

New Jersey bills jumped up to 20% in one summer. The next capital plan is where that pressure gets managed.

A PJM capacity auction pushed electric bills up 17–20% on June 1, 2025, the offshore-wind program the state was counting on has largely collapsed, and data-center and electrification load keeps climbing. Each shock reshuffles the projects competing for capital. Invizion helps electric utilities re-sequence a capital portfolio in a click — and defend every decision to the BPU.

17–20%¹ Range of the electric-bill increase New Jersey ratepayers absorbed on June 1, 2025, driven by the PJM capacity auction.	833%² One-year jump in PJM's capacity clearing price in the 2025/2026 auction, to \$269.92/MW-day.	\$24–28B³ PSEG's five-year capital investment program through 2030.	11,000 MW⁴ New Jersey's 2040 offshore-wind target — now far off track after the Ørsted and Shell exits.
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THE NEW JERSEY LANDSCAPE

Four forces are moving your project list at once

None of these is theoretical, and none of them waits for your next budget cycle. Together they mean the capital plan you approved last year may already be the wrong plan.

DEMAND — LOAD GROWTH

Rising load, in a market you don't control

New Jersey sits inside PJM, whose 2026/2027 capacity auction procured 146,244 MW to meet growing demand and cleared at the FERC-approved cap of \$329.17/MW-day² Data-center and electrification load across the PJM footprint is the driver.

It lands on New Jersey customers who already pay about 16.29 cents/kWh — the 12th-highest retail price in the nation — and on utilities that net-generate only about 60.2 million MWh in-states⁵

RELIABILITY — CAPACITY & COST

The margin now shows up on the bill

PJM's 2025/2026 auction spiked 833% to \$269.92/MW-day, and the 2026/2027 auction hit the \$329.17 cap² With little in-state generation headroom, New Jersey is exposed to that market directly.⁵

Regulators note that without wind and solar clearing the 2024 auction, prices would have been roughly 60% higher — about \$1.1 billion more a year for New Jersey ratepayers¹

GENERATION — THE TRANSITION

The clean pipeline the plan assumed is gone

New Jersey targets 100% clean energy by 2035⁶ and 11,000 MW of offshore wind by 2040⁴ But Ørsted canceled Ocean Wind 1 (1,100 MW) and Ocean Wind 2 in October 2023, paying a \$125 million settlement,⁷ and Shell walked away from the 1,510 MW Atlantic Shores project in January 2025⁴

The generation the state expected to add is largely off the board — and the mandate deadline has not moved with it.

CAPITAL — GRID & HARDENING

The burden shifts to the wires

PSE&G — 2.2 million electric customers across 2,600 square miles⁸ — anchors a PSEG capital program of \$24–\$28 billion through 2030, with \$22.5–\$25.5 billion of it regulated³

With new generation stalled, the near-term work is transmission, distribution modernization, and storm hardening. Those obligations stack on top of an existing backlog — and something on the list has to move.

WHO RUNS NEW JERSEY'S GRID

Four investor-owned utilities, plus a handful of municipal systems

New Jersey's grid is carried almost entirely by four BPU-regulated investor-owned electric distribution companies, with a small number of municipally owned utilities serving individual towns. The pressures are shared; the accountability path differs.

Investor-owned utilities

Rates & capital recovery regulated by the BPU

Public Service Electric & Gas (PSE&G) ~2.2M electric customers · 2,600 sq mi

Jersey Central Power & Light (JCP&L) FirstEnergy · central & NW New Jersey

Atlantic City Electric (ACE) ~545,000 customers · Exelon

Rockland Electric Company Northern NJ · Orange & Rockland / Con Edison

PSE&G alone anchors a PSEG capital program of \$24–\$28 billion through 2030.

Municipal (public power) utilities

Governed by local councils & boards, not BPU rates

Vineland Municipal Electric Utility Largest of New Jersey's municipal electric systems

Butler, Madison & Milltown Town-owned distribution utilities

Lavallette, Pemberton, Seaside Heights, South River, Park Ridge Small municipal electric systems

Every capital dollar has to be defensible

Whether the recovery runs through a base-rate case or an infrastructure program, the New Jersey Board of Public Utilities asks the same question: why this project, why now, why at this cost?

NJ Board of Public Utilities (BPU) regulates rates, capital recovery, and resource planning for the state's four investor-owned electric distribution companies, and runs the annual Basic Generation Service (BGS) auctions that set supply prices¹¹

The 2025 bill spike flowed through the BGS auction from PJM's capacity market — a 17–20% increase on June 1, 2025 that the BPU could not simply disallow.¹

Ratepayer relief, not rate denial was the state's lever: a roughly \$430 million assistance package, including a universal \$100 credit to about 3.9 million residential customers²

New Jersey's Energy Master Plan sets the 100% clean-energy pathway that shapes every long-term resource and capital decision utilities bring to the BPU.¹²

The money is moving — can your plan absorb it?

New Jersey utilities have large capital budgets and federal incentives available. The constraint is readiness: which projects qualify, which are shovel-ready, and how the timing lines up.

PSEG regulated capital: \$22.5–\$25.5B through 2030 — the bulk of a \$24–\$28 billion five-year program, weighted toward transmission, distribution, and reliability³

\$430M in state ratepayer relief (2025), including \$48.7 million in one-time \$175 REAP credits distributed to more than 278,000 qualifying households²¹

The value of clean supply is measurable — regulators estimate wind and solar clearing the 2024 PJM auction avoided roughly \$1.1 billion a year in New Jersey capacity costs.¹

IRA direct-pay and investment tax credits put utility-scale storage, transmission, and clean generation more within reach — but only for projects a utility can actually stand up on schedule.

NEW JERSEY'S GRID, IN BRIEF

Questions New Jersey utility leaders are asking

Short, sourced answers — the same facts we dig into with utilities looking at their capital programs.

Why did New Jersey electric bills jump in 2025?

Bills rose 17–20% on June 1, 2025, depending on the utility, driven by PJM's capacity auction flowing through the state's Basic Generation Service supply price. PJM's 2025/2026 auction had spiked 833% to \$269.92/MW-day, and the next auction hit the FERC cap of \$329.17¹²

What happened to New Jersey's offshore wind program?

The state still targets 11,000 MW of offshore wind by 2040, but Ørsted canceled Ocean Wind 1 (1,100 MW) and Ocean Wind 2 in October 2023 with a \$125 million settlement, and Shell abandoned the 1,510 MW Atlantic Shores project in January 2025⁴⁷

Who regulates New Jersey's electric utilities?

The New Jersey Board of Public Utilities regulates rates, capital recovery, and resource planning for the four investor-owned electric distribution companies — PSE&G, JCP&L, Atlantic City Electric, and Rockland Electric — and runs the BGS supply auctions. A handful of municipal systems set their own rates locally¹¹

How much are New Jersey utilities investing in the grid?

PSEG has laid out a \$24–\$28 billion capital program through 2030, with \$22.5–\$25.5 billion of it regulated — weighted toward transmission, distribution modernization, and reliability now that new generation has stalled³

Is New Jersey still committed to 100% clean energy?

Yes — New Jersey accelerated its 100% clean-energy target to 2035, and the Energy Master Plan remains the guiding framework, even as the offshore-wind pipeline that was meant to deliver much of it has fallen apart⁶¹²

How does Invizion help New Jersey electric utilities plan capital?

Invizion is scenario-based capital portfolio optimization for utilities. It lets you model how a PJM cost shock, a stalled offshore-wind project, or a new load cluster reshuffles your whole project list, re-sequence the portfolio automatically, and keep a defensible record of every decision for the BPU or your board.

REFERENCES

Sources

Every figure in this briefing is tied to a primary or authoritative source.

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2. New Jersey BPU / Governor's Office — PJM 2026/2027 auction \$329.17/MW-day at cap and 146,244 MW procured; prior 2025/2026 auction up 833% to \$269.92; new \$325 cap/\$175 floor; ~\$430M relief incl. \$100 to 3.9M customers, 2025. [nj.gov/bpu](https://www.nj.gov/bpu)
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12. New Jersey Energy Master Plan — the state's pathway to 100% clean energy and framework for utility resource and capital planning. [nj.gov/emp](https://www.nj.gov/emp)

ABOUT INVIZION

Capital program optimization for utilities

Invizion is a purpose-built capital lifecycle management platform for utilities. It integrates budgeting, CIP, scenario analysis, and funding-source tracking in one system — so utilities can re-sequence a capital portfolio in a click and demonstrate audit-ready, defensible decisions to regulators, boards, and rating agencies.

See how utilities keep capital plans current and defensible with Invizion.

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