

SENATE ENVIRONMENT AND ENERGY COMMITTEE

STATEMENT TO

SENATE, No. 3489

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 30, 2023

The Senate Environment and Energy Committee favorably reports Senate Bill No. 3489, with committee amendments.

This bill, as amended by the committee, would require the Board of Public Utilities (BPU) to conduct a study for the purpose of identifying, researching, and quantifying the effects of short-term solutions that could enable segments of the electrical transmission and distribution system to host greater amounts of power from distributed energy generation sources. The study would also including planning for the testing and implementation of the solutions.

The bill would require the BPU to consider the following potential solutions, as well as any additional potential solutions identified by the BPU:

(1) permitting the flow of electricity, through an electrical substation, from the distribution system to the transmission system;

(2) requiring solar inverters to include, activate, and use technology that allows the inverter to inject and absorb reactive power autonomously or in response to remote control;

(3) requiring energy storage systems to include, activate, and use technology that allows the energy storage system to inject or absorb real and reactive power; and

(4) requiring solar photovoltaic systems to include, activate, and use technology and services that enable the power output of the system to respond to short term prediction of weather conditions to control the rate-of-change of the power output, or other system parameters.

As defined by the bill, "reactive power" means the portion of alternating current electricity, measured in volt-amperes reactive, that cannot do useful work due to a misalignment of the current and voltage waveforms of the electricity.

The bill would require the BPU to submit a final report on its study to the Governor and the Legislature within one year after the bill's effective date, which contains recommendations for legislative, regulatory, or local governmental action. The bill would also require the BPU to adopt rules and regulations to implement the recommended regulatory action, within one year after the final report is published. The bill would direct the BPU to initially apply the recommendations

as a pilot program and then, if successful, provide for Statewide implementation of the rules and regulations.

The committee amendments to the bill:

(1) provide that the BPU would study means of allowing grid segments to host more distributed energy sources and improving the reliability of the grid, rather than studying means of opening up grid segments that are currently closed to new distributed energy sources;

(2) clarify that the BPU's study would also include planning for the pilot program and rules and regulations required by section 2 of the bill; and

(3) make various revisions to the provisions regarding the four potential solutions to enable segments of the electrical transmission and distribution system to host greater amounts of power from distributed energy generation sources that the BPU is required to study pursuant to subsection b. of section 1 of the bill.