



**TESTIMONY OF THE PJM POWER PROVIDERS GROUP (P3)
BEFORE THE NEW JERSEY ASSEMBLY TELECOMMUNICATIONS AND UTILITIES
COMMITTEE**

IN OPPOSITION TO ASSEMBLY BILL 4881 – THE “POWER NJ ACT”

May 28, 2026

Chairman DeAngelo and Members of the Committee:

Thank you for the opportunity to submit testimony on behalf of the PJM Power Providers Group (P3). P3 is a non-profit organization dedicated to fostering resilient, competitive wholesale electricity markets within the PJM Interconnection footprint.¹ Our members own and operate dozens of generation facilities across the region, including New Jersey, and are responsible for ensuring that the lights stay on for tens of millions of homes and businesses.

P3 appreciates the intent of the bill to increase in-state nuclear generation production, however, given the current structure and complexity of the bill, P3 is opposed to the bill moving forward.

Appreciation for In-State Nuclear Generation

At the outset, P3 wishes to express its sincere appreciation for the sponsors' intent and the Committee's ongoing focus on supporting reliable, in-state baseload power. P3 members deeply understand the immense value of nuclear power. In fact, many P3 member companies own and operate nuclear generation assets both within New Jersey and across the wider PJM footprint. P3 recognizes that nuclear energy provides indispensable, around-the-clock power that supports grid reliability and helps the State move toward its environmental and economic benchmarks.

¹ The views expressed in this testimony represent the views of P3 as an organization and not necessarily the views of any P3 members. For more information on P3: www.p3powergroup.com. A list of the assets P3 members own in New Jersey is attached.



However, despite our strong alignment with the concept of supporting robust nuclear energy infrastructure, P3 must respectfully **oppose Assembly Bill 4881** in its current form. A4881 represents an incredibly significant, complex, and highly consequential piece of legislation. Given its structural mechanisms and broad scope, P3 strongly urges the Committee to adopt a "go slow" approach to better evaluate its multi-billion-dollar ramifications.

Significant Financial Exposure to New Jersey Consumers

While the bill aims to establish an advanced nuclear energy procurement program within the Board of Public Utilities (BPU), the potential economic exposure to New Jersey ratepayers is staggering. By creating mandated procurement mechanisms, this legislation could result in billions of dollars in long-term financial impacts that will be placed directly on the homes and business of New Jersey if the bill becomes law and the BPU moves forward with contracts.

Decisions that shift substantial financial risks onto the backs of New Jersey's working families and business owners must be fully understood before being codified into law. At a time when consumers are already feeling the pressure of rising utility costs, rushing into a program of this magnitude without exhaustive fiscal analysis could result in severe, unintended financial burdens for years to come.

Out-of-Market Subsidies for Ill-Defined Technologies

A primary concern for P3 is that A4881 leans heavily on out-of-market subsidies to incentivize development. P3 has long maintained that competitive markets are the most efficient mechanism to drive down costs, spur innovation, and protect consumers. Out-of-market interventions consistently distort price signals within the PJM wholesale market, inadvertently discouraging private capital investment and undermining the competitive playing field.

Furthermore, the bill extends these subsidy opportunities to ill-defined, ambiguous technologies. Providing the BPU with sweeping authority to issue lucrative, ratepayer-



funded contracts for poorly delineated parameters creates market uncertainty. For a technology as capital-intensive and long-horizon as advanced nuclear, policy clarity is paramount. Subsidizing vague criteria risks misallocating consumer capital without guaranteeing the intended reliability or environmental returns.

Constitutional Vulnerabilities and the Threat of Litigation

Perhaps the most alarming aspect of A4881 is that its structure could easily lead to years of protracted, expensive litigation. The framework proposed in this bill bears a troubling resemblance to the Long-Term Capacity Agreement Pilot Program (LCAPP) enacted by New Jersey in the early 2010s.

As the Committee may recall, LCAPP attempted to bypass PJM's market structure by forcing state utilities to enter into long-term contracts with specific, favored generators. That effort resulted in years of aggressive legal battles, culminating in a unanimous U.S. Supreme Court ruling (*Hughes v. Talen Energy Marketing, LLC*) which struck down the law for violating the Supremacy Clause of the U.S. Constitution.

A4881 risks steering New Jersey back into this exact legal minefield. By establishing state-mandated procurements that could impermissibly encroach upon the Federal Energy Regulatory Commission's (FERC) exclusive jurisdiction over wholesale electricity markets, this bill invites immediate constitutional challenges. New Jersey ratepayers should not be forced to foot the bill for years of regulatory uncertainty and courtroom battles that ultimately yield no new energy.

Conclusion: A Urgently Needed "Go Slow" Approach

Advanced nuclear energy holds tremendous promise for New Jersey's energy future, but bad policy can stall even the best technology. Assembly Bill 4881 introduces immense consumer risk, market distortion, and profound legal vulnerabilities.

Because of the multi-billion-dollar stakes, P3 strongly urges this Committee to slow down, thoroughly evaluate the long-term legal and economic impacts of the "Power NJ Act," and reject the bill in its current form. We stand ready to work alongside the sponsors, the



Committee, and stakeholders to explore legally sound, market-compatible solutions that support advanced nuclear development without jeopardizing New Jersey's consumers.

Thank you for your time and consideration of our testimony.



P3 MEMBER NEW JERSEY ASSETS

AlphaGen

- Bergen - 1,245 MW (dual-fuel)
- Burlington - 168 MW (dual-fuel)
- Kearny - 456 MW (dual-fuel)
- Linden - 1,639 MW (dual-fuel)
- Sewaren 538 MW (dual-fuel)

Constellation/Calpine

- Salem Generating Station - 995 MW (nuclear) (43%)
- Cumberland Energy Center - 191 MW (dual-fuel)
- Sherman Ave Energy Center - 92 MW (dual-fuel)
- Vineland Energy Center - 4 MW (solar) Salem Generating Station - 995 MW (nuclear) (43%)

Cogentrix

- Lakewood - 280 MW (natural gas)
- Ocean Peaking – 374 MW (natural gas)

CPV

- Woodbridge Energy Center - 725 MW (natural gas)



JERA Americas

- Linden - 980 MW (gas and steam)

LS Power

- MARS Solar Facility - 2.2 MWdc (solar)
- West Deptford - 738 MW (natural gas)
- Yards Creek - 420 MW (hydroelectric)

Red Oak Power

- Sayreville - 832 MW (natural gas)

Vistra

- Sayreville CCGT - 349 MW (natural gas)