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AN ENVIRONMENTAL AND ENERGY LAW PRACTICE

Conventional Generation Resources

The draft 2011 EMP calls for further evaluation of the various potential conventional and renewable resources that could be used to increase New Jersey's in-state electricity generation capacity. In terms of a policy direction in this regard, the draft EMP advocates a course that considers sensible tradeoffs among competing resource planning objectives and one that ensures that worthwhile environmental objectives do not undermine other laudable resource planning objectives, in particular, reliability and economics (i.e., price). Specific policy recommendations intended to increase the state's in-state electricity generation capacity are as follows:

- Constructing new combined cycle (natural gas-fired) facilities and improving PJM's rules and processes;
- Initiating a planning process to explore how the state will replace the nuclear capacity that will be lost by the anticipated closure of Oyster Creek in 2019;
- Expanding the use of distributed generation technologies, such as fuel cells and emergency generators, that produce power at or near the location where the power is consumed; and
- Promoting the safe enhancement and expansion of New Jersey's natural gas infrastructure, including pipelines.

In support of the above recommendations, the draft EMP includes a commitment to develop 1,500 MW of Combined Heat and Power ("CHP") generation over the next ten years, which is consistent with the State's recent efforts to promote CHP. The EMP also expresses the Christie Administration's support of new nuclear baseload generation, which some perceive as a controversial position.