

Termination of New Jersey State Agreement Approach Agreement

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Planning Committee
May 8, 2026

BACKGROUND:

The PJM State Agreement Approach (SAA) process provides a formal mechanism pursuant to which one or more states can voluntarily agree to pay for their own public policy-driven transmission projects.

The State of New Jersey, through the NJ Board of Public Utilities (NJBPU), used the SAA process to effectuate NJ's state public policy requirement to generate 11,000 MW of electricity from offshore wind (OSW) by 2040, by:

- Building **transmission** to ensure the deliverability of the selected OSW generation
- Establishing an NJ BPU-administered OSW **generation** solicitation process, whereby the selected generation is studied through PJM's interconnection process

PJM and the NJBPU have reached agreement to terminate certain baseline projects

- Projects were selected pursuant to the PJM SAA process to support NJ's state goal of 7,500 MW of OSW generation by 2035

PJM filed the Mutual Termination Agreement with FERC on **April 23, 2026** and requested acceptance by **June 23, 2026**.

On August 13, 2025, the NJBPU issued an order:

- Requesting SAA Project developers to delay all expenditures related to SAA Projects for 2.5 years
- Directing NJBPU staff to work with PJM and developers to determine which project deadlines can be delayed
- Requesting PJM to delay expected SAA Project in-service dates by 2.5 years (to January 1, 2033)
- Directing BPU staff to work with PJM to determine which provisions of the SAA Agreement and Designated Entity Agreements (DEAs) should be amended

PJM and NJBPU staff worked together following the issuance of the August 2025 Order to effectuate the order, in light of the following:

- the SAA Agreement does not allow for SAA Projects to be delayed and accordingly any delay would require an amendment to the SAA Agreement
- a decision to delay SAA Projects could have potentially significant financial implications for the NJBPU, including increased costs and increased reliance on the SAA Projects
- SAA Projects can only be delayed if there is no harm to the transmission system (i.e., no other need for the transmission projects)
- PJM cannot delay any projects until FERC accepts an amended SAA Agreement

- PJM and NJBPU have reached an agreement to wind-down the NJ SAA Agreement via a Mutual Termination Agreement (MTA), through which:
 - Most of the SAA Projects will be terminated and removed from the RTEP; and
 - Six SAA Projects will remain in the RTEP
 - *These are projects that are (i) already completed, (ii) a Multi-Driver Project, and (iii) reflected in signed interconnection agreements or are otherwise relied upon by customers in the interconnection queue.*
- NJ customers will remain responsible for prudently-incurred costs associated with these projects under the FERC-accepted cost allocation methodology
- **PJM staff will recommend to the PJM Board the immediate removal of Schedule 1 Projects from the RTEP upon FERC acceptance of the MTA**

Grouping	Number of Projects	Cost Estimate ¹
Schedule 1 – to be cancelled	42	\$1,044 M
Schedule 2 – remain		
Already completed	3	\$5 M
Multi-driver	1	\$76 M ²
Impacts to the queue	2	\$41 M
Schedule 3 – previously cancelled	10	\$57 M

Note 1: Cost estimate reflects currently estimated costs as of the most recent quarterly project status and cost update received by PJM from the project developers. Actual amounts spent have been collected by NJBPU.

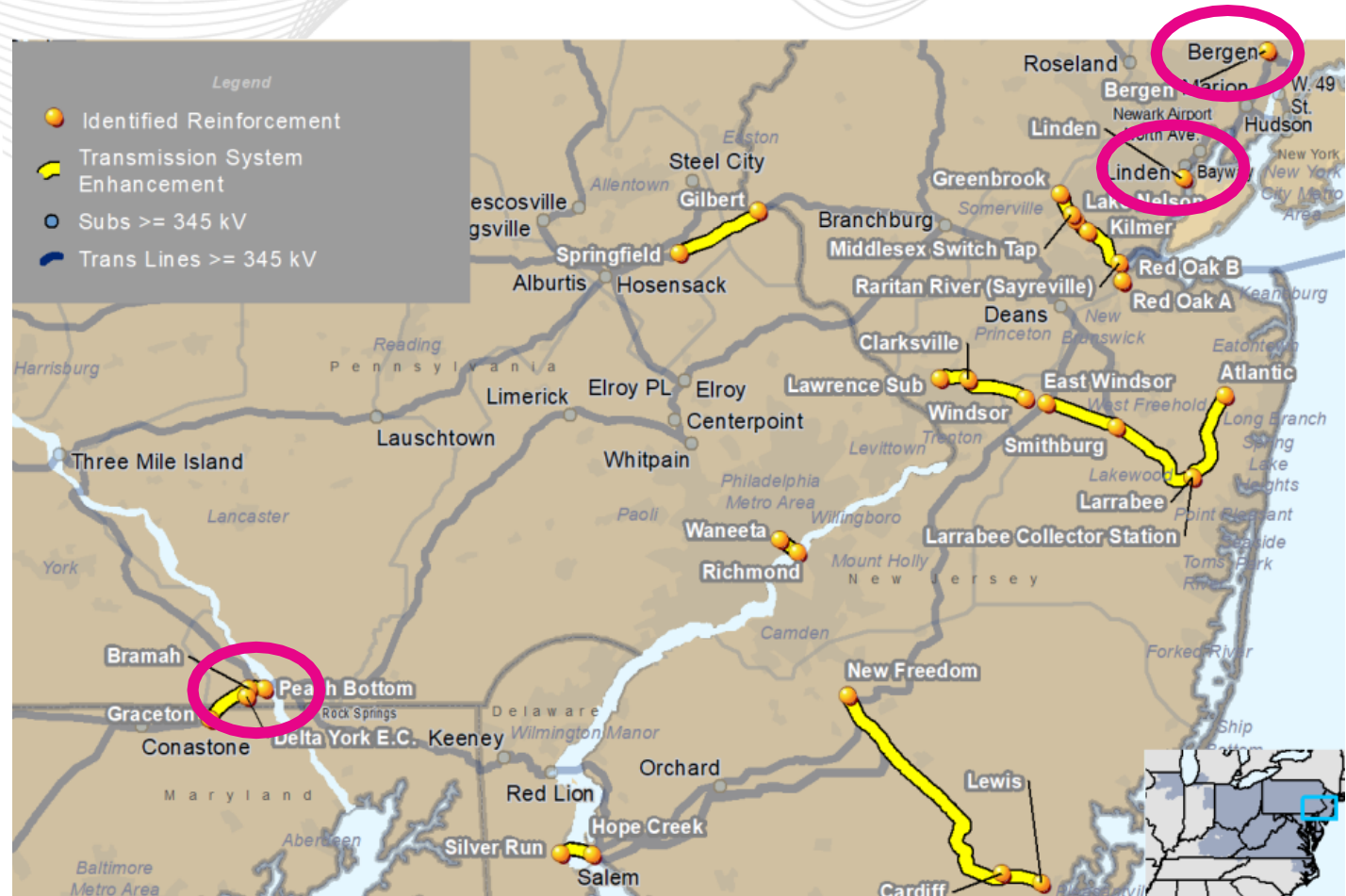
Note 2: This value represents the estimated cost of the portion attributable to NJ as an incremental multi-driver project.

Six transmission projects will remain allocated to NJ ratepayers

Three projects have been completed (b3737.1, b3737.45, and b3737.60)

The parties agree that three additional projects must be completed:

- B3737.47: The new Bramah substation in Southeastern Pennsylvania. This is a multi-driver project supporting needs from the Brandon Shores deactivation and 2022 RTEP Window 3.
- B3737.39: The Bergen subproject in Northern New Jersey. This project is identified as an Additional Contingent Facility in a fully executed Generator Interconnection Agreement.
- B3737.38: The Linden subproject in Northern New Jersey. The removal of this project was found to harm existing projects in the Transition Cycle 2 cluster.



Apr 22

NJBPU issued an order announcing that the SAA Projects are no longer in the best interest of the state and authorizing the Board President to sign the Mutual Termination Agreement

Apr 22

NJBPU and PJM executed the Mutual Termination Agreement

Apr 23

PJM submitted the Mutual Termination Agreement at FERC

May 8

PJM provided an update to the Planning Committee and Transmission Expansion Advisory Committee

Jun 23

Outside requested date for FERC action on the Mutual Termination Agreement

- Mutual Termination Agreement – [ER26-2294](#)
- NJ BPU [April 2026 Order](#)

Appendix: Schedule 1 Projects

Canceled Projects (Schedule 1 of MTA)

PROJECT ID	Scope	Designated Entity
b3737.2	Larrabee substation – 230 kV equipment for direct connection.	JCPL
b3737.3	Lakewood Generator substation – Update relay settings on the Larrabee 230 kV line.	JCPL
b3737.4	B54 Larrabee-South Lockwood 34.5 kV line transfer – JCPL b3737.5 Larrabee Collector station-Larrabee 230 kV new line.	JCPL
b3737.6	Larrabee Collector station-Smithburg No. 1 500 kV line (new asset) – New 500 kV line will be built double circuit to accommodate a 500 kV line and a 230 kV line.	JCPL
b3737.7	Rebuild G1021 Atlantic-Smithburg 230 kV line between the Larrabee and Smithburg substations as a double-circuit 500 kV/230 kV line.	JCPL
b3737.8	Smithburg substation 500 kV expansion to four-breaker ring.	JCPL
b3737.9	Provide Larrabee substation upgrades.	JCPL
b3737.10	Atlantic 230 kV substation – Convert to double-breaker double-bus.	JCPL
b3737.11	Freneau substation – Update relay settings on the Atlantic 230 kV line.	JCPL
b3737.12	Smithburg substation – Update relay settings on the Atlantic 230 kV line.	JCPL
b3737.13	Oceanview substation – Update relay settings on the Atlantic 230 kV lines.	JCPL



Canceled Projects (Schedule 1 of MTA)

PROJECT ID	Scope	Designated Entity
b3737.14	Red Bank substation – Update relay settings on the Atlantic 230 kV lines.	JCPL
b3737.15	South River substation – Update relay settings on the Atlantic 230 kV line.	JCPL
b3737.16	Larrabee substation – Update relay settings on the Atlantic 230 kV line.	JCPL
b3737.17	Atlantic substation – Construct a new 230 kV line terminal position to accept the generator lead line from the offshore wind Larrabee Collector station.	JCPL
b3737.18	Upgrade G1021 (Atlantic-Smithburg) 230 kV.	JCPL
b3737.19	Upgrade R1032 (Atlantic-Larrabee) 230 kV.	JCPL
b3737.20	New Larrabee Collector station-Atlantic 230 kV line.	JCPL
b3737.21	Upgrade Larrabee-Oceanview 230 kV line.	JCPL
b3737.22	Construct the Larrabee Collector station AC switchyard, composed of a 230 kV 3 x breaker-and-a-half substation with a nominal current rating of 4000A and four single-phase 500/230 kV 480 MVA autotransformers to step up the voltage for connection to the Smithburg substation. Procure land adjacent to the AC switchyard and prepare the site for construction of future AC to DC converters for future interconnection of DC circuits from offshore wind generation. Land should be suitable to accommodate installation of four individual converters to accommodate circuits with equivalent rating of 1400 MVA at 400 kV. Additional scope includes three sets of AC collector lines from the LCS to the offshore wind converter station area.	MAOD



Canceled Projects (Schedule 1 of MTA)

PROJECT ID	Scope	Designated Entity
b3737.26	Upgrade Cardiff-New Freedom 230 kV by modifying existing relay setting to increase relay limit.	AEC
b3737.27	Rebuild approximately 0.8 miles of the D1018 (Clarksville-Lawrence 230 kV) line between Lawrence substation (PSEG) and structure No. 63.	JCPL
b3737.28	Reconductor Kilmer I-Lake Nelson I 230 kV.	JCPL
b3737.29	Convert the six-wired East Windsor-Smithburg E2005 230 kV line (9.0 mi.) to two circuits. One a 500 kV line and the other a 230 kV line.	JCPL
b3737.30	Add third Smithburg 500/230 kV transformer.	JCPL
b3737.31	Additional reconductoring required for Lake Nelson I-Middlesex 230 kV.	JCPL
b3737.32	Rebuild Larrabee-Smithburg No. 1 230 kV.	JCPL
b3737.33	Reconductor Red Oak A-Raritan River 230 kV.	JCPL
b3737.34	Reconductor Red Oak B-Raritan River 230 kV.	JCPL
b3737.35	Reconductor small section of Raritan River-Kilmer I 230 kV.	JCPL
b3737.36	Replace substation conductor at Kilmer and reconductor Raritan River-Kilmer W 230 kV.	JCPL



Canceled Projects (Schedule 1 of MTA)

PROJECT ID	Scope	Designated Entity
b3737.37	Add a third set of submarine cables, rerate the overhead segment, and upgrade terminal equipment to achieve a higher rating for the Silver Run-Hope Creek 230 kV line.	LS Power (Silver Run Electric)
b3737.40	Windsor to Clarksville subproject: Reconductor one span of the C1017 (Clarksville-Windsor) 230 kV line from structure No.126 to Windsor substation with double bundled 1590 ACSR conductor, approximately (0.1) mile.	JCPL
b3737.42	Upgrade inside plant equipment at Lake Nelson I 230 kV. (PSEG b3737.43) Upgrade Kilmer W-Lake Nelson W 230 kV line drop and strain bus connections at Lake Nelson 230 kV.	PSEG
b3737.44	Upgrade Lake Nelson-Middlesex-Greenbrook W 230 kV line drop and strain bus connections at Lake Nelson 230 kV.	PSEG
b3737.50	Bring the Peach Bottom-Delta York 500 "5034" kV line "in and out" of Bramah substation by partially demolishing the 5034 line to construct a new Peach Bottom-Bramah-Delta York 500 kV line, with 0.87 miles of cut-in and cut-out lines.	PECO
b3737.53	Remove the existing E83 line 115 kV (not in-service) to accommodate the new 500 kV/230 kV lines (~ 7.7 miles).	JCPL
b3737.54	Remove the existing H2008 Larrabee-Smithburg No. 2 230 kV to accommodate the new 500 kV/230 kV lines.	JCPL
b3737.55	Middlesex substation 230 kV – Replace the 2000A circuit switcher at Middlesex switch point for the Lake Nelson I1023 230 kV exit.	JCPL
b3737.59	Windsor to Clarksville subproject: Upgrade terminal equipment at Windsor 230 kV	JCPL

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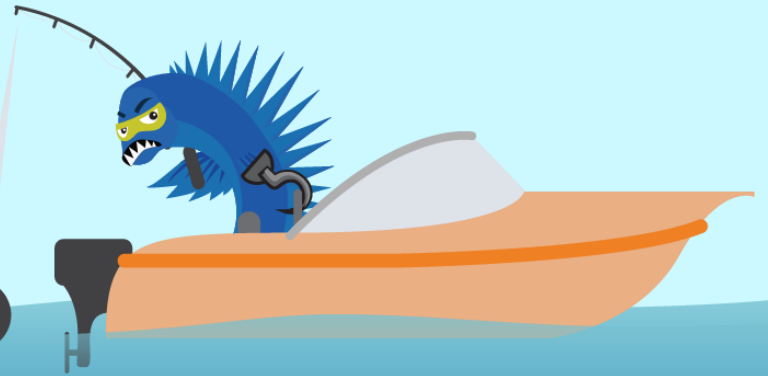
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Termination of NJ SAA Agreement

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