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PJM, New Jersey Collaborate to Advance State's Offshore Wind Goals Through Regional Planning Process
Effort is First Use of State Agreement Approach, Reflects PJM's Continued Commitment to Working With States

(Valley Forge, PA – Nov. 18, 2020) – PJM Interconnection and the New Jersey Board of Public Utilities today announced the commencement of a landmark effort to help the state of New Jersey advance its ambitious offshore wind goals through an existing but never-before-used provision of PJM's transmission planning process.

It is the first time a jurisdiction within the PJM footprint has requested that PJM initiate the State Agreement Approach included in the PJM Operating Agreement. The State Agreement Approach provides a path for states to contract for the transmission facilities required to advance their specific energy goals and objectives.

After extensive consultation with the Organization of PJM States, PJM added the State Agreement Approach to its Operating Agreement seven years ago in implementing the Federal Energy Regulatory Commission's (FERC) Order 1000. In that order, FERC required regional grid operators to "provide for the consideration of transmission needs driven by public policy requirements in the regional transmission planning processes."

"This collaboration represents PJM's continued commitment to helping our states advance their public policy objectives," said PJM President and CEO Manu Asthana. "We are pleased to be able to help New Jersey, in concert with the Legislature's Offshore Wind Economic Development Act, advance its Energy Master Plan and its Offshore Wind Strategic Plan objective."

The commencement of the State Agreement Approach includes New Jersey utilizing the competitive solicitation process in PJM's existing planning framework to explore options for development of reliable and cost-effective transmission solutions to help bring offshore wind energy to consumers. Transmission component options include grid-to-onshore substations, onshore substations to offshore collector farms, and an offshore transmission "backbone."

"PJM has put in a lot of work to help us implement this critical component of Gov. Murphy's Energy Master Plan," said Joseph L. Fiordaliso, President of the New Jersey Board of Public Utilities. "We value the expertise and proven competitive transmission planning process that PJM brings to the table, and appreciate their demonstrated commitment to assist New Jersey in this effort."

The State Agreement Approach enables a state or group of states to propose a state-initiated project to assist in realizing state public policy requirements as long as the state (or states) agrees to pay all costs of the state-selected buildout included in the Regional Transmission Expansion Plan (RTEP). Most RTEP projects have been driven by reliability or market efficiency criteria.



Following the request from the New Jersey Board of Public Utilities, PJM will include New Jersey's needs for offshore-wind-related transmission improvements in a competitive proposal window set to open in the first quarter of 2021. Transmission developers may submit proposals to address New Jersey's goal of facilitating the infrastructure necessary to deliver a target of up to 7,500 MW of offshore wind to consumers over the next 15 years.

The project proposals would be evaluated by PJM in concert with the New Jersey Board of Public Utilities, with the state retaining the right to elect whether to move forward with any specific project proposal.

"This is a first step to getting transmission built to advance New Jersey's offshore wind objectives," said Asim Z. Haque, Vice President – State and Member Services. "I want to thank the New Jersey Board of Public Utilities for collaborating with our Planning team and our new State Policy Solutions unit. PJM remains committed to working with all of our states to help them further their energy goals."

[PJM Interconnection](#), founded in 1927, ensures the reliability of the high-voltage electric power system serving 65 million people in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. PJM coordinates and directs the operation of the region's transmission grid, which includes over 84,236 miles of transmission lines; administers a competitive wholesale electricity market; and plans regional transmission expansion improvements to maintain grid reliability and relieve congestion. PJM's regional grid and market operations produce annual savings of \$3.2 billion to \$4 billion. For the latest news about PJM, visit PJM Inside Lines at insidelines.pjm.com.

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