

Termination of SAA

PJM’s State Agreement Approach (SAA) enables a state to build transmission that advances its public policy as long as it agrees to pay for the project’s build-out.

The New Jersey Board of Public Utilities in 2020 asked to use the SAA to support its goal of 7,500 MW of new offshore wind. PJM used its competitive planning process to solicit possible solutions.

PJM and NJBPU signed an agreement in January 2022 to pursue 58 transmission projects estimated at \$1 billion.

The New Jersey Board of Public Utilities Requests Delay

In August 2025, NJBPU requested a pause in the transmission work in consideration of industry and policy challenges facing offshore wind. After months of negotiation with PJM, NJBPU in April 2026 asked to mutually terminate the SAA agreement.

PJM filed a Mutual Termination Agreement (MTA) with the Federal Energy Regulatory Commission to remove the SAA transmission work from the models that will be used for the upcoming 2026 RTEP Window 1 and interconnection Cycle 1. FERC approved the termination agreement, effective April 24, 2026.

The MTA addresses the 58 transmission projects as follows:

		Reason	Cost Allocation
42	Canceled	MTA	100% New Jersey
3	Remain: completed before request for delay	Completed	100% New Jersey
1	Remains: previously converted to multi-driver project	Expanded by a subsequent reliability competitive window	New Jersey: 73.27% Region-wide: 26.73%
2	Remain: specific projects relied on by the interconnection queue	Cancellation would cause harm to interconnection projects.	100% New Jersey
10	Previously canceled		100% New Jersey

New Jersey remains responsible for all prudently incurred costs associated with the canceled projects. New Jersey continues to be responsible for 100% of the costs of five of the six projects that will remain and are in progress. New Jersey also remains responsible for 100% of the costs associated with the SAA portion of the multi-driver project, which represents 73.27% of the project’s total actual costs.

Any reliability violations caused by the cancellation of the New Jersey SAA projects will be addressed through PJM’s traditional reliability planning and cost allocation process.

