

ASSEMBLY, No. 907

STATE OF NEW JERSEY 214th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

Sponsored by:

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District 17 (Middlesex and Somerset)

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District 38 (Bergen)

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Co-Sponsored by:

Assemblywomen Greenstein and Lampitt

SYNOPSIS

Directs the BPU to establish certain energy-conservation programs.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



1 AN ACT concerning the establishment and funding of certain energy
2 conservation programs and supplementing P.L.2005, c.215
3 (C.48:2-92 et seq.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. a. Notwithstanding any law, rule, regulation, or order to the
9 contrary, the board shall, within 60 days of the effective date of
10 P.L. , c. (C.)(pending before the Legislature as this bill),
11 initiate a proceeding to establish, after notice and provision of the
12 opportunity for comment and public hearing, programs to assist
13 large commercial and industrial customers of electric public utilities
14 and electric power suppliers, to reduce their energy demand.

15 b. The programs to be established pursuant to subsection a. of
16 this section shall include, but not be limited to:

17 (1) initiatives to encourage customers that are within the board's
18 commercial and industrial energy pricing class to participate in
19 demand-response energy conservation programs offered by the PJM
20 Interconnection, L.L.C. independent system operator or its
21 successor with respect to electric public utilities and electric power
22 suppliers; and

23 (2) initiatives to finance the installation of hourly meters, real-
24 time telemetry equipment and other advanced meter technology for
25 such commercial and industrial customers.

26 c. The board shall, within 180 days of the effective date of
27 P.L. , c. (C.)(pending before the Legislature as this bill),
28 conclude the proceeding initiated pursuant to subsection a. of this
29 section and shall issue an order establishing the programs pursuant
30 to subsection b. of this section.

31 d. The board shall, within one year after the issuance of the
32 order establishing the programs pursuant to subsection c. of this
33 section and during each subsequent one-year period following the
34 date of issuance of that order, provide the Legislature with a report
35 on the effectiveness of the programs, and any recommendation for
36 any changes thereto, pursuant to section 2 of P.L.1991, c.164
37 (C.52:14-19.1).

38 e. The programs established pursuant to subsection c. of this
39 section shall be funded through the use of a portion of the monies
40 received by the board as a result of the board's inclusion of a retail
41 margin in the prices charged to certain larger non-residential
42 customers under the board's continuing regulation of basic
43 generation service pursuant to sections 3 and 9 of P.L.1999, c.23
44 (C.48:3-51 and 48:3-57). Nothing in P.L.2005, c.215 (C.48:2-92 et
45 seq.) shall be interpreted to restrict the board's discretion to set the
46 level of the retail margin. Should the board determine to reduce or
47 eliminate the retail margin or take any action that might implicate

1 the funding of the programs established pursuant to subsection c. of
2 this section, the board shall assess the continuing need for such
3 programs and upon a determination that such programs remain
4 necessary and useful shall consider alternative funding options.

5 As used in this section, “commercial and industrial energy
6 pricing class customers” means that group of larger non-residential
7 customers, as determined by periodic board order, for which the
8 basic generation service is hourly-priced.

9

10 2. This act shall take effect immediately.

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STATEMENT

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15 This bill directs the Board of Public Utilities (the “board”) to
16 establish programs to assist large commercial and industrial electric
17 power customers with reduction of their energy usage through
18 demand-side management programs offered by the PJM
19 Interconnection, L.L.C., the regional electric power transmission
20 organization serving New Jersey. These demand-side management
21 programs would include the installation of various energy-saving
22 devices such as hourly meters, real-time telemetry equipment and
23 advanced meter technology, as well as other energy conservation
24 programs that may be established by the board.

25 The PJM Interconnection, L.L.C. is the Independent System
26 Operator serving all or part of five mid-Atlantic states including
27 New Jersey as well as certain mid-Western states, and is responsible
28 for maintaining the safety, adequacy, reliability and security of the
29 electric power transmission.

30 The bill provides for the funding of energy conservation
31 programs to be established by the board through the use of a portion
32 of the monies received by the board as a result of the board's
33 inclusion of a retail margin in the prices charged to certain larger
34 non-residential customers under the board's continuing regulation of
35 basic generation service pursuant to P.L.1999, c.23 (C.48:3-51 and
36 48:3-57). The retail margin is that component of basic generation
37 service which is added to the wholesale price of electric power to
38 reflect the cost of providing electric service at retail.