



In-State vs Out-of-State Renewables in NJ What Do We Pay and What Do We Get?

Véronique Oomen

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Renewables in NJ now

- Renewables Deployment:
 - Installed Solar Capacity: 4,400 MW
 - Installed Wind Capacity: 9 MW
 - Generating approx. 5 million MWh / yr
 - Representing 6.8% of electricity
- Current Annual Program Cost: \$1,08B*
 - Average cost: \$212 / MWh

* Source: RPS Compliance Report EY21

In-State vs Out-of-State*

Energy Years	In-State REC share of RPS Compliance MWh basis (%)	In-State REC Costs as a multiple of Out-Of-State Costs (Factor)
2019	21%	28
2020	25%	24
2021	26%	16

Share of In-State renewable MWh is expected to grow fast, while costs are expected to grow closer to costs of Out-of-State renewables, but remain more expensive.

In-State Pipeline

- Scheduled for Deployment:
 - Offshore Wind: 3,758 MW awarded, with estimated annual production of 16 million MWh
 - Solar: approx. 700 MW registered, with estimated annual production of .8 million MWh / yr
 - Projected production equals 23% of NJ Energy sales*
- Program cost:
 - Awarded OSW: \$ 63 / MWh**
 - Awarded solar: \$129 / MWh***

* Based on EY21

**Source: Weighed Levelized Net OREC Cost in Board Orders awarding OSW Projects, adjusted for Class I REC

*** Weighed Average REC cost

Things to Note

- OSW Projects take longer to come on-line
- OREC mechanism puts risk of energy and capacity prices on ratepayers
- Average program costs of new solar are still rapidly declining
- Solar and offshore wind are largely complementary in generation

Happening Now

- Third OSW solicitation
 - 1,200 – 4,000 MW capacity
 - Estimated deployment 2030
- First annual Competitive Solar Incentive Program solicitation bid window just closed
 - 300 MW solar + 160 MWh storage
 - Scheduled deployment now - 2026
- Community Solar Energy Program (CSEP) Straw released
 - 225 MW proposed in both EY24 and EY25

Solar and Wind Further out*

- Solar: ongoing deployment of at least 750 MW per year:
 - Residential: 150 MW
 - Non-residential: 150 MW
 - Community Solar 150 MW
 - Grid-scale 300 MW
- OSW solicitation schedule:
 - 1,200 MW every two years 2025 - 2031

* Assuming no change in policy

Current Policy Projections

	Installed Capacity	Generation
2030	12,500 – 16,500 MW	26 – 43 million MWh
Solar	8,750 MW	10 million MWh
Offshore Wind	3,750 – 7,750 MW	16 – 33 million MWh
2040	37,000 MW	65.5 million MWh
Solar	16,000 MW	18.5 million MWh
Offshore Wind	11,000 MW	47 million MWh

Projections are in line with or ahead of 2020 EMP

Enabling In-State Deployment

- State Agreement Approach
- Grid Modernization Proceedings
- Storage Incentive Program
 - Straw includes carbon intensity incentive
- Dual Use Pilot Program

Clean Energy more Broadly

- Executive Order 315:
 - Technology agnostic Clean Energy Attribute Certificates
 - 2024 EMP to include 100% of electricity sold to be derived from clean sources by 2035
- Current nuclear fleet providing approx. 40% of NJ electricity

THANK YOU!

