

New Jersey SAA 2.0 Update

New Jersey Board of Public Utilities

June 2024 TEAC

June 4, 2024



Background: SAA 1.0

- In September 2021, the NJBPU utilized PJM's State Agreement Approach to open a competitive solicitation window seeking transmission solutions that support the injection of 7,500 MW of offshore wind in New Jersey ("SAA 1.0").
- In October 2022, the NJBPU awarded a portfolio of transmission solutions estimated to save ratepayers \$900M

Background: SAA 2.0

- In April 2023, the NJBPU declared that it is the public policy of NJ to further expand the transmission system by an additional 3,500 MW to support a total of 11,000 MW of offshore wind interconnecting in New Jersey.
- In February 2024, PJM, on behalf of PJM and the NJBPU, filed a State Agreement Approach Study Agreement at FERC.
- In February 2024, PJM presented that the timeline for SAA 2.0 would be aligned with the 2024 RTEP Cycle.

SAA 2.0 Status

- BPU is now pausing the SAA 2.0 Competitive Window.
- BPU will continue to evaluate an SAA 2.0 while the new rules and processes are introduced and implemented.

Rationale for SAA 2.0 Pause

NJBPU internal efforts that may inform future SAA 2.0

1. Energy Master Plan: the NJ Energy Master Plan, including clean energy goals and implementation strategies will be updated by end of 2024.
2. Offshore Wind Strategic Plan II: the BPU OSWSP, coordinated with the EMP, will analyze the offshore wind landscape, including forecasting PJM transmission and energy markets, to best inform implementation of OSW goals.



Rationale for SAA 2.0 Pause

Major Changes in PJM Processes Since SAA 1.0

1. PJM's New Interconnection Process: new status quo
 - a) Benefit of Timing: PJM is working to unclog the interconnection queue, allowing for offshore wind to connect in a timelier manner.
 - b) Benefit of Cluster Review Process: may allow NJ offshore wind resources to identify shared upgrades through the interconnection process.



Rationale for SAA 2.0 Pause

Major Changes in PJM Processes Since SAA 1.0

2. Long Term Regional Transmission Planning

- a) PJM LTRTP potential manual changes: to be voted on by PJM Stakeholders in June and potentially implemented in 2025.
- b) FERC Order 1920: major industry changes that could open the door to more efficient coordinated planning for public policy.



Rationale for SAA 2.0 Pause

Changes in NJ OSW Solicitation Schedule

- a) Solicitation 4: the fourth solicitation window is currently open and will close in July 10, 2024.
- b) Solicitation 5: the fifth solicitation for offshore wind has been expedited from Q3 2026 to Q2 2025.

Both solicitations are expected to be awarded prior to the expected SAA 2.0 award.

Please Direct Additional Questions to:
Bob Brabston
Executive Director, NJBPU

Robert.Brabston@bpu.nj.gov



Presenter: Ryann Reagan
Wholesale Markets Policy Specialist, NJBPU

Ryann.Reagan@bpu.nj.gov