January 13, 2022, Public Meeting
Statement by Executive Director Gregory Tramontozzi

Thank you, Mr. Chairman.

I'd like to summarize our Energy Sustainability Roadmap, which we unveiled at a virtual public meeting on December 16, 2021. The Roadmap was developed with support from PVSC's energy consultant, design professionals, and program management team, as well as input from the stakeholder community and energy consultants that have approached PVSC through the public outreach process. The Roadmap lays out a plan to make PVSC's Newark Bay Wastewater Treatment Plant more resilient to future events that take the power grid offline, while at the same time fulfilling the requirements of New Jersey's landmark Environmental Justice Law and promoting the State's 2050 Energy Master Plan.

PVSC is committed to supporting Environmental Justice in our community and to supporting the 2050 New Jersey Energy Master Plan ("NJEMP"). PVSC understands that a goal of the rules being developed to implement the Environmental Justice Law (N.J.S.A. 13:1D-157, et seq.) is to avoid having a project of disproportionate impact to a health stressor in an overburdened community. PVSC's goal is to go beyond this requirement by minimizing air pollutant emissions from our Standby Power Generation Facility ("SPGF") project AND to more than offset the remaining emissions with emissions reductions from other equipment at PVSC's facility. This would provide a net air quality benefit for the neighborhoods of the City of Newark, which is a designated overburdened community.

PVSC also understands that the NJEMP has established seven strategies for achieving 100 percent clean energy by 2050. PVSC's goal is to implement clean energy projects that would reduce existing greenhouse gas emissions and align with NJEMP strategies.

Before I get into some of the details of the Roadmap, I'd like to address some misconceptions about the project. We have addressed these misconceptions on a number of previous occasions, but they seem to persist, so I want to be absolutely clear.

First, the purpose of the Standby Power Generation Facility is to provide backup power to the wastewater treatment plant during loss of power from the grid. Absent an emergency situation when power is not available from the grid, the SPGF will be run during a single day each month solely for testing and maintenance. The facility will NOT be run on a daily basis, nor was it ever contemplated that the facility would

be run on a daily basis. If possible, the required testing and maintenance will coincide with a demand response electrical grid curtailment request. Such a curtailment will provide an overall benefit to the grid and the community.

Second, and along those lines, the SPGF will NOT be used during peak periods to reduce strain on the power grid. This type of operation would also have been a benefit to other users of the grid during peak usage times, such as during cold winter days when electrical consumption surges as people turn up the heat in their homes to stay warm, or on hot summer days when people increase the use of air conditioners to stay cool. In response to stakeholder concerns, PVSC withdrew its request for such operation.

Third, PVSC will not make any "profit" from the operation of the SPGF. The facility will NOT be able to export power to the grid. Rather, power generated by the SPGF will be available solely for PVSC's on-site use, and only during emergency operation when power is not available from the grid, or during the once-per-month testing I previously discussed. Again, it has never been contemplated that PVSC would export power from the SPGF.

Fourth, reliance on PSE&G's strengthened grid is not a viable option. As the largest single-site consumer of electricity in the State of New Jersey, we obviously work closely with PSE&G, and they do a fantastic job. They have made major strides in service reliability through grid strengthening and they should be commended for that. Nevertheless, I want to share a quote for consideration:

> Given the potential intensity of the storm, the damage may be severe and some outages may last up to seven to ten days; however, if the forecast continues to strengthen and the storm moves farther west, restoration could take up to 14 days.

That quote is a warning given by PSE&G to its customers on Long Island in preparation for Hurricane Henri, just over four months ago at the end of August 2021. It came only one week after PSE&G had issued a request to its customers to cut power consumption to ease excessive loading on its grid due to hot weather. It was the first time in 20 years that PSE&G had made such a request.

PVSC cannot be without power for seven to ten hours, let alone seven to ten days or even longer. This is not an opinion; it is a fact that we have learned through unfortunate experience. PSE&G cannot guarantee PVSC 100% uninterrupted power

in the face of all hazards. Accordingly, it is essential that a full backup power supply that is capable of operating indefinitely be put in place.

Finally, the SPGF is not a new project, nor is it a stand-alone project. It is part of an overall FEMA Hazard Mitigation Program resiliency plan. Resiliency planning began almost immediately after PVSC suffered catastrophic damage from Superstorm Sandy. The plan, created with FEMA, the United States Environmental Protection Agency, the United States Army Corps of Engineers, and the New Jersey Department of Environmental Protection, has several main elements, including, but not limited to:

- construction of floodwalls encircling PVSC's facilities;
- improved internal floodwater collection systems;
- installation of massive pumps to remove any floodwater from inside the facility; and
- the SPGF, to run the plant in case of a loss of power from the grid for any reason, be it caused by nature, intentional acts, or unknown causes.

All of these elements are interdependent upon each other and all are required in order for the resiliency plan to work.

Activities connected with the resiliency plan have been going on for almost a decade now, and construction of the building to house the SPGF is the last major construction piece of the resiliency puzzle to be started. Those activities have included periodic public meetings during which each step of the planning and design process has been discussed.

Recently, we have conducted a much-increased public outreach program. We reached out to various stakeholders and offered to meet with them at their convenience to discuss this project. In addition, we have held four (4) public meetings in the last six months dedicated solely to this project. Those meetings occurred on July 22, 2021, August 12, 2021, September 23, 2021, and December 16, 2021. We also set aside the entire day of August 24, 2021, for any interested member of the public to come down to PVSC to present any ideas they might have with regard to this project. We have seen very positive results from this increased outreach and we will continue those efforts as we move forward.

Now, for a few highlights from our Energy Sustainability Roadmap. The Roadmap contains three milestones on the path to achieving facility resiliency, air emissions reductions, and compliance with the 2050 Energy Master Plan.

Milestone One (covering the period 2022 to 2025) involves completion of the standby power generation facility, eliminating certain current fossil fuel-using equipment, and installing advanced air emissions controls on other facility equipment. A large component of this milestone is providing for the transition of the fuel source for the turbines off of natural gas and to an alternative renewable fuel source. This includes green hydrogen, methanol, and other fuel sources. PVSC will commence the transition as soon as the turbine manufacturer can modify the turbines to do so.

These steps will reduce air stressors such as nitrogen oxides, carbon monoxide, volatile organic compounds, and greenhouse gasses, and provide improvement to overall air quality for the local community. This is a very important point and I want to make sure this is clear – when these improvements are completed, the air will be cleaner than it is today.

In October 2021, PVSC submitted a Transition Renewable Energy Certificate or "TREC" application to the New Jersey Board of Public Utilities with respect to the installation of solar panels covering available space at our wastewater treatment plant. While not enough to provide the full backup power needed, if approved and when installed, the solar energy could be used to offset daily energy usage, reducing PVSC's carbon footprint.

PVSC has engaged four outside energy consultants to assist in the study of overall plant operations to identify potential for the creation of on-site green advanced renewable fuels. This includes investigating the development of green hydrogen from the solar panels envisioned as part of the TREC application, as well as from waste streams at the plant.

PVSC will partner with industry leaders and academic institutions to explore and implement these cutting-edge technologies. These fuels would be used to run the standby power generation facility as well as other existing equipment at the facility, further reducing environmental health stressors and greenhouse gases. This implementation would be completed as part of Milestone Two (in 2025 to 2030).

Finally, Milestone Three (for the period 2030 to 2050) includes PVSC's commitment to continuing to work with the State to implement advanced

technologies consistent with the 2050 Energy Master Plan as those technologies become available, which we fully expect they will.

Superstorm Sandy exposed a vulnerability at PVSC. It cannot now be unexposed, and it most certainly cannot be ignored. The loss of power at the wastewater treatment plant caused significant environmental, property and economic damage to the region. Complex computer modeling demonstrates that should PVSC lose power again for a significant period of time and a wet weather event occurs during that period of time, the results will be catastrophic and unacceptable. These results would include the backup of raw sewage into residential and commercial structures in Newark, Jersey City, and Bayonne, with street-level flooding in those same areas. Beyond the displacement of people from their homes and the destruction of their property, these people would be at risk of exposure to toxins, contaminants, and diseases in the raw sewage. In addition, there would be significant damage caused to the environment by the discharge of raw sewage into Newark Bay and other nearby bodies of water. There is also the threat to the supply of drinking water for the region, in which PVSC plays a critical, essential role. Finally, there would be economic damage caused to the surrounding communities as a result of PVSC not being operational, which was estimated to be $4.1 billion as a result of Sandy.

This is why PVSC must have a reliable power source to prevent damages from future events. The power source needs to be a power supply independent from other suppliers and resilient from any threat that could take the power supply down. We understand the concerns about emissions from the facility. As people who are directly exposed to those emissions on a daily basis, we share these concerns too.

It is with all of these concerns in mind that PVSC's Energy Sustainability Roadmap completes this program while meeting the requirements of New Jersey's Energy Master Plan and the Environmental Justice Law. To summarize:

- A reliable power source will allow for the continued operation of the wastewater treatment plant, protecting public health throughout the region.
- Environmental health stressors such as nitrogen oxides, carbon monoxide and volatile organic compounds will be reduced, providing a direct benefit to our neighbors.
- Greenhouse gases will be reduced, providing an overall benefit to the environment.
- PVSC commits to continuing to identify additional improvements that can assist in further reducing health stressors and greenhouse gases.

Thank you.