

SENATE, No. 4849

STATE OF NEW JERSEY
222nd LEGISLATURE

INTRODUCED OCTOBER 19, 2026

Sponsored by:
Senator CARMEN F. AMATO, JR.
District 9 (Ocean)

SYNOPSIS

“Micro-Reactor Incentive Act”; directs BPU to request proposals to construct micro nuclear reactors in State.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning nuclear energy, amending P.L.2007, c.340, and
2 supplementing Title 48 of the Revised Statutes.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. (New section) Sections 1 through 6 of P.L. , c. (C.)
8 (pending before the Legislature as this bill) shall be known and may
9 be cited as the “Micro-Reactor Incentive Act.”

10
11 2. (New section) a. The Legislature finds and declares that:

12 (1) Nuclear fission is a cost effective, safe, and reliable method
13 of generating electricity without emitting greenhouse gases;

14 (2) Solar and wind power do not provide constant power output,
15 rendering them unsuitable for replacing coal and natural gas as the
16 primary methods of electricity generation, meaning that the State
17 will be unable to reach its clean energy goals through the use of
18 solar and wind power alone;

19 (3) Nuclear reactors, by contrast, provide constant power output,
20 and its fuel prices are not subject to the frequent and unpredictable
21 fluctuations in oil prices;

22 (4) Private industries, with the support of the federal
23 Department of Energy, are developing a new type of nuclear fission
24 reactor, known as small modular reactors (SMRs), which are
25 designed to be compact, be capable of being factory-assembled and
26 transported to a location for installation, and to generate sufficient
27 electricity to power up to hundreds of thousands of homes;

28 (5) An SMR with a power output of less than 20 megawatts is
29 known as a “micro-reactor,” and is designed to power individual
30 facilities, or to provide temporary power to communities during
31 electricity outages;

32 (6) Whereas most energy storage systems are designed to
33 provide backup power for no more than four hours, micro-reactors
34 could serve as backup electricity sources for vital facilities,
35 including water treatment facilities, hospitals, police and fire
36 stations, and military bases; and

37 (7) The United States Air Force is currently conducting a
38 feasibility study of a proposed micro-reactor at Joint Base
39 Anacostia-Bolling in Washington and, separately, is working with
40 the University of Illinois Urbana-Champaign on a proposed
41 research reactor.

42 b. It is therefore in the public interest for New Jersey to
43 establish a program to incentivize and attract the construction of
44 micro-reactors in the State, in order to provide reliable electricity,
45 help the State meet its clean energy goals, and ensure that the

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

Matter underlined thus is new matter.

1 State's critical services continue to operate during electricity
2 outages.

3

4 3. (New section) As used in P.L. , c. (C.) (pending
5 before the Legislature as this bill):

6 "Board" means the Board of Public Utilities.

7 "Micro-reactor" means a nuclear fission reactor that: (1) has a
8 rated electric generating capacity of not more than 20 megawatts;
9 (2) is capable of being constructed and operated either alone or in
10 combination with one or more similar reactors if additional reactors
11 are or become necessary at a single site; and (3) is required to be
12 licensed by the United States Nuclear Regulatory Commission.

13 "Micro-reactor incentive" means a pecuniary incentive, provided
14 per megawatt hour of electric energy produced by a micro-reactor
15 that is selected through the competitive solicitation program
16 established by P.L. , c. (C.) (pending before the
17 Legislature as this bill).

18 "Transmission and distribution system" means the same as the
19 term is defined in section 3 of P.L.1999, c.23 (C.48:3-51).

20

21 4. (New section) a. No later than one year after the effective
22 date of P.L. , c. (C.) (pending before the Legislature as
23 this bill), the board shall develop a competitive solicitation program
24 for awarding micro-reactor incentive contracts to promote the
25 construction of micro-reactors in the State.

26 b. In order to be eligible to participate in a solicitation process
27 administered by the board pursuant to this section, a project for the
28 construction of micro-reactor shall:

29 (1) commence after the effective date of P.L. , c. (C.)
30 (pending before the Legislature as this bill); and

31 (2) be interconnected to a transmission and distribution system
32 operated by a New Jersey electric public utility or local government
33 unit, or be designed to provide electricity exclusively to facilities
34 located in New Jersey.

35 c. The board may develop additional eligibility criteria and
36 application processes for participation in the solicitation process.

37 d. Solicitation rounds shall occur at least as frequently as once
38 every 18 months, beginning no later than two years after the
39 effective date of P.L. , c. (C.) (pending before the
40 Legislature as this bill). The solicitation process shall:

41 (1) be open on a non-discriminatory basis to any entity seeking
42 to construct a micro-reactor that complies with the provisions of
43 P.L. , c. (C.) (pending before the Legislature as this bill);

44 (2) be carried out in accordance with criteria developed by the
45 board and applied equally to all responses to the solicitation;

46 (3) award contracts for micro-reactor incentives to promote the
47 construction of micro-reactors, with the first solicitation round

- 1 closing no later than three years after the effective date of P.L. ,
2 c. (C.) (pending before the Legislature as this bill);
3 (4) give preference to projects that: (a) are located on the site of
4 former nuclear, natural gas, or coal power plants; (b) include a
5 process to retrain and employ former employees of retired nuclear,
6 natural gas, or coal power plants; or (c) are designed to provide
7 emergency power to a critical facility, including, but not limited to,
8 a water treatment plant, hospital, police or fire station, or military
9 base;
10 (5) ensure that the length of any award is sufficient to encourage
11 low financing rates, reasonable risks to ratepayers, and to enable the
12 development of affordable energy resources;
13 (6) mitigate price and delivery risks for ratepayers; and
14 (7) include requirements designed to ensure successful
15 completion of projects, including, but not limited to, the imposition
16 of appropriate escrow fees, bid maturity requirements, required
17 interconnection milestones, and conditions on when a project must
18 achieve commercial operation.
19 e. The board may establish confidential high and low bid
20 thresholds prior to conducting a competitive solicitation pursuant to
21 this section, provided that the thresholds promote fiscal
22 responsibility for the State and the likelihood of successful bids, as
23 determined by the board. The thresholds may include a cap on the
24 micro-reactor incentive payments paid to a project developer. The
25 board may also procure more than the minimum quantity of electric
26 power required by this section if bids are below the predetermined
27 bid threshold.
28 f. The board shall determine, in consultation with the
29 Department of Environmental Protection, if a micro-reactor facility
30 may be sited on a contaminated site or landfill for the purposes of
31 this section.
32 g. At the end of each bidding round, the board shall:
33 (1) rank all bids received based on the bid price and any
34 preference awarded pursuant to paragraph (4) of subsection d. of
35 this section;
36 (2) select bids in ranked order, up to the procurement budget set
37 by the board; and
38 (3) adjust quantities awarded if prices are above or below any
39 confidential pre-determined thresholds established pursuant to
40 subsection d. of this section.
41 h. Any moneys placed in escrow by an applicant as part of the
42 competitive solicitation process shall be reimbursed to the applicant
43 in full or in part upon meeting the conditions set forth by the board
44 when the board established the escrow requirement, including, but
45 not limited to, selection in the competitive solicitation or
46 commencement of commercial operation of the micro-reactor
47 facility. The escrow amount shall be forfeited to the General Fund
48 if the facility does not meet the conditions set forth by the board

1 when the board established the escrow requirement, including, but
2 not limited to, commencing commercial operation within the term
3 specified by the board's requirements established pursuant to
4 paragraph (7) of subsection d. of this section, including any
5 extensions as may be granted pursuant to procedures established by
6 the board.

7 i. Micro-reactor incentive payments issued pursuant to
8 paragraph (3) of subsection d. of this section may be paid from the
9 "Global Warming Solutions Fund" established pursuant to section 6
10 of P.L.2007, c.340 (C.26:2C-50).

11
12 5. (New section) a. A micro-reactor shall not receive, in the
13 same year, a micro-reactor incentive issued pursuant to P.L. ,
14 c. (C.) (pending before the Legislature as this bill) and a
15 grant issued by the New Jersey Economic Development Authority
16 pursuant to paragraph (1) of subsection b. of section 7 of P.L.2007,
17 c.340 (C.26:2C-51).

18 b. The owner or operator of a micro-reactor that receives a
19 micro-reactor incentive for a unit of energy produced by the reactor
20 shall not otherwise sell, alienate, or dispose of any of the
21 environmental benefits or attributes associated with that energy, in
22 any way apart from its participation in the zero emissions certificate
23 program.

24 c. The owner or operator of a micro-reactor facility that is
25 selected by the board pursuant to section 4 of P.L. ,
26 c. (C.) (pending before the Legislature as this bill) shall be
27 responsible for the payment of an annual administrative fee, in an
28 amount, which does not exceed the board's reasonable expenses in
29 implementing the provisions of P.L. , c. (C.) (pending
30 before the Legislature as this bill), to be determined annually by the
31 board.

32 d. Each worker employed in the State during the construction of
33 a micro-reactor that is selected by the board pursuant to section 4 of
34 P.L. , c. (C.) (pending before the Legislature as this bill)
35 shall be paid not less than the prevailing wage rate for the worker's
36 craft or trade, as determined by the Commissioner of Labor and
37 Workforce Development pursuant to P.L.1963, c.150 (C.34:11-
38 56.25 et seq.).

39 e. The issuance of micro-reactor incentives pursuant to P.L. ,
40 c. (C.) (pending before the Legislature as this bill) shall be
41 deemed "Board of Public Utilities financial assistance" as provided
42 under section 1 of P.L.2009, c.89 (C.48:2-29.47).

43 f. The owner, operator, and developer of a micro-reactor that is
44 selected by the board pursuant to section 4 of P.L. ,
45 c. (C.) (pending before the Legislature as this bill), as
46 appropriate, shall obtain all necessary permits and other approvals
47 as may be required pursuant to federal, State, or local law, rule,
48 regulation, or ordinance.

1 g. A qualified project shall not be eligible to receive a micro-
2 reactor incentive for a megawatt hour of electricity generation if the
3 qualified project also receives a zero-emission certificate pursuant
4 to section 3 of P.L.2018, c.16 (C.48:3-87.5) for that megawatt hour
5 of electricity generation.

6
7 6. (New section) No later than four years after the effective date
8 of P.L. , c. (C.) (pending before the Legislature as this
9 bill), the board shall submit a report to the Governor, and to the
10 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1),
11 which summarizes the program developed pursuant to P.L. ,
12 c. (C.) (pending before the Legislature as this bill), and
13 includes any recommendations to improve the functioning of the
14 program.

15
16 7. Section 7 of P.L.2007, c.340 (C.26:2C-51) is amended to read
17 as follows:

18 7. a. The agencies administering programs established pursuant
19 to this section shall maximize coordination in the administration of
20 the programs to avoid overlap between the uses of the fund
21 prescribed in this section.

22 b. Moneys in the fund, after appropriation annually for
23 payment of administrative costs authorized pursuant to subsection c.
24 of this section, shall be annually appropriated and used for the
25 following purposes:

26 (1) Sixty percent shall be allocated to the New Jersey Economic
27 Development Authority to provide grants and other forms of
28 financial assistance to commercial, institutional, and industrial
29 entities to support end-use energy efficiency projects and new,
30 efficient electric generation facilities that are state of the art, as
31 determined by the department, including but not limited to energy
32 efficiency and renewable energy applications, to develop combined
33 heat and power production and other high efficiency electric
34 generation facilities, to stimulate or reward investment in the
35 development of innovative carbon emissions abatement
36 technologies with significant carbon emissions reduction or
37 avoidance potential, to develop qualified offshore wind projects
38 pursuant to section 3 of P.L.2010, c.57 (C.48:3-87.1), and to
39 provide financial assistance to manufacturers of equipment
40 associated with qualified offshore wind projects. The authority, in
41 consultation with the board and the department, shall determine:
42 (a) the appropriate level of grants or other forms of financial
43 assistance to be awarded to individual commercial, institutional,
44 and industrial sectors and to individual projects within each of these
45 sectors; (b) the evaluation criteria for selecting projects to be
46 awarded grants or other forms of financial assistance, which criteria
47 shall include the ability of the project to result in a measurable
48 reduction of the emission of greenhouse gases or a measurable

1 reduction in energy demand, provided, however, that neither the
2 development of a new combined heat and power production facility,
3 nor an increase in the electrical and thermal output of an existing
4 combined heat and power production facility, shall be subject to the
5 requirement to demonstrate such a measurable reduction; and (c)
6 the process by which grants or other forms of financial assistance
7 can be applied for and awarded including, if applicable, the
8 payment terms and conditions for authority investments in certain
9 projects with commercial viability;

10 (2) Twenty percent shall be allocated to the board to support
11 programs that are designed to reduce electricity demand or costs to
12 electricity customers in the low-income and moderate-income
13 residential sector with a focus on urban areas, including efforts to
14 address heat island effect and reduce impacts on ratepayers
15 attributable to the implementation of P.L.2007, c.340 (C.26:2C-45
16 et al.) **【or】** , to support the light duty plug-in electric vehicle
17 incentive program and the incentive program for in-home electric
18 vehicle service equipment established pursuant to sections 4 and 6
19 of P.L.2019, c.362 (C.48:25-4 and C.48:25-6), or to fund micro-
20 reactor incentive payments issued pursuant to section 4 of P.L. ,
21 c. (C.) (pending before the Legislature as this bill). For the
22 purposes of this paragraph, the board, in consultation with the
23 authority and the department, shall determine the types of programs
24 to be supported and the mechanism by which to quantify benefits to
25 ensure that the supported programs result in a measurable reduction
26 in energy demand or accomplishment of the plug-in electric vehicle
27 goals established pursuant to section 3 of P.L.2019, c.362 (C.48:25-
28 3);

29 (3) Ten percent shall be allocated to the department to support
30 programs designed to promote local government efforts to plan,
31 develop and implement measures to reduce greenhouse gas
32 emissions, including but not limited to technical assistance to local
33 governments, and the awarding of grants and other forms of
34 assistance to local governments to conduct and implement energy
35 efficiency, renewable energy, and distributed energy programs and
36 land use planning where the grant or assistance results in a
37 measurable reduction of the emission of greenhouse gases or a
38 measurable reduction in energy demand. For the purpose of
39 conducting any program pursuant to this paragraph, the department,
40 in consultation with the authority and the board, shall determine:
41 (a) the appropriate level of grants or other forms of financial
42 assistance to be awarded to local governments; (b) the evaluation
43 criteria for selecting projects to be awarded grants or other forms of
44 financial assistance; (c) the process by which grants or other forms
45 of financial assistance can be applied for and awarded; and (d) a
46 mechanism by which to quantify benefits; and

47 (4) Ten percent shall be allocated to the department to support
48 programs that enhance the stewardship and restoration of the State's

1 forests and tidal marshes that provide important opportunities to
2 sequester or reduce greenhouse gases.

3 c. (1) The department may use up to four percent of the total
4 amount in the fund each year to pay for administrative costs
5 justifiable and approved in the annual budget process, incurred by
6 the department in administering the provisions of P.L.2007, c.340
7 (C.26:2C-45 et al.) and in administering programs to reduce the
8 emissions of greenhouse gases including any obligations that may
9 arise under subsection a. of section 11 of P.L.2007, c.340 (C.26:2C-
10 55).

11 (2) The board may use up to two percent of the total amount in
12 the fund each year to pay for administrative costs justifiable and
13 approved in the annual budget process, incurred by the board in
14 administering the provisions of P.L.2007, c.340 (C.26:2C-45 et al.)
15 and in administering programs to reduce the emissions of
16 greenhouse gases including any obligations that may arise under
17 subsection a. of section 11 of P.L.2007, c.340 (C.26:2C-55).

18 (3) The New Jersey Economic Development Authority may use
19 up to two percent of the total amount in the fund each year to pay
20 for administrative costs justifiable and approved in the annual
21 budget process, incurred by the authority in administering the
22 provisions of P.L.2007, c.340 (C.26:2C-45 et al.) and in
23 administering programs to reduce the emissions of greenhouse
24 gases.

25 d. The State Comptroller shall conduct or supervise
26 independent audit and fiscal oversight functions of the fund and its
27 uses.

28 (cf: P.L.2019, c.362, s.12)

29

30 8. The board shall, in accordance with the "Administrative
31 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.). adopt rules
32 and regulations as necessary to implement this act.

33

34 9. This act shall take effect immediately.

35

36

37 STATEMENT

38

39 This bill, to be known as the "Micro-Reactor Incentive Act,"
40 would direct the Board of Public Utilities (BPU) to establish a
41 program to solicit bids for the construction of micro-reactors in the
42 State. A micro-reactor is a small modular reactor (SMR) with a
43 power output of less than 20 megawatts, which is designed to power
44 individual facilities, or to provide temporary power to communities
45 during electricity outages.

46 The bill would authorize the BPU to issue financial incentives to
47 micro-reactors, to be known as micro-reactor incentives, for each
48 megawatt hour of electric energy produced by the reactor. The

1 amount of the incentive would be determined through a competitive
2 solicitation process. Private entities would submit bids to the BPU,
3 which state the level of micro-reactor incentive they estimate they
4 would require to achieve profitability. The BPU would select the
5 lowest bids, except that the bill authorizes the BPU to give
6 preference to certain projects, for example projects sited at former
7 nuclear energy facilities or fossil fuel power plants. The bill would
8 authorize the BPU to use moneys in the “Global Warming Solutions
9 Fund,” which serves as the repository for funds collected by the
10 State under the Regional Greenhouse Gas Initiative (RGGI), in
11 order to fund the micro-reactor incentives.

12 The bill would direct the BPU to develop the program within one
13 year after the bill’s enactment, and to begin the first competitive
14 solicitation round within two years after the bill’s enactment. The
15 bill would restrict the owner or operator of a micro-reactor that
16 receives an incentive from otherwise profiting from the
17 environmental attributes of the energy it produces. Finally, the bill
18 would require each micro-reactor that is selected to participate in
19 the incentive program to pay an annual administrative fee to the
20 BPU, to compensate the BPU for its costs in administering the
21 program.