

David Hinchey Jr

Major Permits & Environmental Services
80 Park Plaza, T20 Newark NJ 0710
Cell: 973-856-0066
Email: david.hincheyjr@pseg.com



May 6, 2021

Donna Rendeiro
Executive Director
Office of Planning Advocacy
New Jersey Business Action Center
Department of State
P.O. Box 820
Trenton, New Jersey 08625-0820

**Re: Request for State Development and Redevelopment Plan Industrial Node Map Amendment
Artificial Island, Lower Alloways Creek, Salem County, New Jersey**

Dear Ms. Rendeiro:

PSEG Nuclear LLC (PSEG) is currently working with the New Jersey Economic Development Authority (NJEDA) to develop a marshalling port, referred to as the New Jersey Wind Port (NJWP), within the existing State Development and Redevelopment Plan Industrial Node ("SDRP Node", "Industrial Node" or "node") established at PSEG's Salem and Hope Creek Nuclear Generating Station site located in Lower Alloways Creek, Salem County, New Jersey. On March 31, 2021, PSEG submitted a request for an amendment to the boundary of the SDRP Industrial Node. The requested node amendment would expand the existing Industrial Node by approximately 151.4 acres to support the potential for future development projects at the NJWP that would allow for a full realization of the state's intent for the NJWP to become a major "hub" for offshore wind development. In an e-mail dated April 14, 2021, PSEG received comments from the Office of Planning Advocacy (OPA) requesting additional information regarding the requested node amendment to support OPA's presentation of the Map Amendment to the Planning Implementation Committee of the State Planning Commission (SPC). The additional information requested in that e-mail is provided in this response letter.

As detailed in the March 31, 2021 amendment request, PSEG's requested modification of the SDRP Industrial Node boundary to allow for future development at the NJWP by the NJEDA is supportive of state public policy goals. Future development projects at the NJWP will assist New Jersey in not only accelerating the deployment of offshore wind off of the state's coast in support of the goal of 100% clean power by 2050, but also provide New Jersey the prospect to capitalize on the unprecedented opportunity to become a major hub for offshore wind development across the eastern United States. By fostering the development of ports and infrastructure to support offshore wind construction, New Jersey can attract offshore wind developers, original equipment manufacturers, and supply chain companies to establish operations within the state in accordance with state goals to support a growing clean energy economy. A growing clean energy economy includes leveraging the investment in offshore wind infrastructure to create jobs and economic benefits for the state while also providing the benefit of providing improved air quality and assisting in mitigating climate change by developing a clean, renewable energy source.

To facilitate the OPA's continued review of PSEG's SDRP Industrial Node amendment petition, we identify below in **BOLD** each information request identified by the OPA in the April 14, 2021 comment letter followed by PSEG's detailed response.

1. **The rules (N.J.A.C. 5:85-8.4(b)4.ii.) call for the amendment application to address how the proposed amendment helps any adjoining municipality, endorsed by the SPC and impacted by the proposal, achieve consistency with the SDRP. Salem City, adjoining LAC and a SPC Designated Center (though not technically Plan Endorsed since their designation predates the formal PE process) is all but Endorsed and currently engaged in the Plan Endorsement process. We'd like for PSEG to reach out to the City and include the impacts (presumably net positive) in the discussions. This can be supplemental to application. Charles Bailey, Salem City Director of Economic Development, is OPA's liaison for PE.**

The 1974 Salem Comprehensive Plan ("Comprehensive Plan") provided a framework for all future land use and planning decisions and established planning objectives and development policies for the City of Salem. The Comprehensive Plan sought, among other goals, "to encourage types of development that would increase the financial capability of the City; prevent the spread of haphazard and incompatible mixes of residential, commercial and industrial development; and encourage the location of additional industries in appropriate areas, including the continued expansion of existing industries (Comprehensive Plan, p. 1-2)."

In 1982, the City of Salem proposed activities along the Salem River to redevelop existing industrial land uses and take advantage of the area's potential for waterborne transportation in support of a barge port facility. The 1982 Redevelopment Plan Salem River Port Project (1982 Redevelopment Plan) sought "to stimulate new riverfront development related to an active barge port and to strengthen the economic vitality of existing industries (1982 Redevelopment Plan, p. 3)." Further, the Redevelopment Plan wanted "to encourage new industrial, wholesaling and related development near the riverfront which is compatible with the City's basic planning objectives and to organize development in a desirable and efficient manner which will not adversely affect established adjacent land uses (1982 Redevelopment Plan, p. 3)". The Port of Salem resumed international shipping operations and was re-designated as a water Port of Entry in 1984 by the United States Customs Service and became a Foreign Trade Zone (FTZ) in 1987. A FTZ designation establishes a geographical area where both domestic and foreign goods are subject to United States Customs regulations that are applied to commercial transactions that are outside of the United States. Located within or near a regulated Port of Entry, FTZs generally host business operations that are associated with loading, unloading, manufacturing, assembling and reshipping merchandise without being subject to Customs tariffs. Designated as FTZ #142, the Salem/Millville Zone is associated with the Philadelphia Port of Entry and is operated as a public utility by the South Jersey Port Corporation.

The City of Salem's 1996 Master Plan Re-examination Report (1996 Report) recognizes the Port of Salem as a major industrial use within the City. The 1996 Report indicates since the last re-examination report in 1989, "significant dredging of the Salem River channel to a new depth of 18 feet was completed and will improve opportunities for Port growth". Also, an expansion of activities has been approved for Mid-Atlantic Shipping to add another berth to their operations (1996 Report, p. 5)." The 1997 City of Salem Strategic Plan for Economic and Community Revitalization (1997 Strategic Plan) also recognizes the importance of the waterfront area and Salem Port as an activity center supporting the community's overall economic climate and provides recommendations to expand and support the City's industrial and manufacturing base. Specifically, the 1997 Strategic Plan notes that the "City has easily-accessible highway, rail and shipping (port) transportation modes to offer industry. As the transportation of goods is a primary consideration for companies seeking to relocate, the City should capitalize on its excellent transportation system by marketing itself to the industrial community as an attractive location for business growth. (1997 Strategic Plan, p. 11)."

The 2002 and 2012 Master Plan Re-examination Reports continue to identify the importance of the City's waterfront areas. The 2002 Re-examination notes that "Waterfront Development planning

should be focused on the Fenwick Creek area (2002 Plan Re-Examination, p.6.) while the 2012 Re-Examination notes the need for “Waterfront Development planning along all waterfront areas of the City” (2012 Plan Re-Examination, p.6.)

Finally, recognizing the importance of the City’s port area, which has experienced a decline in manufacturing and industry and is in a state of deterioration and under-utilized, in 2018 the City adopted Salem City Waterfront Redevelopment Plan (2018 Redevelopment Plan) with the goal of bringing jobs, commerce and life back to the City’s waterfront. Specifically, Goal 3 of the Redevelopment Plan states that one intent of the redevelopment plan is “to support the working waterfront by encouraging maritime and industrial businesses to locate on the waterfront, encouraging more port commerce and shipping, and ensuring that the waterfront infrastructure is well maintained” (2018 Redevelopment Plan, p. 9). Goal 5 of the Plan is “[t]o continue to encourage water-dependent facilities and uses in the Redevelopment Zone along the Salem River (2018 Redevelopment Plan, p. 9).”

As noted above, future development projects at the NJWP would seek to more fully realize the NJEDA’s intent for the NJWP to become a major “hub” for offshore wind development by serving as a center for the Mid-Atlantic offshore wind supply chain and providing services to the larger regional offshore wind market. The future development of the NJWP as a larger offshore wind supply chain “hub” would have significant economic benefits to New Jersey. As a designated FTZ that is in close proximity to the proposed location of the NJWP, the Port of Salem (and the City of Salem in general) should be well positioned to capitalize on these in-state benefits. As the center of Salem’s existing port facilities is less than 8.5 miles by river to the proposed site of the NJWP, it is reasonable to anticipate that as the NJWP realizes the goal of becoming a large offshore wind supply chain hub, new water-dependent industrial and/or commercial development seeking to provide ancillary support services to the NJWP development and/or to the offshore wind industry in general may locate within the City’s existing port and waterfront areas that comprise the City’s Redevelopment Zone along the Salem River. Offshore wind represents a new industry for the state whose individual development projects require workers from diverse occupations, including engineers, technical specialists, office workers, trade workers, such as electricians and laborers, who can be involved in project development prior to construction, during construction, and throughout operation and maintenance of the wind farm over 25 years or more.

On May 5, 2021, PSEG discussed with the City of Salem’s Mayor Charles Washington, Jr. and Mr. Charles Bailey, City of Salem Director of Economic Development, the possible synergies between the additional development at the NJWP and the City of Salem’s efforts to redevelop the Port of Salem and its adjoining waterfront district. Mayor Washington concurred with PSEG’s view that the development of the NJWP could benefit the City’s waterfront revitalization and planning efforts and that the NJWP development would “tie perfectly” with the goals of the City’s 2018 Waterfront Redevelopment Plan. Mayor Washington noted that the redevelopment efforts have been difficult to date and that a development such as the NJWP could provide a necessary “spark” to their planning and redevelopment initiatives.

The ability of the proposed SDRP Industrial Node Amendment to potentially assist the City of Salem in attracting new industrial and commercial development within the City’s Waterfront Redevelopment Zone (and within the City, in general) is supportive of the City’s most recent planning goals and is consistent with the City of Salem’s role as a “designated center” under the SDRP.

2. **Though not related to the completeness by the rules, the content of the application is silent on potential impacts to traffic congestion, roadways/infrastructure and increased development pressure in the region. These issues are expected to be discussed at the PIC and SPC, supplemental information contemplating these issues would facilitate those discussions.**

The proposed NJWP is designed to support offshore wind development in New Jersey and the eastern United States. Any future development projects at the NJWP would be primarily developed on lands immediately adjacent to the existing Salem and Hope Creek Generating Station that comprise an existing USACE Confined Disposal Facility (CDF). PSEG and the USACE are in the process of finalizing a land transfer that will result in ownership of USACE CDF Cell No.3 by PSEG, thereby making this area available for future development projects at the NJWP. Proposing the NJWP at Artificial Island, directly adjacent to the existing PSEG Nuclear Salem and Hope Creek Generating Stations, allows for the proposed port development to build upon existing infrastructure developed in support of the generating stations, where possible, while also avoiding the need to displace other land use development, including active agricultural or other conservation lands.

During construction of future development projects at the NJWP, temporary increases in traffic resulting from construction personnel or delivery of equipment and materials is anticipated. These impacts would be limited to the construction phase of the project and are anticipated to have minimal impact on local roads. The potential impact to local roadways would be evaluated as part of the regulatory permitting process that would be required in support of any future development. While additional vehicular traffic can be expected into and out of the project area during future construction periods, it should be noted that during current maintenance and refueling outages that support the operation of the existing nuclear units at Artificial Island, the local roadway network experiences a peak daily increase of approximately 1,200 vehicles. Maintenance and refueling outages occur twice per year, each with a duration of approximately 4 weeks. This additional vehicular traffic is accommodated over the 4-week outage period without significant adverse impacts to the existing local and regional roadway network.

Operational impacts to traffic associated with expanded NJWP operations would be minimal. Future development at the NJWP would seek to incorporate co-located component manufacturing and increased port marshaling capability. Similar to the operation of the currently proposed 30-acre marshalling port facility, it is anticipated that the additional development at the NJWP would continue to result in deliveries to and from the NJWP to be delivered via ocean going vessel with few deliveries by over the road transportation.

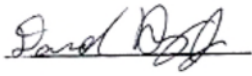
During periods of active offshore development, the NJWP would see its largest workforce. Personnel would travel to the facility and access the NJWP through the existing access road and security check point to the Salem and Hope Creek Generating Station. The increase in personnel anticipated during a large active offshore wind development would be a small percentage of typical increases in personnel from routine refueling outages at the nuclear power plants described above. As a result, increases in traffic would be well within the limits of current operations. No improvements beyond repaving or updates to signage are anticipated to the existing access.

Finally, while the additional development and operational capability of the NJWP is anticipated to result in economic benefits to the site's host municipality, surrounding communities, Salem County, and the State of New Jersey overall, expanded operations at the NJWP is not expected to result in levels of in-migration that would result in a significant change in community population profiles that would affect existing development patterns within the surrounding region. It is anticipated that any indirect development that may occur as a result of the development and operation of additional projects at the NJWP (such as the ancillary support services that may be expected to locate within the City of

Salem's Waterfront Redevelopment Zone) would be guided by existing community master plans and applicable zoning regulations that regulate development within the nearby communities.

We trust that this additional information satisfies the OPA's April 14th request for additional information. Should you have any questions regarding the above responses or require any additional information to support PSEG's map amendment petition, please contact my agent Robert Rech at rrech@akrf.com or 856.905.1546 or his designee, Kevin Maher at kmaher@akrf.com or 732.778.3731.

Sincerely,

A handwritten signature in black ink, appearing to read "David Hinchey, Jr.", written over a horizontal line.

David Hinchey, Jr.
Major Permits & Environmental Services
PSEG Power LLC

cc: James Mallon, PSEG
David Derlin, PSEG
Thomas Paterson, PSEG