

ASSEMBLY, No. 1170

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblymen COHEN and R. SMITH

1 AN ACT concerning the provision of electricity, and supplementing  
2 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. The Board of Public Utilities shall adopt, pursuant to the  
8 "Administrative Procedure Act," P.L.1068, c.410 (C.52:14B-1 et  
9 seq.), rules and regulations establishing a system for the provision of  
10 electricity to New Jersey consumers which shall (1) insure that  
11 industrial, commercial, and residential electricity consumers have equal  
12 access to market priced electricity; (2) provide that utility and  
13 non-utility generators of electricity have an equal opportunity to  
14 compete to provide electricity to New Jersey consumers; (3) promote  
15 demand-side management and other energy conservation strategies and  
16 advance the State's environmental goals; and (4) stabilize the revenues  
17 collected and allocated to New Jersey municipalities pursuant to  
18 P.L.1940, c.5 (C.54:30A-49 et seq.), as amended and supplemented.

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20 2. This act shall take effect immediately.

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STATEMENT

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25 This bill would provide that, as the traditional system of electric  
26 utility regulation changes to a more market oriented and competitive  
27 system, small business and residential consumers will have the same  
28 access to market-priced electricity as would large industrial users.

29 The emergence of the independent energy producing industry and  
30 the enactment of the 1990 National Energy Policy Act both reflect a  
31 movement toward more competition in the formerly highly regulated  
32 electric utility industry. In the current debate over the deregulation of  
33 the electric utility industry, the focus has been on making market  
34 priced electricity available to large industrial users, primarily because  
35 such users have access to non-utility generation. Very little attention

1 to-date has been paid to providing that small business and residential  
2 consumers would benefit from the new competitive system. This bill  
3 would remedy this deficiency.

4 Specifically, this bill would direct the Board of Public Utilities to  
5 adopt rules and regulations establishing a system for the provision of  
6 electricity which would (1) insure that all consumers have equal access  
7 to market-priced electricity; (2) provide that utility and non-utility  
8 generators have an equal opportunity to compete to provide electricity  
9 to New Jersey consumers; (3) promote energy conservation strategies  
10 and the State's environmental goals; and (4) stabilize the revenues  
11 collected and allocated to New Jersey municipalities pursuant to the  
12 gross receipts and franchise tax.

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17 Requires BPU to provide for equal access to market rates for  
18 consumers and fair competition for generators of electricity.