NAVIGATING NUCLEAR: UPDATES IN NEW JERSEY

Date: 22 July 2026

US Policy and Regulatory Alert

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Following our recent “Navigating Nuclear” client alert on New York and New Jersey,[1] we return to the Garden State to highlight a recent development: On 13 July 2026, Governor Mikie Sherrill signed the Power NJ Act, a bipartisan bill that establishes a state-led procurement framework for new nuclear generation projects.[2] The new law follows Governor Sherrill's April 2026 removal of long-standing statutory barriers to the development of new nuclear facilities in the state, and it reflects a new state strategy toward the aggressive development of new nuclear energy generation.

The Power NJ Act directs the New Jersey Board of Public Utilities (NJBPU), working jointly with the New Jersey Economic Development Authority (NJEDA), to establish a competitive process for procuring at least 1,100 megawatts of new nuclear generation capacity.[3] Under the statute, NJBPU must issue a request for expressions of interest within 180 days—by 9 January 2027—after which project developers will have an opportunity to submit detailed proposals addressing “technical, environmental, financial, workforce, and regulatory considerations.”[4] State regulators will evaluate proposals and negotiate with qualified developers to determine whether a project provides sufficient benefits to ratepayers and meets statutory requirements for approval. Under the Power NJ Act, NJBPU would issue final board orders on new nuclear projects before 8 July 2028.[5]

The new law emphasizes protections for utility customers from project development risks and establishes safeguards to ensure that ratepayers do not incur costs associated with new nuclear projects. Prospective projects will be required to secure federal financing and demonstrate a net benefit to ratepayers before receiving final approval. Additionally, projects will have to ensure that ratepayers will not be responsible for construction-period costs or project cost overruns, and the new law requires multiple public participation opportunities, including public hearings and comment periods, in affected municipalities. Further independent review by the New Jersey Division of the Rate Counsel is also required during the evaluation process.

The Power NJ Act is the most recent component of New Jersey's broader policy movement toward the wide-scale deployment of new nuclear energy generation. Earlier in 2026, Gov. Sherrill signed legislation to remove a state permitting requirement tied to the existence of a federally approved permanent spent-fuel disposal pathway, a de facto moratorium on new nuclear construction that prevented development for more than 50 years.[6] Gov. Sherrill then immediately established a “Nuclear Task Force” to examine financing, supply chain development, workforce issues, regulatory reform, and public engagement related to new nuclear deployment.[7]

The firm's Nuclear Energy practice group is closely monitoring new developments in state law that will impact the development of new nuclear energy projects across the country, and our experienced team of regulatory and policy professionals would be happy to help you navigate this rapidly evolving issue area.

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FOOTNOTES

[1] Tison A. Campbell et al., *Navigating Nuclear: New York and New Jersey*, K&L GATES HUB (June 15, 2026), https://www.klgates.com/Navigating-Nuclear-New-York-and-New-Jersey-6-12-2026.

[2] Press Release, State of New Jersey, Office of Governor Mikie Sherrill, Governor Sherrill Signs Legislation Launching Procurement Process for New Nuclear Energy & Setting Strong Safeguards to Protect Ratepayers from Costs (July 13, 2026), https://www.nj.gov/governor/news/2026/20260713a.shtml.

[3] New Jersey Assembly Bill 4881, NJ Power Act (Jul. 13, 2026).

[4] *Id.*

[5] *Id.*

[6] *New Jersey moves on from de facto nuclear moratorium*, NUCLEAR NEWSWIRE (Apr. 10, 2026), https://www.ans.org/news/2026-04-10/article-7927/new-jersey-moves-on-from-de-facto-nuclear-moratorium/.

[7] Press Release, State of New Jersey, Office of Governor Mikie Sherrill, Governor Sherrill Signs Legislation Lifting 50 Year Nuclear Moratorium, Launches Nuclear Task Force at Salem Nuclear Power Plant (Apr. 8, 2026), https://www.nj.gov/governor/news/2026/20260408a.shtml.

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