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Contact:
Peter Peretzman
(609) 900-5626

NJBPU Moves to Make New Jersey First State to Align Offshore Wind Transmission Policy with Regional Plan

New Jersey moves forward on first ever State Agreement Approach with PJM

Trenton, N.J.—The New Jersey Board of Public Utilities (NJBPU) today positioned New Jersey to be the first state to fully align its offshore wind transmission goals with its regional grid operator’s planning process. In furtherance of these objectives, set out by Governor Phil Murphy’s goal of 7,500 megawatts of offshore wind energy by 2035, and by the Legislature, the Board [formally requested](#) the inclusion of this state public policy into the transmission planning process of PJM Interconnection, LLC (PJM) through a competitive solicitation process in what is known as the State Agreement Approach.

“Our actions today reflect New Jersey’s leadership in innovative clean energy development, as well as our commitment to expanding renewable energy quickly and responsibly to combat climate change,” said NJBPU President Joseph L. Fiordaliso. “By exploring offshore wind transmission options through the State Agreement Approach, we’ll work collaboratively with PJM to identify potential solutions that meet the state’s needs and ensure the best value for ratepayers. PJM has been tremendously helpful throughout this process and will be instrumental to our success in achieving Governor Murphy’s vision for 100 percent clean energy by 2050.”

“The State Agreement Approach was written broadly to accommodate the breadth and diversity of policies that different states might pursue,” said Manu Asthana, President and CEO of PJM. “It is an existing tool that states can use to leverage PJM’s regional transmission planning expertise. In this case, we are pleased to be able to help New Jersey advance its offshore wind objectives.”

NJBPU is requesting that PJM integrate the State's offshore wind transmission policy goals into the grid operator's transmission planning process through the State Agreement Approach established by the Federal Energy Regulatory Commission's (FERC) Order No. 1000. Today's action authorizes PJM to solicit potential offshore wind transmission solutions from qualified developers on behalf of NJBPU, making New Jersey the first state to engage in a competitive solicitation process managed by PJM for such critical planning.

By making this formal request, NJBPU can utilize the State Agreement Approach to explore options for an optimal long-term solution for offshore wind transmission that otherwise may not have been available at this stage of development. Through the solicitation process, NJBPU will examine details on a wide array of ready-to-build transmission options, including key factors such as cost, siting, environmental impacts, and the timeframe for construction.

The process will also allow NJBPU to determine how a coordinated approach can lead to more cost-effective, efficient transmission solutions that minimize the environmental impacts of bringing wind energy ashore. There are no financial or ratepayer obligations with today's announcement, which goes into effect after the State's second offshore wind solicitation. Additionally, the competitive solicitation process contains extensive consumer protections, including the ability to control cost and timing implications by incorporating transmission upgrades in a phased manner.

With its decision today, NJBPU directed Staff to work with PJM to seek potential solutions for three interrelated components of an open access offshore wind transmission facility:

1. onshore upgrades,
2. beach crossings with potential offshore "collector" platforms, which collect energy from multiple wind farms, and
3. an ocean transmission "backbone" to connect multiple collector platforms or lease areas.

NJBPU will assess whether proposals for any of these components can meet the State's offshore wind policy goals in an economically efficient, environmentally sensitive, and timely manner.

NJBPU intends to work with PJM to open the solicitation in 2021 and evaluate competitive project proposals in concert with the grid operator, including any cost considerations. At the end of the process, NJBPU will decide whether to proceed with any combination of the proposed transmission projects, but reserves the right to terminate the process at any time without making a selection.

More information about New Jersey's offshore wind program can be found at <https://www.njcleanenergy.com/renewable-energy/programs/nj-offshore-wind>.

About the New Jersey Board of Public Utilities (NJBPU)

NJBPU is a state agency and regulatory authority mandated to ensure safe, adequate and proper utility services at reasonable rates for New Jersey customers. Critical services regulated by NJBPU include natural gas, electricity, water, wastewater, telecommunications and cable television. The Board has general oversight and responsibility for monitoring utility service, responding to consumer complaints, and investigating utility accidents. To find out more about NJBPU, visit our website at www.nj.gov/bpu.

About New Jersey's Clean Energy Program (NJCEP)

NJCEP, established on January 22, 2003, in accordance with the Electric Discount and Energy Competition Act (EDECA), provides financial and other incentives to the State's residential customers, businesses and schools that install high-efficiency or renewable energy technologies, thereby reducing energy usage, lowering customers' energy bills and reducing environmental impacts. The program is authorized and overseen by the New Jersey Board of Public Utilities (NJBPU), and its website is www.NJCleanEnergy.com.

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