



State of New Jersey

OFFICE OF THE GOVERNOR

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TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

January 17, 2025

Mr. Mark Takahashi
Chair, PJM Board of Managers
PJM Interconnection
PO Box 1525
Southeastern, PA 19300-1525

Dear Mr. Takahashi:

I am writing you to express my deep concern over the cost crisis facing New Jersey's residents and businesses due to PJM's recent 2025/26 capacity auction and its forthcoming 2026/27 capacity auction. In the face of more than \$20 billion dollars in potential customer costs, I implore you to take immediate action to prevent the rapid escalation of electricity prices that is likely to occur absent common-sense reforms.

On January 13, you received a letter from Pennsylvania Governor Josh Shapiro urging you to adopt proposed price cap modifications that would respond to the inability of new generation supply to enter the market. I share Governor Shapiro's sentiment and find it unconscionable to continue down a pathway that will harm the residents not only of New Jersey, but the entire region. Especially when there is a solution in front of us, as outlined in Pennsylvania's recent 206 complaint to the Federal Energy Regulatory Commission.

As one of the original members of PJM, New Jersey has long worked in partnership with PJM to pioneer new and innovative approaches to provide our residents with reliable and affordable power, most recently exemplified with our work together on the State Agreement Approach. That long term partnership has become frayed in recent years as PJM continues to take actions that are incongruent with our energy policy and the best interests of our residents. I am calling on you to help repair that partnership and work with New Jersey and other interested states to resolve this matter.

Sincerely,

A handwritten signature in blue ink that reads "Philip D. Murphy".

Philip D. Murphy
Governor