



▶ New Jersey New Entry and the Interconnection Process

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HESS' Experience



- Hess is in the process of its third attempt to develop a generation project in Northern NJ
- It's current project NEC at Essex made its interconnection request in Nov 2007
- A definitive interconnection cost still evades us (3 years, three months)
- Feasibility Study: July 2008, \$340 Million
- System Impact Study: Oct 2009, \$110 Million

HESS' Experience (con't)



- When Hess gets its Facility Study results the final costs are still likely to be widely variable due to uncertainty surrounding other queue projects
- Conclusion: The length of time and the cost uncertainties make project development, permitting, and financing in Northern NJ extremely difficult and unlikely



Why Is This The Case?

- High priced RPM zones like NJ (or MD) attract many prospective generation projects
- The sheer number of projects clogs the process, compounds the transmission upgrades, inflates the cost for all, and drives up analytical workload
- Most of these projects will not and can not get built; but which?
- Becomes a speculative proposition

CONCLUSION



- Modifying RPM alone will not bring new generation to NJ
- The Interconnection Process must be addressed as well



Thank You !

