

U.S. Department of Energy Transmission Needs Study: Guide for New Jersey

Why is it Important for New Jersey to Work with Regional Partners on Transmission Development Now?

Governor Murphy’s Energy Master Plan calls for 100 percent clean energy by 2050. The state’s renewable portfolio standard (RPS) mandates that every electric utility procure 35 percent of its power from renewables by 2025 and 50 percent by 2030. This shift in generation is achievable but requires additional support for the entire mid-Atlantic grid.¹ Without sustained interregional cooperation on building the transmission that brings power from renewable resources to consumers, the energy transition may stagnate.

Development of a modern, well-networked transmission grid will ensure reliable, affordable, and clean electricity powers New Jersey’s economy through the 21st century. Transmission grid infrastructure is as fundamental as our highways or water supplies, but the Garden State’s aging grid wasn’t made for today’s increasingly digital and electrified economy—or the threat of climate change. Conditions on the 13-state regional grid have deteriorated to the point that Americans for a Clean Energy Grid recently released a [scorecard](#) that gave the mid-Atlantic a D+ for its transmission planning and development efforts.

We need to move quickly and decisively to ensure our grid is prepared for the scale of the energy transition. To aid in that effort, the Biden Administration’s Bipartisan Infrastructure Law mandated a [Transmission Needs Study](#) laying out the steps necessary for each region to meet

¹ The Department of Energy’s Transmission Needs Study uses the term “mid-Atlantic grid” to refer to the portions of the grid controlled by PJM.

the moment. The study's recommendations, if implemented expeditiously, will help smooth the energy transition and protect consumers from high prices and grid unreliability.

Below are the two key findings from the U.S. Department of Energy (DOE)'s National Transmission Needs Study, highlighting why New Jersey must prioritize transmission:

- **FINDING #1: Lack of transmission is raising energy prices for overburdened New Jersey consumers.**

Garden Staters are paying more than they need to for power. Because of a lack of transmission, they are forced to buy from more expensive sources of power when cheaper options are available. These cost problems are particularly severe for residents near New Jersey's borders, where lack of inter-state capacity means transmission issues are exacerbated.

- **FINDING #2: New Jersey must work with regional partners to meet renewable energy goals.**

New Jersey has robust plans for renewable energy, which should result in the state becoming a net exporter with associated economic and competitiveness benefits. Exporting power, however, will be dependent on transmission capacity.

Further Benefits of Investing in Transmission

Keeping the Lights On in New Jersey

During major stressors, like 2022's Winter Storm Elliott, transmission capacity allows operators to surge power to regions that might otherwise lose electricity. According to a [report](#) from the American Council on Renewable Energy, additional interregional transmission during the storm would have yielded nearly \$100 million in economic benefits.

Lowering Electricity Costs for Consumers

Regional coordination and transmission expansion can lower the costs of meeting New Jersey's 2050 goals and deliver lower electricity bills. Cheaper and cleaner resources exist in neighboring states, but an additional 2 GW of transmission is required to deliver that energy throughout the region. The New Jersey Energy Master Plan shows that if New Jersey instead



relied on its own in-state resources to meet 2050 targets, annual costs in 2050 would be \$6.2 billion per year higher than the Least Cost scenario.

Recommendations: Steps New Jersey Can Take to Meet the Moment

- Engage directly with other PJM states to identify sub-regional opportunities for coordination, pro-active transmission planning, and multi-state transmission solicitations. One core opportunity includes finding connections between NJ SAA 2.0, [Maryland's POWER Act](#), and [Delaware's SB170](#).
- PJM, New Jersey's grid operator, needs to hear more from the state when making its decisions. State decisionmakers need to be vocal about incorporating clean energy targets into grid planning in forums such as the Organization of PJM States (OPSI) and PJM's Independent State Agency Committee (ISAC) or they risk being drowned out by the utilities.
- Ensure the New Jersey Board of Public Utilities and other relevant state agencies have the funding and staffing necessary to devote the required resources to transmission planning, which can be technical and time-consuming.
- Encourage federal lawmakers to extend the tax incentives afforded to renewable generation projects to the transmission projects necessary to bring clean power to communities and businesses.
- Explore [legislation creating a state grid modernization taskforce](#), bringing together an inclusive set of renewable energy developers, utilities, advocates, and labor to develop a comprehensive master plan for New Jersey's electric grid. [Massachusetts passed such legislation](#), and the taskforce recently began meeting.
- Prioritize expedited siting and permitting processes for transmission lines that help New Jersey meet its climate policy goals while ensuring that meaningful local community engagement still exists during the project review stage.
- Explore the possibility of an independent body tasked with transmission planning, siting, and coordination issues.

