



July 26, 2018

Aida Camacho-Welch, Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Ave, 3<sup>rd</sup> Floor  
Suite 314, CN 350  
Trenton, NJ 08625

RE: Docket No QX18040466 Offshore Wind Solicitation of 1,100 Megawatts

Dear Ms. Camacho-Welch

We write to you on behalf of the United Steelworkers (USW) and the BlueGreen Alliance (BGA). The USW represents 850,000 members across the United States and Canada, including several thousand in New Jersey, who make steel and aluminum, cement, paper, machine parts, glass, and more; work for local governments; care for patients; and contribute to the economy in many other jobs.

The United Steelworkers (USW) is primarily an industrial union, yet has been a leader in the labor community on climate change for more than 40 years. Innovation in the clean energy economy presents tremendous opportunity for the global environment and for workers in manufacturing, construction, and the service sector. For these reasons, USW joined with the Sierra Club to form the BlueGreen Alliance in 2005, a national partnership of labor unions and environmental organizations committed to transforming environmental problems into job-creating and economic opportunities. Standing together, the 13 BGA member organizations are a powerful, unified voice for good jobs, a clean environment and a fair and thriving economy.

Climate change poses a threat to the New Jersey environment and economy. We applaud Governor Murphy's leadership in directing the state to fully implement the Offshore Wind Economic Development Act (OWEDA). We are grateful for the opportunity to comment on the Board of Public Utilities (BPU) process for solicitation of 1,100 megawatts to ensure that the development of offshore wind in New Jersey benefits both the environment and the economy.

These comments address implementation of the requirement in OWEDA that offshore wind developers demonstrate a net economic benefit for New Jersey. We see a couple of requirements for developers and the state that will ensure job creation and economic benefit:

## 1. Ensure local sourcing for components for offshore wind infrastructure

Domestic manufacturing has long served as a vital path to the middle class and the backbone for many communities across the country. As BPU evaluates developers for New Jersey offshore wind projects, it should include a preference on sourcing materials from either within New Jersey, surrounding states, or the United States as a whole.

A New Jersey or domestic preference for procurement will help ensure that New Jersey's commitment to economic and environmental benefit is met. This not only creates jobs, but it also reduces shifts in production to countries that rely on practices that are significantly less energy efficient and more polluting than manufacturing in the United States.

On average, one megawatt of wind capacity requires 103 tons of steel, 402 tons of concrete, 6.8 tons of fiberglass, 3 tons of copper, and 20 tons of cast iron.<sup>1</sup> There is a broad supply chain within the United States for onshore wind energy, some of which could be tapped to contribute to New Jersey's 1,100 megawatts. Many of these are already high quality, union jobs. For example, USW members in Pennsylvania, Ohio, Illinois, Indiana, and Kansas already make parts for wind turbines including steel plate, steel castings, gears, and bearings. USW also represents workers in the cement industry at over 100 facilities across the country, including in New Jersey, New York, and Pennsylvania. Cement constitutes about 10-20% of concrete, which is a necessary part of the foundation for a wind turbine.

Sourcing domestically has significant added benefits to the economy and beyond – including, but not limited to:

- helping maintain and grow good paying jobs by expanding existing industrial capacity;
- mitigating greenhouse gas emissions by manufacturing and transporting products here versus creating more carbon intensive manufacturing/transport offshore; and
- creating opportunities to lead to significant investments in the supply chain in New Jersey.

Additionally, New Jersey would be poised for supply chain investment opportunities that help workers and communities displaced by changes in energy production. As facilities that serve energy from traditional fuels change or close, New Jersey should invest in retraining those workers for comparable jobs in clean energy. For example, Siemens is closing a USW-represented machine shop for gas-powered turbines in Hamilton, New Jersey. These workers are highly skilled and could easily transition to similar work in the wind industry if New Jersey is able to attract long-term supply chain investment.

With strong local and domestic procurement requirements, New Jersey is ripe for significant investment opportunities that support good paying, quality jobs. Massachusetts,

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<sup>1</sup> <https://carboncounter.wordpress.com/2015/06/11/can-you-make-a-wind-turbine-without-fossil-fuels-2/>

Rhode Island, Connecticut, New York, Maryland, and Virginia are all in various stages of developing offshore wind power. With its central location on the East Coast and its ports, New Jersey has an opportunity to supply projects up and down the coast. For example, fabrication for the turbines must be done with easy access to a port due to the sheer size of the tower and the blades.

As the State works to attract investment, we strongly encourage BPU to require all applicants to provide a detailed plan outlining the sourcing for components with a preference for developers that have a planned commitment to sourcing locally from companies with good labor standards.

2. Ensure that the jobs created or maintained are good jobs

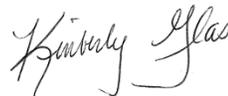
The economic benefits of these policies will be maximized only by ensuring that the jobs created and maintained in NJ communities are good union jobs that ensure family sustaining wages and benefits and safe workplaces. For the supply chain, this requires sourcing materials from responsible companies that uphold commitments to local hiring and strong labor protections including the rights of workers to collectively bargain. For construction of the projects, this requires Project Labor Agreements and paying Prevailing Wage.

We sincerely appreciate the opportunity to comment and look forward to working further with the State to procure clean energy in an economically and environmentally responsible way. By requiring local sourcing and high road labor standards for developers, BPU has the opportunity to help New Jersey reap broad economic benefits by building infrastructure for this growing industry while combatting climate change.

Sincerely,



John Shinn  
Director, District 4  
United Steelworkers



Kim Glas  
Executive Director  
Blue Green Alliance