

Governor Phil Murphy

Governor Murphy Calls for Formal Investigation Into Regional Energy Cost Crisis

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TRENTON – Governor Phil Murphy today urged the federal government to investigate whether market manipulation resulted in higher energy prices that are set to take effect this summer, harming consumers and businesses in New Jersey and the region.

The Governor penned a letter (https://d31hzhk6di2h5.cloudfront.net/20250417/4c/46/be/41/1b75d2529193d29d95d5d20a/4.16.25_FERC_Letter.pdf) to the Federal Energy Regulatory Commission (FERC) requesting that agency leadership direct the commission's enforcement unit to launch an investigation of the 2024 Base Residual Auction (BRA) for the 2025/2026 Delivery Year and examine whether market manipulation occurred, and if so, to determine the extent to which that manipulation resulted in higher capacity auction prices and, therefore, led to an increase in energy bills for families and businesses.

PJM Interconnection is the regional transmission organization that serves more than 65 million people across New Jersey, Pennsylvania, Maryland, Delaware, Illinois, and nine other states and jurisdictions in the Mid-Atlantic and Midwest. To manage the availability of electric supply, PJM hosts an auction to secure an adequate amount of reliable electricity from generators. Following the results of the 2024 auction, which resulted in total costs of nearly \$14.7 billion compared to the previous year's \$2.2 billion, PJM is justifying an increase to the average customer's electric bill by \$20-\$25 a month.

The Murphy Administration has been at the forefront of a multi-state effort to address unacceptable energy cost increases and compel PJM to take responsibility for the nearly tenfold increase in the clearing price for the 2025/2026 Delivery Year. Governor Murphy's actions today highlight the urgent need for transformational solutions to fix a flawed market that compromises state energy and economic policies, in-state jobs, and most importantly, the well-being of New Jerseyans. Any investigation by FERC into the PJM cost crisis must kickstart a strategic plan by the grid operator to prevent a future cost catastrophe.

"The manufactured PJM cost crisis was foreseeable and preventable. Today, I'm urging FERC to take immediate action to investigate the unacceptable outcome of PJM's 2024 capacity auction – resulting in exorbitantly high price increases that PJM will unjustly pass down on to everyday New Jerseyans," **said Governor Murphy**. "I am deeply concerned with how increasing energy bills will affect families and businesses as we head into the summer months, and I am calling on FERC to investigate whether market manipulation led to this harmful increase. As the regulator, FERC must ensure that PJM is prioritizing the safe, reliable, cost-effective, and clean delivery of electricity – especially when neglecting this obligation will be at the expense of ratepayers."

In the 2024 State of the Market Report, PJM's Independent Market Monitor (IMM) concluded that the results of last year's capacity auction were "significantly affected by," among other things, "the exercise of market power through the withholding of categorically exempt resources." Due to this, as well as several other flaws, the IMM concluded that the auction clearing price did "not reflect supply and demand fundamentals" and "resulted in actual capacity market payments that were approximately twice as high as needed."

The Murphy Administration has proactively been pushing back on high prices for months, previously [joining several other states](https://d31hzhk6di2h5.cloudfront.net/20250417/ff/dc/8f/9c/87e5f81308f1884753a47bb8/Governors_Letter_to_FERC_in_Support_of_PA_Complaint.pdf) (https://d31hzhk6di2h5.cloudfront.net/20250417/ff/dc/8f/9c/87e5f81308f1884753a47bb8/Governors_Letter_to_FERC_in_Support_of_PA_Complaint.pdf) in urging FERC to modify PJM's auction price cap and stabilize the market. Governor Murphy also [pushed](https://d31hzhk6di2h5.cloudfront.net/20250417/08/64/68/98/cf5c2c188a48abe0bec08733/Gov_Murphy_letter_to_PJM_Board_1.17.25.pdf) (https://d31hzhk6di2h5.cloudfront.net/20250417/08/64/68/98/cf5c2c188a48abe0bec08733/Gov_Murphy_letter_to_PJM_Board_1.17.25.pdf) PJM's board chair to take immediate action to avoid a sharp escalation in energy prices.

Thanks to the advocacy of Governor Murphy, Governor Josh Shapiro, Governor J.B. Pritzker, Governor Wes Moore, and others, PJM recently came to an agreement to save consumers \$21 billion over two years across the region.

The Murphy Administration remains committed to an all-of-the-above approach to increasing the supply of resources to lower energy costs for New Jerseyans and maintain grid reliability, including battery storage, solar, and other resources. Just last year, the State surpassed five gigawatts of solar energy in-state, and New Jerseyans are benefiting from the cost savings and emissions reduction of that home-grown energy. In addition to continuing investments in energy efficiency, demand response, community solar, and other resources, this summer, the State will launch a storage incentive program to deliver firm resources and take advantage of extra capacity on existing generation sites.

For New Jerseyans struggling to afford utility bills, the State offers a wide range of programs that can help with utility bills, rent, and energy efficiency programs. Customers can apply online at nj.gov/dca/dcaid (<https://dcaid.dca.nj.gov/en-US/>), and upload all required documents. For further information, people can call the New Jersey Utility Assistance hotline at 1-800-510-3102 and stay up to date on direct bill relief opportunities from the State by reaching out to the New Jersey Board of Public Utilities at nj.gov/bpu/assistance (<https://nj.gov/bpu/assistance/>).

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