

UUFaithActionNJ



EDUCATE • ADVOCATE • MOBILIZE

Problems with PSEG Nuclear Bailout (S877)

Our religion, Unitarian Universalism, emphasizes the importance of equity and compassion in human relations; the use of the democratic process to settle differences in our communities; and respect for the interdependent web of all existence, of which we are a part. This bill raises concerns about all three.

First, the process for introducing this bill in the last legislative session was anti-democratic. The handling of the bill in this session has been similarly rushed. The bill was reintroduced on January 9, and the first committee session was on January 25, a little more than two weeks after the original introduction with a different committee composition. News reports say that significant new provisions concerning solar energy have been added to the bill, but they have not been made public.

We believe that such a significant piece of legislation like this should be carefully considered. The complexity of the bill's provisions makes it impossible to evaluate quickly. For example,:

1. The standards for awarding NDCs are extremely complex and frankly baffling.
2. The use of tradable Nuclear Diversity Certificates (NDCs) is modeled on the tradable SREC (Solar Renewable Energy Credits), but far less expensive means of paying for renewable energy development are being enacted around the country.
3. The requirement that confidential evidence be submitted to the BPU is unprecedented and prevents the required public process to determine eligibility, necessity of NDCs, and amount of the subsidies to be charged to rate-payers. Further, the necessity of the increase has already been questioned by the New Jersey Director of the Division of Rate Counsel. In testimony on Dec. 20, the director said that "There has been no demonstration that PSEG's nuclear plants are in financial difficulty other than bald assertions and ultimatums issued by the Company."

Second, the impact on the environment may be neutral for GHG's, but it leaves us exposed to dangerous wastes that we don't know how to dispose of. Also, recent evidence of lax regulation gathered by the Better Government Association shows that we must not simply trust that these plants will operate safely. While we recognize the importance of nuclear in the short term to avoid increasing use of natural gas, we believe that we must start the process of transitioning away from it. This bill does nothing to encourage safe alternatives providing zero emissions.

Third, the bill gives inadequate consideration to both rate-payers and workers in New Jersey. As rate-payers, the effect on us may be neutral, since the subsidy is comparable in size to the projected increase in rates if the nuclear plants simply close. Also, rapidly dropping prices of renewables, as reported in a recent Lazard study, may invalidate the projection. For workers, the bill accounts for the loss of existing jobs, but ignores the inevitable transition to renewables and the rapid growth of jobs in solar and wind energy. Solar jobs are growing 17 times faster than the total US economy, and the fastest growing occupation in the US is wind turbine technician. New Jersey's workers should have the opportunities offered in modern industries.

We note that a court challenge to a "ZEC" program providing subsidies to financially struggling in-state nuclear generators was accepted by a New York state trial court, ensuring that New York residents' concerns will be heard. Unfortunately for New York residents, the program has started and millions of rate-payers' dollars have gone to nuclear plants that are being undersold by cleaner forms of energy, as well as by methane gas. Let's avoid a similar situation here in New Jersey.

For all these reasons, we ask for more careful consideration of the provisions of this bill and more openness in determining its provisions.