Resiliency Lost:

The Energy and Leadership Costs of Canceling NJTransit's Grid Infrastructure

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Executive summary

After Superstorm Sandy exposed the fragility of New Jersey's electric and transit infrastructure, NJ TRANSIT proposed **NJ TRANSITGRID**—a first-of-its-kind transportation microgrid designed to island critical rail corridors from the bulk grid during blackouts. The concept was awarded **$409.8 million in competitive federal resiliency funds** and advanced through environmental review and procurement. In **January 2024**, NJ TRANSIT abruptly canceled the project, citing financial infeasibility and improved regional grid reliability, and **redirected $503 million** to other resiliency projects such as the Raritan River Bridge, Hoboken Long Slip, and County Yard. While those projects have merit, abandoning a dedicated traction-power microgrid weakens energy security and reliability for the region's most essential mobility arteries and sets counterproductive precedents for climate resilience, dedicated and resilient core infrastructure, and public/private procurement. (NJ TRANSIT)

In addition, NJ TRANSITGRID was a project of national importance for the US Department of Energy. This project could have served as a national example of a dedicated infrastructure microgrid for the country with New Jersey as a leader. Finally, the completed power plant could now be providing baseload power to the electric grid 24/7/365 and improving the state's current energy supply/demand imbalance.

I. Background of the Project: The NJ TRANSIT-GRID Project: Background and Relevance

Conceived after Sandy in 2012, NJ TRANSITGRID combined a **Microgrid Central Facility (MCF)** near Kearny with dedicated transmission to power portions of **Amtrak's Northeast Corridor, NJ TRANSIT's Morris & Essex Lines, and Hudson-Bergen Light Rail**, plus select stations, tunnel ventilation, pumps, and signals. Crucially, it was designed to **island and operate autonomously** when the commercial grid failed—exactly the mode that mass transit needs during extreme weather and prolonged outages.

Early technical briefs envisioned a dispatchable plant of **up to ~140 MW** (combined-cycle and simple-cycle units) at the Kearny site, selected for proximity to traction substations and industrial land-use compatibility. While the design evolved over time, the system objective stayed constant: guarantee traction power when the bulk grid cannot. (No Meadowlands Power Plant, njtransitresilienceprogram.com)

From **2014–2019**, the Federal Transit Administration (FTA) allocated **$409,764,814** in competitive resiliency funds to NJ TRANSITGRID under the Public Transportation Emergency Relief Program, confirming the project's national significance. (NJ TRANSIT)

How the Project Evolved:

In **2020**, aligned with Governor Murphy's Energy Master Plan, NJ TRANSIT announced a "**path forward**" to maximize renewables and storage in the microgrid and to solicit bids reflecting a higher-clean-energy mix. This demonstrated that the agency could pursue **resilience** and **decarbonization together**, rather than as competing goals. (NJ TRANSIT, Transit PRD Content)

Procurement moved under an RFP that contemplated a complete public/private partnership (privatizing the design, build, financing, operations and maintenance of the project), signaling to private bidders a long-term investment opportunity in resilient traction power. (njtransitresilienceprogram.com)

Cancellation and Reallocation:

On **January 26, 2024**, NJ TRANSIT canceled the MCF, arguing bids showed the project was **not financially feasible** and that utility investments—particularly **PSE&G's Energy Strong** improvements—had made the original concept "less necessary." The agency, with FTA approval, **reallocated $503 million** to other Sandy-related resiliency work: roughly **$240M** to the Raritan River Bridge, **$175M** to Delco Lead & County Yard expansion, and **$88M** to Hoboken Long Slip flood protection and platforming. (NJ TRANSIT)

II. Why is this Important?

Energy Security

Hardening bridges and creating safe-haven rail storage are important, but they **do not provide electricity** when the grid is down. A transportation microgrid with islanding and black-start capability would have provided **assured traction power** for core rail corridors that knit together New Jersey's economy. The project's own fact sheet emphasized islanded operation specifically to maintain service amid grid failures—the very scenario Sandy exposed. Relying on general grid improvements is **not a substitute** for dedicated traction power under NJ TRANSIT's operational control.

Resilience is about **redundancy**: multiple, independent methods of providing power to keep essential services running. Canceling the microgrid shifts risk back onto the bulk grid and third-party utilities. Even with Energy Strong investments, climate-driven hazards (heat waves, ice storms, flooding) can still trigger widespread outages; a standalone traction microgrid would have been a **portfolio hedge** against correlated grid failures. (NJ TRANSIT)

Transportation and Economic Continuity

Sandy knocked out power to **~2.6 million utility customers**, crippling rail service between New Jersey and New York and inflicting region-wide economic damage. If a similar natural disaster were

to impact the region, a dedicated microgrid would **minimize disruptions to the workforce and economy** by keeping trains moving even amid broader grid failures.

The original design would have powered segments of the Northeast Corridor—the busiest passenger rail line in the United States—improving continuity for recovery efforts, interstate commuters and national rail operations. Abandoning that shared traction power concept exposes a regional resilience gap precisely where the economic stakes are highest for our state.

III. Microgrids as a Template for the Future

By **2020**, NJ TRANSIT had already committed to **maximizing efficiency and storage** in the microgrid and reevaluating zero-emission options. Canceling the program—rather than mandating a renewable-dominant design with limited, emergency-only dispatchable backup (e.g., turbines convertible to low-carbon fuels)—threw away a chance to **demonstrate a clean, islandable traction system**. It also weakened the state's credibility in pioneering next-generation resilient electrification for transit. (NJ TRANSIT, Transit PRD Content)

NJ TRANSITGRID's procurement structure invited private capital and technical expertise to solve a complex resilience challenge. The project team was developing a complete public/private development structure that would have allowed for a private developer to build, operate and maintain while New Jersey Transit would own a major infrastructure asset.

Abruptly canceling after years of market outreach (and offering stipends to spur creative bids) signaled **policy volatility**, raising perceived risk and cost for future bidders on ambitious resilience/energy projects in New Jersey. (njtransitresilienceprogram.com)

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The project also reframed community and environmental concerns as vetoes, not design constraints to solve. These concerns are real: the Kearny/Newark area is overburdened. But policy should **solve** for them by design (siting, ultra-low-NOx controls, best-in-class filtration, 24/7 monitoring, offsets/retirements of dirtier units, and a firm commitment to a phased, clean-fuel transition), not abandon resilience altogether. In 2020 the state was already moving toward a more efficient microgrid configuration; cancelation instead of **redesign** + **mitigation** missed the chance to deliver both resilience **and** community/environmental gains (e.g., net regional emissions reductions via retiring older peakers). (NJ TRANSIT, New Jersey League of Conservation Voters)

By proving that transit systems could island their power supply without compromising energy objectives, NJ TRANSITGRID could have offered a template for agencies nationwide.

VI. Policy Recommendations

1. **Reboot the traction-power microgrid as a clean-resilience project.**Direct NJ TRANSIT to issue a revised RFP for a **efficient, storage-heavy** traction microgrid with a **small, low-emission dispatchable backup** configured for emergency use only—and designed to transition to efficient low carbon **fuels** over time. Require transparent emissions accounting, binding environmental benefits, and local air-monitoring with public dashboards. (NJ TRANSIT)
2. **Stage to affordability.** Right-size initial scope to the **highest-value segments** (e.g., NEC traction + core stations), then expand as costs fall and storage scales. Use the DBFOM structure to share risk and tap private innovation while locking in performance penalties for missed resilience targets. (njtransitresilienceprogram.com)
3. **Maintain the reallocated projects—but restore power redundancy.** Keep investments in the Raritan River Bridge, Hoboken Long Slip, and County Yard; these fix flood exposure and rolling-stock vulnerability. But **add back** dedicated traction power redundancy to avoid a single-point-of-failure across the electrified network. (NJ TRANSIT)
4. **Explore a broader microgrid strategy for New Jersey** NJTRANSITGRID provided a unique opportunity for a rather large grid connected plant to support both resiliency for emergencies and supply for everyday power. Microgrids should be looked at more broadly in the state, and there are good examples in New Jersey and nationally. In New Jersey, one excellent example is the Princeton University microgrid. (Princeton University). In addition, national examples include:
    - For core community infrastructure - the Borrego Springs Microgrid in partnership with San Diego Gas and Electric (San Diego G&E)
    - For military/federal infrastructure - Nellis Air Force Base, Nevada (Nellis Microgrid)

V. Conclusion

NJ TRANSITGRID was never just a power plant; it was an **operational insurance policy** for the mobility backbone of the state's economy. The cancellation shifted New Jersey from **self-reliant resilience** to **hope-the-grid-holds**—a bet that ran against the lessons of Sandy and the logic of energy diversification and resiliency. The state should revive the project as a **microgrid** that guarantees trains can run when the grid cannot. That's the kind of **public-interest resilience** New Jersey—and the Northeast Corridor—will need in the decades ahead. (NJ TRANSIT)

NJTRANSITGRID was an opportunity for New Jersey to be a leader in resilient infrastructure, hardening the grid for emergencies, while also providing the state an asset that would support increasing demand for electricity in the region and a source of revenue. As power demand continues to increase, procuring additional electricity supply and backsstopping emergency power supply would be beneficial for New Jersey.

Sources

NJ TRANSIT press release on cancellation and **$503M** reallocation with project breakdowns and Energy Strong rationale (Jan. 26, 2024). (NJ TRANSIT)

NJ TRANSITGRID Fact Sheet detailing system scope, islanding, and Sandy impacts (Feb. 2016).

AP News coverage of cancellation and redirection of funds (Jan. 26, 2024). (AP News)

NJ TRANSIT press release confirming **$409,764,814** FTA competitive resilience allocation. (NJ TRANSIT)

2019–2022 procurement documents and technical/market materials (RFP; Board presentation) showing DBFOM approach and renewables pivot. (njtransitresilienceprogram.com, Transit PRD Content)

Technical brief noting **up to ~140 MW** MCF capacity and Kearny siting. (No Meadowlands Power Plant)

NJ LCV environmental critique illustrating stakeholder concerns and design constraints to address. (New Jersey League of Conservation Voters)

About the Author:

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