



PSEG Power 540-MW Combined-Cycle Plant Clears PJM's Reliability Pricing Model Base Residual Auction

Release Date:

Monday, August 24, 2015 8:33 am EDT

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Dateline City:

Newark

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Plant will help support energy reliability in region, creating jobs and tax revenues for Woodbridge

(August 24, 2015 – Newark, NJ) – PSEG Power announced today that Sewaren 7, a new 540-MW, dual-fuel combined-cycle power plant has cleared PJM's Reliability Pricing Model Base Residual Auction. PSEG Power will work to secure permits and expects to begin construction on the highly-efficient generating plant in early 2016. The plant, which represents an investment of more than \$600 million, is targeted to be completed and supplying needed energy to New Jersey and the region in time for summer of 2018. The Sewaren 7 plant will be constructed at PSEG Power's existing Sewaren Generating Station site in Woodbridge, New Jersey, replacing Sewaren Units 1, 2, 3 & 4, which will be retired after almost 70 years of providing energy to the region. In repowering an existing generating site, PSEG Power will be able to take advantage of existing infrastructure.

Sewaren 7 will represent a major investment in the local and regional economy. The plant will bring significant tax revenue to Woodbridge Township, as well as other economic benefits. The plant will run primarily on natural gas, but also will be able to run on ultra-low-sulfur distillate (ULSD) fuel oil as a back-up, supporting fuel diversity and exceptional dependability. Sewaren 7 will be well positioned to supply power for the Capacity Performance market due to its dual-fuel capability and high level of reliability.

"PSEG is excited to be expanding our role in providing cleaner, more reliable energy to the New Jersey region with the construction of a combined-cycle plant in Woodbridge Township. It is a true win for Woodbridge and the state, not just adding to the reliability of the energy grid, but creating jobs, tax revenues and general economic activity to the region," said Rich Lopriore, president of PSEG Fossil. "We look forward to working with Woodbridge Township to move this project forward."

"The Sewaren 7 combined-cycle plant will add highly-efficient generating capacity to the region, supporting electric system reliability, and providing environmental and economic benefits," said Woodbridge Mayor John E. McCormac. "Woodbridge Township fully endorses PSEG's proposed project, and welcomes continued economic investment at the Sewaren site."

The combined-cycle plant will use clean, state-of-the-art generating technology, including a full complement of emissions controls. The plant will be built primarily by union labor and is expected to generate approximately 350 jobs during the two-year construction phase. The plant will employ up to 28 full-time workers once it becomes operational.

PJM's capacity market, called the Reliability Pricing Model, is used to meet long-term supply reliability by procuring the appropriate amount of power supply resources needed to meet predicted energy demand three years in the future.

For more information, visit the Sewaren 7 Generating Station website at:

<https://www.pseg.com/family/power/fossil/stations/sewaren7.jsp> [4].

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Forward-Looking Statement

The statements contained in this communication about our and our subsidiaries' future performance, including, without limitation, future revenues, earnings, strategies, prospects, consequences and all other statements that are not purely historical, are forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. Although we believe that our expectations are based on information currently available and on reasonable assumptions, we can give no assurance they will be achieved. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements made herein. A discussion of some of these risks and uncertainties is contained in our Annual Report on Form 10-K and subsequent reports on Form 10-Q and Form 8-K filed with the Securities and Exchange Commission (SEC), and available on our website: <http://www.pseg.com> [5]. These documents address in further detail our business, industry issues and other factors that could cause actual results to differ materially from those indicated in this communication. In addition, any forward-looking statements included herein represent our estimates only as of the date hereof and should not be relied upon as representing our estimates as of any subsequent date. While we may elect to update forward-looking statements from time to time, we specifically disclaim any obligation to do so, even if our internal estimates change, unless otherwise required by applicable securities laws.

Language:
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- [2] <http://investor.pseg.com/category/press-release-category/%5Bcatpath-raw%5D-1>
- [3] <http://investor.pseg.com/contact/carlotta-n-chan>
- [4] <https://www.pseg.com/family/power/fossil/stations/sewaren7.jsp>
- [5] <http://investor.pseg.com/sec-filings>