ASSEMBLY, No. 4798

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED OCTOBER 19, 2020

Sponsored by:
Assemblyman RONALD S. DANCER
District 12 (Burlington, Middlesex, Monmouth and Ocean)
Assemblyman KEVIN J. ROONEY
District 40 (Bergen, Essex, Morris and Passaic)

Co-Sponsored by:
Assemblyman DePhillips

SYNOPSIS

Requires electric public utilities to establish interest-free revolving loan program to help residential customers purchase standby emergency power generators.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 11/5/2020)

AN ACT concerning an interest-free revolving loan program for residential customers to purchase standby emergency power generators and supplementing Title 48 of the Revised Statutes.

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

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

"Board" means the Board of Public Utilities or any successor agency.

"Electric public utility" or "utility" means a public utility, as defined in R.S.48:2-13, that distributes electricity to end users in this State.

"Energy resilience fee" or "fee" means a non-bypassable bill fee imposed on and collected from those residential customers of an electric public utility receiving an interest-free loan to finance the purchase or installation of a standby emergency power generator.

"Loan program" means the energy resilience loan program established pursuant to section 2 of P.L. , c. (C.) (pending before the Legislature as this bill).

"Standby emergency power generator" or "generator" means a fuel-powered generator that is integrated with the electrical system of a utility customer's residence, is non-portable, provides a minimum number of watts, as determined by the board, and is available for residential customers to purchase from a private entity that is not a utility.

2. a. An electric public utility, in consultation with the Board of Public Utilities and the Division of Rate Counsel, shall establish an energy resilience loan program for the purpose of providing interest-free loan financing to make standby emergency power generators affordable for the residential customers of the utility. The loan program shall include direct loans to residential customers, as approved by the board, which shall include, but not be limited to:

(1) the establishment by the utility of a nonlapsing revolving loan fund to fund and service the loan program;

(2) interest-free loans of an amount not to exceed $8,000 per generator per residential customer; and

(3) an interest-free repayment period as determined by the board.

b. A residential customer receiving a loan under the loan program shall pay an energy resilience fee, as determined by the electric public utility, and the revenues from the fee shall be pledged to secure and be applied to the repayment of the financing costs as described in subsection a. of this section. The energy resilience fee may be a usage-based surcharge, a flat user fee, or a charge, based upon a residential customer's electric usage, not to exceed an amount or percentage per month higher than necessary to repay the loan during the loan term, as determined by the board, for each residential customer subject to the fee. The energy resilience fee shall be itemized and separately identified on the periodic bill of any residential customer subject to the fee.

c. Nothing in this section shall affect the right to impose, collect, and adjust from time to time the energy resilience fee imposed on a residential customer subject to the fee.

d. The obligation of any residential customer subject to the energy resilience fee to pay the fee and, notwithstanding subsection b. of this section, the obligation of the utility to collect the fee, shall not be subject to any setoff, counterclaim, surcharge, or defense by the utility or by any utility residential customer, or in connection with a bankruptcy of any utility or any utility residential customer.

3. a. The board shall ensure that all reasonable costs incurred by an electric public utility to start and implement the loan program may be recovered as part of the utility's revenue requirement, including necessary billing system adjustments, costs arising out of the billing and collection of energy resilience fees, and any costs for fees that are not recovered through a participating residential customer’s fee payments, or otherwise.

b. The energy resilience fee shall not be considered revenue of an electric public utility and accordingly, shall not be subject to any tax, fee, charge, or assessment authorized pursuant to State law.

c. The loan program, or the act of serving as an agent to bill and to collect the fee, shall not cause any utility to be subject to the laws that regulate financial institutions, escrow depositories, or collection agencies. A utility shall not be responsible for lending, underwriting, and credit determinations.

4. The board shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations necessary to effectuate the purposes of P.L.   , c.   (C.   ) (pending before the Legislature as this bill).

5. This act shall take effect immediately, but shall remain inoperative for 60 days following the date of enactment.

STATEMENT

This bill directs an electric public utility (utility), in consultation with the Board of Public Utilities (BPU) and the Division of Rate Counsel, to establish an energy resilience loan program (loan program) for the purpose of providing interest-free financing, to be deployed through a financing program, to make standby emergency power generators (generator) affordable for residential customers of the utility. The loan program will be entirely administered by the utility and residential customers are to purchase the generators from the private sector. The loan program is to include direct loans to residential customers, on terms approved by the BPU, which are to include, but not be limited to:

1) the establishment by the utility of a nonlapsing revolving loan fund to service the loan program;

2) interest-free loans for an amount not to exceed $8,000 per generator per residential utility customer; and

3) an interest-free repayment period as determined by the board.

The bill provides that utility is to impose an energy resilience fee (fee) on any residential customer participating in the loan program, which revenues from the fee are to be pledged to secure and be applied to the repayment of the financing costs as described in the bill. The fee may be a usage-based surcharge, a flat user fee, or a charge, based upon a residential customer's electric usage, as determined by the BPU, for each residential customer. The fee is to be itemized and separately identified on the periodic bill of any residential customer subject to the fee.

Nothing in the bill is to effect the right to impose, collect, and adjust from time to time the fee imposed on a residential customer. The obligation of any utility residential customer subject to the fee to pay the fee and the obligation of the utility to collect the fee is not to be subject to any setoff, counterclaim, surcharge, or defense by the utility or by any utility residential customer, or in connection with a bankruptcy of any utility or any residential customer

The bill provides that the BPU is to ensure that all reasonable costs incurred by a utility to start and implement the loan program may be recovered as part of the utility's revenue requirement, including necessary billing system adjustments, costs arising out of the billing and collection of, and any costs for fees that are not recovered via a participating residential customer's fee payments, or otherwise. The fee is not to be considered revenue of a utility and accordingly, is not to be subject to any tax, fee, charge, or assessment authorized pursuant to State law.

The bill provides that the loan program or the act of serving as an agent to bill and to collect the fee is not to cause any utility to be subject to the laws that regulate financial institutions, escrow depositories, or collection agencies. A utility is not to be responsible for lending, underwriting, and credit determinations.