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PJM, New Jersey Reach Next Milestone in Pursuit of State's Offshore Wind Goals
Unique Approach in Regional Planning Process Builds Upon Successful Collaboration

(Valley Forge, PA – April 26, 2023) – The New Jersey Board of Public Utilities today announced the latest milestone in its historic collaboration with PJM to advance the state's offshore wind goals through the grid operator's competitive transmission planning process.

Today's formal request made by the NJBPU on behalf of the state of New Jersey asks PJM to solicit transmission solutions to serve an additional 3,500 MW of offshore wind energy, totaling 11,000 MW by 2040.

Through its unique State Agreement Approach, PJM will initiate a second competitive solicitation process on behalf of the NJBPU. This process will examine whether an integrated array of open-access transmission facilities, both onshore and potentially offshore, can achieve New Jersey's expanded offshore wind goals in an economical and timely manner. This evaluation is conducted as part of PJM's Regional Transmission Expansion Planning process, and the results will be shared with the NJBPU for a final decision to determine which, if any, additional projects they may wish to pursue.

"We are pleased to be working with New Jersey again to plan for the transmission needed to realize their renewable energy goals," said PJM President and CEO Manu Asthana. "The State Agreement Approach is a proven tool that states can use to advance their policy initiatives, leveraging PJM's planning expertise and competitive processes to drive down costs for New Jersey ratepayers. We believe it can serve as a blueprint for other states to advance their own policies."

The NJBPU in November 2020 invoked the State Agreement Approach to incorporate New Jersey's initial offshore wind goals (7,500 MW by 2035) into PJM's regional transmission planning process. That culminated in the NJBPU awarding \$1.1 billion in projects to construct the onshore transmission facilities necessary to deliver those 7,500 MW to New Jersey customers, while minimizing community and environmental impacts and customer costs.

"New Jersey has been a pioneer in developing infrastructure needed to achieve its ambitious offshore wind policies," said NJBPU President Joseph L. Fiordaliso. "NJBPU recognized early on the value of PJM's independent, competitive and proven transmission planning process, and we look forward to continuing to achieve New Jersey's offshore goals reliably and as cost-effectively as possible."

In today's [order](#) (PDF), the NJBPU staff also recommends that the Board explore the interest of other East Coast states in coordinating regional offshore transmission solutions, potentially including a regional offshore "backbone" transmission system.



Following today's formal request from the NJBPU and building upon past studies, PJM will include New Jersey's needs for offshore-wind-related transmission improvements in a competitive proposal window tentatively set to open in 2024.

Transmission developers may submit proposals for the development of reliable and cost-effective transmission solutions to help bring offshore wind energy to consumers, and may also include grid-to-onshore substations, onshore substations to offshore collector farms, and an offshore transmission backbone. Additional information and updates will be available through PJM's Planning Community webpage and through PJM's Transmission Expansion Advisory Committee.

About the State Agreement Approach

The State Agreement Approach (SAA) was incorporated into the PJM Operating Agreement in 2013, with the implementation of the Federal Energy Regulatory Commission's Order 1000. With 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."

The SAA may be used by any state, or combination of states, to advance state public policy goals, as long as the state (or states) agrees to pay all costs of the project's build-out included in the PJM Regional Transmission Expansion Plan.

[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 88,115 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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