

Anatomy of a Bill Increase

New Jerseyans' energy bills are up **37%**

as new low-cost renewables are being shut out of the energy mix

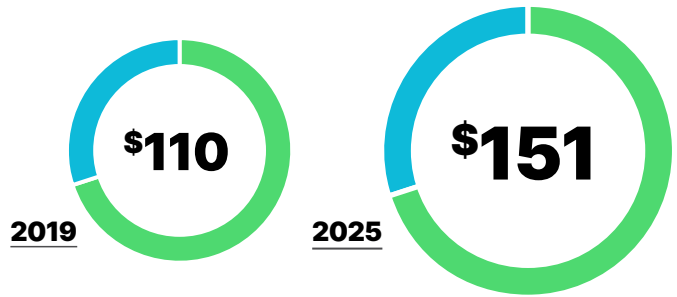
leaving consumers exposed to volatile fuel costs.

Changing the way energy projects connect to the PJM power grid would help.

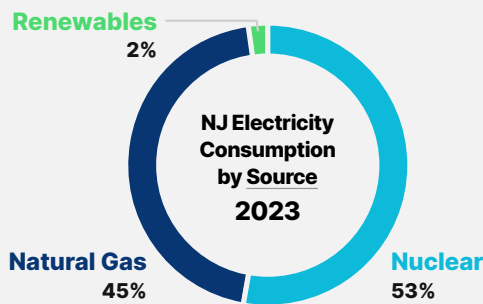
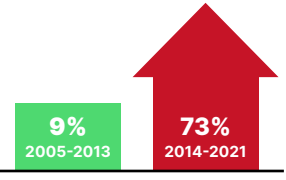
New Jersey

Average Monthly JCP&L Electricity Bill

- Delivery Charge
- Generation Charge

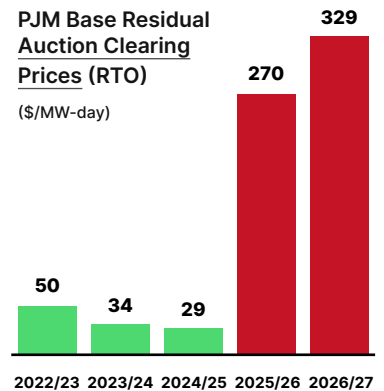


Spending on power lines in the PJM region has shifted to lower-voltage local projects, which often deliver less value to ratepayers.



With 45% of electricity consumption coming from natural gas, New Jersey consumers are subject to fluctuations in natural gas prices, which are projected to more than double from 2024-2027.

Since early 2019, New Jersey hasn't built many new power plants, adding only 524 MW of electricity. That's less than a single average coal power plant. Meanwhile, increased demand has pushed electricity prices higher, causing the regional grid operator, PJM, to pay more to keep the lights on. Those higher costs are passed on to New Jerseyans, while 18,000 MW of new energy projects in NJ, mostly from renewables, are waiting to be plugged into the PJM grid.



Changing the way energy projects connect to the PJM power grid would help get more renewables online and save New Jerseyans hundreds of dollars.

\$405
potential annual savings





PJM Spotlight

10x

PJM Capacity prices have risen more than tenfold compared to prices in 2023.

► Record-breaking Capacity Auction



Grid operators ensure there is enough electricity to meet future demand by purchasing capacity in advance. "Capacity" is a guarantee from electricity plant owners that they will be available to operate if called upon.

- *PJM is the grid operator for 13 states, including the entire mid-Atlantic region*



There were not enough eligible bidders in PJM's recent capacity auction to meet the total demand, so prices rose all the way to the price cap put in place before the auction.

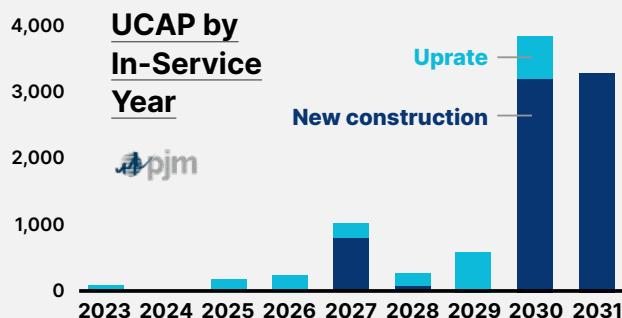


New electricity resources are not being added at a pace that can keep up with the growth in electricity consumption, causing prices to soar.



It can take five or more years for new resources to connect to the grid.

► PJM's Solution? The Reliability Resource Initiative (RRI)



- RRI is an intended solution to insufficient supply present in the capacity auction.
- Through this process, PJM selected 39 gas projects, **which are slower to build and won't deliver significant new energy supply until 2030 or later.**
- Meanwhile, nearly all of the 31 battery storage projects submitted would come online before 2030, and only 5 were selected.
- This solution won't help address near-term demand, and ratepayers will suffer through the end of the decade.

► Solutions for States

New Jersey Governor Phil Murphy has joined a bipartisan group of Governors demanding change at PJM. Through the formation of a PJM Governors Group, states can work together to design better markets and make smart investments in transmission that will unlock a more affordable future for all New Jerseyans.

State regulators need to ensure PJM keeps costs low by planning regional transmission to connect the lowest-cost clean power sources and requiring utilities to maximize the value of existing infrastructure using grid-enhancing technologies and high-performance conductors.

