

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5840

STATE OF NEW JERSEY

DATED: JUNE 16, 2021

The Assembly Appropriations Committee reports favorably Assembly Bill No. 5840.

This bill authorizes the State Treasurer to enter into a lease for real property and improvements with the New Jersey Economic Development Authority for real property and improvements acquired, leased, or caused to be constructed by the New Jersey Economic Development Authority (EDA) for the New Jersey Wind Port in Lower Alloways Creek Township, Salem County. The State Treasurer would be required to notify, in writing, the President of the Senate and the Speaker of the General Assembly seven days prior to entering into a lease pursuant to the bill.

Recent awards of offshore wind energy projects along the country's east coast have created an unprecedented opportunity to source parts and materials from the United States instead of Europe, and several states are in a time sensitive competition to become major supply chain hubs for the offshore wind energy industry. A site located in Lower Alloways Creek Township, Salem County was identified in the New Jersey Offshore Wind Strategic Plan, issued by the Board of Public Utilities in 2020, as a high-potential option for marshalling and installation activities for offshore wind energy projects. The EDA has entered into negotiations to lease or purchase real property at the identified site in Lower Alloways Creek Township to develop a marshalling, installation, and manufacturing wind port to be named the New Jersey Wind Port. The development of a local offshore wind energy supply chain is critical to realizing the full economic benefits of this new industry, and the development of port infrastructure, especially a marshalling, installation, and manufacturing port, is critical to anchoring major offshore wind energy supply chain investments within the State and creating the high-paying port and manufacturing jobs associated with these investments.

FISCAL IMPACT:

The Office of Legislative Services (OLS) determines that this bill will lead to an annual expenditure increase from the State General Fund, to pay the costs of leasing a parcel of land from the Public Service Electric and Gas Company (PSEG). The amount of the expenditure increase is indeterminate, because the OLS is unaware of

the details of the lease agreement, which may still be in the process of being negotiated.

The OLS also notes that the Governor's FY 2022 Budget recommends a \$200 million appropriation to fund the construction of the New Jersey Wind Port. If included in the FY 2022 appropriations act, some of the funding may be utilized to pay the leasing costs of the site.