

SENATE, No. 1576

STATE OF NEW JERSEY

INTRODUCED OCTOBER 3, 1996

By Senators INVERSO and LaROSSA

1 AN ACT concerning contracts to supply light, heat and power and
2 amending R.S.40:62-21.

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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. R.S.40:62-21 is amended to read as follows:

8 40:62-21. Subject to the approval of the [board of public utility
9 commissioners] Board of Public Utilities, any [municipality]
10 governmental entity owning [and], partially owning, leasing, or
11 operating a plant for supplying light, heat or power or any
12 governmental entity which owns, partially owns, leases, controls or
13 operates a plant or facility which generates light, heat or power as a
14 byproduct may:

15 To [adjoining municipalities.] governmental entities: a. Enter into
16 and make a contract with any [adjoining municipality] other
17 governmental entity within or outside of this State to supply
18 electricity, gas, steam or other product for light, heat or any other
19 power purposes for public or private use [within the adjoining
20 municipality] for a period not exceeding [ten] 28 years, at such rates
21 and upon such terms as may be mutually agreed upon in the contract;
22 and

23 To individuals or corporations. b. Supply electricity, gas, steam or
24 other product for light, heat or any other power purposes for public or
25 private use to the inhabitants individually or to any private
26 corporations within any [adjoining municipality] political subdivisions
27 of this or any other State, if the governing body of such [adjoining
28 municipality] political subdivision shall, by resolution, consent
29 thereto[; and,

30 To counties. c. Supply electricity, gas, steam or other product for
31 light, heat or power purposes to the board of chosen freeholders of
32 any county in which the municipality may be located or any county
33 adjoining the county in which the municipality may be located, at such
34 rates and upon such terms as shall be agreed to between the

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 municipality and the board of chosen freeholders].
2 (cf: R.S.40:62-21)

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4 2. This act shall take effect immediately.

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STATEMENT

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9 This bill would permit any governmental entity that owns, partially
10 owns, leases, or operates a plant for supplying light, heat or power or
11 any governmental entity that owns, partially owns, leases, controls or
12 operates a plant or facility that generates light, heat or power as a by-
13 product to supply power in certain situations, subject to the approval
14 of the Board of Public Utilities.

15 Under the bill these governmental entities could enter into a
16 contract with any other governmental entity within or outside of this
17 State to supply power for public or private use for up to 28 years at
18 rates and on terms mutually agreed on in the contract. They could
19 also supply power for public or private use to individual inhabitants or
20 private corporations in any political subdivision of this or any other
21 state if the governing body of the political subdivision consents by
22 resolution.

23 Under current law, any municipality that owns and operates a
24 power plant may, subject to the approval of the Board of Public
25 Utilities, enter into a contract with an adjoining municipality to supply
26 power for up to 10 years at such rates and on such terms as are agreed
27 upon in the contract and may supply power for public or private use
28 to individual inhabitants or private corporations in an adjoining
29 municipality if the governing body consents by resolution.

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34 Expands circumstances under which contracts can be made to supply
35 light, heat and power.