

ASSEMBLY STATE AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO

[First Reprint]
ASSEMBLY, No. 5188

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 23, 2026

The Assembly State and Local Government Committee reports favorably and with committee amendments Assembly Bill No. 5188 (1R).

As amended and reported, this bill, to be known as the “Advanced Grid Technologies Act,” requires an electric public utility (utility) to apply to the Board of Public Utilities (board) for a certificate of public convenience and necessity (certificate) before constructing a supplemental project (project) in New Jersey. The bill provides for two application review processes. As part of the application, the utility is to request that its application be reviewed under the first application process or the second application process, and the board has 30 days from receiving a completed application to determine whether to review the application under the first application review process or under the second application review process. Under the bill, the board is to review an application under the first application review process only if the utility shows that the project meets certain grid performance benchmarks described in the bill. If a utility does not show that a project meets the benchmarks, the board is to review the application under the second review process. However, the bill clarifies that nothing in the bill is to authorize the board to conduct a siting review of a project, or to review the environmental impact of a project, regardless of whether the project is reviewed under the first or second process.

A utility may apply under the first application review process, and the board is required to approve the application, if the board finds that: (1) the project meets applicable grid performance benchmarks established by the board under the bill through the proposed deployment of advanced transmission technologies (ATTs); (2) the utility can efficiently manage and supervise the construction process and has taken sufficient action to ensure adequate and efficient construction and supervision of the construction; and (3) the utility can finance the proposed construction without significant adverse financial consequences for the utility or its customers. The board is required to

issue an order with its determination under the first application review process within 120 days of receiving a completed application and may extend this period by up to 30 days in certain circumstances.

Alternatively, a utility may apply under the second application review process, and the board is required to approve an application, after notice and hearing, if the board finds that: (1) the project is necessary to provide safe, adequate, and reliable service to the utility's customers and is a reasonable and cost-effective means of satisfying those service needs; (2) the utility can efficiently manage and supervise the construction process and has taken sufficient action to ensure adequate and efficient construction and supervision of the construction; and (3) the utility can finance the proposed construction without significant adverse financial consequences for the utility or its customers. The board is required to issue an order with its determination under the second application review process within 180 days of receiving a completed application and may extend this period by up to 90 days.

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

In addition, the board is required to allow the public to participate in, and have access to, a utility's project application with certain confidentiality restrictions outlined in the bill. Under the bill, a utility is prohibited from filing an application until PJM Interconnection, L.L.C. (PJM) completes its review of the project under Attachment M-3 of the PJM Open Access Transmission Tariff.

Finally, the board is required to establish grid performance benchmarks that incorporate certain federal guidance and industry consensus standards. The board is required to review and update the benchmarks at least once every three years.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- (1) update the findings and declarations;
- (2) remove the definition of "advanced distribution technologies" and omit all references to "advanced distribution technologies" from the bill;
- (3) revise the definition of "supplemental transmission project," change the defined term "supplemental transmission project" to "supplemental project";
- (4) require a utility applying for a certificate to include an explanation of, in part, the cost-effectiveness of the deployment of ATTs and, if utility decides not to deploy ATTs, include a third-party analysis of the cost-effectiveness of the project as compared to the deployment of ATTs;

(5) require applicants to pay an application fee under both review processes established by the bill rather than under the review process established by section 6 of the bill;

(6) provide that the Division of Rate Counsel and the PJM Independent Market Monitor are to have access to any material deemed confidential, as approved by the board, relating to a utility's project application so long as the division and the market monitor are subject to a non-disclosure agreement;

(7) remove provisions establishing a process that would have allowed a utility to deploy ATTs outside the State to satisfy certificate review criteria under section 5 of the bill;

(8) remove a provision that would have required the board to review a project application under section 5 of the bill if the utility was concurrently deploying advanced distribution technologies (ADTs) in a manner and form outlined in the bill;

(9) remove from certificate review criteria in sections 5 and 6 of the bill requirements related to distribution capital spending;

(10) require a utility applying under section 5 of the bill to present a cost-effectiveness analysis, which the board is to make findings on if disputed. The first reprint of the bill would have automatically deemed any project to be a reasonable and cost-effective means of meeting the bill's requirements if the project application was reviewed under section 5 of the bill;

(11) remove a provision that would have required the board to approve an application reviewed under section 6 of the bill if the project, in part, was a reasonable and cost-effective means of promoting the development of a competitive electricity market that operates efficiently and is equitable to all customers;

(12) require stakeholder meetings and opportunity for written comments during the board's establishment of grid performance benchmarks;

(13) revise the list of grid performance benchmarks under the bill to include demonstrated cost-effectiveness when evaluated on a life-cycle basis over the useful life of the investment rather than over a defined planning horizon;

(14) remove a provision that would have required the board to identify which grid performance benchmarks apply to ATTs and which apply to ADTs; and

(15) revise the bill's synopsis.