

## Governor Phil Murphy

# Murphy Administration Takes Action to Lower Skyrocketing Utility Bills

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### *Protects Ratepayers from Regional Cost Crisis*

**TRENTON** – Governor Phil Murphy today applauded the agreement reached between Pennsylvania and PJM Interconnection that will avoid \$21 billion in price hikes on consumers across all 14 jurisdictions PJM serves, including New Jersey.

For months, PJM, the entity responsible for keeping New Jersey's lights on, has been experiencing historic increases in electricity prices and has been slow to bring new generation onto the grid. Last July, in PJM's most recent capacity auction, electricity clearing prices surged to almost 10 times higher than the previous year due to flaws with market rules, with increases ranging from \$12-15 per month.

In October, Governor Murphy and other governors from Pennsylvania, Illinois, Maryland, and Delaware called for urgent action in PJM to curb record-high electricity prices. As a result of a [complaint from Governor Josh Shapiro filed with the Federal Energy Regulatory Commission \(FERC\)](https://www.pa.gov/governor/newsroom/2024-press-releases/lawsuit-against-pjm-to-prevent-energy-price-hikes.html) (<https://www.pa.gov/governor/newsroom/2024-press-releases/lawsuit-against-pjm-to-prevent-energy-price-hikes.html>) against PJM and [letters from PJM founding member governors](https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20250117-5226&optimized=false) ([https://elibrary.ferc.gov/eLibrary/filelist?accession\\_number=20250117-5226&optimized=false](https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20250117-5226&optimized=false)), criticizing flaws in PJM's auction that threatened to impose significant new price increases, PJM agreed to a price cap to save consumers \$21 billion over two years region-wide.

"I am pleased that PJM did the right thing by finding a path forward that will save consumers billions of dollars on their energy bills," **said Governor Murphy**. "New Jersey will continue to advocate for affordability on behalf of consumers and work with our partner states to hold PJM accountable for unconscionable and unnecessary price hikes that hurt families and businesses. This is the beginning of a long road to common sense reforms."

New Jersey's affordability and energy policies directly support generating more power in-state and creating new capacity to meet resource adequacy needs, lowering the price all ratepayers pay for electricity. Last week, Governor Murphy [implored PJM to take immediate action](https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2025/20250121-nj-gov-murphy-letter-re-capacity-market-price-cap.pdf) (<https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2025/20250121-nj-gov-murphy-letter-re-capacity-market-price-cap.pdf>) to respond to the escalating cost crisis.

The agreement between Pennsylvania and PJM follows recent engagement with PJM by the Murphy Administration to press for long-term solutions to address energy costs, including:

1. Align PJM electricity market planning processes with state policymaking, to properly and justly plan for future supply and demand.
2. Speed up interconnection timelines for generation projects. As of last year, PJM is holding up over 240 gigawatts of energy in its interconnection queue. About 96% of those proposed generation projects are clean energy and battery electric storage systems resources.
3. Require long-term transmission planning and promulgate state-drive cost allocation frameworks.

4. Require the integration of state public policies in market rules, so that a new market construct better reflects the resource mix and energy demands of the future.

“Affordability is always top of mind and we will continue fighting for New Jersey ratepayers,” **said NJBPU President Christine Guhl-Sadovy**. “PJM needs to improve its market rules and speed up interconnection queue times to alleviate and reduce costs on New Jersey’s ratepayers. While some progress has been made, PJM must do more.”

“This appears to be a good step that will likely help reduce the exposure to high electricity prices for New Jersey ratepayers. There is, however, more work to do to ensure that future electric prices are reasonable. We understand that other important market design changes have been proposed and are now before FERC. We encourage FERC to approve additional, structural changes to the PJM markets to ensure fair prices for all New Jersey ratepayers before the next auction,” **said Rate Counsel Director Brian Lipman**.

## Governor Phil Murphy

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