

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 5188

STATE OF NEW JERSEY

222nd LEGISLATURE

DATED: JUNE 29, 2026

SUMMARY

Synopsis: "Advanced Grid Technologies Act"; requires State oversight of supplemental transmission projects and establishes expedited review for projects utilizing advanced transmission or distribution technologies.

Type of Impact: Annual State expenditure and revenue increases.

Agencies Affected: Board of Public Utilities.

Office of Legislative Services Estimate

Fiscal Impact	Annual
State Expenditure Increase	Indeterminate
State Revenue Increases	Indeterminate

- The Office of Legislative Services (OLS) finds that the bill will result in an indeterminate annual increase in State expenditures to the Board of Public Utilities associated with implementing and administering a new regulatory framework that governs supplemental transmission projects, including supplemental transmission projects that utilize advanced transmission or distribution technologies.
- The board may incur additional costs to review applications under the two separate review processes established by the bill, promulgate rules and regulations, conduct technical analyses, oversee compliance with the bill’s provisions, and administer the expedited review process established under the bill. The magnitude of these cost increases will depend on the number and complexity of applications submitted and the extent to which existing staff and resources may be utilized.
- To the extent the bill authorizes the board to impose an application fee under the second review process established by the bill, the State may experience an indeterminate increase in revenue, offsetting the additional administrative expenditures associated with application review.

However, the bill does not expressly establish a new fee schedule or dedicated revenue source, but leaves it to the board to determinate the fee necessary to cover its cost of project reviews.

BILL DESCRIPTION

This bill, to be known as the Advanced Grid Technologies Act, requires electric public utilities to apply for a certificate of public convenience and necessity from the Board of Public Utilities prior to constructing a supplemental transmission project. Specifically, the bill requires the board to review and approve eligible projects based on certain criteria specified in the bill under one of the two application review processes established by the bill. The bill also establishes an expedited review process for supplemental transmission projects that utilize advanced transmission or distribution technologies and meet certain grid performance benchmarks for advanced transmission or distribution technologies as established by the board under the bill.

Under the bill, the board is to charge an application fee to cover the costs of the board's review under the second application review process, which fee may be recovered by a utility through the rates charged to its customers.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill will result in an indeterminate annual increase in State expenditures to the Board of Public Utilities associated with implementing and administering a new regulatory framework that governs supplemental transmission projects, including supplemental transmission projects that utilize advanced transmission or distribution technologies.

The board may incur additional costs to review applications under the two review processes established by the bill, promulgate rules and regulations, conduct technical analyses, oversee compliance with the bill's provisions, and administer the expedited review process established under the bill. The magnitude of these cost increases will depend on the number and complexity of applications submitted and the extent to which existing staff and resources may be utilized.

To the extent the bill authorizes the board to impose an application fee under the second review process established by the bill, the State may experience an indeterminate increase in revenue, offsetting the additional administrative expenditures associated with application review. However, the bill does not expressly establish a new fee schedule or dedicated revenue source, but leaves it to the board to determinate the fee necessary to cover its cost of project reviews. As noted above, the bill authorizes the board to charge a fee to a utility for its cost of processing a project application under the second review process, which cost may be recovered by a utility through higher rates charged to its customers. State agencies, as utility customers, would face increased costs in these situations.

Section: Authorities, Utilities, Transportation and Communications

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).