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ISSUE BRIEF | AFPI- New Jersey

GETTING NEW JERSEY'S ELECTRICITY COSTS UNDER CONTROL

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New Jersey's electricity ratepayers have had a hard row in recent years, with the most recent blow being double-digit electricity rate increases announced in February 2025. In fact, customers of the state's four major utility suppliers were projected to face double-digit percentage increases in their monthly bills originally set to begin in June 2025—between 17.23% and 20.20%—just as the summer heat and air condition use begins in earnest (New Jersey Business & Industry Association, 2025). However, under political pressure with statewide gubernatorial elections approaching, the New Jersey Board of Public Utilities (NJBPU) ordered a last-minute delay in the rate increase through September 30th (Alexander, 2025).

The NJBPU attributed these shocking increases to "the culmination of several issues: rapidly increasing demand for electricity, coupled with limited supply growth due to lagging new generation interconnection, and flawed market dynamics in the PJM region" (NJBPU, 2025). Conveniently, however, the NJBPU ignores how years of regulatory burdens and green energy mandates imposed by state leaders have caused this "limited supply growth" in the face of escalating demand.

Among the most crippling green energy mandates is Governor Phil Murphy's (D-NJ) Executive Order (EO) No. 315 (2023), which the state's own Department of Environmental Protection calls "one of the most ambitious Renewable Portfolio Standards in the country" (NJDEP, n.d.). The order mandates that 100% of the state's electricity be derived from clean energy sources by the beginning of 2035. This EO accelerates the already ambitious 2050 date set forth in the state's Clean Energy Act (P.L. 2018) (2024), by which all electricity must be derived from clean energy (excluding nuclear energy).

Just as wrongheaded has been the state's dogged determination to increase its renewable energy portfolio by building massive offshore wind farms, as Governor Murphy's EO No. 307 (2022) mandated that offshore wind account for 11,000 megawatts of energy generation by the year 2040. A preliminary step of this plan involved the planned installation of nearly 200 turbines to generate 1,100 megawatts of electricity, but this is facing stiff opposition from local residents and the Trump Administration (The Center Square, 2025). The sheer number of turbines needed to produce only 10% of EO 307's goal exposes how expensive and unrealistic an electricity grid driven by these devices would be, especially given that the cost of this transition will ultimately be borne by consumers. Of course, renewable sources are inherently intermittent and cannot generate electricity at will if the "clean" sources are lacking, such as when the wind is insufficient to activate these turbines.

The most notable feature of New Jersey's renewable energy mandates is its minimal congruence with the reality of New Jersey's current energy portfolio, especially the sources of its electricity. According to the U.S. Energy Information Administration, nuclear and natural gas accounted for more than 91% of the state's electricity generation in 2013, the same year Governor Murphy issued his EO accelerating green energy electricity mandates. Additionally, even with renewables composing only 8% of the state's present electricity generation, New Jersey still fails to produce sufficient electricity to match its demand. In 2023, nearly 20% of its electricity was generated in other states (EIA, n.d.).

These green mandates have created an unfortunate mismatch with New Jersey's energy portfolio. To approach 100% of the state's clean energy requirement, the state must gut some 91% of its existing energy portfolio. This is because renewables comprise a negligible proportion of New Jersey's energy production at a time when even *nuclear and gas plant* production is insufficient to meet New Jersey's electricity demand. Rate increases were inevitable—basic market economics dictates scarcity, which engenders higher prices, especially given constant or growing demand. Incredibly, Governor Murphy and other state leaders continue to double down on policies that create shortages and astronomically higher prices.

In the face of growing outrage from ratepayers, the governor continues to advocate for increased regulation. Before the NJBPU postponed the June 1, 2025 rate hikes and predictably hot summers, the governor proposed small "fixes" that would have done nothing to lower costs or even to ensure adequate supply during periods of peak demand. Governor Murphy's most hollow gesture was his signing of A4817 (2025), a bill that requires utilities to notify consumers if their energy consumption is higher compared to the same period the previous year (Biryukov, 2025). The governor claimed these updates would "allow customers to adjust their usage to avoid unforeseen spikes in utility costs." Yet, in doing so, he has admitted his constituents will inevitably be hurt by the very

policies he supports. While spared 20% rate increases this summer, in future years residents will face the choice of reducing their air conditioning usage, compromising their health, productivity, and lifestyles, or pay shockingly higher prices than necessary had the state instead invested in reliable and efficient power plants, like natural gas and nuclear energy.

New Jersey's leaders are well down the path of irrational opposition to fossil fuels. Their stubborn determination to impose "renewable only" policies, even in the face of the financial rate hikes, is certain to inflict unnecessary pain on state residents. So long as New Jersey's leaders prioritize ideological statements through impractical mandates, New Jerseyans will be forced to make difficult choices, such as whether to preserve their health and lifestyles and pay accordingly or whether to go without air conditioning and suffer the consequences of the stifling summer heat. Food may spoil when freezers and refrigerators don't have the power to run, and children may go without their favorite county fair rides—a summertime tradition if ever there was one. For the sake of the state's economic vitality and residents' quality of life, the state must abandon these green energy mandates and return to tried-and-true methods for generating low-cost and dependable electricity.

THE FACTS

- In 2023, natural gas-powered plants accounted for 49% of New Jersey's in-state electricity generation, and nuclear energy accounted for 42%.
- Only 8% of New Jersey's electricity is generated from so-called clean energy sources, yet the state mandates that 100% of the state's electricity be generated from these same sources by 2035.
- Citing "limited supply growth," the NJBPU approved electricity rate hikes of between 17.23% and 20.20% for state ratepayers that were set to take effect June 1, 2025 but have since been delayed through September 30th.
- Through a series of EOs, the current gubernatorial administration has imposed unrealistic, expensive, and unworkable green energy mandates that threaten to upend the state's already insufficient electricity market.

(Alexander, 2025; NJBPU, 2025; New Jersey Business & Industry Association, 2025; NJDEP, n.d.; EIA, n.d.)

WE SUPPORT AMERICA FIRST POLICY SOLUTIONS THAT WILL DO THE FOLLOWING:

- Reduce the cost of electricity for ratepayers by encouraging the expansion of proven and inexpensive sources while also expanding and building additional gas-fired electricity plants.
- Repeal the expensive, unnecessary, and unrealistic green energy mandate goals in EO 315 and the 2018 Clean Energy Act (P.L.2018).
- Improve New Jersey's energy regulatory scheme to spur investment and improvement of the state's grid and energy portfolio.
- Rescind the state's offshore wind targets, which are unrealistic and divert resources from more dependable carbon and nuclear sources, including the repeal of EO 307.
- Maximize energy availability by increasing the use of nuclear energy to create a reliable electrical supply.

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