SENATE ENVIRONMENT AND ENERGY COMMITTEE

STATEMENT TO

SENATE, No. 258

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 14, 2024

The Senate Environment and Energy Committee reports favorably and with committee amendments Senate Bill No. 258.

This bill, as amended by the committee, would require each electric public utility in the State to develop and implement a plan to modernize the electric distribution system within its territory. The bill would also appropriate $300 million to the Board of Public Utilities (BPU) to provide grants to electric public utilities, which would be used to offset electricity rate increases that are caused by the implementation of the plan.

The bill would require each Grid Modernization Plan (plan) to be submitted to the BPU no later than one year after the bill's effective date. The bill would provide that the plan may include projects related to energy storage, the interconnection of distributed energy sources (e.g. rooftop solar facilities), and the ability to deliver clean energy pursuant to the State's greenhouse gas emissions goals, as well as other items. The bill would require each plan to include a timeline for its implementation.

No later than 90 days after an electric public utility receives the BPU's approval of its plan, it would be required to begin implementing the plan. The bill would require the utility to complete the plan within the provided timeline, or else provide notice to the BPU that it is unable to do so.

The bill would require the BPU to develop a program to provide grants to electric public utilities for the purpose of providing financial relief to ratepayers for rate increases caused by the implementation of a plan. The bill would appropriate $300 million from the General Fund to the BPU to fund the grant program. The bill would also authorize the BPU to use moneys in the Clean Energy Fund (the colloquial name for moneys collected through the societal benefits charge) and moneys collected through the State's participation in the Regional Greenhouse Gas Initiative (RGGI), in order to issue ratepayer relief grants under the program. The bill would amend current law establishing the permitted uses of funds from the societal benefits charge and RGGI to provide for the use of those funds to provide ratepayer relief grants to offset the costs of a project undertaken pursuant to a plan.

The committee amendments to the bill:

(1) remove the definition of "transmission and distribution system";

(2) provide that grid modernizations plans would apply only to the electric distribution system, not the electric transmission and distribution system; and

(3) require the BPU to review grid modernization plans within 240 days after receipt, rather than within 120 days after receipt.

This bill was pre-filed for introduction in the 2024-2025 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.