

Governor Phil Murphy

Governor Murphy Unveils Suite of Executive Actions to Address Electricity Prices

Posted on - 05/14/2025

Calls on New Jersey's Electric Utilities to Partner on Cost Mitigation Plans

TRENTON – Today Governor Phil Murphy announced an affordability effort to manage anticipated utility price increases ahead of a rate hike set to take effect on June 1, 2025.

“New Jersey ratepayers are preparing for an unprecedented increase in utility costs,” **said Governor Murphy**. “While the utilities are not responsible for the rate increases, they have a responsibility to protect ratepayers. It’s clear that New Jersey’s four hometown electric utilities need to deliver more reasonable options. We ask that utilities share the load and commit to being part of the solution to the PJM cost crisis. These utilities have reaped billions in profits over the last ten years. My Administration will continue to identify and put all options on the table to mitigate rate increases.”

New Jersey Board of Public Utilities (NJBPU) President Christine Guhl-Sadovy advised Governor Murphy on details of the cost-mitigation filings that were received by the May 7, 2025 deadline by New Jersey’s four investor-owned electric utilities: Public Service Electric and Gas, Jersey Central Power and Light (JCP&L), Atlantic City Electric, and Rockland Electric Company.

To manage the rate hikes that ratepayers are going to experience beginning June 1, 2025, the BPU required the four investor-owned electric utilities to file petitions providing proposals to mitigate overall bill impacts to residential customers during high usage summer months. The customer cost mitigation plans were required to include rate deferral to lower usage months and other opportunities to provide rate stabilization and savings where possible.

As part of the effort to manage rate hikes in the short and long term, Governor Murphy is calling for a series of actions building on weeks of efforts led by the Administration, including:

- Urging New Jersey’s electric utilities to:
 - Voluntarily expand the Winter Termination Program, which prevents service disconnections in the winter months, to July-September, which JCP&L included in their filing, and;
 - Suspend reconnection fees to a certain date past the summer peak usage months.
- Directing the NJBPU to evaluate all available funding and programming to stabilize utility bills,
- Directing the NJBPU to expedite opening another Competitive Solar Incentive Program Solicitation and Community Solar Energy Program Capacity Block by the end of 2025.

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- Directing the NJBPU to open a new proceeding on resource adequacy. Within this proceeding, BPU will:
 - Evaluate proposals to swiftly bring more generation online.
 - Continue to determine how New Jersey can best achieve its reliability, equity, and clean energy objectives while keeping costs to consumers as low as possible, and whether New Jersey is best served the regional capacity market administered by PJM Interconnection.
 - Identify policy opportunities to mitigate increased ratepayers costs due to demand growth driven by data center proliferation in the PJM-region.

Capacity market prices make their way to customers' bills in part through the State's annual Basic Generation Service (BGS) auctions. The Board's authority over the auctions is limited and does not extend to influence pricing. As a result of the 2024 PJM Base Residual Auction and the 2025 BGS auctions, the projected average monthly customer bill increases, beginning June 1, 2025, range from 17.23% to 20.20%, depending on the electric utility service territory where the customer resides.

The State has identified a variety of programmatic updates and efforts to lessen the immediate impact of the impending rate hikes. Last year, New Jersey's energy assistance programs provided approximately \$295 million in assistance to more than 455,000 families. Additionally, the Murphy Administration unveiled the Residential Energy Assistance Payment (REAP) initiative, which disbursed over \$48.7 million via a one-time \$175 bill credit for over 278,000 qualifying households.

To build on the significant cost savings delivered by the REAP initiative, the Board approved a second Residential Energy Assistance Payment at the Agenda meeting on April 23, 2025.

Furthermore, on March 20, 2025, the Board released a Straw Proposal to expand the Universal Service Fund (USF) program, a bill credit program open to customers who are at or below 60% of the state median income. For a family of four that's approximately \$92,000 a year. The USF Straw Proposal seeks to increase the amount of bill assistance and require the utilities to meet certain enrollment obligations to ensure available resources are reaching those who qualify.

In addition to direct bill credits and expansion of USF, the Board also opened another Community Solar Energy Program (CSEP) allocation at the April Agenda Meeting. Community solar subscribers receive guaranteed savings for participating in the CSEP with discounts of 15% or more on community solar credits applied to their bills. CSEP currently serves more than 28,000 New Jersey subscribers, who have received more than \$37 million in bill credits with net savings of more than \$7 million since the start of the pilot program. Opening an additional capacity block of 250 megawatts is key to helping put affordability within reach for more New Jersey ratepayers. The Board also recently opened the third Competitive Solar Solicitation for grid-scale solar, which last year resulted in over 300 megawatts of the cheapest solar ever incentivized, proving solar can be developed competitively and at a reduced cost for ratepayers.

Clean energy like solar and storage are some of the cheapest and fastest generating resources to interconnect and are key to any short and long-term cost reduction and resource adequacy plan. For example, clean energy growth in New Jersey and throughout PJM has saved New Jersey ratepayers billions in avoided costs. Without the PJM-wide (onshore) wind and solar resources that bid into PJM's 2024 capacity auction, clearing prices would have been about 60% higher, which would have cost New Jersey ratepayers roughly an additional \$1.1 billion in the coming year.

To reduce costs and provide rate stabilization long-term, understanding the need for more generation, the NJBPU as directed by Governor Murphy released a Request for Information on nuclear generation and other advanced nuclear technologies to investigate potential opportunities that can help meet the growing need for new sources of generation.

The State also has a significant portfolio of energy efficiency programs run by the utilities. The first cycle of these programs has already saved customers \$600 million, and savings will continue to accrue throughout the life of the installed measures. As important as customer savings from participation, these programs reduce electricity demand, which drives down capacity costs.

The Murphy Administration is committed to ensuring energy affordability for all ratepayers and helping ratepayers navigate this challenging environment. If you or someone you know needs assistance with their energy bills, contact the NJBPU before you are faced with a service disruption.

There are several assistance programs available for utility customers: Universal Service Fund, Fresh Start Program, Payment Assistance for Gas and Electric (PAGE) Program, Low Income Home Energy Assistance Program, Lifeline, NJ Shares, and NJ Comfort Partners. Additionally, the Winter Termination Program is a utility-led program that protects qualifying ratepayers from service disruption during the winter months from November 15 until March 15. A more detailed description of these programs, as well as the requirements and guidelines can be found on the NJBPU's website at

[BPU Assistance Programs](#)

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