

P.L. 2025, Joint Resolution No. 11, *approved August 15, 2025*  
Senate Joint Resolution No. 154

1 **A JOINT RESOLUTION** respectfully directing the Board of Public  
2 Utilities to investigate PJM Interconnection, L.L.C.’s Reliability  
3 Pricing Model; and directing the State of New Jersey to  
4 collaborate with neighboring states to promote affordable energy  
5 practices and to urge PJM Interconnection, L.L.C. to implement  
6 market reforms and expeditiously review new electricity  
7 generation applications.  
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9 **WHEREAS**, PJM Interconnection, L.L.C. (PJM) is the regional  
10 transmission organization responsible for coordinating the  
11 movement of electricity and ensuring reliable and cost-effective  
12 energy distribution in New Jersey, several other states, and the  
13 District of Columbia; and

14 **WHEREAS**, PJM’s Reliability Pricing Model, commonly referred to as  
15 PJM’s capacity market, is intended to ensure that adequate  
16 resources exist on the grid to maintain reliability at the lowest  
17 possible cost through a competitive auction; and

18 **WHEREAS**, PJM, on behalf of New Jersey’s electricity customers,  
19 administers a capacity market auction to procure capacity for future  
20 years; and

21 **WHEREAS**, In New Jersey, under the “Electric Discount and Energy  
22 Competition Act”, electric public utilities are required to procure  
23 electricity for basic generation service at prices consistent with  
24 market conditions and then provide basic generation service to  
25 customers who have not switched to a third-party supplier; and

26 **WHEREAS**, The rising cost of capacity in PJM’s capacity market  
27 auctions, which contributes to the overall increase in electricity bills  
28 for ratepayers, raises concerns about the alignment of capacity  
29 prices with the principles of affordability and transparency outlined  
30 in the “Electric Discount and Energy Competition Act”; and

31 **WHEREAS**, Energy demand is expected to grow by 2.3 percent  
32 annually over the next 10 years across the region served by PJM  
33 and by 1.55 percent annually over the next 10 years across New  
34 Jersey; and

35 **WHEREAS**, In addition, delays in PJM’s interconnection queue have  
36 prevented new electric generation resources from becoming  
37 operational in a timely manner; and

38 **WHEREAS**, As a result, these new resources that are required to  
39 maintain reliability at lower costs will be unable to compete in  
40 PJM’s capacity market auctions in the near future; and

41 **WHEREAS**, Energy price hikes disproportionately affect low-income  
42 families and vulnerable populations, aggravating existing  
43 inequalities and creating additional financial hardships; and

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1 **WHEREAS**, The BPU, alongside utility agencies in other states, has  
2 sent multiple letters to the PJM Board of Managers since PJM's  
3 June 2024 capacity market auction and has sent multiple filings to  
4 the Federal Energy Regulatory Commission (FERC) on how to  
5 improve PJM's capacity market rules before the upcoming July  
6 2025 auction; and

7 **WHEREAS**, The State of New Jersey, through the BPU, has been  
8 working vigorously to incentivize the development of new  
9 generation sources to help meet the growing energy demand and,  
10 thereby, help prevent increases in energy and capacity prices; and

11 **WHEREAS**, The BPU has been actively working to protect ratepayers  
12 from price increases and coordinating with other PJM states to push  
13 for capacity market reforms; and

14 **WHEREAS**, The BPU's initiatives, led by Governor Murphy, are  
15 accompanied by the actions of consumer advocates, including the  
16 New Jersey Division of the Rate Counsel and Pennsylvania  
17 Governor Josh Shapiro, who have furthered the region's efforts to  
18 reduce prices through additional complaints at FERC, which the  
19 BPU has pledged to support; now, therefore,

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21 **BE IT RESOLVED** *by the Senate and General Assembly of the*  
22 *State of New Jersey:*

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24 1. The Board of Public Utilities shall investigate whether  
25 PJM's Reliability Pricing Model is serving its intended design to  
26 obtain resource adequacy at the lowest possible cost. The board  
27 shall report the results of this investigation to the Governor and the  
28 Legislature, pursuant to section 2 of P.L.1991, c.164 (C.52:14-  
29 19.1), no later than 12 months following the effective date of this  
30 resolution.

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32 2. The State of New Jersey shall work collaboratively with  
33 neighboring states within PJM's jurisdiction to promote equitable  
34 practices, prioritize carbon-free energy sources, reduce the impacts  
35 of climate change on energy demand and costs, and to urge PJM to  
36 implement market reforms that protect ratepayers from rising  
37 capacity prices and to expeditiously review new electricity  
38 generation applications.

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40 3. Copies of this resolution, as filed with the Secretary of State,  
41 shall be transmitted by the Clerk of the General Assembly or the  
42 Secretary of the Senate to the Commissioners of the Board of Public  
43 Utilities and to each member of the PJM Board of Managers, as the  
44 members are identified on PJM's Internet website.

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46 4. This joint resolution shall take effect immediately.

STATEMENT

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This joint resolution respectfully: (1) directs the Board of Public Utilities (BPU) to investigate PJM Interconnection, L.L.C.'s (PJM) Reliability Pricing Model; and (2) directs the State of New Jersey to collaborate with neighboring states to promote affordable energy practices and to urge PJM to implement market reforms and expeditiously review new electricity generation applications.

PJM is the regional transmission organization responsible for coordinating the movement of electricity and ensuring reliable and cost-effective energy distribution in New Jersey, several other states, and the District of Columbia. One of PJM's responsibilities is to administer a capacity market to ensure adequate resources exist on the grid to maintain reliability at the lowest possible cost through a competitive auction. The rising cost of capacity in PJM's capacity market auctions, which contributes to the overall increase in electricity bills for ratepayers, raises concerns about the alignment of capacity prices with the principles of affordability and transparency outlined in New Jersey's "Electric Discount and Energy Competition Act".

In addition, delays in PJM's interconnection queue have prevented new electric generation resources from becoming operational in a timely manner. As a result, these new resources, which are needed to maintain reliability at low costs, will be unable to compete in PJM's capacity market auctions in the near future.

The BPU has been working to incentivize the development of new generation resources to help meet growing energy demand and thereby prevent increases in energy and capacity prices. The BPU has also been actively working to protect ratepayers from price increases and coordinating with other PJM states to push for capacity market reforms. The BPU's initiatives, led by Governor Murphy, are accompanied by the actions of consumer advocates, who have furthered the region's efforts to reduce prices through additional complaints at the Federal Energy Regulatory Commission, which the BPU has pledged to support.

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Directs BPU to investigate PJM Interconnection, L.L.C.'s Reliability Pricing Model; directs State to promote affordable energy practices and to urge PJM Interconnection, L.L.C. to implement certain reforms.