



## **FOR IMMEDIATE RELEASE**

### **New Jersey's Deregulation Success at Risk: Proposed Legislation Threatens Competitive Electricity Market and Consumer Benefits**

**March 18, 2025** – A policy shift proposal in New Jersey threatens to undermine the proven benefits of the electricity market deregulation that has created a competitive, efficient marketplace that has benefited consumers. The proposed reintegration of power generation under utility control risks reversing these gains, leading to higher costs, reduced innovation, and market instability.

New Jersey Assembly Bill 5439 would return New Jersey to a monopoly-like structure under utility control that discourages competition, shifts financial risk from power generators to ratepayers and creates regulatory and market uncertainty.

"Markets, when allowed to function freely, consistently deliver the most efficient and cost-effective energy solutions for New Jersey ratepayers," said Glen Thomas, President of the PJM Power Providers Group. "This proposed legislation threatens to dismantle that success and is also unnecessary because New Jersey utilities can already own and operate power-generating assets through separate competitive affiliates which helps protect consumers."

New Jersey deregulated its electricity in 1999 to separate power generation from utilities' transmission and distribution functions, fostering a competitive market that has delivered reliable power at lower costs while driving down greenhouse gas emissions.

The proposed legislation would allow utilities to own power generation facilities again, fundamentally altering New Jersey's energy landscape. This complete policy reversal would shift financial risks from investors to ratepayers and reduce competition, impacting reliability and leading to higher prices. Under this structure, ratepayers would bear all development costs and overruns, eliminating the competitive market's risk mitigation. Policy reversals that create regulatory and market uncertainty create instability, deterring future investments in renewables and advanced energy solutions.

"P3 members are willing to engage with the legislature in a thoughtful conversation about constructive policies to support the addition of new resources and promote fair consumer electricity rates. However, the return of utilities to the generation business is a major shift to New Jersey's approach that cannot be part of the solution that is focused on affordability," Thomas stated.

New Jersey participates in PJM Interconnection, a regional transmission organization (RTO) that coordinates wholesale electricity markets. Reintroducing vertically integrated utilities could create conflicts with PJM's competitive energy market framework, potentially leading to inefficiencies and jeopardizing the consumer benefits of being in a competitive regional market.

New Jersey's current deregulated market has fostered innovation and cost-effectiveness. Shifting the risks associated with building, owning and operating power generation facilities to captive utility consumers will undo these benefits and lead to higher electricity rates over time.

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**About PJM Power Providers Group:**

PJM Power Providers Group (P3) is a non-profit organization that supports the development of properly designed and well-functioning markets in the PJM region. PJM is a regional transmission organization that manages the supply and movement of power in 13 states and the District of Columbia. Combined, P3 members own over 83,000 megawatts of generation assets and produce enough power to supply over 63 million homes in the PJM region, covering 13 states and the District of Columbia. Collectively, P3 members have invested tens of billions of dollars into facilities in the PJM marketplace without any regulatory guarantee of a return of or on that investment. Combined, P3 members own and operate virtually all forms of electricity generation, provide demand response services in certain markets and serve end-use consumers through retail affiliates.

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