

ASSEMBLY ENVIRONMENT AND SOLID WASTE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4791

STATE OF NEW JERSEY

DATED: JUNE 15, 2023

The Assembly Environment and Solid Waste Committee reports favorably Assembly Bill No. 4791.

This bill establishes the “Resiliency and Environmental System Investment Charge Program” (RESIC), which creates a regulatory mechanism that enables water and wastewater utilities (utilities) to recover the costs of investment in certain non-revenue producing utility system components that enhance water and wastewater system resiliency, environmental compliance, safety, and public health.

The bill authorizes a utility to petition the Board of Public Utilities (BPU) concerning RESIC activities through the submission of a foundational filing. A utility that offers more than one regulated service may file a joint foundational filing for a RESIC that includes infrastructure investments for multiple regulated services or separate foundational filings to establish a separate RESIC for each regulated service offered by the utility. If a utility files separate foundational filings, each RESIC approved by the BPU would be subject to a separate revenue recovery cap.

Under the RESIC program, after approval of the foundational filing, a utility may charge customers for the costs of installing, rehabilitating, improving, or replacing utility system infrastructure in accordance with the bill. However, the bill provides that the total revenues recovered through the RESIC rate may not exceed the RESIC-cap, which amount equals five percent of the utility’s total annual revenues, as adjusted for certain approved charges. Under the bill, the utility would also be required to identify the amounts owed by each customer, based on the RESIC rate, separately on the customer’s utility bill.