Research and Development Tax Credit under 26
3 U.S.C. s.41, and the “2022 Inflation Reduction Act,” Pub.L.117-
4 169, and, for these specific federal statutes only, to allow qualified
5 offshore wind projects to elect to retain the benefit of the federal tax
6 credits that were not in existence at the time of a qualified offshore
7 wind project’s award in exchange for corporate commitments that
8 the projects will proceed to construction and make additional
9 investments in New Jersey offshore wind manufacturing facilities.

10

11 2. As used in P.L. , c. (C.) (pending before the
12 Legislature as this bill):

13 “Affiliated New Jersey offshore wind project” means any
14 qualified offshore wind project awarded prior to the effective date
15 of P.L. , c. (C.) (pending before the Legislature as this bill)
16 with at least 10 percent common upstream ownership as another
17 qualified offshore wind project.

18 "Board" means the New Jersey Board of Public Utilities or any
19 successor agency.

20 “Enhanced area” means the same as that term is defined in
21 section 30 of P.L.2021, c.160 (C.34:1B-337).

22 “Incremental federal tax benefit” means a federal tax benefit that
23 was established or increased after a project was approved by the
24 board as a qualified offshore wind project and thus was not
25 estimated in the project’s original financial analysis and not
26 included in the calculation of the OREC price submitted to the
27 board.

28 "Offshore wind renewable energy certificate" or "OREC" means
29 a certificate, issued by the board or its designee, representing the
30 environmental attributes of one megawatt hour of electric
31 generation from a qualified offshore wind project.

32 "Qualified offshore wind project" means a wind turbine
33 electricity generation facility in the Atlantic Ocean and connected
34 to the electric transmission system in this State, and includes the
35 associated transmission-related interconnection facilities and
36 equipment, and approved by the board pursuant to section 3 of
37 P.L.2010, c.57 (C.48:3-87.1).

38 “Qualified wind energy facility” means the same as that term is
39 defined in section 6 of P.L.2010, c.57 (C.34:1B-209.4).

40

41 3. a. Notwithstanding the provisions of P.L.2010, c.57
42 (C.48:3-87.1 et al.) or of any other law, rule, or regulation, or board
43 regulation or order concerning the development of offshore wind
44 projects, to the contrary, a qualified offshore wind project awarded
45 prior to July 1, 2019 that satisfies the requirements enumerated in

1 section 4 of P.L. , c. (C.) (pending before the Legislature
2 as this bill) may elect to retain any incremental federal tax benefits
3 that the project receives pursuant to the “Taxpayer Certainty and
4 Disaster Tax Relief Act of 2020,” Pub.L.116-260, the “Inflation
5 Reduction Act of 2022,” Pub.L.117-169, and section 41 of the
6 federal Internal Revenue Code of 1986 (26 U.S.C. s.41).

7 b. For the purpose of subsection a. of this section, the amount
8 of each applicable incremental federal tax benefit shall be the
9 product of:

10 (1) the project’s total IRS-approved eligible costs; and

11 (2) the difference between each federal tax credit rate applicable
12 to the project pursuant to the “Taxpayer Certainty and Disaster Tax
13 Relief Act of 2020,” Pub.L.116-260, the “Inflation Reduction Act
14 of 2022,” Pub.L.117-169, or section 41 of the federal Internal
15 Revenue Code of 1986 (26 U.S.C. s.41) and the federal tax credit
16 rate identified in the qualified offshore wind project’s approved
17 OREC pricing proposal.

18 c. Notwithstanding the provisions of P.L.2010, c.57 (C.48:3-
19 87.1 et al.) or of any other State law, rule, or regulation, or board
20 regulation or order concerning the development of offshore wind
21 projects, to the contrary, a qualified offshore wind project awarded
22 prior to July 1, 2019 that elects to retain incremental federal tax
23 benefits pursuant to subsection a. of this section and satisfies the
24 corporate commitment requirements in section 4 of
25 P.L. , c. (C.) (pending before the Legislature as this bill)
26 may additionally retain the portion of the federal tax credits
27 received by the project, calculated by multiplying the tax credit rate
28 identified in the project’s approved OREC pricing proposal by the
29 difference between the project’s total IRS-approved eligible costs
30 and the project’s estimated costs at bid.

31

32 4. a. Within 180 days of enactment of P.L. , c. (C.)
33 (pending before the Legislature as this bill), an eligible qualified
34 offshore wind project that elects to retain incremental federal tax
35 benefits pursuant to section 3 of P.L. , c. (C.) (pending
36 before the Legislature as this bill) shall file with the board, in a
37 form and manner reasonably acceptable to the board, a compliance
38 filing that includes the following information:

39 (1) an affidavit from a corporate officer with authority to bind
40 the project company affirming that the project company commits to
41 moving forward with the project and the investments in qualified
42 wind energy facilities identified pursuant to paragraph (2) of this
43 subsection;

44 (2) (a) a schedule by which the eligible project shall make:

- 1 (i) all outstanding investments in qualified wind energy
2 facilities included within the project's awarded solicitation
3 application; and
- 4 (ii) additional investments in qualified wind energy facilities,
5 including investments in one or more offshore wind component
6 manufacturing facilities located in an enhanced area.
- 7 (b) The schedule shall include the dates by which the project
8 will fulfill each commitment and the dollar amount of each
9 commitment. The schedule shall be approved by the board so long
10 as it is consistent with the project's, and any affiliated New Jersey
11 offshore wind project's, awarded solicitation application and will
12 not result in the delayed completion of any qualified wind energy
13 facility or any other qualified offshore wind project. Nothing in
14 this paragraph shall be construed as preventing the board and the
15 eligible project from agreeing to a schedule that diverges from that
16 set forth in the awarded solicitation applications. The schedule may
17 be adjusted with the board's approval for good cause shown;
- 18 (3) a commitment to post performance security in the amount of
19 \$200,000,000 for the eligible project's investments in qualified
20 wind energy facilities described in paragraph (2) of this subsection
21 in the form of a parent company guarantee or other financial
22 security in a form reasonably acceptable to the board. The
23 performance security shall be provided in a compliance filing made
24 with the board within 180 days of enactment of
25 P.L. , c. (C.) (pending before the Legislature as this bill).
26 The performance security shall be reduced by the corresponding
27 amount of investments in qualified wind energy facilities on a
28 dollar-for-dollar basis until the security is reduced to zero.
29 Reductions of the performance security shall be subject to approval
30 by the board, which shall not be unreasonably delayed or
31 conditioned. If the project fails to make the required investments
32 according to the schedule established pursuant to paragraph (2) of
33 this subsection, including any adjustments thereto, the board, in
34 consultation with the New Jersey Economic Development
35 Authority, is authorized to draw upon the qualified wind energy
36 facilities performance security to the extent necessary to provide
37 grants or other funding, post security, enter into contracts, or take
38 any other action necessary to ensure the achievement of the
39 required commitment. A decision by the board to call on the
40 qualified wind energy facilities performance security shall not, by
41 itself, constitute a default under paragraph (4) of this subsection;
42 and
- 43 (4) (a) a commitment to post performance security for the
44 completion of the eligible project in the form of a parent company
45 guarantee or other financial security reasonably acceptable to the

1 board in the amount of \$100,000,000. The performance security
2 under this paragraph shall be forfeited if the board determines that
3 the project failed to reach commercial operation within 12 months
4 of the date approved by the board, including any extensions to the
5 date specified in the initial order as may be approved by the board.
6 The performance security shall be provided in a compliance filing
7 made with the board within 180 days of enactment of
8 P.L. , c. (C.) (pending before the Legislature as this bill).
9 If the performance security is forfeited, the board may elect to
10 return the funds to ratepayers or may utilize the forfeited funds to
11 support infrastructure necessary to advance the offshore wind
12 industry.

13 (b) The performance security under this paragraph shall not be
14 forfeited if the board finds that the project did not achieve
15 commercial operation within 12 months after the board-approved
16 commercial operations date due solely to a change in federal law,
17 policy, or procedures that affect the entire industry and result in
18 material delays to the project through no faults of its own. A
19 finding by the board that the performance security is not forfeited
20 pursuant to this subparagraph shall not, in and of itself, constitute
21 board approval of a change to the project's OREC Pricing Schedule.

22 b. The board shall consult with the New Jersey Economic
23 Development Authority in its review of the compliance filings made
24 pursuant to this section but shall not unreasonably delay or
25 condition its acceptance of the compliance filings.

26
27 5. a. Nothing in P.L. , c. (C.) (pending before the
28 Legislature as this bill) shall affect the allocation of any tax credits
29 or other governmental benefits available to a qualified offshore
30 wind project awarded prior to July 1, 2019 except as explicitly
31 provided in section 3 of P.L. , c. (C.) (pending before the
32 Legislature as this bill).

33 b. Nothing in P.L. , c. (C.) (pending before the
34 Legislature as this bill) shall affect the allocation of any tax credits
35 or other governmental benefits available to a qualified offshore
36 wind project awarded after July 1, 2019.

37
38 6. This act shall take effect immediately.

39
40

41 STATEMENT

42
43 This bill permits certain qualified offshore wind projects to
44 retain certain federal tax benefits that were established after project
45 approval. These federal tax benefits were established in order to

1 bolster and support the offshore wind industry in response to the
2 COVID-19 pandemic and the unique macroeconomic challenges the
3 pandemic posed.

4 This bill permits a qualified offshore wind project approved prior
5 to July 1, 2019 to elect to retain certain incremental federal tax
6 benefits. The bill defines “incremental federal tax benefit” to mean
7 a federal tax credit, subsidy, grant, or other funding source that was
8 established or increased after a qualified offshore wind project’s
9 approval and, therefore, was not previously identified in the
10 project’s awarded solicitation agreement. These incremental
11 federal tax benefits primarily include tax benefits established
12 pursuant to the federal “Taxpayer Certainty and Disaster Tax Relief
13 Act of 2022,” the federal “Inflation Reduction Act of 2022,” and
14 section 41 of the federal Internal Revenue Code of 1986.

15 For the calculation of each incremental federal tax benefit, the
16 project’s total approved eligible costs are multiplied by the
17 difference between the incremental federal tax benefit applicable to
18 the project and the corresponding benefit identified in each
19 qualified offshore wind project’s approved OREC pricing proposal.
20 Additionally, each qualified offshore wind project is permitted to
21 retain a portion of the federal tax credits received by the project,
22 calculated by multiplying (1) the tax credit rate identified in the
23 project’s approved pricing proposal by (2) the difference between
24 the project’s total approved eligible costs and the project’s
25 estimated costs at bid.

26 The bill requires a qualified offshore wind project to file a
27 compliance filing with the Board of Public Utilities within 180 days
28 of enactment of this bill if the project wishes to elect to retain
29 federal tax benefits. The compliance filing will include an affidavit
30 affirming that the eligible project will proceed with construction, a
31 schedule by which the eligible project will make all of its material
32 investments in qualified wind energy facilities, a schedule of project
33 development and construction milestones, a commitment to post a
34 performance security for investments in qualified wind energy
35 facilities, and a commitment to post a performance security for the
36 eligible project itself. Failure to comply with portions of this
37 compliance filing will permit the Board of Public Utilities to reduce
38 the amount of the performance securities up until the point of total
39 forfeiture of the securities by the project.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5651

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 27, 2023

The Assembly Budget Committee reports favorably Assembly Bill No. 5651, with committee amendments.

As amended, this bill permits certain qualified offshore wind projects to retain certain federal tax benefits that were established after project approval. These federal tax benefits were established in order to bolster and support the offshore wind industry in response to the COVID-19 pandemic and the unique macroeconomic challenges the pandemic posed.

This bill permits a qualified offshore wind project approved prior to July 1, 2019 to elect to retain certain incremental federal tax benefits. The bill defines “incremental federal tax benefit” to mean a federal tax credit, subsidy, grant, or other funding source that was established or increased after a qualified offshore wind project’s approval and, therefore, was not previously identified in the project’s awarded solicitation agreement. These incremental federal tax benefits primarily include tax benefits established pursuant to the federal “Taxpayer Certainty and Disaster Tax Relief Act of 2022,” the federal “Inflation Reduction Act of 2022,” and section 41 of the federal Internal Revenue Code of 1986.

For the calculation of each incremental federal tax benefit, the project’s total approved eligible costs are multiplied by the difference between the incremental federal tax benefit applicable to the project and the corresponding benefit identified in each qualified offshore wind project’s approved OREC pricing proposal. Additionally, each qualified offshore wind project is permitted to retain a portion of the federal tax credits received by the project, calculated by multiplying (1) the tax credit rate identified in the project’s approved pricing proposal by (2) the difference between the project’s total approved eligible costs and the project’s estimated costs at bid.

The bill requires a qualified offshore wind project to file a compliance filing with the Board of Public Utilities within 30 days of enactment of this bill if the project wishes to elect to retain federal tax benefits. The compliance filing will include an affidavit affirming that the qualified offshore wind project will proceed with construction, a schedule by which the qualified offshore wind project will make all of its material investments in qualified wind energy facilities, a pledge to

post a performance security for investments in qualified wind energy facilities, and a pledge to post a performance security for the qualified offshore wind project itself. Failure to comply with portions of this compliance filing will permit the Board of Public Utilities to reduce the amount of the performance securities up until the point of total forfeiture of the securities by the project.

As amended and reported by the committee, this bill is identical to Senate Bill No. 4019.

COMMITTEE AMENDMENTS:

The committee amendments revise the deadline for qualified offshore wind projects to file a compliance filing with the Board of Public Utilities from 180 days to 30 days. Additionally, the amendments revise the performance security deadlines from 180 days to 90 days for both the qualified wind energy facility security and qualified offshore wind project security. The amendments also clarify the requirements for qualified offshore wind projects to be eligible for incremental federal tax benefits as well as the process by which a project may elect to retain a particular incremental federal tax benefit.

FISCAL IMPACT:

The Office of Legislative Services (OLS) notes that the bill will have an indeterminate impact on State and local finances. A precise estimate cannot be provided due to a lack of certain information regarding the Ocean Wind 1 project under development by Ørsted. Ocean Wind 1 is the only qualified offshore wind project to which the bill applies.

The bill would allow Ørsted to retain certain incremental federal tax benefits without passing the value of those benefits to ratepayers or adjusting the offshore wind renewable energy certificate (OREC) pricing schedule for Ocean Wind 1. This may cause utility rates to be higher than otherwise, thereby resulting in higher costs incurred by the State and local government entities.

Under certain conditions laid out in the bill, the Board of Public Utilities (BPU) may draw upon performance securities provided by an eligible qualified offshore wind project for certain purposes, such as the completion of a qualified offshore wind project's investments in qualified wind energy facilities or to support infrastructure necessary to support the offshore wind industry. The board may also elect to return the funds to ratepayers.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 5651

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 28, 2023

The Assembly Budget Committee reports favorably and with committee amendments Assembly Bill No. 5651 (1R).

As amended, this bill permits certain qualified offshore wind projects to retain certain federal tax benefits that were established after project approval. These federal tax benefits were established in order to bolster and support the offshore wind industry in response to the COVID-19 pandemic and the unique macroeconomic challenges the pandemic posed.

This bill permits a qualified offshore wind project approved prior to July 1, 2019 to elect to retain certain incremental federal tax benefits. The bill defines “incremental federal tax benefit” to mean a federal tax credit, subsidy, grant, or other funding source that was established or increased after a qualified offshore wind project’s approval and, therefore, was not previously identified in the project’s awarded solicitation agreement. These incremental federal tax benefits primarily include tax benefits established pursuant to the federal “Taxpayer Certainty and Disaster Tax Relief Act of 2022,” the federal “Inflation Reduction Act of 2022,” and section 41 of the federal Internal Revenue Code of 1986.

For the calculation of each incremental federal tax benefit, the project’s total approved eligible costs are multiplied by the difference between the incremental federal tax benefit applicable to the project and the corresponding benefit identified in each qualified offshore wind project’s approved OREC pricing proposal. Additionally, each qualified offshore wind project is permitted to retain a portion of the federal tax credits received by the project, calculated by multiplying (1) the tax credit rate identified in the project’s approved pricing proposal by (2) the difference between the project’s total approved eligible costs and the project’s estimated costs at bid.

The bill requires a qualified offshore wind project to file a compliance filing with the Board of Public Utilities within 60 days of the date of enactment of this bill if the project wishes to elect to retain federal tax benefits. The compliance filing will include an affidavit affirming that the qualified offshore wind project will proceed with

construction, a schedule by which the qualified offshore wind project will make all of its material investments in qualified wind energy facilities, a requirement that a project place in escrow \$200,000,000 to support the investment in qualified wind energy facilities, and a pledge to post a performance security for the qualified offshore wind project itself. The failure to comply with portions of this compliance filing will permit the Board of Public Utilities to reduce the amount of the performance securities up until the point of total forfeiture of the securities by the project. Finally, the bill requires the qualified offshore wind project to submit a report to the Board of Public Utilities describing the anticipated environmental impacts of the project, the anticipated economic benefits of the project, the financial viability of the project, and the feasibility of completing the project by the commercial operation date approved by the board, including any extensions thereto.

As amended and reported by the committee, this bill is identical to Senate Bill No. 4019 (1R).

COMMITTEE AMENDMENTS:

The committee amendments:

(1) extend the time for the submission of the compliance filing under section 4 of the bill from 30 days to 60 days after the date of enactment of the bill;

(2) remove the requirement for the compliance filing to include a pledge to post a performance security for investments in qualified wind energy facilities;

(3) require, within 90 days of the date of enactment of the bill, a project to place in escrow \$200,000,000 to support the investment in qualified wind energy facilities, which would be required to be available to the facility upon the milestones and terms agreed to by the project, the facilities, and board;

(4) require the qualified offshore wind project to submit a report to the Board of Public Utilities describing the anticipated environmental impacts of the project, the anticipated economic benefits of the project, the financial viability of the project, and the feasibility of completing the project by the commercial operation date approved by the board, including any extensions thereto;

(5) clarify the definition of “qualified offshore wind energy project”; and

(6) correct a citation to current law.

FISCAL IMPACT:

The Office of Legislative Services (OLS) notes that the bill will have an indeterminate impact on State and local finances. A precise estimate cannot be provided due to a lack of certain information regarding the Ocean Wind 1 project under development by Ørsted.

Ocean Wind 1 is the only qualified offshore wind project to which the bill applies.

The bill would allow Ørsted to retain certain incremental federal tax benefits without passing the value of those benefits to ratepayers or adjusting the offshore wind renewable energy certificate (OREC) pricing schedule for Ocean Wind 1. This may cause utility rates to be higher than otherwise, thereby resulting in higher costs incurred by the State and local government entities.

Under certain conditions laid out in the bill, the Board of Public Utilities (BPU) may draw upon performance securities provided by an eligible qualified offshore wind project for certain purposes, such as the completion of a qualified offshore wind project's investments in qualified wind energy facilities or to support infrastructure necessary to support the offshore wind industry. The board may also elect to return the funds to ratepayers.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 5651
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JUNE 29, 2023

SUMMARY

Synopsis: Concerns treatment of federal tax benefits for certain qualified offshore wind projects.

Type of Impact: Annual fiscal impact on the State and local entities.

Agencies Affected: Board of Public Utilities.
New Jersey Economic Development Authority.
Local governments.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2024 & Thereafter</u>
State and Local Entities	Indeterminate

- The Office of Legislative Services (OLS) notes that the bill will have an indeterminate impact on State and local finances. A precise estimate cannot be provided due to a lack of certain information regarding the Ocean Wind 1 project under development by Ørsted. Ocean Wind 1 is the only qualified offshore wind project to which the bill applies.
- The bill would allow Ørsted to retain certain incremental federal tax benefits without passing the value of those benefits to ratepayers or adjusting the offshore wind renewable energy certificate (OREC) pricing schedule for Ocean Wind 1. This may cause utility rates to be higher than otherwise, thereby resulting in higher costs incurred by the State and local government entities.
- Under certain conditions laid out in the bill, the Board of Public Utilities (BPU) may draw upon performance securities provided by an eligible qualified offshore wind project for certain purposes, such as the completion of a qualified offshore wind project's investments in qualified wind energy facilities or to support infrastructure necessary to support the offshore wind industry. The board may also elect to return the funds to ratepayers.

BILL DESCRIPTION

This bill permits a qualified offshore wind project approved prior to July 1, 2019 to elect to retain certain incremental federal tax benefits. The bill defines “incremental federal tax benefit” to mean a federal tax credit, subsidy, grant, or other funding source that was established or increased after a qualified offshore wind project’s approval, and therefore, was not previously identified in the project’s award solicitation agreement. These incremental federal tax benefits primarily include tax benefits established pursuant to the federal Taxpayer Certainty and Disaster Tax Relief Act of 2020, the federal Inflation Reduction of 2022, and the research and development tax credit established by section 41 of the Internal Revenue Code of 1986.

For the calculation of each incremental federal tax benefit, the project’s total approved eligible costs are multiplied by the difference between the incremental federal tax benefit applicable to the project and the corresponding benefit identified in each qualified offshore wind project’s approved OREC pricing proposal. Additionally, each qualified offshore wind project is permitted to retain a portion of the federal tax credits received by the project, calculated by multiplying: (1) the tax credit rate identified in the project’s approved pricing proposal by (2) the difference between the project’s total approved eligible costs and the project’s estimated costs at bid.

The bill also requires a qualified offshore wind project to file a compliance filing with the BPU within 180 days of enactment of this bill if the project wishes to elect to retain federal tax benefits. The compliance filing will include an affidavit affirming that the qualified offshore wind project will proceed with construction, a schedule by which the qualified offshore wind project will make all of its material investments in qualified wind energy facilities, a pledge to post a \$200 million performance security for investments in qualified wind energy facilities, and a pledge to post a \$100 million performance security for the completion of the qualified offshore wind project. Failure to comply with portions of this compliance filing will permit the BPU to reduce the amount of the performance securities up to the point of total forfeiture of the securities by the project.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS notes that the bill will have an indeterminate impact on State and local finances. The OLS cannot provide a precise estimate of the bill’s fiscal impact due to a lack of certain information regarding the Ocean Wind 1 Project under development by Ørsted. Ocean Wind 1 is the only qualified offshore wind project awarded prior to July 1, 2019, and therefore, the only qualified offshore wind project to which the bill applies. The OLS does not have sufficient data to determine how the retention of certain incremental federal tax benefits would impact OREC pricing for the Ocean Wind 1 project. Information on the total value of IRS-approved project costs and how changes to federal law will impact the total value of various tax credits for which a qualified offshore wind project may qualify is currently unavailable.

Applications from developers seeking ORECs in connection with an offshore wind project are reviewed and approved by BPU. Current State regulations require the application to include cash flow projections for the proposed OREC period and a description and estimate of any State or

federal tax benefits that may be associated with the project. The applicant must also demonstrate a commitment to pass along tax credits or other governmental benefits to ratepayers that are greater than projected. The OLS notes that this information is redacted from the public copy of Ørsted's Ocean Wind 1 OREC application, hindering an accounting of the federal tax benefits that might have been available to the project at the time of submission (December 2018).

The submission is also required to include a proposed OREC pricing method and schedule. The OREC pricing method represents the calculation of the price based on the total revenue requirements over a 20-year period, including the cost of equipment, financing, taxes, construction, operation, and maintenance, offset by any federal tax or production credits and other subsidies or grants. The OLS notes that the bill would allow a qualified offshore wind project to retain the value of any incremental federal tax benefits instead of passing those benefits to ratepayers. Additionally, the bill does not require any readjustment to the OREC pricing schedule to reflect any additional tax benefits that may accrue to Ørsted due to changes to federal tax law enacted in 2020 and 2022. This may cause utility rates to be higher than otherwise, thereby resulting in higher costs incurred by the State and local government entities.

The bill requires a qualified offshore wind project to make a compliance filing with the BPU within 180 days of enactment of this bill if the project wishes to elect to retain federal tax benefits. The compliance filing is required to include a performance security of \$200 million for the qualified wind project's investments in qualified wind energy facilities and a performance security of \$100 million for the completion of the qualified offshore wind project. Under certain conditions, such as a failure to meet certain project deadlines, the BPU may draw upon the performance security for select purposes, such as the completion of a qualified offshore wind project's investments in qualified wind energy facilities or to support infrastructure necessary to support the offshore wind industry. The board may also elect to return the funds to ratepayers.

Section: Revenue, Finance, and Appropriations

*Analyst: Scott A. Brodsky
Staff Fiscal and Budget Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE, No. 4019

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED JUNE 20, 2023

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator GORDON M. JOHNSON

District 37 (Bergen)

SYNOPSIS

Concerns qualified offshore wind projects and federal tax benefits for certain offshore wind investments.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/26/2023)

1 AN ACT concerning federal tax benefits for certain qualified
2 offshore wind projects and supplementing chapter 3 of Title 48
3 of the Revised Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. The Legislature finds and declares that:

9 a. Offshore wind, as a source of clean, renewable energy,
10 provides opportunities for New Jersey to reduce dependence on
11 fossil fuels that contribute to climate change, while significantly
12 expanding and securing the State's economy for the short and long
13 term.

14 b. The COVID-19 global pandemic, declared by the World
15 Health Organization on March 11, 2020, created significant
16 challenges for the United States and global economies, including
17 labor shortages and supply chain disruptions, which, combined with
18 other factors, have resulted in rising interest rates.

19 c. To support the offshore wind industry in light of the unique
20 macroeconomic challenges posed by the COVID-19 pandemic, the
21 federal "Taxpayer Certainty and Disaster Tax Relief Act of 2020,"
22 Pub.L.116-260, included an investment tax credit rate of 30 percent
23 for offshore wind projects.

24 d. Economy-wide inflation rates in the United States were
25 higher in 2021 and 2022 than at any time since the early 1980s.

26 e. On February 24, 2022, the Russian Federation invaded
27 Ukraine, starting a war that, in addition to causing a horrific loss of
28 life and human suffering in Ukraine, has further exacerbated global
29 market disruptions and further contributed to commodity shortages
30 and higher rates of inflation.

31 f. The federal "2022 Inflation Reduction Act," Pub.L.117-169,
32 was designed to further spur investment in the American clean
33 energy economy in the face of continuing macroeconomic
34 challenges.

35 g. The federal "2022 Inflation Reduction Act," Pub.L.117-169,
36 includes wage and apprenticeship requirements to receive the full
37 offshore wind investment tax credit and includes additional
38 investment tax credits for clean energy projects that source
39 components and materials manufactured in the United States.

40 h. In light of Congress' intention to provide tax credits to
41 support and bolster the offshore wind industry and the production of
42 offshore wind energy in the United States, and in light of the high
43 rates of inflation and unprecedented macroeconomic challenges
44 arising from the global pandemic and war in Ukraine, it is
45 appropriate to reexamine the allocation of tax benefits arising from
46 the "Taxpayer Certainty and Disaster Tax Relief Act of 2020,"
47 Pub.L.116-260, the Research and Development Tax Credit under 26
48 U.S.C. s.41, and the "2022 Inflation Reduction Act," Pub.L.117-

1 169, and, for these specific federal statutes only, to allow for a
2 qualified offshore wind project to elect to retain the benefit of the
3 federal tax credits that were not in existence at the time of a
4 qualified offshore wind project's award in exchange for pledged
5 assurances that the qualified offshore wind project will proceed to
6 construction and that it will make additional investments in New
7 Jersey offshore wind manufacturing facilities.

8
9 2. As used in P.L. , c. (C.) (pending before the
10 Legislature as this bill):

11 "Affiliated New Jersey offshore wind project" means a qualified
12 offshore wind project awarded prior to the effective date of P.L. ,
13 c. (C.) (pending before the Legislature as this bill) with at
14 least 10 percent common upstream ownership as another qualified
15 offshore wind project.

16 "Board" means the New Jersey Board of Public Utilities or any
17 successor agency.

18 "Enhanced area " means the same as that term is defined in
19 section 30 of P.L.2021, c.160 (C.34:1B-337).

20 "Incremental federal tax benefit" means a federal tax benefit that
21 was established or increased after a project was approved by the
22 board as a qualified offshore wind project and thus was not
23 estimated in the project's original financial analysis and not
24 included in the calculation of the OREC price submitted to the
25 board.

26 "Offshore wind renewable energy certificate" or "OREC" means
27 a certificate, issued by the board or its designee, representing the
28 environmental attributes of one megawatt hour of electric
29 generation from a qualified offshore wind project.

30 "Qualified offshore wind project" or "project" means a wind
31 turbine electricity generation facility in the Atlantic Ocean and
32 connected to the electric transmission system in this State, and
33 includes the associated transmission-related interconnection
34 facilities and equipment, and approved by the board pursuant to
35 section 3 of P.L.2010, c.57 (C.48:3-87.1).

36 "Qualified wind energy facility" means the same as that term is
37 defined in section 6 of P.L.2010, c.57 (C.34:1B-209.4).

38
39 3. a. Notwithstanding the provisions of P.L.2010, c.57
40 (C.48:3-87.1 et al.) or of any other law, rule, or regulation, or board
41 regulation or order concerning the development of offshore wind
42 projects, to the contrary, a qualified offshore wind project awarded
43 prior to July 1, 2019 that satisfies the requirements in section 4 of
44 P.L. , c. (C.) (pending before the Legislature as this bill),
45 as determined by the board, may elect to retain any incremental
46 federal tax benefits that the project receives pursuant to the
47 "Taxpayer Certainty and Disaster Tax Relief Act of 2020,"
48 Pub.L.116-260, the "Inflation Reduction Act of 2022," Pub.L.117-

1 169, and section 41 of the federal Internal Revenue Code of 1986
2 (26 U.S.C. s.41).

3 b. For the purpose of subsection a. of this section, the amount
4 of each applicable incremental federal tax benefit shall be the
5 product of:

6 (1) the project's total IRS-approved eligible costs; and

7 (2) the difference between each federal tax credit rate applicable
8 to the project pursuant to the "Taxpayer Certainty and Disaster Tax
9 Relief Act of 2020," Pub.L.116-260, the "Inflation Reduction Act
10 of 2022," Pub.L.117-169, or section 41 of the federal Internal
11 Revenue Code of 1986 (26 U.S.C. s.41) and the federal tax credit
12 rate identified in the qualified offshore wind project's approved
13 OREC pricing proposal.

14 c. Notwithstanding the provisions of P.L.2010, c.57 (C.48:3-
15 87.1 et al.) or of any other State law, rule, or regulation, or board
16 regulation or order concerning the development of offshore wind
17 projects, to the contrary, a qualified offshore wind project awarded
18 prior to July 1, 2019 that elects to retain incremental federal tax
19 benefits pursuant to subsection a. of this section and that satisfies
20 the requirements in section 4 of P.L. , c. (C.) (pending
21 before the Legislature as this bill) may additionally retain the
22 portion of the federal tax credits received by the project, calculated
23 by multiplying the tax credit rate identified in the project's
24 approved OREC pricing proposal by the difference between the
25 project's total IRS-approved eligible costs and the project's
26 estimated costs at bid.

27
28 4. a. Within 30 days of enactment of P.L. , c. (C.)
29 (pending before the Legislature as this bill), an eligible qualified
30 offshore wind project that elects to retain incremental federal tax
31 benefits pursuant to section 3 of P.L. , c. (C.) (pending
32 before the Legislature as this bill) shall file with the board, in a
33 form and manner as determined by the board, a compliance filing
34 that includes the following information:

35 (1) an affidavit from a corporate officer with authority to
36 legally bind the project company affirming that the project company
37 shall complete the qualified offshore wind project and any
38 investments in qualified wind energy facilities identified pursuant to
39 paragraph (2) of this subsection;

40 (2) (a) a schedule by which the qualified offshore wind project
41 shall make:

42 (i) all required outstanding investments in qualified wind
43 energy facilities included within the project's awarded solicitation
44 application; and

45 (ii) required additional investments in qualified wind energy
46 facilities, including investments in one or more offshore wind
47 component manufacturing facilities located in an enhanced area.

1 (b) The schedule shall include the dates by which the project
2 company shall complete the necessary investments described in this
3 subsection and the dollar amount of each investment. The schedule
4 shall be approved by the board so long as it is consistent with the
5 project's, and any affiliated New Jersey offshore wind project's,
6 awarded solicitation application and will not result in the delayed
7 completion of any qualified wind energy facility or any other
8 qualified offshore wind project. Nothing in this paragraph shall be
9 construed as preventing the board and the qualified offshore wind
10 project from agreeing to a schedule that diverges from that set forth
11 in the awarded solicitation applications. The schedule may be
12 adjusted with the board's approval for good cause shown;

13 (3) an obligation to post a performance security in the amount of
14 \$200,000,000 for the qualified offshore wind project's investments
15 in qualified wind energy facilities described in paragraph (2) of this
16 subsection in the form of a parent company guarantee or other
17 financial security in a form reasonably acceptable to the board. The
18 performance security shall be provided in a compliance filing made
19 with the board within 90 days of enactment of P.L. , c. (C.)
20 (pending before the Legislature as this bill). The performance
21 security shall be reduced by the corresponding amount of
22 investments in qualified wind energy facilities on a dollar-for-dollar
23 basis until the security is reduced to zero. Reductions of the
24 performance security shall be subject to approval by the board,
25 which shall not be unreasonably delayed or conditioned. If the
26 project fails to make the required investments according to the
27 schedule established pursuant to paragraph (2) of this subsection,
28 including any adjustments thereto, the board, in consultation with
29 the New Jersey Economic Development Authority, is authorized to
30 draw upon the qualified wind energy facilities performance security
31 to the extent necessary to provide grants or other funding, post
32 security, enter into contracts, or take any other action necessary to
33 ensure the achievement of the required investments described in
34 subsection a. of this section. A decision by the board to call on the
35 qualified wind energy facilities performance security shall not, by
36 itself, constitute a default under paragraph (4) of this subsection;
37 and

38 (4) (a) an obligation to post a performance security in the
39 amount of \$100,000,000 for the completion of the qualified
40 offshore wind project in the form of a parent company guarantee or
41 other financial security reasonably acceptable to the board. The
42 performance security under this paragraph shall be forfeited if the
43 board determines that the project failed to reach commercial
44 operation within 12 months of the date approved by the board,
45 including any extensions to the date specified in the initial order as
46 may be approved by the board. The performance security shall be
47 provided in a compliance filing made with the board within 90 days
48 of enactment of P.L. , c. (C.) (pending before the

1 Legislature as this bill). If the performance security is forfeited, the
2 board may elect to return the funds to ratepayers or may utilize the
3 forfeited funds to support infrastructure necessary to advance the
4 offshore wind industry.

5 (b) The performance security under this paragraph shall not be
6 forfeited if the board finds that the project did not achieve
7 commercial operation within 12 months after the board-approved
8 commercial operations date due solely to a change in federal law,
9 policy, or procedures that affect the entire industry and result in
10 material delays to the project through no faults of its own. A
11 finding by the board that the performance security is not forfeited
12 pursuant to this subparagraph shall not, in and of itself, constitute
13 board approval of a change to the project's OREC Pricing Schedule.

14 b. The board shall consult with the New Jersey Economic
15 Development Authority in its review of the compliance filings made
16 pursuant to this section but shall not unreasonably delay or
17 condition its acceptance of the compliance filings.

18
19 5. a. Nothing in P.L. , c. (C.) (pending before the
20 Legislature as this bill) shall affect the allocation of any tax credits
21 or other governmental benefits available to a qualified offshore
22 wind project awarded prior to July 1, 2019 except as explicitly
23 provided in section 3 of P.L. , c. (C.) (pending before the
24 Legislature as this bill).

25 b. Nothing in P.L. , c. (C.) (pending before the
26 Legislature as this bill) shall affect the allocation of any tax credits
27 or other governmental benefits available to a qualified offshore
28 wind project awarded after July 1, 2019.

29
30 6. This act shall take effect immediately.

31
32

33 STATEMENT

34

35 This bill permits certain qualified offshore wind projects to
36 retain certain federal tax benefits that were established after project
37 approval. These federal tax benefits were established in order to
38 bolster and support the offshore wind industry in response to the
39 COVID-19 pandemic and the unique macroeconomic challenges the
40 pandemic posed.

41 This bill permits a qualified offshore wind project approved prior
42 to July 1, 2019 to elect to retain certain incremental federal tax
43 benefits. The bill defines "incremental federal tax benefit" to mean
44 a federal tax credit, subsidy, grant, or other funding source that was
45 established or increased after a qualified offshore wind project's
46 approval and, therefore, was not previously identified in the
47 project's awarded solicitation agreement. These incremental
48 federal tax benefits primarily include tax benefits established

1 pursuant to the federal “Taxpayer Certainty and Disaster Tax Relief
2 Act of 2022,” the federal “Inflation Reduction Act of 2022,” and
3 section 41 of the federal Internal Revenue Code of 1986.

4 For the calculation of each incremental federal tax benefit, the
5 project’s total approved eligible costs are multiplied by the
6 difference between the incremental federal tax benefit applicable to
7 the project and the corresponding benefit identified in each
8 qualified offshore wind project’s approved OREC pricing proposal.
9 Additionally, each qualified offshore wind project is permitted to
10 retain a portion of the federal tax credits received by the project,
11 calculated by multiplying (1) the tax credit rate identified in the
12 project’s approved pricing proposal by (2) the difference between
13 the project’s total approved eligible costs and the project’s
14 estimated costs at bid.

15 The bill requires a qualified offshore wind project to file a
16 compliance filing with the Board of Public Utilities within 30 days
17 of enactment of this bill if the project wishes to elect to retain
18 federal tax benefits. The compliance filing will include an affidavit
19 affirming that the qualified offshore wind project will proceed with
20 construction, a schedule by which the qualified offshore wind
21 project will make all of its material investments in qualified wind
22 energy facilities, a pledge to post a performance security for
23 investments in qualified wind energy facilities, and a pledge to post
24 a performance security for the qualified offshore wind project itself.
25 Failure to comply with portions of this compliance filing will
26 permit the Board of Public Utilities to reduce the amount of the
27 performance securities up until the point of total forfeiture of the
28 securities by the project.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 4019

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 27, 2023

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 4019, with committee amendments.

This bill permits certain qualified offshore wind projects to retain certain federal tax benefits that were established after project approval. These federal tax benefits were established in order to bolster and support the offshore wind industry in response to the COVID-19 pandemic and the unique macroeconomic challenges the pandemic posed.

This bill permits a qualified offshore wind project approved prior to July 1, 2019 to elect to retain certain incremental federal tax benefits. The bill defines “incremental federal tax benefit” to mean a federal tax credit, subsidy, grant, or other funding source that was established or increased after a qualified offshore wind project’s approval and, therefore, was not previously identified in the project’s awarded solicitation agreement. These incremental federal tax benefits primarily include tax benefits established pursuant to the federal “Taxpayer Certainty and Disaster Tax Relief Act of 2022,” the federal “Inflation Reduction Act of 2022,” and section 41 of the federal Internal Revenue Code of 1986.

For the calculation of each incremental federal tax benefit, the project’s total approved eligible costs are multiplied by the difference between the incremental federal tax benefit applicable to the project and the corresponding benefit identified in each qualified offshore wind project’s approved OREC pricing proposal. Additionally, each qualified offshore wind project is permitted to retain a portion of the federal tax credits received by the project, calculated by multiplying (1) the tax credit rate identified in the project’s approved pricing proposal by (2) the difference between the project’s total approved eligible costs and the project’s estimated costs at bid.

The bill requires a qualified offshore wind project to file a compliance filing with the Board of Public Utilities within 60 days of the date of enactment of this bill if the project wishes to elect to retain federal tax benefits. The compliance filing will include an affidavit affirming that the qualified offshore wind project will proceed with construction, a schedule by which the qualified offshore wind project will make all of its material investments in qualified wind energy

facilities, a requirement that a project place \$200 million in escrow to support the investment in qualified wind energy facilities, and a pledge to post a performance security for the qualified offshore wind project itself. Failure to comply with portions of this compliance filing will permit the Board of Public Utilities to reduce the amount of the performance securities up until the point of total forfeiture of the securities by the project. Finally, the bill requires the qualified offshore wind project to submit a report to the Board of Public Utilities describing the anticipated environmental impacts of the project, the anticipated economic benefits of the project, the financial viability of the project, and the feasibility of completing the project by the commercial operation date approved by the board, including any extensions thereto.

COMMITTEE AMENDMENTS:

The committee amendments:

(1) extend the time for the submission of the compliance filing under section 4 of the bill from 30 days to 60 days after the date of enactment of the bill;

(2) remove the requirement for the compliance filing to include a pledge to post a performance security for investments in qualified wind energy facilities;

(3) require, within 90 days of the date of enactment of the bill, a project to place in escrow \$200,000,000 to support the investment in qualified wind energy facilities, which would be required to be available to the facility upon the milestones and terms agreed to by the project, the facilities, and board;

(4) require the qualified offshore wind project to submit a report to the Board of Public Utilities describing the anticipated environmental impacts of the project, the anticipated economic benefits of the project, the financial viability of the project, and the feasibility of completing the project by the commercial operation date approved by the board, including any extensions thereto;

(5) clarify the definition of “qualified offshore wind energy project”; and

(6) correct a citation to current law.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 4019
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JUNE 29, 2023

SUMMARY

Synopsis: Concerns qualified offshore wind projects and federal tax benefits for certain offshore wind investments.

Type of Impact: Annual fiscal impact on the State and local entities.

Agencies Affected: Board of Public Utilities.
New Jersey Economic Development Authority.
Local governments.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2024 & Thereafter</u>
State and Local Entities	Indeterminate

- The Office of Legislative Services (OLS) notes that the bill will have an indeterminate impact on State and local finances. A precise estimate cannot be provided due to a lack of certain information regarding the Ocean Wind 1 project under development by Ørsted. Ocean Wind 1 is the only qualified offshore wind project to which the bill applies.
- The bill would allow Ørsted to retain certain incremental federal tax benefits without passing the value of those benefits to ratepayers or adjusting the offshore wind renewable energy certificate (OREC) pricing schedule for Ocean Wind 1. This may cause utility rates to be higher than otherwise, thereby resulting in higher costs incurred by the State and local government entities.
- Under certain conditions laid out in the bill, the Board of Public Utilities (BPU) may draw upon performance securities provided by an eligible qualified offshore wind project for certain purposes, such as the completion of a qualified offshore wind project's investments in qualified wind energy facilities or to support infrastructure necessary to support the offshore wind industry. The board may also elect to return the funds to ratepayers.

BILL DESCRIPTION

This bill permits a qualified offshore wind project approved prior to July 1, 2019 to elect to retain certain incremental federal tax benefits. The bill defines “incremental federal tax benefit” to mean a federal tax credit, subsidy, grant, or other funding source that was established or increased after a qualified offshore wind project’s approval, and therefore, was not previously identified in the project’s award solicitation agreement. These incremental federal tax benefits primarily include tax benefits established pursuant to the federal Taxpayer Certainty and Disaster Tax Relief Act of 2020, the federal Inflation Reduction of 2022, and the research and development tax credit established by section 41 of the Internal Revenue Code of 1986.

For the calculation of each incremental federal tax benefit, the project’s total approved eligible costs are multiplied by the difference between the incremental federal tax benefit applicable to the project and the corresponding benefit identified in each qualified offshore wind project’s approved OREC pricing proposal. Additionally, each qualified offshore wind project is permitted to retain a portion of the federal tax credits received by the project, calculated by multiplying: (1) the tax credit rate identified in the project’s approved pricing proposal by (2) the difference between the project’s total approved eligible costs and the project’s estimated costs at bid.

The bill also requires a qualified offshore wind project to file a compliance filing with the BPU within 180 days of enactment of this bill if the project wishes to elect to retain federal tax benefits. The compliance filing will include an affidavit affirming that the qualified offshore wind project will proceed with construction, a schedule by which the qualified offshore wind project will make all of its material investments in qualified wind energy facilities, a pledge to post a \$200 million performance security for investments in qualified wind energy facilities, and a pledge to post a \$100 million performance security for the completion of the qualified offshore wind project. Failure to comply with portions of this compliance filing will permit the BPU to reduce the amount of the performance securities up to the point of total forfeiture of the securities by the project.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS notes that the bill will have an indeterminate impact on State and local finances. The OLS cannot provide a precise estimate of the bill’s fiscal impact due to a lack of certain information regarding the Ocean Wind 1 Project under development by Ørsted. Ocean Wind 1 is the only qualified offshore wind project awarded prior to July 1, 2019, and therefore, the only qualified offshore wind project to which the bill applies. The OLS does not have sufficient data to determine how the retention of certain incremental federal tax benefits would impact OREC pricing for the Ocean Wind 1 project. Information on the total value of IRS-approved project costs and how changes to federal law will impact the total value of various tax credits for which a qualified offshore wind project may qualify is currently unavailable.

Applications from developers seeking ORECs in connection with an offshore wind project are reviewed and approved by BPU. Current State regulations require the application to include cash flow projections for the proposed OREC period and a description and estimate of any State or

federal tax benefits that may be associated with the project. The applicant must also demonstrate a commitment to pass along tax credits or other governmental benefits to ratepayers that are greater than projected. The OLS notes that this information is redacted from the public copy of Ørsted's Ocean Wind 1 OREC application, hindering an accounting of the federal tax benefits that might have been available to the project at the time of submission (December 2018).

The submission is also required to include a proposed OREC pricing method and schedule. The OREC pricing method represents the calculation of the price based on the total revenue requirements over a 20-year period, including the cost of equipment, financing, taxes, construction, operation, and maintenance, offset by any federal tax or production credits and other subsidies or grants. The OLS notes that the bill would allow a qualified offshore wind project to retain the value of any incremental federal tax benefits instead of passing those benefits to ratepayers. Additionally, the bill does not require any readjustment to the OREC pricing schedule to reflect any additional tax benefits that may accrue to Ørsted due to changes to federal tax law enacted in 2020 and 2022. This may cause utility rates to be higher than otherwise, thereby resulting in higher costs incurred by the State and local government entities.

The bill requires a qualified offshore wind project to make a compliance filing with the BPU within 180 days of enactment of this bill if the project wishes to elect to retain federal tax benefits. The compliance filing is required to include a performance security of \$200 million for the qualified wind project's investments in qualified wind energy facilities and a performance security of \$100 million for the completion of the qualified offshore wind project. Under certain conditions, such as a failure to meet certain project deadlines, the BPU may draw upon the performance security for select purposes, such as the completion of a qualified offshore wind project's investments in qualified wind energy facilities or to support infrastructure necessary to support the offshore wind industry. The board may also elect to return the funds to ratepayers.

Section: Revenue, Finance, and Appropriations

Analyst: Scott A. Brodsky
Staff Fiscal and Budget Analyst

Approved: Thomas Koenig
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

Governor Murphy Signs Major Legislation to Generate Good-Paying Union Jobs and Accelerate Growth of Emerging Sectors

07/6/2023

Legislation Catalyzes Continued Job Generation and Expansion of Offshore Wind, Film Production, and Residential and Commercial Real Estate Industries

PAULSBORO – Governor Phil Murphy today signed a package of bills to promote the generation of family-sustaining, primarily union jobs and the growth of burgeoning industries in New Jersey. A5651/S4019 will enable New Jersey's first offshore wind project, Ocean Wind 1, to access federal tax credits and commit to supporting our state's growing offshore wind supply chain. Additionally, S3748/A5393 appropriates \$30 million and bolsters the State's film and digital media tax credit program, while S4023/A5644 makes critical changes to the Aspire Program, which brings new residential and commercial developments to under-resourced communities by helping to finance projects that would otherwise not be economically feasible for developers.

"When future generations look back on this pivotal moment in our state's history, we will be judged not only by our long-term economic vision for the *Next New Jersey*, but by the concrete steps we took to create good-paying jobs for workers here and now," said **Governor Murphy**. "The future of tomorrow's industries begins today, and with it the promise of an inclusive 21st-century economy founded upon family-sustaining union jobs and continued growth in emerging sectors. Whether it's offshore wind, film production, or residential and commercial development, by bolstering our standing as a national leader in these industries, we will continue to build a stronger and fairer New Jersey for all."

"Today, New Jersey takes a major step toward reaching the Governor's goal of 11 GW of offshore wind capacity by 2040 so that we can provide clean, renewable energy for all New Jerseyans as we continue to fight the ravages of climate change," said **NJBPU President Joseph L. Fiordaliso**. "Not only is a thriving offshore wind industry vital for the future of our environment, but it will provide a significant boost to our state's economy including the creation of a supply chain hub in south Jersey and thousands of good-paying union jobs."

"Under Governor Murphy's leadership, New Jersey has made major investments to build and attract new, diverse, and innovative sectors to help create a stronger, more resilient economy," said **Tim Sullivan, CEO, New Jersey Economic Development Authority (NJEDA)**. "With the stroke of a pen today, Governor Murphy is reaffirming his commitment to creating good-paying jobs, revitalizing communities, and improving New Jersey's environment. I thank Governor Murphy, as well as the Legislature for passing these critical bills, and we will allow the NJEDA to continue developing these industries and move our economy forward."

"We've seen what these projects have done for some of our downtown corridors, leading to an infusion of growth and a strong return on their investments," said **Senate Majority Leader M. Teresa Ruiz**. "Since the bill was signed—almost three years ago -- the economic circumstances have changed in New Jersey and around the country. This legislation will increase the project caps in cities that need more housing stock and greater economic development, while maintaining the integrity of the program."

"Netflix has committed to developing a state-of-the-art production facility on the campus of Fort Monmouth in Monmouth County, creating both permanent production jobs as well as construction jobs, not to mention revitalizing local economic activity," said **Senator Vin Gopal**. "Incentivizing film and digital production companies to increase investments into New Jersey facilities and localities will no doubt have a lasting, positive impact on the Shore Region."

"I'm incredibly proud of the aggressive clean energy goals we've set here in New Jersey," said **Senator Gordon Johnson**. "This legislation will go a long way in keeping us on track ensuring our offshore wind industry has the support it needs to get off the ground."

"The promise of the Aspire Tax Incentive Program has the opportunity to change lives, and transform neighborhoods, especially in cities such as Paterson, Trenton and Atlantic City," said **Senator Nellie Pou**. "The further enhancement of the program through this legislation is a lifeline, and will allow the Aspire program to live up to its fullest potential, as well as provide a long-needed boost to cities that have suffered greatly from the economic stress brought on by the Pandemic."

"The Shore region has long been one of the main drivers of economic growth in our state," said **Senator Paul Sarlo, Budget Committee Chair**. "The Netflix redevelopment at Fort Monmouth and other projects that will be aided by this legislation will certainly play a starring role in the region's continuing revitalization."

"There is endless potential for creating good, family-wage jobs with clean energy projects in New Jersey. We have the greatest workforce in America," said **Senator Bob Smith, Chair of the Senate Environment Committee**. "With this law, we are sending a strong message to those employers who want to invest in New Jersey that we are committed to being a leader in offshore wind and the global clean energy economy."

"New Jersey is no stranger to the effects of climate change. Rising sea levels, flooding, and severe storms have decimated our state in recent years. We now have a chance to change the course of our state's history and mitigate the effects of climate change by harnessing clean, renewable offshore wind to power our homes and businesses, allowing us to diversify our state's energy portfolio and reduce our dependence on fossil fuels," said **Assembly Majority Leader Louis D. Greenwald**. "Investing in clean energy will not only protect the environment, breathe, and lessen our carbon footprint, but it will also strengthen our economy, create jobs, and stimulate the growth of small businesses. Offshore wind is a once-in-a-generation environmental and economic opportunity for our state."

"As the birthplace of the movie camera and the motion picture industry, it's fitting that our state's earlier expansion of film and digital media credits led to \$650 million of in-state production spending in 2022 and the creation of over 8,500 jobs," said **Assemblyman Raj Mukherji**. "The legislation being signed today will lead to the development of studio space totaling hundreds of thousands of square feet, creating a multibillion dollar industry, thousands of permanent jobs in the industry, and thousands more ancillary jobs. The impact will be seismic, as we look to revitalize communities throughout our state and energize local economies."

"The ASPIRE program serves as a catalyst for the overall supply and improvement of housing affordability for low- and moderate-income individuals and families by offering project financing through tax credits to support our local developers and businesses," said **Assembly Budget Chair Eliana Pintor Marin**. "Combined with incentives for film and digital media content production, we are attracting investments to set our economy up for sustainable success. These programs will play a vital role in supporting local communities, fostering innovation, and positioning New Jersey as a leader in film productions and economic development."

"It is appropriate that Governor Murphy chose to sign the tax credit bill at the 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 **Former Senate President Steve Sweeney**, chairs the advisory board for the Sweeney Center for Public Policy at Rowan University and sponsored the state's first offshore wind tax credit law as Senate President in 2010. "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 chains and development. This legislation preserves our edge in the increasing competition with New York, Maryland and other states for offshore wind jobs."

"Under the leadership of Governor Phil Murphy, New Jersey is on the verge of leading in a new energy industry that will lead to good union jobs for workers," said **Eastern Atlantic States Regional Council of Carpenters Executive Secretary-Treasurer William C. Sproule**. "Our union is ready to meet the needs of the new offshore wind industry through our expanded training facilities, our newly announced accreditation as the first trade union with a Global Wind Organisation certified training program, and with the thousands of already highly skilled union carpenters, pile drivers, and millwrights who are ready to build and maintain New Jersey offshore wind turbines."

"IATSE International President Matthew D. Loeb and the over 5,000 IATSE members who play a key role in entertaining the world working in the Garden State thank Governor Phil Murphy for his undaunting support for the Arts since the day he took the oath of office, and we thank him for his gracious actions bestowed upon the Arts community guiding us through the pandemic," said **Greg Hancox, President, International Alliance of Theatrical Stage Employees (IATSE) Local 59**.

"We applaud Governor Murphy and the New Jersey Legislature for continuing to prioritize the generation of family-sustaining jobs in emerging sectors. Our more than 7,000 members across the Garden State look forward to building the projects that will serve as the foundation of New Jersey's growing economy," said **Greg Lalevee, Business Manager, International Union of Operating Engineers (IUOE) Local 825**.

"I would like to thank Governor Murphy and the legislature for their leadership in making this reality. The signing of this important legislation will allow for many jobs to be created in the short term as well as the long term with the construction of the monopiles located at the Paulsboro Port," said **Daniel Cosner, President, Southern New Jersey Building Trades Council**.

"Today's bill signings are a testament to our shared understanding that our unions remain the backbone of a thriving 21st-century economy. We thank Governor Murphy and the New Jersey Legislature for promoting economic opportunity and good-paying jobs not just in South Jersey, but across the Garden State as a whole," **stated Southern New Jersey Cer Labor Council.**