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TO: Chairman Bob Smith, Members of the Senate Environment Committee

FROM: John Galandak, President, CIANJ

DATE: Monday, December 14, 2009

SUBJECT: CIANJ Opposition to S-3041

Thank you, Chairman Smith, for the opportunity to share CIANJ's insights into S-3041, which the Association believes will have a significantly negative impact on the state's economy and energy prices, while failing to attain the legislation's worthy goal of protecting Barnegat Bay.

The bill sets a standard that Oyster Creek cannot meet. The technology to build a cooling plant large enough to handle the massive intake of water needed by the plant when that plant is not near another body of water does not exist and is unlikely to be developed in time for the implementation date cited in this bill. Furthermore, attempts to build such an unproven technology could have adverse environmental impacts. To prohibit the NJDEP from issuing a permit based solely on the amount of water brought into the plant is legally questionable, but there should be very little question regarding the bill's outcome. We believe Exelon when they caution that passage of S-3041 would result in the closing of Oyster Creek.

Such a closing would immediately result in the loss of 700 jobs, many of which are high paying. In the long term, the plant's closing would take more than \$120 million out of New Jersey's economy, according to a 2007 report conducted by Bates White. That does not include the impact of energy cost increases resulting from a legislative act that would remove six percent of New Jersey's energy generation from the grid with no plan to replace this loss.

Finally, we believe this bill runs contrary to the public policy goals set by this legislature when it passed the Global Warming Response Act. In order to achieve the CO2 reduction standards set forth by the Act and the Energy Master Plan nuclear power needs to be part of the matrix of energy systems utilized by the state. At this point in our history, nuclear energy remains the only technology we have that can provide a reliable and substantial baseload while emitting virtually zero greenhouse gas emissions. The intersection of sound environmental policy and economic development is especially critical when we are emerging from a recession and affordable energy is such an important consideration for companies who are deciding where to locate or expand their business.

CIANJ urges this committee to vote NO on S-3041, a bill that is likely to harm our economy while failing to address the environmental concerns surrounding Barnegat Bay. As always, the Association welcomes the opportunity to work with members of this committee on legislation impacting New Jersey's business community.

Thank you for your time and consideration.