



New Jersey Board of Public Utilities

NEWS RELEASE

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Statement of Lee A. Solomon, President, N.J. Board of Public Utilities (“BPU”), regarding the Federal Energy Regulatory Commission’s (“FERC”) Order Accepting Proposed Tariff Revisions, Subject To Conditions, And Addressing Related Complaint (“FERC’s MOPR Decision) issued on April 12, 2011, concerning applicability of the Minimum Offer Price Rule (MOPR) in the RPM capacity market:

Obviously, I am very disappointed with FERC’s decision. It does not address the failure of the PJM market to deliver new capacity which is desperately needed to reduce New Jersey’s energy prices, and to replace aging, dirty, and inefficient generation facilities.

PJM’s pricing model causes New Jersey ratepayers to pay substantially higher prices for electricity than most other states in PJM. This is due, in part, to the extra “capacity” and “congestion” charges levied under PJM’s Reliability Pricing Model (“RPM”). These charges have reached levels well over \$1 billion per year.

There are other options available to us that are outside of FERC’s jurisdiction. At this time, it appears that we will be forced to pursue those options. It is our duty to protect New Jersey’s ratepayers. I do not believe that New Jersey forfeited its sovereignty when PJM became the regional transmission operator.

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