

SENATE, No. 2804

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED AUGUST 10, 2020

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

SYNOPSIS

Requires BPU to conduct certain analysis and comparison study of electric transmission grid operating in New Jersey.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 8/17/2020)

1 AN ACT concerning an analysis and comparison study of the
2 electric transmission grid operating within this State and
3 supplementing Title 48 of the Revised Statutes.

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

7
8 1. a. The Board of Public Utilities shall conduct a study that
9 analyzes and compares the potential costs and benefit impacts of:

10 (1) withdrawing from the regional, high-voltage electric
11 transmission grid operated or managed by PJM Interconnection,
12 L.L.C., the independent system operator of that electric
13 transmission grid, and establishing an electric transmission grid that
14 would operate independently within the State;

15 (2) withdrawing from the regional, high-voltage electric
16 transmission grid operated or managed by PJM Interconnection,
17 L.L.C. and joining an electric transmission grid that operates within
18 the state of New York;

19 (3) remaining within the regional, high-voltage electric
20 transmission grid operated or managed by PJM Interconnection,
21 L.L.C.; and

22 (4) any other electric transmission grid option that the board
23 may consider to be in the best interest of ratepayers of the State.

24 b. Within one year after the date of enactment of P.L. ,
25 c. (C.) (pending before the Legislature as this bill), the board
26 shall submit a written report to the Governor and, pursuant to
27 section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature
28 concerning the results of the study conducted pursuant to subsection
29 a. of this section. In conducting the study, the board shall consider
30 each option with regard to:

31 (1) the costs and benefit impacts to ratepayers, including
32 residential and State and local government customers; and

33 (2) the costs and benefit impacts on renewable energy
34 production, energy storage, and distributed electric generation in the
35 State.

36 With regard to the first two and the fourth options studied
37 pursuant to subsection a. of this section, the board shall study the
38 costs and benefit impacts on any necessary physical or structural
39 changes to the electric transmission or distribution infrastructure or
40 systems within this State and any necessary regulatory approvals
41 needed for these physical or structural changes.

42 c. The written report shall:

43 (1) summarize the results of the analysis and comparisons
44 conducted pursuant to subsection a. of this section;

45 (2) discuss and quantify the potential costs and benefits
46 associated with each option, pursuant to subsection a. of this
47 section; and

1 (3) rank the options, pursuant to subsection a. of this section,
2 from the most suitable and beneficial for the State to the least
3 suitable and beneficial for the State.

4 d. In conducting the study required by subsection a. of this
5 section, the board shall consult with stakeholders, including, but not
6 limited to, electric power suppliers and electric public utilities, as
7 defined pursuant to section 3 of P.L.1999, c.23 (C.48:3-51), the
8 Federal Energy Regulatory Commission, the North American
9 Electric Reliability Corporation, and public and private entities
10 within and without the State that have conducted studies on the
11 operation of, or otherwise concerning, electric transmission grids.

12

13 2. This act shall take effect immediately.

14

15

16

STATEMENT

17

18 This bill requires the Board of Public Utilities (BPU) to conduct
19 a study that analyzes and compares the potential costs and benefit
20 impacts of: 1) withdrawing from the regional, high-voltage electric
21 transmission grid operated or managed by PJM Interconnection,
22 L.L.C. (PJM), the independent system operator of that electric
23 transmission grid, and establishing an electric transmission grid that
24 would operate independently within the State; 2) withdrawing from
25 PJM and joining an electric transmission grid that operates within
26 the state of New York; and 3) remaining within PJM; and 4) any
27 other electric transmission grid option that the board may consider
28 to be in the best interest of ratepayers of the State.

29 Within one year after the date of enactment of the bill, the BPU
30 is to submit a written report to the Governor and Legislature
31 concerning the results of the study. In conducting the study, the
32 BPU is to analyze and compare each of the options with regard to:
33 1) the costs and benefit impacts to ratepayers, including residential
34 and State and local government customers; and 2) the costs and
35 benefit impacts on renewable energy production, energy storage,
36 and distributed electric generation in the State. With regard to the
37 first two and the fourth options, the BPU is to study the costs and
38 benefit impacts on any necessary physical or structural changes to
39 the electric transmission or distribution infrastructure or systems
40 within this State and any necessary regulatory approvals needed for
41 these physical or structural changes.

42 The bill requires the report from the BPU to: 1) summarize the
43 results of the analysis and comparison conducted; 2) discuss and
44 quantify the potential benefits and costs associated with each of the
45 options analyzed and compared; and 3) rank the options analyzed
46 and compared from the most suitable and beneficial for the State to
47 the least suitable and beneficial for the State. In conducting the
48 study, the BPU is to consult with stakeholders, including, but not

S2804 B.SMITH, GREENSTEIN

4

1 limited to, electric power suppliers and electric public utilities, the
2 Federal Energy Regulatory Commission, the North American
3 Electric Reliability Corporation, and public and private entities
4 within and without the State that have conducted studies on the
5 operation of, or otherwise concerning, electric transmission grids.