#### **EWS ADVISORY:**

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## ORSTED'S WIND SUBSIDIES UNCONSTITUTIONAL, NEW LAWSUIT SAYS

## DANISH WIND DEVELOPER SUED OVER "ILLEGAL" STATE SUBSIDIES

# ONE BILLION IN FINANCING NOW UNCERTAIN FOR OCEAN WIND 1

#### Ratepayers Victims of Legislative Giveaway, Opponents Say

Trenton (July 28) Orsted's subsidies from the New Jersey Legislature for its Ocean Wind 1 turbine facility are an unconstitutional state giveaway, according to a lawsuit filed this week in Superior Court by offshore wind opponents.

In a court filing announced today, opponents of Orsted's offshore wind turbine project asked New Jersey's Superior Court to strike Orsted's nearly one billion dollars in subsidies as illegal "special" legislation in violation of the New Jersey Constitution.

"The Legislature's giveaway of federal tax credits to Orsted benefits a single company in violation of the New Jersey Constitution," said Bruce Afran, counsel fo Protect Our Coast NJ and Defend Brigantine Beach, the two public interest groups that filed the suit. "In New Jersey, laws that favor a single private party are generally unconstitutional," Afran added.

Orsted was awarded nearly a billion dollars in federal tax credits by the New Jersey Legislature in a bill passed last month and signed by Governor Philip Murphy on July 6.

In signing the law, Murphy reversed the New Jersey Board of Public Utility's 2019 order that required Orsted to refund the tax credits to ratepayers to keep the costs of the 98-unit turbine facility from being paid by the public, Afran explained.

Orsted demanded the additional credits, telling the Legislature that because of "inflation" and "supply chain" issues it could no longer build the offshore wind facility.

New Jersey's Division of Rate Counsel condemned the bill in a statement to the Assembly last month, saying that it would push the cost of the offshore wind project onto ratepayers and there was no evidence that Orsted needed the additional funds to build the turbine facility.

"Basically, the Legislature caved to the Danish engineering company," Afran continued, "giving away a billion dollars in tax credits to relieve Orsted from its commitment to build Ocean Wind 1 from its own money."

The suit is pending before Superior Court Judge Douglas H. Hurd in Trenton and is expected to be briefed and argued later this fall. A copy of the lawsui5t is attached. Representatives from Protect Our Coast NJ and Defend Brigantine Beach are also available for comment.

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