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February 2, 2024

Honorable Debbie-Anne Reese, Acting Secretary
Federal Energy Regulatory Commission
888 First Street, N.E., Room 1A
Washington, D.C. 20426

Re: *PJM Interconnection, L.L.C., Docket No. ER24-1187-000*
New Jersey State Agreement Approach 2.0 Study Agreement, SA No. 7156

Dear Secretary Reese:

Pursuant to section 205 of the Federal Power Act (“FPA”),¹ Part 35 of the rules and regulations of the Federal Energy Regulatory Commission (“Commission” or “FERC”),² and Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (“Operating Agreement”), Schedule 6, section 1.5.9 (the “State Agreement Approach” or “SAA”),³ PJM Interconnection, L.L.C. (“PJM”) submits for filing an executed State Agreement Approach Study Agreement between the New Jersey Board of Public Utilities (“NJBPU”) and PJM (collectively, the “Parties”), designated as Service Agreement No. 7156 (“SAA 2.0 Study Agreement” or “Agreement”).

As discussed further below, the State of New Jersey became the first state to implement the State Agreement Approach process in November 2020, when the NJBPU issued an order⁴ formally requesting that PJM open a competitive proposal window to solicit project proposals to improve and/or expand the PJM Transmission System to provide for the deliverability of up to 7,500 megawatts (“MW”) of offshore wind generation by 2035 (the “SAA 1.0 Request”).⁵ The State of New Jersey subsequently increased the state’s target of 7,500 MW of offshore wind generation by 2035 to 11,000 MW of offshore wind generation by 2040.⁶ The NJBPU therefore

¹ 16 U.S.C. § 824d.

² 18 C.F.R. Part 35.

³ As discussed herein, the State Agreement Approach provides a formal mechanism by which PJM’s regional transmission expansion planning (“RTEP”) process can respond to a request from one or more states that PJM develop transmission facilities that would assist them in implementing their public policy initiatives. *See* PJM Operating Agreement, Schedule 6, section 1.5.9. Capitalized terms used in this filing that are not otherwise defined will have the meaning provided under the PJM Open Access Transmission Tariff (“Tariff”), the Operating Agreement or Reliability Assurance Agreement (collectively, the “Governing Documents”).

⁴ *In the Matter of Declaring Transmission to Support Offshore a Public Policy of the State of New Jersey*, Order, NJBPU Docket No. QO20100630, at 7 (Nov. 18, 2020) (“NJBPU SAA 1.0 Request Order”).

⁵ *See infra* Section III.

⁶ *New Jersey Executive Order No. 307*, 54 N.J.R. 1945(a) (Oct. 17, 2022).

issued an order on April 26, 2023,⁷ formally requesting that PJM open another competitive proposal window under the State Agreement Approach process to accommodate the State's increased public policy requirement of 11,000 MW ("SAA 2.0 Request").

In furtherance of the SAA 2.0 Request, the SAA 2.0 Study Agreement memorializes the understanding between PJM and the NJBPU regarding services to be performed under the State Agreement Approach process, Operating Agreement, Schedule 6, section 1.5.9, *i.e.*, (i) the performance of planning studies to identify system improvements to interconnect and provide for the deliverability of the additional 3,500 MW of offshore wind to the state of New Jersey; and (ii) the commencement of a competitive proposal window process to solicit project proposals that address the SAA 2.0 Request. Additionally, the SAA 2.0 Study Agreement provides notice to stakeholders that the SAA 2.0 Request shall be included in the next applicable RTEP cycle, *i.e.*, the 2024 RTEP cycle, and used as inputs for the development of the RTEP.⁸

PJM requests that the Commission accept the SAA 2.0 Study Agreement effective January 3, 2024, which is the date the Parties executed the Agreement.⁹ If the Commission does not grant the requested January 3, 2024 effective date, PJM alternatively requests that the Agreement be made effective one day after today's filing date, *i.e.*, February 3, 2024.¹⁰

I. BACKGROUND

A. The State Agreement Approach Process

The State Agreement Approach is a means by which PJM's RTEP process is responsive to requests from a state (or group of states) that PJM develop transmission that would assist in implementing state Public Policy Requirements, including but not limited to, state renewable portfolio standards.¹¹ Indeed, when PJM sought Commission approval of the SAA process, it noted that the SAA was designed to allow states to provide PJM with "sufficient direction" to implement public policy goals like state renewable portfolio standards.¹²

Pursuant to the State Agreement Approach process, states may come to PJM with state-identified public policy needs. The State Agreement Approach process, which was developed in

⁷ *In the Matter of the Second State Agreement Approach for Offshore Wind Transmission*, Order, NJBPU Docket No. QO23030129 (Apr. 26, 2023) ("NJBPU SAA 2.0 Request Order"), <https://nj.gov/infobank/co/056murphy/pdf/EO-307.pdf>.

⁸ See SAA 2.0 Study Agreement, section 1.a.

⁹ See *infra* Section III.

¹⁰ See *id.*

¹¹ Operating Agreement, Section 1, Definitions O – P ("Public Policy Requirement"). PJM's planning process considers state public policy in additional ways, including through the incorporation of Public Policy Objectives, which include Public Policy Requirements, into assumptions used in its reliability and economic planning processes. See, e.g., Operating Agreement, Schedule 6, sections 1.5.1(a), 1.5.3, 1.5.4(c), 1.5.6(b), 1.5.6(e).

¹² See *PJM Interconnection, L.L.C.*, Order No. 1000 Compliance Filing Transmittal Letter of PJM, Docket Nos. RM10-23 and ER13-198, at 47 (Oct. 25, 2012).

collaboration with and received the support of the Organization of PJM States, Inc.,¹³ also requires that, should a state (or states) select a state public policy project, the state(s) also must agree that 100 percent of the costs of such project will be allocated to the zones within such state(s).¹⁴ PJM's State Agreement Approach was filed as a supplement to PJM's Order No. 1000-compliant transmission planning process, as an additional way for PJM to consider Public Policy Requirements as part of the RTEP. In accepting the State Agreement Approach process, the Commission found that "PJM's State Agreement Approach supplements, but does not conflict [with] or otherwise replace, PJM's process to consider transmission needs driven by public policy requirements as required by Order No. 1000."¹⁵

B. New Jersey's Use of the State Agreement Approach Process

1. SAA 1.0

As noted above, on November 18, 2020, New Jersey became the first state to seek to implement the State Agreement Approach with the issuance of the NJBPU SAA 1.0 Request Order.¹⁶ In order to implement the SAA 1.0 Request, PJM and the NJBPU executed, and the Commission accepted, the State Agreement Approach Study Agreement, designated as PJM Service Agreement No. 5890 ("SAA 1.0 Study Agreement") in Docket No. ER21-689-000.¹⁷ The SAA Study Agreement provided that PJM would use its existing RTEP process¹⁸ to convene a competitive proposal window to solicit transmission solutions in relation to the SAA 1.0 Request, and set forth milestones and other key dates to serve as a roadmap for the SAA process. The Parties also entered into the State Agreement Approach Agreement between PJM and the NJBPU, designated as Rate Schedule FERC No. 49 (the "SAA 1.0 Agreement").¹⁹ Among other things, the SAA 1.0 Agreement: (i) governs the commitments and responsibilities as between PJM and

¹³ See *PJM Interconnection, L.L.C.*, Comments of the Organization of PJM States, Docket No. ER13-198-000 (Dec. 10, 2012).

¹⁴ See Operating Agreement, Schedule 6, section 1.5.9.

¹⁵ *PJM Interconnection, L.L.C.*, 142 FERC ¶ 61,214, at P 142 (2013) ("March 2013 Order"). See also *PJM Interconnection, L.L.C.*, 147 FERC ¶ 61,128, at P 87 (2014).

¹⁶ See *supra* n.4.

¹⁷ See *PJM Interconnection, L.L.C.*, New Jersey State Agreement Approach Study Agreement, SA No. 5890, Docket No. ER21-689-000 (Dec. 18, 2020); *PJM Interconnection, L.L.C.*, 174 FERC ¶ 61,090 (2021) ("SAA 1.0 Study Agreement Order"). The Parties subsequently amended the SAA 1.0 Study Agreement to extend one milestone date and the termination date of that agreement. See *PJM Interconnection, L.L.C.*, Amendment to State Agreement Approach Study Agreement, PJM Service Agreement No. 5890, Docket No. ER23-593-000 (Dec. 9, 2022); *PJM Interconnection, L.L.C.*, Delegated Letter Order, Docket No. ER23-593-000 (Jan. 25, 2023).

¹⁸ Operating Agreement, Schedule 6, section 1.5.8.

¹⁹ The SAA Agreement was initially filed by PJM on January 27, 2022, and accepted by Commission order dated April 14, 2022, to be effective April 15, 2022. See *PJM Interconnection, L.L.C.*, New Jersey State Agreement Approach Agreement, Docket No. ER22-902-000 (Jan. 27, 2022) ("SAA 1.0 Agreement Filing"); *PJM Interconnection, L.L.C.*, 179 FERC ¶ 61,024 (2022), *reh'g denied*, 179 FERC ¶ 62,131 (2022). See also *PJM Interconnection, L.L.C.*, Amended and Restated New Jersey State Agreement Approach Agreement, Rate Schedule FERC No. 49, Docket No. ER23-775-000 (Jan. 5, 2023); *PJM Interconnection, L.L.C.*, Delegated Letter Order, Docket No. ER23-775-000 (Mar. 6, 2023).

the NJBPU regarding the selection of transmission solutions submitted through the SAA competitive proposal window in response to the SAA 1.0 Request; (ii) governs the rights and obligations of the Parties in the event the NJBPU elected to sponsor one or more transmission projects to address New Jersey’s public policy goals (each such project a “SAA Project”); and (iii) sets forth the process by which offshore wind generators selected by the NJBPU pursuant to its generator solicitation process²⁰ (each such selected generator an “OSW Generator”) will be studied and processed pursuant to PJM’s interconnection rules.

Consistent with the provisions of the SAA 1.0 Study Agreement, PJM opened the “2021 Proposal Window to Support NJ OSW” (“SAA 1.0 Proposal Window”)²¹ to solicit project proposals that identify system improvements and new offshore wind transmission facilities to interconnect to the PJM Transmission System to provide for the interconnection and deliverability of up to 7,500 MW of offshore wind generation off the coast of New Jersey by 2035. Over a period of approximately one year, PJM and the NJBPU engaged in extensive review and analysis of the 80 proposals submitted by 13 developers (both incumbent transmission owners and nonincumbent transmission developers) in response to the SAA 1.0 Proposal Window, during which period PJM provided extensive reports to the NJBPU detailing all aspects of the submitted proposals.²² Subsequently, the NJBPU issued an order selecting a series of projects to construct onshore transmission facilities necessary to deliver offshore wind to New Jersey customers (“NJBPU-Selected SAA Project”).²³ The PJM Board of Managers (“PJM Board”) approved the NJBPU-Selected SAA Project and associated cost allocation²⁴ for inclusion in the PJM RTEP.²⁵

2. SAA 2.0

As stated above, on April 26, 2023, the NJBPU issued the SAA 2.0 Request Order, formally requesting that PJM open a competitive proposal window process to determine “whether an integrated suite of open access transmission facilities, both onshore and potentially offshore, could best facilitate meeting the State’s expanded [offshore wind] goals in an economically efficient and timely manner.”²⁶ While the order does not commit the NJBPU to procuring any

²⁰ See <https://njoffshorewind.com/>.

²¹ See <https://pjm.com/planning/competitive-planning-process.aspx>.

²² See <https://www.pjm.com/-/media/committees-groups/committees/teac/2022/20221104-special/nj-osw-saa-summary-report.ashx>.

²³ *In the Matter of Declaring Transmission to Support Offshore a Public Policy of the State of New Jersey*, Order on the State Agreement Approach SAA Proposals, NJBPU Docket No. QO20100630 (Oct. 26, 2022) (“NJBPU SAA Project Selection Order”).

²⁴ The PJM Transmission Owners proposed, and the Commission accepted, a cost allocation methodology to apply to the recovery of costs associated with the NJBPU-Selected SAA Project. *PJM Interconnection, L.L.C.*, 181 FERC ¶ 61,178 (2022).

²⁵ See *PJM Interconnection, L.L.C.*, Revisions to Incorporate Cost Responsibility Assignments for Regional Transmission Expansion Plan Baseline Upgrades, Docket No. ER23-779-000 (Jan. 5, 2023); *PJM Interconnection, L.L.C.*, Delegated Letter Order, Docket No. ER23-779-000 (Apr. 4, 2023).

²⁶ NJBPU SAA 2.0 Request Order at 5-6. The NJBPU clarified that “the exploration of coordinated transmission alternatives through [the SAA 2.0 Request] does not impact how previously-awarded [offshore wind] projects intended to achieve the initial 7,500 MW interconnect into the PJM system,” and that “incorporation of any OSW

particular transmission solutions, NJBPU staff identified several possible options to be explored through the competitive proposal window process to be run by PJM, including onshore substations, offshore substations with connections to onshore substations, and offshore backbone transmission lines connecting multiple offshore wind projects.²⁷

PJM and the NJBPU entered into the SAA 2.0 Study Agreement to effectuate the requirements of the NJBPU SAA 2.0 Request Order. Because the State Agreement Approach is a flexible mechanism, as opposed to a prescriptive process, by which a state may voluntarily agree to sponsor a public policy project it identifies and pays for, there is no *pro forma* service agreement that a state must use to identify and develop a project that will effectuate its public policy requirements. Thus, this SAA 2.0 Study Agreement, which is substantially similar to the SAA 1.0 Study Agreement previously accepted by the Commission,²⁸ is being used (and filed for Commission acceptance so as to provide notice to all stakeholders) as the next step toward identifying additional transmission solutions tailored to New Jersey's public policy needs. The SAA 2.0 Study Agreement includes details specific to the competitive proposal window process PJM is agreeing to employ to implement the SAA 2.0 Request; offers transparency and information to stakeholders about the State Agreement Approach process; and provides other standard terms and conditions modeled after similar provisions that appear in other agreements routinely filed with and accepted by the Commission.

II. DESCRIPTION OF THE NEW JERSEY SAA 2.0 STUDY AGREEMENT

A. The SAA 2.0 Study Agreement Identifies New Jersey's Public Policy Requirements and Describes the SAA Process Applicable to the SAA 2.0 Request

The SAA 2.0 Study Agreement identifies New Jersey's public policy needs underlying the SAA 2.0 Request. Specifically, pursuant to a statutory grant of authority by its legislature, New Jersey is requesting that PJM conduct a competitive solicitation for offshore wind transmission facilities pursuant to certain New Jersey-requested specifications.²⁹ The Agreement provides that PJM will use existing processes set forth in the Operating Agreement, Schedule 6, to present and post the SAA 2.0 Request, and convene a second competitive transmission solicitation process pursuant to Operating Agreement, Schedule 6, section 1.5.8(c) ("SAA 2.0 Proposal Window").³⁰

More specifically, PJM will initially perform an informational study that evaluates the injection of the additional 3,500 MW of offshore wind generation as specified in the Agreement

coordinated transmission solution as a result of the SAA 2.0 [Request] process will be exclusively for projects injecting the additional 3,500 MW needed to achieve the state's current [offshore wind] goal of 11,000 MW." *Id.* at 8.

²⁷ See NJBPU SAA 2.0 Request Order at 8.

²⁸ See *supra*, n.17.

²⁹ See SAA 2.0 Study Agreement, Recitals; New Jersey SAA Study Agreement, section 2a; N.J.S.A. 48:3-87.1(e); NJBPU SAA 2.0 Request Order at 2; 5-6.

³⁰ SAA 2.0 Study Agreement, Recitals.

(“Informational Study”).³¹ The scenarios developed for this Informational Study will allow the NJBPU to optimize the injection points to provide the greatest value for its Public Policy Requirements. Following its receipt of the Informational Study, the NJBPU must notify PJM of the actual amount of capability and desired injection points to be included in the competitive window (“SAA 2.0 Capability”)³² and may request that PJM open the SAA 2.0 Proposal Window.³³ If the NJBPU so requests, PJM will convene the SAA 2.0 Proposal Window, pursuant to Operating Agreement, Schedule 6, section 1.5.8(c), to solicit proposals to address the SAA 2.0 Capability.³⁴ Following the close of the SAA 2.0 Proposal Window, PJM will post, analyze, and review the project proposals, pursuant to Operating Agreement, Schedule 6, section 1.5.8(d).³⁵ PJM will provide the results of such analyses to the NJBPU and/or NJBPU Staff (the “NJBPU/Staff”) to help inform NJBPU’s decision of whether or not to select any of the project proposals submitted through the SAA 2.0 Proposal Window.³⁶

Consistent with Operating Agreement, Schedule 6, section 1.5.9, the Agreement also outlines the steps the parties will take after the SAA 2.0 Proposal Window commences. For example, the Agreement provides that the Parties contemplate filing an agreement with the Commission (the “SAA 2.0 Agreement”). The Parties anticipate that the SAA 2.0 Agreement will include provisions specifying, among other things, (i) the commitments and responsibilities of PJM and the NJBPU regarding the competitive selection of transmission solutions to enable the SAA 2.0 Request; (ii) the rights and obligations of the Parties in the event the NJBPU elects to sponsor one or more transmission projects to address the SAA 2.0 Request; and (iii) the process by which offshore wind generators selected by the NJBPU pursuant to its generation solicitation process will be studied and processed pursuant to PJM’s interconnection rules.³⁷

To avoid any doubt, aside from the request to convene the SAA 2.0 Proposal Window and the request for studies as set forth in the Agreement, the Agreement does not consent to the selection of any projects, designated entities, cost allocations, nor does it grant any rights. PJM and the NJBPU anticipate that such matters will be the subject of subsequent filings before the Commission, depending on the results of the competitive solicitation process, and New Jersey’s future decisions after examining any proposals submitted with PJM.

³¹ *Id.*, section 1.b.

³² *Id.*, section 1.c.

³³ *Id.*, section 2.a.

³⁴ *Id.*, section 2.b.

³⁵ PJM will conduct analyses of the project proposals submitted through the SAA 2.0 Proposal Window consistent with the milestones set forth in Schedule C of the Agreement. *Id.*, section 2.b.

³⁶ *Id.* Importantly, conducting the SAA 2.0 Proposal Window shall not obligate PJM or the NJBPU to proceed with any state public policy project or construct any facilities or upgrades. *See id.*, section 3.

³⁷ *Id.*, section 2.c.

B. The SAA 2.0 Study Agreement Provides Notice that PJM Will Study and Plan for New Jersey’s Public Policy Requirements and the SAA 2.0 Request in the 2024 RTEP Cycle

Section 1 of the SAA 2.0 Study Agreement provides as follows:

Notice of SAA 2.0 Request. In order to address the State of New Jersey’s SAA 2.0 Request and the procurement of offshore wind as discussed in the 2023 NJBPU Order, the NJBPU hereby requests that PJM initiate the SAA Process as follows:

1.a. Upon the Effective Date of this Agreement, the SAA 2.0 Request shall be included in the next applicable RTEP cycle and used as inputs for the development of the RTEP.

1.b. PJM shall perform an informational study that evaluates the injection of capability up to a maximum amount equivalent to ninety-five and nine-tenths percent (95.9%) of the additional 3,500 MW at Deans and/or Smithburg 500kV substations as set forth in Schedule B (“Informational Study”);

1.c. NJBPU shall notify PJM, no later than 30 days after its receipt of the results of the Informational Study (the “Informational Study Report”), the actual amount of capability in MW to be requested via the Second SAA Proposal Window (“SAA 2.0 Capability”). The actual amount of SAA 2.0 Capability requested by the NJBPU may be decreased but may not be increased.

1.d. Any change to the SAA 2.0 Request shall be reflected in the RTEP base cases used to support the analytical studies for the Second SAA Proposal Window.

This section serves a variety of important functions. First, it clarifies New Jersey’s request that PJM will study and plan for New Jersey’s Public Policy Requirements as defined in the SAA 2.0 Request. This provision puts stakeholders on notice that as of January 3, 2024 (the proposed Effective Date³⁸), and consistent with PJM’s public posting on its website of the NJBPU SAA 2.0 Request Order,³⁹ the SAA 2.0 Request will be included in the 2024 RTEP cycle and will be used

³⁸ *Id.*, section 10. *See also infra*, Section III.

³⁹ PJM posted notice of the NJBPU SAA 2.0 Request Order on April 26, 2023. *See Services & Requests, available at: <https://www.pjm.com/-/media/planning/services-requests/njbpu-order.ashx>*. The NJBPU announced its intent to use the State Agreement Approach to meet the new objective of 11,000 MW at the June 2023 Transmission Expansion Advisory Committee (“TEAC”) meeting. *See <https://www.pjm.com/-/media/committees-groups/committees/teac/2023/20230606/20230606-item-10---njbpu-new-jerseys-state-agreement-approach-version-2.ashx>*. PJM will also provide an update regarding the timing of the NJBPU SAA 2.0 Request process at the February 6, 2024 TEAC meeting.

as inputs for the development of the RTEP. This method of notice through public posting is contemplated by the Agreement, and is not inconsistent with Operating Agreement, Schedule 6, section 1.5.8(b).⁴⁰

C. The SAA 2.0 Study Agreement Provides for Milestones and Other Key Dates to Set a Roadmap for the SAA 2.0 Process

Schedule C of the SAA 2.0 Study Agreement identifies milestones to be achieved by the Parties to provide clarity is to the SAA process, expected next steps and critical deadlines. Milestone dates set forth in Schedule C may be extended by mutual agreement of the Parties. Any such extension of a milestone date will be presented to the TEAC and posted on PJM's website.⁴¹

The Agreement further specifies that, unless otherwise terminated consistent with the terms set forth therein, the Agreement will remain in effect until 90 days after the satisfaction of the last milestone identified on Schedule C.⁴² These milestones and dates provide increased certainty to stakeholders relating to the SAA process, its progress, and its eventual culmination.

D. The Agreement Identifies Obligations and Liabilities of the Parties

The Agreement specifies the obligations and liabilities of the Parties. More specifically, the NJBPU/Staff agree to cooperate and provide information to PJM necessary to open and conduct the SAA 2.0 Proposal Window;⁴³ PJM is permitted to make certain disclosures pursuant to Operating Agreement, section 18.17.4;⁴⁴ and, consistent with PJM's project review and selection process for reliability and economic projects, information related to any analyses and information specific to the proposals submitted through the Competitive Proposal Window will be presented to the TEAC,⁴⁵ while internal discussions between the Parties will be confidential.⁴⁶

The Agreement also makes clear that “[t]he conducting of the SAA 2.0 Proposal Window shall not obligate the Transmission Provider or the NJBPU to proceed with any state public policy project or construct any facilities or upgrades under this Agreement.”⁴⁷ Thus, as noted above, PJM

⁴⁰ See SAA 2.0 Study Agreement, Third Recital (“PJM, as the regional planner of the [RTEP], will implement the processes set forth in Operating Agreement, Schedule 6, to present and post the SAA 2.0 Request, and convene a second competitive transmission solicitation process pursuant to Operating Agreement, Schedule 6, section 1.5.8(c), to examine whether an integrated suite of open access offshore wind transmission facilities, both onshore and potentially offshore, could best facilitate meeting the State of New Jersey’s expanded offshore wind goals, as set forth in the SAA 2.0 Request, in an economically efficient and timely manner”).

⁴¹ SAA 2.0 Study Agreement, section 18.

⁴² *Id.*, section 4.

⁴³ *Id.*, section 5.

⁴⁴ *Id.*, section 6.

⁴⁵ See Operating Agreement, Schedule 6, section 1.5.8(d).

⁴⁶ *Id.*, section 6.

⁴⁷ SAA 2.0 Study Agreement, section 3.

and the NJBPU are committing to no more than convening the SAA 2.0 Proposal Window, while recognizing the likely need for further study. Neither PJM nor the NJBPU are agreeing to move forward with any state public policy project(s), cost allocations, or grants of rights under the Agreement. The NJBPU will not incur any obligation to pay for a state public policy project unless and until New Jersey agrees to sponsor such a project, the SAA 2.0 Agreement described above is executed and then filed with and accepted by the Commission, and the designated entity(ies) begins to incur costs relative to any approved state public policy project.

E. The Agreement Contains Other Standard Contractual Terms and Conditions Modeled Off of the SAA 1.0 Study Agreement and Language in Commission-Accepted *Pro Forma* Agreements

The Agreement contains other standard contractual terms and conditions, and is modeled off of language in the SAA 1.0 Study Agreement, as well as other Commission-accepted *pro forma* agreements.⁴⁸

III. WAIVER AND EFFECTIVE DATE

PJM requests that the Commission grant any and all waivers of the Commission's rules and regulations necessary for acceptance of this filing and the enclosed SAA 2.0 Study Agreement. Additionally, PJM requests waiver of the Commission's 60-day notice requirement to allow the effective date of the SAA 2.0 Study Agreement to be January 3, 2024, the date on which the Agreement was executed.⁴⁹ Waiver is appropriate because the SAA 2.0 Study Agreement is being filed within thirty (30) days of the Agreement's execution, and following New Jersey's and PJM's notice to stakeholders of the SAA 2.0 Request and its use as inputs for the development of the RTEP.

In the alternative, if the Commission does not grant the requested January 3, 2024 effective date, PJM seeks an effective date for the Agreement that is one day following the filing of this Agreement with the Commission, *i.e.*, February 3, 2024.

⁴⁸ See *supra* n.17. See also, *e.g.*, Tariff, Attachment KK (*pro forma* Designated Entity Agreement), at sections 5.6 (no waiver), 19.0 (notice), 19.4 (no partnership), 19.7 (severability), 19.9 (counterparts), 19.10 (governing law), 19.11 (incorporation of other documents); Tariff, Attachment N-1 (*pro forma* System Impact Study Agreement), at sections 7 (cooperate and provide all information), 11 (no warranties and representations), 12 (limitation of liability), 14 (no waiver), 15 (modifications by signed writing), 21 (no third-party beneficiaries), 25 (governing law), 26 (reservation of rights).

⁴⁹ See *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139 at 61,983-84, *reh'g denied*, 65 FERC ¶ 61,081 (1993); 18 C.F.R. § 35.3(a)(2) (2023).

IV. DOCUMENTS ENCLOSED

PJM encloses the following:

- This transmittal letter;
- Attachment A: SAA 2.0 Study Agreement; and
- Attachment B: Copy of sheets containing original signatures.

V. CORRESPONDENCE AND COMMUNICATIONS

All notices, communications, or correspondence addressed to PJM regarding this matter should be directed to, and PJM requests that the Secretary include on the Commission's official service list, the following:

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On behalf of PJM Interconnection, L.L.C.

VI. SERVICE

Copies of this filing have been served upon the parties, the state utility regulatory commissions within the PJM Region, and all PJM Members.

VII. CONCLUSION

For the reasons set forth above, PJM respectfully requests that the Commission accept the SAA 2.0 Study Agreement effective January 3, 2024, which is the date the Parties executed the Agreement. If the Commission does not grant the requested January 3, 2024 effective date, PJM alternatively requests that the Agreement be made effective one day after today's filing date, *i.e.*, February 3, 2024.

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Respectfully submitted,

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On behalf of PJM Interconnection, L.L.C.

cc: NJBPU Board Secretary, board.secretary@bpu.nj.gov
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ATTACHMENT A

SAA 2.0 Study Agreement

State Agreement Approach Study Agreement

This Second State Agreement Approach Study Agreement (“SAA 2.0 Study Agreement” or “Agreement”), dated December 27, 2023, is made and entered into by and between the New Jersey Board of Public Utilities (“NJBPU”) and PJM Interconnection, L.L.C. (“PJM” or “Transmission Provider”) (individually, a “Party” and collectively, the “Parties”) under PJM’s State Agreement Approach (“SAA”) process as set forth in the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (“Operating Agreement”), Schedule 6, section 1.5.9 (“Regional Transmission Expansion Planning Protocol - Procedure for Development of the Regional Transmission Expansion Plan - State Agreement Approach”) (“SAA Process”).

RECITALS

WHEREAS, the New Jersey Legislature has authorized the NJBPU to conduct one or more competitive solicitations for open access offshore wind transmission facilities. N.J.S.A. 48:3-87.1(e);

WHEREAS, in furtherance of this authority and the State of New Jersey’s Public Policy Requirements, the NJBPU issued an order dated April 26, 2023 (“2023 NJBPU Order”), a copy of which is attached to this Agreement as Schedule A, formally requesting that PJM open a competitive project proposal window under PJM’s SAA Process to request project proposals to accommodate the State of New Jersey’s increased public policy goal from 7,500 megawatts (“MW”) of offshore wind (“OSW”) by 2035 to a total of 11,000 MW by 2040 by expanding the PJM Transmission System to identify system improvements to interconnect and provide for the deliverability of the additional 3,500 MW of OSW to the state of New Jersey (“SAA 2.0 Request”);

WHEREAS, in response, PJM, as the regional planner of the Regional Transmission Expansion Plan (“RTEP”), will implement the processes set forth in Operating Agreement, Schedule 6, to present and post the SAA 2.0 Request, and convene a second competitive transmission solicitation process pursuant to Operating Agreement, Schedule 6, section 1.5.8(c), to examine whether an integrated suite of open access offshore wind transmission facilities, both onshore and potentially offshore, could best facilitate meeting the State of New Jersey’s expanded offshore wind goals, as set forth in the SAA 2.0 Request, in an economically efficient and timely manner (the “SAA 2.0 Proposal Window”);

WHEREAS, following the close of the SAA 2.0 Proposal Window, PJM will post, analyze, and review the project proposals, pursuant to Operating Agreement, Schedule 6, section 1.5.8(d), and PJM will present to the NJBPU the results of PJM’s analyses to assist the NJBPU in deciding whether to select a transmission enhancement or expansion to be recommended for inclusion in the RTEP, pursuant to Operating Agreement, Schedule 6, section 1.5.8(e); and

WHEREAS, pursuant to the SAA Process, the NJBPU may: (i) select a transmission enhancement or expansion from among those project proposals solicited by PJM to satisfy the SAA 2.0 Request, (ii) select a proposed transmission enhancement or expansion for inclusion in the RTEP that was not submitted through the SAA 2.0 Proposal Window, or (iii) elect to choose no project proposal. In addition, if the NJBPU selects a proposed transmission enhancement or

expansion pursuant to the SAA Process, the NJBPU may submit to PJM, consistent with Operating Agreement, Schedule 6, section 1.5.9(b), the entity(ies) to be designated to construct, own, operate and maintain such enhancements or expansions.

NOW THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1. Notice of SAA 2.0 Request. In order to address the State of New Jersey's SAA 2.0 Request and the procurement of offshore wind as discussed in the 2023 NJBPU Order, the NJBPU hereby requests that PJM initiate the SAA Process as follows:

1.a. Upon the Effective Date of this Agreement, the SAA 2.0 Request shall be included in the next applicable RTEP cycle and used as inputs for the development of the RTEP.

1.b. PJM shall perform an informational study that evaluates the injection of capability up to a maximum amount equivalent to ninety-five and nine-tenths percent (95.9%) of the additional 3,500 MW at Deans and/or Smithburg 500kV substations as set forth in Schedule B ("Informational Study");

1.c. NJBPU shall notify PJM, no later than 30 days after its receipt of the results of the Informational Study (the "Informational Study Report"), the actual amount of capability in MW to be requested via the Second SAA Proposal Window ("SAA 2.0 Capability"). The actual amount of SAA 2.0 Capability requested by the NJBPU may be decreased but may not be increased.

1.d. Any change to the SAA 2.0 Request shall be reflected in the RTEP base cases used to support the analytical studies for the Second SAA Proposal Window.

2. SAA 2.0 Proposal Window.

2.a. Based on the Informational Study Report, NJBPU may request PJM to open a Proposal Window ("SAA 2.0 Proposal Window"), consistent with Paragraph 1, above.

2.b. PJM will convene the SAA 2.0 Proposal Window, pursuant to Operating Agreement, Schedule 6, section 1.5.8(c), to solicit proposals to address the SAA 2.0 Capability. Among other studies, PJM may perform analyses similar to a System Impact Study or Facilities Study to assess the deliverability of the capability as specified in Paragraph 1. In accordance with Operating Agreement, Schedule 6, section 1.5.8(d), PJM will conduct analyses of the project proposals consistent with the milestones set forth in Schedule C. PJM will provide the results of such analyses to the NJBPU and/or NJBPU Staff (the "NJBPU/Staff") to help inform NJBPU's decision of whether or not to select any of the project proposals submitted through the Second SAA Proposal Window.

2.c. No later than 90 days after the SAA 2.0 Proposal Window is opened, the Parties will file an agreement with the Federal Energy Regulatory Commission ("FERC") (the "SAA 2.0 Agreement"), which shall include provisions specifying, among other things, (i) the commitments

and responsibilities of PJM and the NJBPU regarding the competitive selection of transmission solutions to enable the SAA 2.0 Request; (ii) the rights and obligations of the Parties in the event the NJBPU elects to sponsor one or more transmission projects to address the SAA 2.0 Request; and (iii) the process by which offshore wind generators selected by the NJBPU pursuant to its generation solicitation process will be studied and processed pursuant to PJM's interconnection rules.

3. No Obligation. The conducting of the SAA 2.0 Proposal Window shall not obligate the Transmission Provider or the NJBPU to proceed with any state public policy project or construct any facilities or upgrades under this Agreement.

4. Milestones. The Parties shall endeavor to meet the milestone dates set forth in the Milestone Schedule in Schedule C of this Agreement. Milestone dates set forth in Schedule C may be extended by mutual agreement of the Parties. Any such extension of a milestone date shall be presented to the PJM Transmission Expansion Advisory Committee ("TEAC") and posted on PJM's website.

5. Cooperation. NJBPU/Staff agrees to cooperate and provide all reasonably requested information to PJM that is necessary to open and conduct the SAA 2.0 Proposal Window. PJM agrees to cooperate and provide to NJBPU/Staff all reasonably requested information relevant to the SAA 2.0 Proposal Window to assist the NJBPU/Staff in deciding whether to select a transmission enhancement or expansion to be recommended for inclusion in the RTEP as an SAA Project.

6. Confidentiality. Transmission Provider will post and review the project proposals submitted through SAA 2.0 Proposal Window consistent with Operating Agreement, Schedule 6, section 1.5.8(d). In addition, Transmission Provider may disclose to NJBPU/Staff confidential information submitted as part of a project proposal through the SAA 2.0 Proposal Window pursuant to Operating Agreement, section 18.17.4, and NJBPU/Staff may disclose to Transmission Provider confidential information prior to, during and after the SAA 2.0 Proposal Window. To the extent that the NJBPU contracts with consultants for services or expertise in the evaluation of any of the project proposals submitted through the SAA 2.0 Proposal Window, the consultants shall maintain all information as confidential and shall use such confidential information solely for the purpose of the study for which it was provided and no other purpose. The Parties shall keep confidential discussions between PJM and the NJBPU/Staff related to any analyses and information specific to the proposals submitted through the SAA 2.0 Proposal Window.

7. No Warranties or Representations. In analyzing and preparing the SAA 2.0 Proposal Window, Transmission Provider, Transmission Owner(s), and any other subcontractors employed by Transmission Provider shall have to rely on information provided by NJBPU/Staff and possibly by third parties and may not have control over the accuracy of such information. Accordingly, NEITHER TRANSMISSION PROVIDER, TRANSMISSION OWNER(S), NOR ANY OTHER SUBCONTRACTORS EMPLOYED BY TRANSMISSION PROVIDER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE

WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS OF THE COMPETITIVE PROPOSAL WINDOW. NJBPU/Staff acknowledge that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder. This Agreement should not be interpreted to constitute agreement by Transmission Provider or Transmission Owner(s) to provide any transmission or interconnection service to or on behalf of NJBPU at this point in time.

8. Limitation of Liability. In no event will Transmission Provider, Transmission Owner(s), or other subcontractors employed by Transmission Provider be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, whether under this Agreement or otherwise, even if Transmission Provider, Transmission Owner(s), or other subcontractors employed by Transmission Provider have been advised of the possibility of such a loss. Nor shall Transmission Provider, Transmission Owner(s), or other subcontractors employed by Transmission Provider be liable for any delay in delivery of, or of the non-performance or delay in performance of, Transmission Provider's obligations under this Agreement. Neither Party has any monetary liability under this Agreement.

9. Third Parties. Without limitation of the foregoing, NJBPU further agrees that project proposers in the SAA 2.0 Proposal Window, Transmission Owner(s) and other subcontractors retained PJM to prepare or assist in the preparation of the SAA 2.0 Proposal Window shall be deemed third party beneficiaries under Paragraphs 6, 7, and 8.

10. Effective Date. This Agreement shall become effective on the date it is executed by all Parties, or such other date as specified by the FERC ("Effective Date").

11. Capitalized Terms. Unless otherwise defined in this Agreement, all capitalized terms herein shall have the meaning as set forth in the definition of such terms as stated in the PJM Tariff and Operating Agreement.

12. Notice. Any notice, demand, or request required or permitted to be given by any Party to another and any instrument required or permitted to be tendered or delivered by any Party in writing to another may be so given, tendered, or delivered by recognized national courier or by depositing the same with the United States Postal Service, with postage prepaid for delivery by certified or registered mail addressed to the Party, or by personal delivery to the Party, at the address specified below. Such notices, if agreed to by the Parties, may be made via electronic means, with e-mail confirmation of delivery.

Transmission Provider

Vice President – Planning
PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403-2497

With a copy to PJM's General Counsel

General Counsel

PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403-2497

NJBPU

Board Secretary
New Jersey Board of Public Utilities
44 South Clinton Ave.
Trenton, NJ 08625
E-Mail: board.secretary@bpu.nj.gov

With a copy to the NJBPU's General Counsel

Michael Beck
New Jersey Board of Public Utilities
44 South Clinton Ave.
Trenton, NJ 08625
E-Mail: Michael.Beck@bpu.nj.gov
Office: (609) 777-3303
Mobile: (609) 960-5425

and a copy to:

Genevieve DiGiulio
New Jersey Board of Public Utilities
44 South Clinton Ave.
Trenton, NJ 08625
E-Mail: Genevieve.DiGiulio@bpu.nj.gov

13. No waiver by either Party of one or more defaults by the other in performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.

14. This Agreement, or any part thereof, may not be amended, modified, or waived other than by a writing signed by all Parties.

15. This Agreement may not be assigned without the express written consent of the Transmission Provider, which consent may be withheld in its sole discretion.

16. All portions of the Tariff and Operating Agreement, as they may be amended from time to time, pertinent to the subject matter of this Agreement and not otherwise made a part hereof are hereby incorporated herein and made a part hereof.

17. Breach:

17a. A breach of this Agreement shall include a failure to satisfy a milestone date set forth in the Schedule C Milestone Schedule, or as extended as described in Paragraph 4 of this Agreement.

17b. A Party not in breach shall give written notice of an event of breach to the breaching Party. Such notice shall set forth, in reasonable detail, the nature of the breach, and where known and applicable, the steps necessary to cure such breach.

17c. Cure of Breach or Termination Pursuant to Breach. The breaching Party may reach agreement with the Party not in breach to timely cure the breach within thirty (30) days from the receipt of such notice of breach.

18. Term and Termination. Unless otherwise terminated consistent with this Agreement, this Agreement shall continue in full force and effect from the Effective Date until ninety days after the satisfaction of the last milestone identified on Schedule C. In addition, this Agreement may be terminated as follows:

18a. By Mutual Consent. This Agreement may be terminated as of the date on which the Parties mutually agree to terminate this Agreement.

18b. By NJBPU/Staff. NJBPU/Staff may unilaterally terminate this Agreement upon providing Transmission Provider thirty (30) days' prior written notice.

18c. By Transmission Provider. Transmission Provider may unilaterally terminate this Agreement upon providing NJBPU Staff thirty (30) days' prior written notice.

19. Governing Law, Regulatory Authority and Rules. The validity, interpretation, and enforcement of this Agreement and each of its provisions shall be governed by the Federal Power Act and federal law, and where not in conflict with federal law, the laws of the State of Delaware. The FERC is the exclusive forum for actions arising out of or relating to this Agreement.

20. No Third-Party Beneficiaries. Except as otherwise provided herein, this Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties.

21. Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all of which constitute one and the same instrument.

22. No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

23. Severability. If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (i) such portion or provision shall be deemed separate and independent, (ii) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (iii) the remainder of this Agreement shall remain in full force and effect.

24. Reservation of Rights. The Transmission Provider shall have the right to make a unilateral filing with the FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that the NJBPU shall have the right to protest any such filing by the Transmission Provider and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Transmission Provider or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations.

** No further text on this page **

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective authorized officials. By each individual signing below each represents to the other that they are duly authorized to sign on behalf of that Party and have actual and/or apparent authority to bind the respective Party to this Agreement.

Transmission Provider:

PJM Interconnection, L.L.C.

By: /s/ Kenneth S. Seiler
Kenneth S. Seiler
Senior Vice President, Planning

Date: January 3, 2024

NJBPU (On behalf of NJBPU and NJBPU Staff)

By: /s/ Christine Guhl-Sadovy
Christine Guhl-Sadovy
President, NJBPU

Date: January 2, 2024

**Schedule A to the
SAA 2.0 Study Agreement
NJ BPU April 26, 2023 SAA 2.0 Order**



Agenda Date: 4/26/23
Agenda Item: 8D

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE SECOND STATE)
AGREEMENT APPROACH FOR OFFSHORE WIND)
TRANSMISSION)
)
) ORDER INITIATING A NEW
) JERSEY STATE AGREEMENT
) APPROACH REQUEST
) DOCKET NO. QO23030129

Parties of Record:

Brian Lipman, Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities (“Board”) declares that it is the public policy of the State of New Jersey to expand the electric transmission system to accommodate the buildout of 11,000 megawatts (“MW”) of offshore wind (“OSW”) generation by 2040. In furtherance of this public policy, the Board formally requests that PJM Interconnection, L.L.C. (“PJM”) incorporate the State’s OSW goals into the PJM transmission planning process, via the “State Agreement Approach” (“SAA”) set forth in the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (“PJM Operating Agreement”).¹

On November 18, 2020, the Board formally requested that PJM incorporate the State’s then goal of 7,500 MW of OSW by 2035 into the PJM transmission planning process, via the SAA.² This request culminated in the Board awarding a series of projects to construct the onshore transmission facilities necessary to deliver 7,500 MW of OSW to New Jersey customers (“SAA 1.0”).³ This second formal request made today by the Board to PJM on behalf of the State of New Jersey (the “Second SAA” or “SAA 2.0”) is the result of the increased State goal of 11,000 MW of OSW by 2040.⁴ The Board takes this action to confirm the State’s commitment to the development of OSW generation and deliverability to New Jersey consumers, in a manner

¹ PJM Operating Agreement, Schedule 6, Section 1.5.9(a). See also Open Access Transmission Tariff (“PJM Tariff”), Schedule 12(b)(xii)(B).

² In the Matter of Declaring Transmission to Support Offshore Wind a Public Policy of the State of New Jersey, BPU Docket No. QO20100630, Order dated November 18, 2020 (“November 2020 Order”).

³ In the Matter of Declaring Transmission to Support Offshore Wind a Public Policy of the State of New Jersey, BPU Docket No. QO20100630, Order dated October 26, 2022 (“October 2022 Order” or “SAA 1.0 Order”).

⁴ Exec. Order No. 307, 54 N.J.R. 1945(a) (Oct. 17, 2022) (“EO 307”).

designed to lead to more efficient and cost-effective incorporation of OSW generation into PJM's grid while avoiding transmission-related delays.

BACKGROUND

The Board has long recognized that limits on the existing transmission system, as well as the challenges associated with expanding or replacing transmission facilities, represent a major source of cost uncertainty and potential risk of delays in meeting the State's OSW goals. The State's OSW goals were initially set forth in Governor Murphy's Executive Order No. 8, which directed the Board to take "all necessary actions . . . to promote and realize the development of wind energy off the coast of New Jersey to meet a goal of 3,500 megawatts of offshore wind energy generation by the year 2030."⁵ In 2019, Governor Murphy signed Executive Order 92, which increased the State's OSW goal to 7,500 MW by 2035.⁶

In 2019, the New Jersey Legislature enshrined the concept of an "open access offshore wind transmission facility" into State law as meaning "an open access transmission facility, located either in the Atlantic Ocean or onshore, used to facilitate the collection of offshore wind energy or its delivery to the electric transmission system in this State."⁷ Further, the Legislature provided the Board the authority to "conduct one or more competitive solicitations for open access offshore wind transmission facilities designed to facilitate the collection of offshore wind energy from qualified offshore wind projects or its delivery to the electric transmission system in this State."⁸

The 2019 Energy Master Plan ("EMP") explained how "planned transmission to accommodate the state's offshore wind goals provides the opportunity to decrease ratepayer costs and optimize the delivery of offshore wind generation into the state's transmission system."⁹ The EMP further stated that "[c]oordinating transmission from multiple projects may lead to considerable ratepayer savings, better environmental outcomes, better grid stability, and may significantly reduce permitting risk."¹⁰ The EMP directed that the Board "should endeavor to collaborate with PJM to ensure that transmission planning and interconnection rules accommodate [offshore wind] resources."¹¹ Also included in the EMP is a recognition that transmission must be planned and that the Board must exercise its regulatory authority to "actively engage in transmission planning."¹² The same week that Governor Murphy issued the EMP, he also signed legislation authorizing the Board to conduct one or more competitive solicitations for open access OSW transmission facilities.¹³

⁵ Exec. Order No. 8, 50 N.J.R. 887(a) (Feb. 20, 2018) ("EO 8").

⁶ Exec. Order No. 92, 51 N.J.R. 1817(b) (Dec. 16, 2019) ("EO 92").

⁷ N.J.S.A. 48:3-51.

⁸ N.J.S.A. 48:3-87.1.

⁹ 2019 New Jersey Energy Master Plan: Pathway to 2050, Goal 2.2.1, at 117, available at https://nj.gov/emp/docs/pdf/2020_NJBPU_EMP.pdf.

¹⁰ Id.

¹¹ Id.

¹² Id., EMP, Goal 5.2.1, at 182.

¹³ N.J.S.A. 48:3-87.1(e).

On November 12, 2019, Board Staff (“Board Staff” or “Staff”) held an OSW transmission Technical Conference (“Technical Conference”) to solicit input from stakeholders on transmission considerations and solutions.

On March 27, 2020, the Board authorized a contract with Levitan & Associates, Inc. (“LAI”) to prepare an OSW transmission study (“Transmission Study”). In order to inform the study, on June 26, 2020, the Board issued a Notice of Information Gathering on OSW transmission options.¹⁴ LAI completed the Transmission Study in December 2020 and concluded that a coordinated transmission approach would provide significant benefits.

In addition to the recommendations of the EMP, the factual record developed during the Technical Conference, and the development of the Transmission Study, the Board’s Offshore Wind Strategic Plan (“Strategic Plan”) stated that “[i]nvestments in planning and infrastructure are necessary to build the transmission infrastructure and regional markets needed for OSW energy to support a clean energy future.”¹⁵ Specifically, the Strategic Plan recommended that meeting New Jersey’s 7,500 MW goal of OSW energy requires “[c]ollaborat[ing] with PJM, as set forth in the New Jersey Energy Master Plan, to assure transmission infrastructure accommodates renewable energy such as offshore wind.”¹⁶ The Strategic Plan also recommended “[w]ork[ing] with PJM and local utilities to develop a grid transmission study to integrate 7,500 MW of OSW energy by 2035.”¹⁷

In September 2022, Governor Murphy issued Executive Order No. 307, which expanded New Jersey’s OSW procurement goal to 11,000 MW of OSW generation by 2040.¹⁸

Background on PJM’s State Agreement Approach:

In its landmark Order No. 1000, the Federal Energy Regulatory Commission (“FERC”) directed each of its jurisdictional regional grid operators to “describe procedures that provide for the consideration of transmission needs driven by Public Policy Requirements in the regional transmission planning processes.”¹⁹

In PJM, the transmission planning process is known as the Regional Transmission Expansion Plan (“RTEP”). The RTEP planning process runs in multiple “windows” each year, and can result in the construction of new transmission facilities that improve economic efficiency or system

¹⁴ In the Matter of the New Jersey Offshore Wind Transmission, BPU Docket No. QO20060463, Notice of New Jersey Offshore Wind Transmission, Information Gathering (June 26, 2020), available at https://publicaccess.bpu.state.nj.us/CaseSummary.aspx?case_id=2109297.

¹⁵ New Jersey Offshore Wind Strategic Plan (“Strategic Plan”), at 77 (Sept. 2020), available at https://www.nj.gov/bpu/pdf/Final_NJ_OWSP_9-9-20.pdf.

¹⁶ Id. at 78.

¹⁷ Id.

¹⁸ EO 307.

¹⁹ Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities, Order No. 1000, 136 FERC ¶ 61,051 at P 203 (2011), order on reh’g, Order No. 1000-A, 139 FERC ¶ 61,132, order on reh’g, Order No. 1000-B, 141 FERC ¶ 61,044 (2012), aff’d sub nom. S. C. Pub. Serv. Auth. v. FERC, 762 F.3d 41 (D.C. Cir. 2014) (“Order No. 1000”).

operations, meet reliability needs, or, upon request by a state, to meet state-mandated public policy requirements.²⁰

Subsequently, in addition to its compliance with FERC Order No. 1000, PJM developed an alternative route for states to plan transmission expansion around public policy needs and incorporated the SAA into its Operating Agreement:

State governmental entities authorized by their respective states, individually or jointly, may agree voluntarily to be responsible for the allocation of all costs of a proposed transmission expansion or enhancement that addresses state Public Policy Requirements identified or accepted by the state(s) in the PJM Region. As determined by the authorized state governmental entities, such transmission enhancements or expansions may be included in the recommended plan ... as a . . . state public policy project, which is a transmission enhancement or expansion, the costs of which will be recovered pursuant to a FERC-accepted cost allocation proposed by agreement of one or more states and voluntarily agreed to by those state(s).²¹

In proposing the SAA, PJM explained that the SAA “provides a vehicle for states to propose: (i) a state public policy project to PJM for inclusion in the RTEP, the costs of which shall be recovered from the customers in the states proposing the project.”²²

Background on SAA 1.0:

On February 17, 2021, the Board authorized a contract with The Brattle Group (“Brattle”) to provide consulting services for SAA 1.0. Board Staff, together with PJM and Brattle, developed a solicitation for proposals from transmission developers for transmission components, including upgrades to the onshore PJM transmission system to accommodate the increased power flows from the OSW facilities; permitting and constructing the beach crossings and connecting new or existing onshore substations to new offshore collector stations; and connecting different offshore collector stations, serving various Bureau of Ocean Energy Management OSW lease areas (“Lease Areas”), in an effort to network the Lease Areas.

The SAA 1.0 solicitation process resulted in transmission developers proposing projects to be completed over the next 12 years. This transmission build-out was intended to meet New Jersey’s goal of facilitating the delivery of a total of 7,500 MW of OSW, the goal under EO 92 that was in place at the outset of SAA 1.0, to New Jersey consumers (including the 1,100 MW of OSW awarded in the Board’s first solicitation, as well as any awards made in the second solicitation²³)

²⁰ Additional background on the RTEP process is available from PJM [See PJM, RTEP: Planning for Long-Term Transmission Needs](#), available at

<https://www.pjm.com/~media/about-pjm/newsroom/fact-sheets/rtep-fact-sheet.ashx#:~:text=PJM%20planners%20continuously%20analyze%20the,help%20ensure%20the%20system%20meets.>

²¹ PJM, [Operating Agreement](#), Schedule 6, Section 1.5.9(a).

²² [Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities](#), PJM Compliance Filing, Docket No. ER13-198, 38-39 (October 25, 2012).

²³ On September 9, 2020, the Board issued a solicitation for 1,200 to 2,400 MW of offshore wind generation projects (“Second Solicitation”). [In the Matter of the Opening of Offshore Wind Renewable Energy](#)

over the expected life of the OSW projects.²⁴ Consistent with Staff's recommendation that the State initiate a competitive solicitation process run by PJM, Staff worked with PJM to include the State's OSW public policy requirement in an RTEP window which was opened in April 2021. Pre-qualified transmission developers submitted competitive transmission proposals to PJM by the close of the NJ SAA RTEP window on September 17, 2021, which provided detailed route lines, cost, delivery dates, proposals to phase construction, and other project details.

At the close of the SAA 1.0 proposal window, PJM received 80 project proposals from 13 different applicants. After a thorough review by Board Staff, PJM, and Brattle, the Board awarded a series of projects to construct the onshore transmission facilities necessary to successfully deliver 7,500 MW of OSW to New Jersey customers.²⁵ The savings New Jersey ratepayers will realize from the selection of these transmission projects were estimated to be approximately \$900 million, compared to the estimated cost of transmission facilities that otherwise would be necessary to achieve New Jersey's 7,500 MW OSW energy goal in the absence of the SAA solicitation.

In the SAA 1.0 Order, the Board and Board Staff committed to continue efforts to ensure OSW energy can be brought to New Jersey customers as cost efficiently as possible, while reducing environmental and community impacts and maintaining safe and reliable electric service.²⁶ To that end, in the SAA 1.0 Order, the Board directed Staff to begin the necessary preliminary steps to support a future SAA process to enable the transmission of New Jersey's new goal of 11,000 MW of OSW energy generation to occur in a coordinated manner, for the benefit of ratepayers.²⁷

STAFF RECOMMENDATION FOR SAA 2.0

Staff recommends that the State initiate a second competitive transmission solicitation process to examine whether an integrated suite of open access transmission facilities designated to support

Certificate (OREC) Application Window for 1,200 to 2,400 Megawatts of Offshore Wind Capacity in Furtherance of Executive Order No 8 and Executive Order No. 92, BPU Docket No. QO20080555, Order dated September 9, 2020. On June 30, 2021, the BPU approved applications for a 1,509.6 MW project submitted by Atlantic Shores Offshore Wind Project 1, LLC¹⁷ and a 1,148 MW project submitted by Ocean Wind II, LLC, as well as a 1,148 MW project submitted by Ocean Wind II, LLC. See In the Matter of the Board of Public Utilities Offshore Wind Solicitation 2 for 1,200 to 2,400 MW – Atlantic Shores Offshore Wind Project 1, LLC, BPU Docket No. QO21050824, Order dated June 30, 2021 ("Atlantic Shores 1 June 2021 Order"); In the Matter of the Board of Public Utilities Offshore Wind Solicitation 2 for 1,200 to 2,400 MW – Ocean Wind II, LLC, BPU Docket No. QO21050825, Order dated June 30, 2021 ("Ocean Wind II June 2021 Order").

²⁴ In September 2018, the Board issued a solicitation for 1,100 MW of offshore wind energy generation ("First Solicitation"). See In the Matter of the Opening of Offshore Wind Renewable Energy Certificate (OREC) Application Window for 1,100 Megawatts of Offshore Wind Capacity in Furtherance of Executive Order No. 8, BPU Docket No. QO18080851, Order dated September 17, 2018 ("Sept. 17, 2018 Order"). In June 2019, the Board approved an application for a 1,100 MW offshore wind generation project submitted by Ocean Wind LLC. See In the Matter of the Board of Public Utilities Offshore Wind Solicitation for 1,100 MW—Evaluation of the Offshore Wind Applications, BPU Docket No. QO18121289, Order dated June 21, 2019 ("June 21, 2019 Order").

²⁵ October 2022 Order, 70-73, Appendix A: Selected Projects.

²⁶ Id., at 2.

²⁷ Id., at 73.

the delivery of OSW, both onshore and potentially offshore, could best facilitate meeting the State's expanded OSW goals in an economically efficient and timely manner.

As noted above, the competitive solicitation process would be run by PJM, on the Board's behalf, in parallel to PJM's integrated RTEP process. The Board's rights and obligations would be detailed in future agreements between the Board and PJM that will be filed with FERC, and enforced through the SAA 2.0, comparable to the PJM service agreements filed and accepted by FERC on February 16, 2021 ("SAA Study Agreement")²⁸ and April 14, 2022 ("SAA Agreement").²⁹ Staff continues to believe that such a coordinated and planned approach could:

- Result in more efficient or cost-effective transmission solutions versus a non-coordinated transmission planning process;
- Significantly reduce the risks of permitting and construction delays resulting from a non-coordinated approach; and
- Minimize environmental impacts associated with onshore and potentially offshore upgrades.

In making this recommendation, Staff notes that there are several safeguards in place to protect New Jersey ratepayers.

First, Staff notes that the authorization it recommends today does not include authorization from the Board for PJM to move forward with a potential project identified in the SAA process. Instead, it authorizes PJM to incorporate New Jersey's needs into its transmission planning process and solicit ideas from transmission developers on how best to meet the State's needs. Once projects are proposed through the SAA 2.0 solicitation, the SAA allows the Board to evaluate the proposals in concert with PJM. Only after full consideration of the proposals will the Board be asked to commit New Jersey consumers to funding if the Board selects any of the proposed projects considered in SAA 2.0. Alternatively, the Board may elect to terminate the process and not select any of the proposed projects considered in SAA 2.0. There are no financial obligations associated with any step before the final decision of the Board, should the Board determine to move forward with one (1) or more of the proposed solutions arising from the New Jersey SAA process associated with SAA 2.0.

Second, Staff notes that PJM's RTEP rules contain extensive protections for ratepayers, including cost containment options and the ability to incorporate phased implementation of any transmission upgrades.³⁰ These provisions allow the State and PJM to consider such items as the financial strength of any construction scheduling commitments and the developer's incorporation of voluntary cost caps into their RTEP bids. PJM considers voluntarily-submitted binding cost commitments when evaluating project proposals submitted in PJM's competitive

²⁸ PJM Interconnection, L.L.C., SAA Study Agreement, 174 FERC ¶ 61,090 (Feb. 16, 2021).

²⁹ PJM Interconnection, L.L.C., SAA Agreement, Rate Schedule 49, 179 FERC ¶ 61,024 (April 14, 2022), *reh'g denied*, 179 FERC ¶ 62,131 (June 13, 2022). In January 2023, the Board and PJM agreed to amend and restate the SAA Agreement to detail project-specific information about the projects selected by the Board through SAA 1.0. See PJM Interconnection, L.L.C., Docket No. ER23-775-000, Amended and Restated SAA Agreement, Rate Schedule 49 (March 6, 2023).

³⁰ PJM Interconnection, LLC, Open Access Transmission Tariff and PJM Interconnection, LLC, Operating Agreement.

proposal window process.³¹ PJM's consideration of such cost commitments is intended to help deliver benefits to consumers. Staff notes that such legally binding commitments and other forms of cost-risk mitigation are likely to weigh heavily on whether a pro-active, integrated transmission solution may be the more efficient or cost-effective means to reach New Jersey's OSW goals.

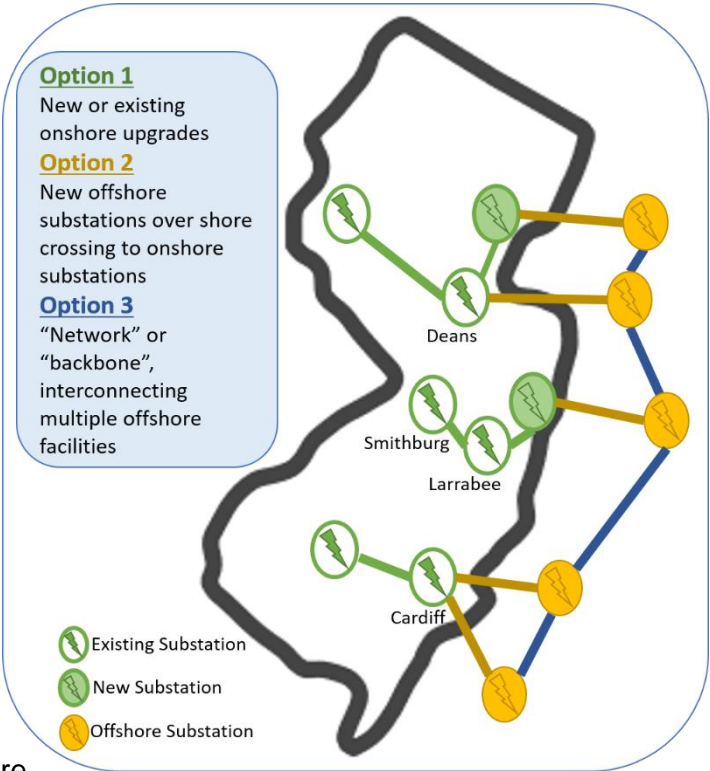
Third, Staff anticipates that the Board may have to address concerns regarding the transfer of commercial risk between transmission developers and generation developers prior to approving a final coordinated transmission solution that may result from SAA 2.0. Staff encourages entities bidding into the SAA 2.0 process to consider how their submitted cost caps and other binding obligations may relate to the interconnection of qualified OSW generation projects. Staff intends to facilitate further discussions on this topic. Innovative proposals that address the unique commercial risks associated with delays in the construction of transmission facilities, on the one hand, or delays associated with construction of the OSW generation projects, on the other, should also be pursued.

Staff recommends that the Board direct PJM to seek potential transmission solutions for three (3) inter-related components of an open access OSW transmission system, as shown schematically in the chart below. Staff notes that the diagram below is an illustration of potential options and is not intended to suggest specific outcomes or designs:

³¹ See PJM Interconnection, L.L.C., 170 FERC ¶ 61,243, order on reh'g, 173 FERC ¶ 61,090 (2020) (accepting an amendment to PJM's Operating Agreement that would allow it to review and analyze voluntary cost commitments); PJM Operating Agreement, Sections 1.5.8(c)(2) and 1.5.8(e) of Schedule 6.

Option #1: PJM Grid to Onshore Substations (Green):

- This option would upgrade the onshore PJM regional transmission system to accommodate the increased power flows from the OSW facilities.
- Under this option, OSW developers would continue to be responsible for getting the power from the Lease Areas to the newly constructed or existing onshore substations.
- Solutions may include coordinated onshore “power corridors” that would bring electricity to already-existing high-voltage transmission facilities.



Option #2: Onshore Substations to Offshore Substations (Yellow):

- This option would involve soliciting bids from transmission developers to permit and construct the shore crossings and connect the (new or existing) onshore substations to new (wet) offshore substations.³²
- If selected, it would be possible that this Option #2 could be selected in addition to Option #1, and OSW developers would be responsible for interconnection to the offshore substations.

Option #3: Offshore Transmission “Backbone” (Blue):

- This option would connect different offshore substations, serving various Lease Areas, in an effort to network the Lease Areas.
- This option could result in network interties between offshore substations, potentially improving availability, and could also involve bids that include Option #1 or Option #2.³³

³² A “shore crossing” is the specific part of the cable route which brings the transmission cables from the ocean onto land at the New Jersey shoreline.

³³ An “intertie” permits the passage of an electric current between two or more systems.

In order to most efficiently accommodate the flow of power from the additional 3,500 MW of planned OSW transmission (representing the increase from the State's OSW goal of 7,500 MW to 11,000 MW), Staff recommends that the Board requests PJM to plan for injections of power into the Deans 500 kV substation on the PJM system between 2032 and 2040, as follows:

3,500 MW at the Deans 500 kV substation in Northern New Jersey.

Staff recommends the Deans 500 kV substation because it: 1) is located near high electric load centers; 2) is accessible to the Lease Areas that are likely to service New Jersey; and 3) was previously identified by PJM as having available capability to potentially accommodate the desired injection. While Staff recommends that the Board identify the Deans 500 kV substation as the most likely location on the PJM system that will need reinforcement to accommodate the additional 3,500 MW of OSW, Staff also recommends that the Board invite transmission developers to propose particularly cost-effective alternative points of interconnection that may still meet the State's policy goals. Staff also recommends that the Board authorize the President to execute appropriate study agreements with PJM to memorialize these elections, consistent with this Board Order.

Staff notes that the exploration of coordinated transmission alternatives through SAA 2.0 does not impact how previously-awarded OSW projects intended to achieve the initial 7,500 MW interconnect into the PJM system. Those projects will interconnect as delineated in the applicable Board Orders approving qualified OSW transmission projects. Staff recommends that the Board clarify that there is no change to the approach for the projects injecting a total of 7,500 MW into the electric transmission system in New Jersey, and that incorporation of any OSW coordinated transmission solution as a result of the SAA 2.0 process will be exclusively for projects injecting the additional 3,500 MW needed to achieve the state's current OSW goal of 11,000 MW.

Finally, Staff recommends that the Board work with other East Coast states that have OSW programs and gauge their interest in coordinating on a regional OSW transmission solution, up to and including a regional OSW "backbone" transmission system. While Staff recommends the Board initiate SAA 2.0 as a New Jersey-only effort, Staff also recommends that the Board accelerate discussions with other states and federal stakeholders in this important area, and Staff will propose modifications to this Order if necessary to advance a regional OSW transmission solution.

DISCUSSION AND FINDINGS

The Board agrees with Staff's recommendation that it formally designate a coordinated open access OSW transmission solution as a public policy of the State of New Jersey. The Board **DIRECTS** Staff to work with PJM through the SAA to initiate the Second SAA public competitive solicitation process to examine whether an integrated suite of transmission upgrades, both onshore and potentially offshore, and through one (1) or more solicitations, could result in a more efficient or cost-effective means of meeting the State's OSW goals and decreasing the chance of delays.

The Board's authority to work with PJM through the SAA process is clearly delineated in New Jersey law. In 2019, the State Legislature specifically authorized the Board to "conduct one or more competitive solicitations for open access offshore wind transmission facilities designed to facilitate the collection of offshore wind energy from qualified offshore wind projects or its delivery

to the electric transmission system in this State” separate from the underlying OSW generation solicitation.³⁴

In light of the foregoing description of the potential benefits of a coordinated transmission approach as set forth above, the Board **HEREBY DECLARES** that it is the public policy of the State of New Jersey to utilize the SAA included in PJM’s Operating Agreement. The Board **HEREBY AUTHORIZES** PJM to include options for an open access offshore transmission facility into a future NJ SAA RTEP solicitation window, as agreed to by PJM and Board Staff. The Board further **AUTHORIZES** the President to execute the study agreement with PJM, consistent with terms of this Board Order.

The Board **HEREBY APPROVES** the Deans 500 kV substation designation recommended by Staff as the preferred point of interconnection that will facilitate the additional injection of 3,500 MW to achieve a total of 11,000 MW of OSW in the most efficient manner for New Jersey ratepayers. The Board **DIRECTS** PJM to utilize the Deans 500 kV substation facility in its transmission planning process. Notwithstanding the foregoing, the Board also **HEREBY INVITES** transmission developers to propose particularly cost-effective alternatives that may still meet the State’s immediate policy goals.

The Board **HEREBY ORDERS** that any project selected in the SAA 2.0 process would be a “state public policy project” and that all costs of any project or projects eventually selected would be recoverable from customers in the State according to a FERC-accepted cost allocation that is agreed to by the Board; provided that any State or private entities wishing to partner with New Jersey in the future would be expected to bear a pro rata share of any development and operating costs.

The Board also **HEREBY DECLARES** that using the SAA 2.0 process will have no impact on the Qualified Offshore Wind Projects³⁵ that have been awarded, or that will be awarded up to a total of 7,500 MW.

The Board **FURTHER HEREBY ORDERS** that no assignment of costs is authorized until such time, if any, that the Board evaluates the outcome of the SAA process and affirmatively agrees to bind the New Jersey ratepayers to pay for any transmission expansion pursuant to the Second SAA.

The Board recognizes the valuable input received from all stakeholders throughout the SAA 1.0 process. In order for the Second SAA process to be similarly informed by stakeholders, the Board **HEREBY DIRECTS** Staff to prepare an SAA 2.0 Solicitation Guidance Document (“SAA 2.0 SGD”) that will include details regarding the solicitation components and the proposal evaluation process, and to issue a draft SAA 2.0 SGD for public comment in order to inform the development of the final SAA 2.0 solicitation.

Further, given the regional interest³⁵ in OSW, the Board **HEREBY DIRECTS** Staff to accelerate engagement with other states, regional grid operators, federal regulators, and other interested stakeholders about a regional OSW transmission solution.

Finally, the Board is cognizant of the concerns some stakeholders have raised that a coordinated

³⁴ N.J.S.A. 48:3-87.1(e).

³⁵ For a definition of “Qualified Offshore Wind Project,” see N.J.S.A. 14:8-6.1.

transmission solution may increase commercial risk on OSW generation developers by making projects dependent on transmission facilities constructed by third parties. While the Board continues to see the benefits of exploring a coordinated OSW transmission option more fully, the Board notes that it will heavily weigh proposals from transmission developers that utilize the voluntary protections set forth in the SAA process to limit downside risk to New Jersey consumers and to reduce project-on-project risk for OSW generation developers. As a result, the Board **DIRECTS** Staff to address these concerns throughout the Second NJ SAA RTEP window, by collaborating with PJM, transmission developers, and OSW generation developers to maximize effectiveness of any contractual mechanisms that may be available to minimize the risk of project delays.

The effective date of this Order is May 3, 2023.

DATED: April 26, 2023

BOARD OF PUBLIC UTILITIES
BY:




JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



DR. ZENON CHRISTODOULOU
COMMISSIONER

ATTEST:



SHERRI L. GOLDEN
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities.

IN THE MATTER OF THE SECOND STATE AGREEMENT APPROACH FOR OFFSHORE WIND
TRANSMISSION

DOCKET NO. QO23030129

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**Schedule B to the
SAA 2.0 Study Agreement
Specifications**

SCHEDULE B

SPECIFICATIONS

Consistent with the SAA 2.0 Request described in this Agreement, NJBPU seeks to procure and request a Maximum Facility Output of 3,500 MW to be evaluated as part of this request.

Injections of power into the following substations on the PJM system between 2028 and 2040 will be as follows:

Point of Injection	Maximum Facility Output	Energy (in MW)	Capacity Interconnection Rights (in MW)
Original SAA 1.0 Request and Interconnection Queue			
Oyster Creek & BL England	1,100 MW	1,100 MW	330 MW
Cardiff	1,510 MW	1,510 MW	453 MW
Smithburg	1,148 MW	1,148 MW	327 MW
Larrabee Collector Station – Larrabee	1,200 MW	1,200 MW	360 MW
Larrabee Collector Station – Atlantic	1,200 MW	1,200 MW	360 MW
Larrabee Collector Station - Smithburg	1,342 MW	1,342 MW	402.6 MW
Totals	7,500 MW	7,500 MW	2,232.6 MW
New request for SAA 2.0			
Deans 500 kV and/or Smithburg 500 kV	3,500 MW	3,500 MW	3,356.5 MW
New Jersey Public Policy Requirement Anticipated Total	11,000 MW	11,000 MW	5,589.1 MW

**Schedule C to the
SAA 2.0 Study Agreement
Milestone Schedule**

SCHEDULE C

MILESTONE SCHEDULE

	Milestone Description	Milestone Dates
Milestone 1	PJM shall complete the Informational Study as described in Paragraph 1 of this Agreement no later than March 1, 2024, which date may be extended by mutual agreement of the Parties.	NJBPU/Staff shall notify PJM, no later than 30 days after its receipt of the Informational Study Report, the actual MW amount of SAA 2.0 Capability requested.
Milestone 2	Following NJBPU/Staff's notification to PJM about the MW amount of SAA 2.0 Capability requested consistent with Paragraph 1 of this Agreement, and NJBPU/Staff's request that PJM open a Second SAA Proposal Window consistent with Paragraph 2 of this Agreement, PJM will begin to prepare to open the Second SAA Proposal Window.	PJM shall open the Second SAA Proposal Window as described in Paragraph 2 of this Agreement no later than July 1, 2024, which date may be extended by mutual agreement of the Parties.
Milestone 3	Upon the close of the Second SAA Proposal Window, PJM shall post project proposals submitted through the Second SAA Proposal Window ("SAA 2.0 Project Proposals") consistent with Operating Agreement, Schedule 6, section 1.5.8(d). PJM will commence initial analyses of the SAA 2.0 Project Proposals ("Initial Analyses").	PJM will endeavor to present to the NJBPU/Staff the results of PJM's Initial Analyses by January 31, 2025, which date may be extended by mutual agreement of the Parties.

	Milestone Description	Milestone Dates
Milestone 4	No later than 30 days following PJM’s presentation of the results of the Initial Analyses to NJBPU/Staff, NJBPU/Staff will identify those SAA 2.0 Project Proposals for which PJM will perform more comprehensive analyses (“Final Analyses”).	PJM will endeavor to present to the NJBPU/Staff the results of PJM’s Final Analyses by May 1, 2025, which date may be extended by mutual agreement of the Parties.
Milestone 5	Following NJBPU/Staff’s receipt of the Final Analyses, NJBPU/Staff will complete its independent evaluation of the proposals to determine whether to select a SAA 2.0 Project Proposal as a public policy project(s). If NJBPU decides to sponsor a public policy project(s), it will issue an order notifying PJM of its selection. If NJBPU elects to sponsor a public policy project(s), PJM staff will present such project(s) to the PJM Board of Managers for review, approval and inclusion in the PJM Regional Transmission Expansion Plan (“RTEP”) consistent with Operating Agreement, Schedule 6, section 1.5.9.	No later than 30 days after approval by the PJM Board of Managers of the NJBPU’s selected state public policy project(s) for inclusion in the PJM RTEP, PJM and NJBPU will amend the SAA 2.0 Agreement to: (i) identify the state public policy project(s) being selected; (ii) identify designated entity(ies) responsible for such project(s); and (iii) specify the FERC-accepted cost allocation methodology for the project(s).

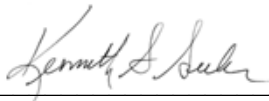
ATTACHMENT B

Signature Page to the SAA 2.0 Study Agreement

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective authorized officials. By each individual signing below each represents to the other that they are duly authorized to sign on behalf of that Party and have actual and/or apparent authority to bind the respective Party to this Agreement.

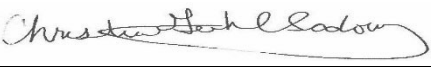
Transmission Provider:

PJM Interconnection, L.L.C.

By: 
Kenneth S. Seiler
Senior Vice President, Planning

Date: January 3, 2024

NJBPU (On behalf of NJBPU and NJBPU Staff)

By: 
Christine Guhl-Sadovy
President, NJBPU

Date: 1/2/2024