

ASSEMBLY TELECOMMUNICATIONS AND UTILITIES COMMITTEE

STATEMENT TO ASSEMBLY, No. 4801

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 4, 2026

The Assembly Telecommunications and Utilities Committee reports favorably and with committee amendments Assembly Bill No. 4801.

As amended and reported, this bill prohibits certain costs and obligations related to large-load addition customers from being passed through to non-large load addition customers.

Under the bill, when issued a curtailment obligation or directive from PJM Interconnection, L.L.C. (PJM) due to a load-serving entity's or an electric public utility's provision of service to a large-load addition customer, the load-serving entity or electric public utility is required to impose PJM's curtailment obligation or directive solely on the corresponding large-load addition customers. However, the bill does not prevent a load-serving entity or an electric public utility from taking necessary action to maintain system reliability and adopting voluntary load curtailment programs.

In addition, the bill requires any financial or other obligation associated with a reliability procurement, or other comparable assignment of long-term capacity obligations, that is assigned to a load-serving entity or an electric public utility to be passed through or allocated to large-load addition customers under substantially-similar terms as PJM assigns the financial or other obligations to the load-serving entity or electric public utility.

Finally, under the bill, in order to receive electric public utility service in the State, a large-load addition customer is required to: (1) provide appropriate financial security to the load-serving entity, PJM, the electric public utility, or other entity, as appropriate, to ensure that costs associated with a reliability procurement are not passed through to other New Jersey customers, even if the large-load addition customer's demand on the electrical grid does not fully materialize over the term of the reliability procurement commitment; and (2) submit detailed information to PJM as outlined in the bill.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) define “large-load addition customer” to mean an individual addition of load at or above 50 megawatts (MW) or the MW threshold set by the board rather than individual additions of load at or above 50 MW at a single point of interconnection;

(2) define “load-serving entity” to include a large-load addition customer that serves as their own load serving entity;

(3) change the defined term “reliability backstop procurement” to “reliability procurement” and revise the definition;

(4) require electric public utilities to impose PJM curtailment obligations and directives on large-load addition customers;

(5) provide that any financial or other obligation associated with a reliability procurement or other comparable assignment of long-term capacity obligations that is assigned to a load-serving entity or an electric public utility are to be passed through or allocated to large-load addition customers. As introduced, such financial or other obligations that were assigned to a load serving entity were to be passed through to large load addition customers;

(6) require, as a condition of electric service, each large-load addition customer to provide an appropriate financial security to ensure that costs associated with a reliability procurement are not passed through to other New Jersey customers, even if the large-load addition customer’s demand on the electrical grid does not fully materialize over the term of the reliability procurement commitment;

(7) require the financial security specified under the bill to be paid, as appropriate, to PJM or another entity in addition to a load-serving entity or an electric public utility;

(8) require the board to adopt rules and regulations to determine an alternative MW threshold set for large-load addition customers; and

(9) make technical changes.