SENATE, No. 4899

STATE OF NEW JERSEY

222nd LEGISLATURE

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Sponsored by:
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District 32 (Hudson)

SYNOPSIS

Establishes requirements for electric public utility power restoration practices after major events.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning electric public utility power restoration performance and supplementing Title 48 of the Revised Statutes.

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

1. This act shall be known and may be cited as the "Electric Public Utility Service Area Accountability Act."

2. As used in P.L. , c. (C.) (pending before the Legislature as this bill):

"Annual system performance report" means the report submitted by an electric public utility to the board pursuant to the provisions of subchapter 8 of chapter 5 of Title 14 of the New Jersey Administrative Code.

"Board" means the New Jersey Board of Public Utilities or a successor agency.

"Documented costs" means the cost, borne by counties and municipalities, of any excess burden created by an electric public utility's failure to meet benchmarks established by the board pursuant to subsection a. of section 3 of P.L. , c. (C.) (pending before the Legislature as this bill) during a major event. "Documented costs" includes, but is not limited to: (1) law enforcement and fire personnel overtime for static posts, road closures, or traffic control at sites affected by the utility's infrastructure; (2) equipment, barricades, and related material costs for performing such law enforcement and fire response work; and (3) emergency operations center staffing costs.

"Electric public utility" or "utility" means a public utility, as that term is defined pursuant to R.S.48:2-13, that transmits and distributes electricity to end users within the State.

"Major event" means a sustained interruption of electric public utility service that: (1) results from conditions beyond the control of an electric public utility, including, but not limited to, thunderstorms, tornadoes, hurricanes, heat waves, or snow and ice storms; (2) affects at least 10 percent of the customers in an operating area within a 48-hour period; and (3) begins with the conditions initiating the event and concludes when the final customer outage due to the initiating conditions is restored.

"Operating area" means a geographical subdivision of an electric public utility's service area, as determined by an electric public utility.

3. a. Within 30 days of the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), the board shall establish benchmarks to evaluate an electric public utility's power restoration performance during a major event at the operating area level compared to the power restoration performance

of other electric public utilities during a major event at the operating area level. At a minimum, the benchmarks shall include a threshold for acceptable power restoration periods.

b. During a major event, the board shall provide notice to an electric public utility if the board deems an operating area to be chronically underperforming. An operating area shall be deemed chronically underperforming if:

(1) the utility fails to meet the benchmarks established by the board pursuant to subsection a. of this section for the operating area; and

(2) the operating area is located within the service area of an electric public utility that is, or has been, subject to a board order concerning the utility's power restoration deficiencies, or other deficiencies related to the utility's service reliability, in the five years preceding the major event.

c. (1) Within 60 days of receiving notice that an operating area has been designated as chronically underperforming pursuant to subsection b. of this section, an electric public utility shall submit a corrective action plan to the board for approval. To address the utility's power restoration deficiencies, the action plan shall include:

(a) specific capital investments;

(b) staffing changes;

(c) communication protocol updates;

(d) a proposal to administer bill credits to affected customers within the chronically-underperforming operating area; and

(e) any other information deemed appropriate by the board.

(2) Upon approval of a corrective action plan pursuant to paragraph (1) of this subsection, an electric public utility shall administer automatic bill credits to affected customers within the chronically-underperforming operating area subject to the corrective action plan.

d. If an electric public utility fails to meet the benchmarks established by the board pursuant to subsection a. of this section during a subsequent major event for an operating area deemed to be chronically underperforming pursuant to subsection b. of this section, the board shall hold a proceeding to determine the feasibility of transferring jurisdiction over the chronically-underperforming operating area to an alternative electric public utility with a service area located adjacent to the chronically-underperforming operating area. At a minimum, in the proceeding, in consultation with the affected electric public utilities, the board shall:

(1) develop a detailed plan and a timeline for the transfer;

(2) evaluate the stranded costs associated with the loss of the chronically-underperforming operating area and develop a proposal to address such stranded costs;

(3) determine the impact of the transfer and its associated costs on the State's electric public utility customers; and

(4) evaluate the general transition costs for the affected electric public utilities.

4. a. If an electric public utility fails to meet the benchmarks established by the board pursuant to subsection a. of section 3 of P.L. , c. (C.) (pending before the Legislature as this bill) during a subsequent major event for an operating area deemed to be chronically underperforming pursuant to subsection b. of section 3 of P.L. , c. (C.) (pending before the Legislature as this bill), the electric public utility with jurisdiction over the chronically-underperforming operating area shall, upon request, reimburse counties and municipalities for documented costs incurred in maintaining public safety during the period of power restoration that exceeded the threshold established by the board pursuant to subsection a. of section 3 of P.L. , c. (C.) (pending before the Legislature as this bill).

b. Within 90 days of the conclusion of a major event, counties and municipalities may submit to the board for approval itemized claims for reimbursement pursuant to subsection a. of this section and any additional information deemed appropriate by the board to facilitate such reimbursement. However, an electric public utility may petition the board to contest any reimbursement claim submitted by a county or municipality pursuant to this subsection.

c. An electric public utility may not pass through to its customers the cost to reimburse counties and municipalities for documented costs pursuant to subsection a. of this section.

5. a. During a major event, an electric public utility shall submit to municipal emergency management coordinators within a municipality located in the utility's service area:

(1) information regarding the estimated time of restoration for any outages reported by the municipality, which information shall be submitted at least every 12 hours through the duration of the major event; and

(2) for any outage in excess of 24 hours, a written explanation for the delayed power restoration.

b. An electric public utility who fails to comply with the reporting requirements outlined in subsection a. of this section shall be liable for a civil penalty of up to: for a first offense, $5,000 for each day the utility fails to comply with the reporting requirements of subsection a. of this section with a maximum penalty amount of $25,000; and $250,000 for a subsequent offense. However, an electric public utility may petition the board for a time extension on the reporting requirements outlined in subsection a. of this section, which extension may be granted at the board's discretion.

6. Within 30 days of receiving an annual system performance report from an electric public utility, the board shall publish on its Internet website in a user-friendly format and in an easily-accessible location a summary value for each operating area within an electric public utility's service area and for an electric public utility's service area as a whole. The board shall use the information submitted by an electric public utility in its annual system performance report to develop the utility's summary values pursuant to this section.

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

8. This act shall take effect immediately.

STATEMENT

This bill establishes requirements for electric public utility power restoration practices after a major event. Specifically, the bill requires the Board of Public Utilities (board) to establish benchmarks to evaluate an electric public utility's power restoration performance at the operating area level during a major event compared to the power restoration performance of other electric public utilities during a major event. At a minimum, the benchmarks established under the bill are to include a threshold for acceptable power restoration periods. Under the bill, any operating area under the jurisdiction of an electric public utility, which utility has been or is subject to a board order concerning its power restoration deficiencies within a certain time frame, that fails to meet the benchmarks is to be designated as chronically underperforming. Within 60 days of receiving notice that an operating area has been designated as chronically underperforming, an electric public utility is required to submit a corrective action plan to the board for approval. If an electric public utility fails to meet the benchmarks during a subsequent major event for a chronically-underperforming operating area, the bill: (1) requires the board to hold a proceeding to determine the feasibility of transferring jurisdiction over the chronically-underperforming operating area to an alternative electric public utility; and (2) requires an electric public utility to, upon request, reimburse counties and municipalities for certain documented costs incurred in maintaining public safety during a major event.

Under the bill, an electric public utility is also required to submit certain information regarding estimated time of restoration during a major event to municipal emergency management coordinators. Any utility that violates the reporting requirement is liable for

certain civil penalties outlined in the bill. In addition, within 30 days of receiving an annual system performance report from an electric public utility, the bill requires the board to publish on its Internet website in a user-friendly format and in an easily-accessible location certain performance data for the utility.

Over the weekend of July 4, 2026, New Jersey experienced several severe storms that caused power outages affecting hundreds of thousands of electric public utility customers across the State. It is the sponsor's belief that the failure of electric public utilities to provide safe and reliable service is detrimental to New Jersey residents and that the costs associated with this failure are often borne by ratepayers and municipalities through lost wages, spoiled property, public safety risk, and displaced transit service. With this legislation, the sponsor hopes to create an additional mechanism to regulate the State's electric public utility industry and thereby safeguard the interests of New Jersey ratepayers.