

LEGISLATIVE FISCAL ESTIMATE

SENATE, No. 4296

STATE OF NEW JERSEY

222nd LEGISLATURE

DATED: JUNE 25, 2026

SUMMARY

Synopsis: "Power NJ Act"; establishes advanced nuclear energy procurement program in BPU.

Type of Impact: Annual increase in State and local expenditures.

Agencies Affected: Board of Public Utilities; New Jersey Economic Development Authority; Division of Rate Counsel in the Department of the Treasury; Department of Environmental Protection; local government units.

Office of Legislative Services Estimate

Fiscal Impact	Annual
State Expenditure Increase	Indeterminate
Local Expenditure Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill may result in an indeterminate increase in administrative expenses for the Board of Public Utilities and the New Jersey Economic Development Authority, which are required by the bill to implement an advanced nuclear energy procurement program. The OLS notes that the bill provides a mechanism for the qualified project entity to reimburse the board and the authority for reasonable project review costs, including consulting fees. However, the bill does not expressly provide reimbursement for all State activities related to program creation.
- The bill also requires electric power suppliers and basic generation service providers to purchase Reliable Capacity Certificates (RCCs) from qualified projects. Accordingly, the OLS estimates a potential increase in State and local expenditures attributable to increased electricity supply costs because of these RCC obligations, which increased costs will be paid by electric customers, including the State and local government units.
- The bill also provides for the return of certain revenues generated by an advanced nuclear energy project to be returned to ratepayers, which may reduce the net cost to ratepayers, including to the State and local government units. However, the extent of any offset is unknown.



BILL DESCRIPTION

This bill, to be known as the Powering Opportunity, Workforce, and Energy Reliability for New Jersey Act or Power NJ Act, directs the Board of Public Utilities, in collaboration with the New Jersey Economic Development Authority, to establish a program to procure advanced nuclear energy facilities in the State.

Specifically, the bill directs the board to issue a request for expressions of interest within 180 days of the bill's enactment. Entities that are interested in participating in the program are to have 60 days to submit an expression of interest, which is to include certain technical, regulatory, financial, environmental, and economic impact information outlined in the bill.

The board is required to evaluate such submissions and is permitted to grant provisional qualifications to projects that are reasonably likely to contribute to the State's energy reliability, resilience, and capacity needs and that would provide a net benefit to ratepayers. Following provisional qualification, the board, the authority, and the project entity are to negotiate a stipulation addressing project terms as outlined in the bill.

After public notice and comment, the board may issue an order approving a project if it finds that: (1) the project costs are necessary and justified; (2) the project entity has sufficient financial integrity and access to capital; (3) the Reliable Capacity Certificate (RCC) structure distributes risks and rewards in a just and reasonable manner and will not impose unreasonable or excessive costs on New Jersey electric customers; and (4) the baseline threshold results in a net increase in nuclear energy equal to greater than 50 percent of the project's rated output.

Finally, the bill requires the board to establish an RCC program. Under the RCC program, each qualified project is to earn one RCC for each megawatt-hour of electricity it generates, subject to certain limitations. An electric power supplier or basic generation service provider is required to satisfy its RCC obligations under the RCC program by purchasing RCCs at prices and over compliance periods established by board order.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill may result in an indeterminate increase in administrative expenses for the Board of Public Utilities and the New Jersey Economic Development Authority, which are required by the bill to implement an advanced nuclear energy procurement program.

The OLS notes that the bill provides a mechanism for the qualified project entity to reimburse the board and the authority for reasonable project review costs, including consulting fees. This provision may offset to some extent the State administrative cost associated with reviewing individual projects. However, the bill does not expressly provide reimbursement for all State activities related to program creation, rulemaking, Division of Rate Counsel participation, Department of Environmental Protection consultation, or general oversight.

The bill also requires electric power suppliers and basic generation service providers to purchase Reliable Capacity Certificates (RCCs) from qualified projects. Accordingly, the OLS estimates a potential increase in State and local expenditures attributable to increased electricity supply costs because of these RCC obligations, which increased costs will be paid by electric

customers, including the State and local government units. The amount of these costs cannot be estimated until the board approves a project and establishes the RCC price, payment schedule, term, and annual obligation. The bill also requires the return of certain revenues to be returned to ratepayers, including revenues from the sale of energy, capacity, and ancillary services in PJM, revenues generated by certain direct power purchase agreements, and other market revenues. This return may reduce the net cost to ratepayers, including to the State and local government units, but the extent of any offset is unknown.

The OLS notes that the bill may potentially result in State and local revenue increases due to increased economic activity if an advanced nuclear energy project is developed and becomes operational in the State.

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.).