

JOINT RESOLUTION NO. 11

A JOINT RESOLUTION respectfully directing the Board of Public Utilities to investigate PJM Interconnection, L.L.C.'s Reliability Pricing Model; and directing the State of New Jersey to collaborate with neighboring states to promote affordable energy practices and to urge PJM Interconnection, L.L.C. to implement market reforms and expeditiously review new electricity generation applications.

WHEREAS, PJM Interconnection, L.L.C. (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; and

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

WHEREAS, PJM, on behalf of New Jersey's electricity customers, administers a capacity market auction to procure capacity for future years; and

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

WHEREAS, 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 the "Electric Discount and Energy Competition Act"; and

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

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

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

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

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

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

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

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

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

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

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

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

4. This joint resolution shall take effect immediately.

Approved August 15, 2025.