SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 4296

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 28, 2026

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 4296.

As amended, 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 (BPU), in collaboration with the New Jersey Economic Development Authority (EDA), to establish a program to procure advanced nuclear energy facilities in the State.

The bill directs the BPU to issue a request for expressions of interest within 180 days of the bill's effective date. Under the procurement program established by the bill, entities have up to 60 days to submit an expression of interest. The bill establishes certain minimum content requirements for an expression of interest, including that it contain a letter of intent filed with the United States Nuclear Regulatory Commission (NRC) and a proposed licensing pathway under the NRC.

Upon receiving a completed expression of interest, the BPU has 90 days to review the expression of interest and is authorized to grant provisional qualification status to any advanced nuclear energy project that sufficiently meets certain criteria outlined in the bill, which project is then to be considered a provisionally qualified project. After granting such status, the BPU is to negotiate and enter into a stipulation concerning certain information regarding the provisionally qualified project, including, but not limited to, the operation date of the project, the construction cost of the project, and Reliability Capacity Certificate (RCC) value and payment schedule for the project. Under the bill, the RCC is a certificate, issued by the BPU or its designee, representing the environmental attributes of one megawatt hour of electric generation from an advanced nuclear energy project that participates in the program, which project is to be known as a qualified project.

Within 90 days after entering into a stipulation with a provisionally qualified project, the BPU is to issue a final board order approving the project as a qualified project under the program. However, prior to granting its approval, the BPU is to ensure that the qualified project meets certain conditions prescribed in the stipulation, as outlined in the

bill, including certain conditions regarding the qualified project's proposed RCC structure.

Under the bill, the BPU is required to review and approve any proposal for a qualified project to sell electricity to a co-located energy user or to any end user through a direct power purchase agreement.

Finally, the bill establishes a Reliable Capacity Certificate program that, among other provisions outlined in the bill, requires electric power suppliers and basic generation service providers to purchase a certain number of RCCs each year in order to provide revenue to qualified projects. Some or all revenues earned by a qualified project from the sale of energy, capacity, or ancillary services are to be returned to New Jersey ratepayers.

COMMITTEE AMENDMENTS:

The committee amendments to the bill:

(1) revise the findings and declarations section of the bill;

(2) replace the term "megawatt hour" with "megawatt of capacity, as defined in the PJM Open Access Transmission Tariff" in certain provisions of the bill related to energy procurement programs operated by PJM Interconnection, L.L.C.;

(3) require the expression of interest filed by an entity wishing to construct an advanced nuclear energy project to include a holistic economic assessment of the project and impacts on electric utility customer bills caused by the RCC;

(4) provide that the BPU is to consult with the Division of Rate Counsel, Department of Environmental Protection, and any other State agency the board deems appropriate, when evaluating proposed projects;

(5) require the BPU to evaluate the cumulative effect of multiple projects on ratepayers when determining whether to grant provisional qualification status or qualified project status to more than one project;

(6) require the BPU, if granting provisional qualification status to multiple proposed projects, to assess the proposed project's RCC price and whether the proposed project's energy offtake agreement meets certain requirements;

(7) allow a qualified project entity to retain new, unanticipated tax credits or other governmental benefits in order to recover administrative costs related to the qualified project as well as a certain percentage of such tax credits or governmental benefits as negotiated in the stipulation;

(8) require the stipulation to undergo a public comment period and the BPU and the EDA's chief executive offer to review all public comments and discuss amendments to the stipulation based on the public comments;

(9) require the BPU to conduct a public hearing during the public comment period in the municipality where the proposed project is located;

(10) require BPU staff and the EDA's board of directors to provide a cost benefit analysis of the stipulation in addition to the stipulation prior to BPU approval of the stipulation;

(11) require the stipulation to have a net benefit to ratepayers in order for the BPU to approve of a provisionally qualified project;

(12) require the BPU to, in addition to receiving consent from the EDA's chief executive officer, consult with the Division of Rate Counsel and provide an opportunity for the public to be heard when grating a qualified project's modification of a final board order;

(13) establish certain requirements for the return of revenues earned by a qualified project's sales of energy during the RCC program or through a direct power purchase agreement to ratepayers;

(14) prohibit a qualified project from receiving an RCC if the qualified project receives a zero-emission certificate pursuant to certain existing law;

(15) modify the confidentiality section of the bill to allow the Division of Rate Counsel or PJM's independent market monitor to enter into nondisclosure agreements with the BPU, the EDA, or a qualified project entity, as applicable, to receive information designated as confidential for purposes of performing their respective oversight and market monitoring functions; and

(16) make technical and clarifying changes.

FISCAL IMPACT:

Fiscal information is currently unavailable.