

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
**ASSEMBLY, No. 616**

**STATE OF NEW JERSEY**  
**213th LEGISLATURE**

ADOPTED JUNE 4, 2009

**Sponsored by:**

**Assemblyman UPENDRA J. CHIVUKULA**

**District 17 (Middlesex and Somerset)**

**Assemblyman VINCENT PRIETO**

**District 32 (Bergen and Hudson)**

**Assemblyman WAYNE P. DEANGELO**

**District 14 (Mercer and Middlesex)**

**Assemblywoman ANNETTE QUIJANO**

**District 20 (Union)**

**Co-Sponsored by:**

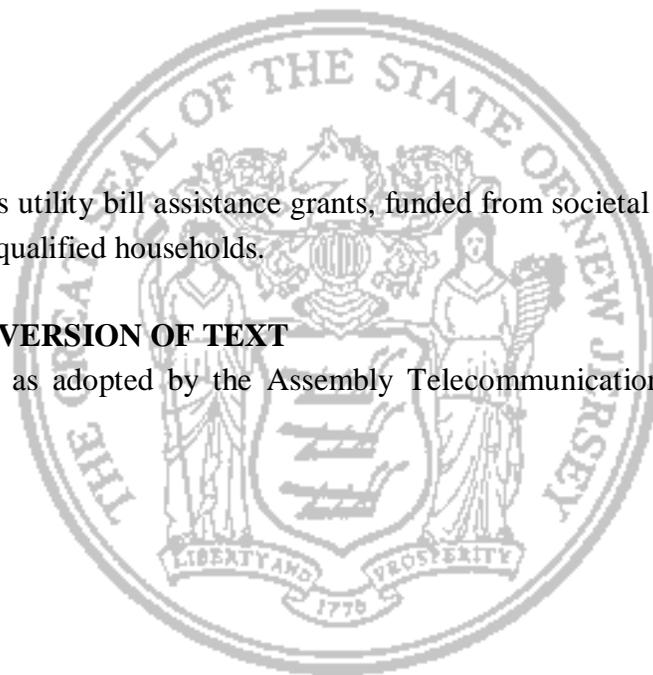
**Assemblywomen Vandervalk, Lampitt, Assemblymen Giblin, Gusciora,  
Assemblywoman Tucker, Assemblyman Scalera, Assemblywomen Love,  
Casagrande, Assemblymen Moriarty and Wisniewski**

**SYNOPSIS**

Authorizes utility bill assistance grants, funded from societal benefits charge revenue, for qualified households.

**CURRENT VERSION OF TEXT**

Substitute as adopted by the Assembly Telecommunications and Utilities Committee.



**(Sponsorship Updated As Of: 11/24/2009)**

1 AN ACT concerning societal benefits charge revenues, providing for  
2 certain energy assistance grants, and amending P.L.1999, c.23.

3

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

6

7 1. Section 12 of P.L.1999, c.23 (C.48:3-60) is amended to read  
8 as follows:

9 12. a. Simultaneously with the starting date for the  
10 implementation of retail choice as determined by the board pursuant  
11 to subsection a. of section 5 of **[this act] P.L.1999, c.23 (C.48:3-**  
12 **53)** and consistent with the provisions of P.L. , c. (C. )  
13 (pending before the Legislature as this bill), the board shall permit  
14 each electric public utility and gas public utility to recover some or  
15 all of the following costs through a societal benefits charge that  
16 shall be collected as a non-bypassable charge imposed on all  
17 electric public utility customers and gas public utility customers, as  
18 appropriate:

19 (1) The costs for the social programs for which rate recovery  
20 was approved by the board prior to April 30, 1997. For the purpose  
21 of establishing initial unbundled rates pursuant to section 4 of **[this**  
22 **act] P.L.1999, c.23 (C.48:3-52)**, the societal benefits charge shall  
23 be set to recover the same level of social program costs as is being  
24 collected in the bundled rates of the electric public utility on the  
25 effective date of **[this act] P.L.1999, c.23 (C.48:3-49 et al.)**. The  
26 board may subsequently order, pursuant to its rules and regulations,  
27 an increase or decrease in the societal benefits charge to reflect  
28 changes in the costs to the utility of administering existing social  
29 programs. Nothing in **[this act] P.L.1999, c.23** shall be construed  
30 to abolish or change any social program required by statute or board  
31 order or rule or regulation to be provided by an electric public  
32 utility. Any such social program shall continue to be provided by  
33 the utility until otherwise provided by law, unless the board  
34 determines that it is no longer appropriate for the electric public  
35 utility to provide the program, or the board chooses to modify the  
36 program;

37 (2) Nuclear plant decommissioning costs;

38 (3) The costs of demand side management programs that were  
39 approved by the board pursuant to its demand side management  
40 regulations prior to April 30, 1997. For the purpose of establishing  
41 initial unbundled rates pursuant to section 4 of **[this act] P.L.1999,**  
42 **c.23 (C.48:3-52)**, the societal benefits charge shall be set to recover  
43 the same level of demand side management program costs as is  
44 being collected in the bundled rates of the electric public utility on

**EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 the effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.).  
2 Within four months of the effective date of **[this act]** P.L.1999,  
3 c.23, and every four years thereafter, the board shall initiate a  
4 proceeding and cause to be undertaken a comprehensive resource  
5 analysis of energy programs, and within eight months of initiating  
6 such proceeding and after notice, provision of the opportunity for  
7 public comment, and public hearing, the board, in consultation with  
8 the Department of Environmental Protection, shall determine the  
9 appropriate level of funding for energy efficiency and Class I  
10 renewable energy programs that provide environmental benefits  
11 above and beyond those provided by standard offer or similar  
12 programs in effect as of the effective date of **[this act]** P.L.1999,  
13 c.23; provided that the funding for such programs be no less than 50  
14 percent of the total Statewide amount being collected in public  
15 electric and gas utility rates for demand side management programs  
16 on the effective date of **[this act]** P.L.1999, c.23 for an initial  
17 period of four years from the issuance of the first comprehensive  
18 resource analysis following the effective date of **[this act]**  
19 P.L.1999, c.23, and provided that 25 percent of this amount shall be  
20 used to provide funding for Class I renewable energy projects in the  
21 State. In each of the following fifth through eighth years, the  
22 Statewide funding for such programs shall be no less than 50  
23 percent of the total Statewide amount being collected in public  
24 electric and gas utility rates for demand side management programs  
25 on the effective date of **[this act]** P.L.1999, c.23, except that as  
26 additional funds are made available as a result of the expiration of  
27 past standard offer or similar commitments, the minimum amount  
28 of funding for such programs shall increase by an additional amount  
29 equal to 50 percent of the additional funds made available, until the  
30 minimum amount of funding dedicated to such programs reaches  
31 \$140,000,000 total. After the eighth year the board shall make a  
32 determination as to the appropriate level of funding for these  
33 programs. Such programs shall include a program to provide  
34 financial incentives for the installation of Class I renewable energy  
35 projects in the State, and the board, in consultation with the  
36 Department of Environmental Protection, shall determine the level  
37 and total amount of such incentives as well as the renewable  
38 technologies eligible for such incentives which shall include, at a  
39 minimum, photovoltaic, wind, and fuel cells. The board shall  
40 simultaneously determine, as a result of the comprehensive resource  
41 analysis, the programs to be funded by the societal benefits charge,  
42 the level of cost recovery and performance incentives for old and  
43 new programs and whether the recovery of demand side  
44 management programs' costs currently approved by the board may  
45 be reduced or extended over a longer period of time. The board  
46 shall make these determinations taking into consideration existing  
47 market barriers and environmental benefits, with the objective of

1 transforming markets, capturing lost opportunities, making energy  
2 services more affordable for low income customers and eliminating  
3 subsidies for programs that can be delivered in the marketplace  
4 without electric public utility and gas public utility customer  
5 funding;

6 (4) Manufactured gas plant remediation costs, which shall be  
7 determined initially in a manner consistent with mechanisms in the  
8 remediation adjustment clauses for the electric public utility and gas  
9 public utility adopted by the board; **[and]**

10 (5) The cost, of consumer education, as determined by the  
11 board, which shall be in an amount that, together with the consumer  
12 education surcharge imposed on electric power supplier license fees  
13 pursuant to subsection h. of section 29 of **[this act]** P.L.1999, c.23  
14 (C.48:3-78) and the consumer education surcharge imposed on gas  
15 supplier license fees pursuant to subsection g. of section 30 of **[this**  
16 **act]** P.L.1999, c.23 (C.48:3-79), shall be sufficient to fund the  
17 consumer education program established pursuant to section 36 of  
18 **[this act]** P.L.1999, c.23 (C.48:3-85); and

19 (6) The cost of providing such funds as the board determines  
20 may be available from monies collected through a societal benefits  
21 charge, to make grants to help pay the gas and electric public utility  
22 bills of households seeking temporary assistance from the New  
23 Jersey Statewide Heating Assistance and Referral for Energy  
24 Services, Inc. (NJSHARES) or another equivalent nonprofit energy  
25 organization designated by the board, provided that the board shall  
26 dedicate \$25 million of the total amount collected through a societal  
27 benefits charge to be used for the purposes set forth in this  
28 paragraph.

29 b. There is established in the **[Board of Public Utilities]** board  
30 a nonlapsing fund to be known as the "Universal Service Fund."  
31 The board shall determine: the level of funding and the appropriate  
32 administration of the fund; the purposes and programs to be funded  
33 with monies from the fund; which social programs shall be provided  
34 by an electric public utility as part of the provision of its regulated  
35 services which provide a public benefit; whether the funds  
36 appropriated to fund the "Lifeline Credit Program" established  
37 pursuant to P.L.1979, c.197 (C.48:2-29.15 et seq.), the "Tenants'  
38 Lifeline Assistance Program" established pursuant to P.L.1981,  
39 c.210 (C.48:2-29.31 et seq.), the funds received pursuant to the Low  
40 Income Home Energy Assistance Program established pursuant to  
41 42 U.S.C. s. 8621 et seq., and funds collected by electric and natural  
42 gas utilities, as authorized by the board, to offset uncollectible  
43 electricity and natural gas bills should be deposited in the fund; and  
44 whether new charges should be imposed to fund new or expanded  
45 social programs.

46 (cf: P.L.1999, c.23, s.12)

ACS for **A616** CHIVUKULA, PRIETO

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1       2. This act shall take effect immediately, and section 1 shall be  
2       applicable for State fiscal years commencing on or after July 1,  
3       2010.