LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 4296

STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: JULY 6, 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 requires the board, the authority, and a provisionally qualified project entity to enter into a stipulation, which stipulation may provide for the return of certain revenues generated by an advanced nuclear energy project 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 the 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.

The bill requires the board to solicit expressions of interest for advanced nuclear energy projects and establishes a process for evaluating, negotiating, approving, and supporting qualified projects through the issuance of Reliable Capacity Certificates (RCCs).

The bill authorizes the board and the authority to negotiate project terms, including construction cost estimates, project milestones, revenue-sharing provisions, and RCC pricing structures. Under the bill, electric power suppliers and basic generation service providers are required to purchase RCCs generated by qualified projects. The bill further provides for certain project revenues to be returned to ratepayers.

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 board, the authority, and a provisionally qualified project entity to enter into a stipulation, which may result in the return of certain revenues 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*
Analyst:	*Michael D. Walker Jr.* *Associate Fiscal Analyst*
Approved:	*Thomas Koenig* *Legislative Budget and Finance Officer*

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.).