SYNOPSIS

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

CURRENT VERSION OF TEXT

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

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

1. a. The Board of Public Utilities shall conduct a study that
analyzes and compares the potential costs and benefit impacts of:
   (1) withdrawing from the regional, high-voltage electric
   transmission grid operated or managed by PJM Interconnection,
   L.L.C., the independent system operator of that electric
   transmission grid, and establishing an electric transmission grid that
   would operate independently within the State;
   (2) withdrawing from the regional, high-voltage electric
   transmission grid operated or managed by PJM Interconnection,
   L.L.C. and joining an electric transmission grid that operates within
   the state of New York;
   (3) remaining within the regional, high-voltage electric
   transmission grid operated or managed by PJM Interconnection,
   L.L.C.; and
   (4) any other electric transmission grid option that the board
   may consider to be in the best interest of ratepayers of the State.
   b. Within one year after the date of enactment of P.L.    ,
   c. (C.        ) (pending before the Legislature as this bill), the board
   shall submit a written report to the Governor and, pursuant to
   section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature
   concerning the results of the study conducted pursuant to subsection
   a. of this section. In conducting the study, the board shall consider
   each option with regard to:
   (1) the costs and benefit impacts to ratepayers, including
   residential and State and local government customers; and
   (2) the costs and benefit impacts on renewable energy
   production, energy storage, and distributed electric generation in the
   State.

   With regard to the first two and the fourth options studied
   pursuant to subsection a. of this section, the board shall study the
   costs and benefit impacts on any necessary physical or structural
   changes to the electric transmission or distribution infrastructure or
   systems within this State and any necessary regulatory approvals
   needed for these physical or structural changes.
   c. The written report shall:
   (1) summarize the results of the analysis and comparisons
   conducted pursuant to subsection a. of this section;
   (2) discuss and quantify the potential costs and benefits
   associated with each option, pursuant to subsection a. of this
   section; and
(3) rank the options, pursuant to subsection a. of this section, from the most suitable and beneficial for the State to the least suitable and beneficial for the State.

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

2. This act shall take effect immediately.

STATEMENT

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

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

The bill requires the report from the BPU to: 1) summarize the results of the analysis and comparison conducted; 2) discuss and quantify the potential benefits and costs associated with each of the options analyzed and compared; and 3) rank the options analyzed and compared from the most suitable and beneficial for the State to the least suitable and beneficial for the State. In conducting the study, the BPU is to consult with stakeholders, including, but not
limited to, electric power suppliers and electric public utilities, the Federal Energy Regulatory Commission, the North American Electric Reliability Corporation, and public and private entities within and without the State that have conducted studies on the operation of, or otherwise concerning, electric transmission grids.