

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

State Policies and Wholesale Markets)
Operated by ISO New England Inc., New York)
Independent System Operator, Inc., and PJM)
Interconnection, L.L.C.)

Docket No. AD17-11-000

**Pre-Technical Conference Statement of
Richard S. Mroz, Esq.
President of the New Jersey Board of Public Utilities**

April 25, 2017

My name is Richard S. Mroz and I was nominated and confirmed as a Commissioner of the New Jersey Board of Public Utilities (“NJBPU”) in September 2014. I was then named by Governor Christopher J. Christie as President of the NJBPU on October 6, 2014. The NJBPU is the agency empowered by the laws of the State of New Jersey with authority over regulated utilities to ensure that New Jersey ratepayers receive safe, adequate, and proper service at just and reasonable rates. The NJBPU also has authority, as the State Energy Office, over the administration of federally funded energy programs for the State of New Jersey. As President of the NJBPU, I also serve as a member of the Governor’s Cabinet and as Chairman of the New Jersey Energy Master Plan Committee. The New Jersey Energy Master Plan is the State's strategic plan for the use, management, and development of energy.

I also serve as Chairman of the Critical Infrastructure Committee for the National Association of Regulatory Utility Commissioners (“NARUC”). This committee was established on a temporary basis after the Sept. 11, 2001, terrorist attacks, but is now a permanent Critical Infrastructure Committee that provides State regulators a forum to

analyze solutions to utility infrastructure security and delivery concerns. I also serve as a member of the Electricity Committee, which deliberates on policy recommendations and emerging issues as well as best practices in regulatory policies in the electric generation, transmission and distribution industries. In addition, I serve on NARUC's Subcommittee on Nuclear Issues—Waste Disposal, which deliberates on nuclear policy recommendations and emerging issues, as well as nuclear waste disposal.

I am currently the President of the Organization of PJM States, Inc. ("OPSI"), the official representative organization of the State Commissions designated to interact with the regional transmission organization. Prior to undertaking the role as President of OPSI, I served on the OPSI Board as the voting member representing New Jersey.

I would like to thank the FERC Commissioners and Staff for arranging this technical conference to discuss these matters affecting the wholesale energy and capacity markets. I believe that it is very important for all of us, State and Federal regulators, advocates, RTOs/ISOs, and the industry, to have this discussion. I am grateful for the opportunity to address the Commission on this topic today.

As the Commission is aware, New Jersey is a restructured state. As such, the NJBPU no longer exercises authority to implement or even oversee the planning or development of traditional baseload electric generation facilities. The NJBPU now relies upon properly functioning competitive markets to provide the quantity and composition of baseload generation resources needed to cost-effectively meet the future reliability, resiliency, and operational needs for New Jersey electric customers.

However, New Jersey is fortunate to have diverse spectrum of generation sources including natural gas, other fossil fuels, renewable energy, and nuclear generation. In

fact about 45% of the electric generation in New Jersey comes from nuclear. The New Jersey Energy Master Plans over the years have identified this spectrum, with a diverse mix of resources, as a valuable aspect of the State's energy marketplace – one that yields benefits including longer term price stability and resiliency. The New Jersey Energy Master Plan of 2011 and the 2015 Update to that Energy Master Plan recognized specifically the importance of the nuclear generation in New Jersey.

The issue that we are here to consider is whether the markets are functioning properly, to accurately value all attributes of the generation mix, and then provide the quantity and composition of resources needed to cost-effectively meet the energy, capacity, resiliency and reliability needs of the several states – and, in a State like New Jersey, whether the market can adequately support existing generation like the nuclear units. I have been an advocate of the proposition that the marketplace, by and through the ISOs/RTOs, like PJM, should consider a construct to capture the value of these types of generation assets.

States in the Northeast and Midwest have made policy decisions to embrace state specific measures to support certain generation especially in the absence of any regional market construct to accomplish these goals. In New Jersey, neither the Legislature nor our Governor has yet arrived at a definitive policy position on these matters. So the NJBPU will remain engaged in thoughtful discussions with other State Commissions, the industry, PJM, and the Independent Market Monitor about this topic with the hope that we can collectively agree on structures that can accomplish these goals.

I again express my appreciation to the FERC for gathering us all here to have this robust discussion about these topics.

Respectfully submitted,

/s/ Richard S. Mroz, Esq.

President

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CERTIFICATION OF SERVICE

I hereby certify that I have this day caused the foregoing document to be served upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated on this 25th day of April, 2017.

/s/ Alex Moreau

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