Natural Gas Plants Shot Down In NJ

Geoff Mulvihill, AP

New Jersey's Board of Public Utilities is weighing whether to appeal a federal judge's ruling that shot down its plan to add more natural gas-fired power plants by having ratepayers subsidize their costs. U.S. District Judge Peter Sheridan ruled Friday that the plan was unconstitutional, siding with a group of electricity transmission companies that objected to the additional costs they would face.

The companies had sued the utilities board and CPV Power Development, Inc., a firm that's seeking to build a natural gas power plant in New Jersey. The plant is one of three planned for through the state's Long Term Capacity Agreement pilot program. The program is a major part of a plan from Republican Governor Chris Christie's administration to increase power capacity in the state by offering incentives for firms to build plants in it or nearby. The administration has said it hopes that adding plants would ultimately cut the price of power for consumers because there would be more electricity generated nearby and it would be cheaper to move to New Jersey customers. In the meantime, customers would have to pay more on the power transmission portion of their electric bills to help finance the new plants.

The judge said the idea of offering incentives to power producers to build in New Jersey is constitutional, but the way the state did it violates the U.S. Constitution by trying to have the state regulate an area that Congress determined the federal government should oversee. CPV Power Development spokesman Braith Kelly said the company would not speak publicly about last week's ruling until the judge releases a final order on it. Board of Public Utilities spokesman Greg Reinert said the board is reviewing the opinion and hasn't decided its next step.

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