

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 4535

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 9, 2020

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4535 (1R), with committee amendments.

As amended and reported, this bill, entitled the “Energy Infrastructure Public-Private Partnership Act,” permits private entities to propose to government entities certain energy-related projects at government facilities through a public-private partnership (P3) agreement. The bill creates an Energy Public-Private Partnership Unit (Energy P3 Unit) situated within the New Jersey Economic Development Authority (authority) that is responsible for the formulation and execution of a comprehensive Statewide policy for P3 agreements that facilitate the development of energy-related projects and for the development, promotion, coordination, oversight, and approval of P3 agreements for energy-related projects. The bill provides that the Energy P3 Unit is to consult and coordinate with representatives of other State departments, agencies, boards, and authorities to accomplish the goals of the bill and facilitate P3 agreements.

The bill provides criteria by which a governmental entity is to award an energy-related project to a private entity whose proposal is determined to be the most advantageous to the government entity. The bill prescribes competitive contracting procedures to govern energy-related project P3 agreements, including procurements and prevailing wage requirements for workers engaged in construction activities and other worker protections, and provides necessary oversight authority to the Energy P3 Unit to protect the interests of participating governmental entities. The bill permits the inclusion of a project labor agreement in all energy-related projects created pursuant to the bill’s provisions. The bill also requires a report concerning energy-related P3 projects to be submitted to the Governor and to the Legislature.

COMMITTEE AMENDMENTS:

The committee amended the bill to eliminate “microgrids” from P3 projects and to include private, not-for-profit hospitals licensed by the Department of Health in the definition of “governmental entity.”

FISCAL IMPACT:

The Office of Legislative Services (OLS) finds that this bill will result in an indeterminate increase in annual Economic Development Authority (EDA) costs and revenues related to the establishment and operation of the Energy Public-Private Partnership Unit (Energy P3 Unit), with fee revenues lagging start-up and operating costs until projects are completed. The Energy P3 Unit will be responsible for formulating Statewide policy for energy-related public-private partnership (P3) projects between government and private entities and the coordination, oversight, and approval of these projects. Its activities may initially be funded from revenues received by the EDA from the Global Warming Solutions Fund until the time that energy projects are completed and the private entities are charged a fee for services rendered by the Energy P3 Unit.