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Governor Sherrill Signs Legislation Launching Procurement Process for New Nuclear Energy & Setting Strong Safeguards to Protect Ratepayers from Costs

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TRENTON – Governor Sherrill today signed the Power NJ Act launching the state’s procurement process for new nuclear energy that will help New Jersey meet its growing energy needs. The bill will establish a transparent, competitive process by the NJBPU and NJEDA to evaluate proposals and ensure any project is the best investment for New Jersey ratepayers. The bill passed both houses of the Legislature unanimously with strong bipartisan support. *A summary of the bill is below.*

"The decisions we make today will determine the future we leave our kids, so we are putting New Jersey on a path to an affordable and secure energy future," **said Governor Mikie Sherrill.** "I am excited to launch our state’s process to procure new, advanced nuclear power that will provide clean, reliable energy at scale for generations to come and meet our growing energy demands – from powering our small businesses, schools, and hospitals, to strengthening grid capacity and reliability for extreme weather that is becoming unfortunately all too frequent."

Additionally, the bill sets strong safeguards for ratepayers – including assuring that they won’t bear any costs until a project is built and supplying energy, nor be responsible for cost overruns.

Other safeguards include:

- Requiring projects to secure federal financing, shifting the risk away from New Jersey ratepayers;
- Requiring any project provide a net benefit to ratepayers;
- Requiring at least two separate public comment periods and a public hearing in any proposed municipality;
- Requiring NJBPU and NJEDA to take into account independent assessments by the Division of Rate Counsel to ensure ratepayers’ interests remain central at every step.

Nuclear energy currently provides over 40 percent of the state’s total energy and represents over 80 percent of the state’s clean energy supply. Nuclear energy plants also provide unparalleled efficiency, with sites operating consistently at 90-95 percent capacity.

Today's signing comes on the heels of Governor Sherrill's action in April lifting New Jersey's 50-year moratorium on new nuclear development and marks the next step to bring new nuclear energy to the state, as part of her all-of-the-above approach to energy – and all within her first six months in office.

This major step builds on the Governor’s aggressive energy affordability agenda, including legislation signed last week to hold utility companies and data centers accountable. The Administration’s actions within these first six months will save ratepayers \$1B annually, according to Synapse Energy Economics.

- Signing Executive Orders 1 and 2 on her first day in office to freeze electric rate hikes and accelerate new power generation through an all-of-the-above energy strategy.
- Successfully advocating for a price collar on PJM to help stabilize electricity costs over the next four years.
- Lifting the 50-year de facto moratorium on new nuclear power and launching a Nuclear Task Force to advance new nuclear opportunities.
- Announcing a historic expansion of the state's Community Solar Energy Program to support up to 3,000 MW of new solar capacity.
- Approving 18 new clean energy projects, including 15 solar projects and three battery storage projects that will produce enough energy to power over 40,000 homes.
- Awarding \$79 million through the New Jersey Economic Development Authority to support 10 large-scale clean energy projects.
- Rolling out the most comprehensive plan in the nation on data centers to establish guardrails that will hold them accountable, while positioning New Jersey to be a leader in AI innovation.



Summary of Legislation

Power NJ Act (A4881/S4296 – DeAngelo, Bailey, Karabinchak / Burzichelli, Smith, Scutari)

- The bill creates a competitive framework, administered jointly by NJBPU and the NJEDA, for the State to procure at least 1,100 MW of new nuclear generation.
 - Within 180 days (by January 9, 2027) – NJBPU opens request for expressions of interest. Developers have 60 days to submit proposals with regulatory, environmental, financial, and workforce information.
 - Next 90 days (by April 9, 2027) – Provisional qualifications. NJBPU qualifies projects to enter the negotiation period or denies them.
 - Next 12 months (by April 9, 2028) - Negotiations and stipulations. NJBPU and NJEDA negotiate with project entities including setting accurate cost estimates, price of electricity, and other terms.
 - Next 90 days (before July 8, 2028) - NJBPU issues Final Board Order if project provides a net benefit to ratepayers, costs are not unreasonable or excessive in light of customers’ overall bills, and the developer has secured federal financing.
- Ratepayers pay nothing during construction. Once the plant is delivering power, suppliers purchase Reliable Capacity Credits (RCCs) at a fixed negotiated price, instead of volatile market prices.

What They’re Saying

"The inadequate supply of energy has contributed to the spike in utility costs for consumers," **said Senator Burzichelli (D-Cumberland/Gloucester/Salem).** "One of the more effective ways of countering higher utility bills is the expansion of sources of power. Giving serious consideration to additional supplies of nuclear power would serve our energy needs. Advanced nuclear power is clean, reliable and strengthens our long-term energy security."

"During my time in the Assembly, I have focused on finding solutions that expand our energy supply while keeping costs down for ratepayer me, these are not two competing goals, they go hand in hand," **said Assemblyman DeAngelo (D-Mercer, Middlesex).** "The Power NJ Act does exactly that. By establishing a clear pathway to procure advanced nuclear energy facilities, we can make smart, long-term investments in reliable, clean power for New Jersey that can support good-paying jobs."

"The New Jersey Energy Policy Coalition thanks Governor Mikie Sherrill, her team, and the Legislature for their swift action to strengthen New Jersey’s energy future," **said Erick Ford, President of the New Jersey Energy Policy Coalition.** "This new law is an important step toward increasing base load capacity, improving grid reliability, and ensuring our state has the energy needed to support residents, businesses, and economic growth. We look forward to working with Governor Sherrill and her administration to help build a more reliable, affordable, and resilient energy future for all New Jerseyans."

"Governor Sherrill and the Legislature deserve credit for taking a thoughtful, forward-looking step to strengthen New Jersey’s energy future," **said Tom Bracken, President of the New Jersey Chamber of Commerce.** "Expanding our energy portfolio through advanced nuclear generation will help improve reliability, increase supply, and put downward pressure on energy costs over time. As the Governor continues to focus on making energy more affordable and reducing the cost of doing business in New Jersey, the New Jersey Chamber of Commerce applauds this bipartisan effort to support employers, consumers, and our state’s long-term economic competitiveness."

"The Power NJ Act is an important step forward in strengthening New Jersey's business community and economy through reliable, affordable and scalable energy. When businesses can better manage energy costs and plan with confidence, they are better positioned to invest, hire and grow," **said John Lucas, President and CEO of the Statewide Hispanic Chamber of Commerce of New Jersey.**

"As we have said for years, nuclear power is a critical component for an all-of-the-above energy approach in New Jersey," **said Michelle Siekerka, President and CEO of the New Jersey Business & Industry Association.** "Our businesses, particularly our manufacturers, are thirsting for affordable, reliable and abundant energy as our costs increase. We thank Governor Sherrill for taking this important step of the signing of the NJ Power Act to put us on the path for increasing much-needed energy generation, while including protections for ratepayers."



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