

CHAPTER 98

AN ACT requiring the Board of Public Utilities to study the effects of data centers on electricity costs in the State.

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

1. a. As used in this section:

"Board" means the Board of Public Utilities.

"Data center" means a facility in the region where PJM operates: (1) whose primary services are the storage, management, and processing of digital data; and (2) that is used to house computer and network systems, including associated components such as servers, network equipment and appliances, telecommunications, and data storage systems, systems for monitoring and managing infrastructure performance, Internet-related equipment and services, data communications connections, environmental controls, fire protection systems, and security systems and services.

"Electric public utility" means the same as the term is defined in section 3 of P.L.1999, c.23 (C.48:3-51).

"PJM Interconnection, L.L.C." or "PJM" shall have the same meaning as provided in section 3 of P.L.1999, c.23 (C.48:3-51).

b. No later than one year after the effective date of this section, the board shall carry out a study on the effect of electricity usage by data centers on electricity costs in the State. The board shall:

(1) determine if the current allocation of costs among different customer classifications of electric public utilities in the State requires New Jersey customers that are not data centers to unreasonably subsidize the costs of customers that are data centers;

(2) determine whether New Jersey ratepayers incur unreasonable rate increases to support new transmission, distribution, or generation facilities that are needed solely or primarily to serve customers that are data centers;

(3) estimate the total current portion of the average residential electricity rate in New Jersey that is attributable to the demand imposed by data centers;

(4) estimate the portion of the average residential electricity rate in New Jersey that will be attributable to the demand imposed by data centers in the next 20 years, assuming a range of likely scenarios concerning the number of data centers; and

(5) assess various policy alternatives, including the use of a special tariff to be applied to data centers within the State, that could be used to mitigate or avoid rate increases in New Jersey caused by increased electricity demand by data centers.

c. No later than 15 months after the effective date of this section, the board shall submit to the Governor, and to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), a report that presents the findings of the study.

2. This act shall take effect immediately and shall expire 30 days after the Board of Public Utilities submits the report required pursuant to subsection c. of section 1 of this act.

Approved July 8, 2025.