

# ASSEMBLY, No. 2779

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

**Sponsored by:**

**Assemblywoman NANCY J. PINKIN**

**District 18 (Middlesex)**

**SYNOPSIS**

Requires BPU to establish demand response programs for electric public utility customers.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning certain demand response programs and  
2 supplementing Title 48 of the Revised Statutes.

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

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7 1. As used in P.L. , c. (C. ) (pending before the  
8 Legislature as this bill):

9 “Board” and “electric public utility” shall have the same  
10 meaning as provided in section 3 of P.L.1999, c.23 (C.48:3-51).

11 “Demand response program” shall mean a program offered by an  
12 electric public utility incentivizing customers to consume less  
13 electricity during certain times of the day.

14 “Off-peak hours” and “peak hours” shall mean time intervals set  
15 by the board during which there is low or high demand for  
16 electricity.

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18 2. a. The board shall establish a demand response program  
19 allowing:

20 (1) an electric public utility to reduce the amount of electricity  
21 delivered to a customer during peak hours without requiring the  
22 customer to take any action, as determined by the board;

23 (2) a customer of an electric public utility to reduce the  
24 customer’s electricity consumption during peak hours, as  
25 determined by the board.

26 (3) an electric public utility to turn off or adjust a customer’s air  
27 conditioning or electric heating system during peak hours, as  
28 determined by the board; and

29 (4) a customer of an electric public utility to opt in to higher  
30 electricity prices during peak hours and lower electricity prices  
31 during off-peak hours, as determined by the board.

32 b. An electric public utility shall provide its customers  
33 participating in one or more of the demand response programs  
34 established pursuant to subsection a. of this section a monthly  
35 rebate in an amount equal to 10 percent of the customer’s monthly  
36 electric public utility bill. An electric public utility shall not  
37 provide customers participating in two or more of the demand  
38 response programs established pursuant to subsection a. of this  
39 section a monthly rebate that is greater than 10 percent of the  
40 customer’s monthly electric public utility bill.

41 c. A customer shall be responsible for the purchase and cost of  
42 installation of any device or technology required to be installed by  
43 the electric public utility at the customer’s home or business for the  
44 customer to participate in one or more of the demand response  
45 programs established pursuant to subsection a. of this section.

1       3. All costs incurred by an electric public utility pursuant to  
2 P.L. , c. (C. ) (pending before the Legislature as this bill)  
3 shall be recoverable by the electric public utility in a base rate case  
4 proceeding.

5  
6       4. The board shall adopt, pursuant to the "Administrative  
7 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and  
8 regulations necessary to effectuate the purposes of P.L. , c.  
9 (C. ) (pending before the Legislature as this bill), including, but  
10 not limited to, an application process for customers who wish to be  
11 included in one or more demand response programs, establishing  
12 the time intervals for peak and off-peak hours, and safeguards to  
13 ensure that customers are not placed at risk due to a lack of heat or  
14 air conditioning by allowing electric public utilities to adjust the  
15 electricity consumption of their customers.

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17       5. This act shall take effect immediately.

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#### STATEMENT

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22       This bill requires the Board of Public Utilities (board) to  
23 establish demand response programs to conserve electricity  
24 consumption by incentivizing customers to consume less electricity  
25 during certain times of day.

26       Under the bill, the board is to establish demand response  
27 programs allowing: 1) an electric public utility (utility) to reduce  
28 the amount of electricity delivered to a customer during peak hours  
29 without requiring the customer to take any action; 2) a customer to  
30 reduce the customer's electricity consumption during peak hours; 3)  
31 a utility to turn off or adjust a customer's air conditioning or  
32 electric heating system during peak hours, as determined by the  
33 board; and 4) customers of a utility to opt in to higher electricity  
34 prices during peak hours and lower electricity prices during off-  
35 peak hours.

36       A utility is to provide its customers participating in one or more  
37 of the demand response programs established under the bill a  
38 monthly rebate in an amount equal to 10 percent of the customer's  
39 monthly utility bill. A utility is not to provide customers  
40 participating in two or more of the demand response programs a  
41 monthly rebate that is greater than 10 percent of the customer's  
42 monthly utility bill. A customer is to be responsible for the  
43 purchase and cost of installation of any device or technology  
44 required to be installed by the utility at the customer's home or  
45 business for the customer to participate in one or more of the  
46 demand response programs.

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1 All costs incurred by a utility are to be recoverable in a base rate  
2 case proceeding. The board is to adopt rules and regulations  
3 necessary to effectuate the purposes of the bill, including, but not  
4 limited to, an application process for customers who wish to be  
5 included in one or more demand response programs, the  
6 establishment of time intervals for peak and off-peak hours, and  
7 safeguards to ensure that customers are not placed at risk to a lack  
8 of heat or air conditioning by allowing utilities to adjust the  
9 electricity consumption of customers.