

ASSEMBLY, No. 1974

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

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District 18 (Middlesex)

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District 14 (Mercer and Middlesex)

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District 36 (Bergen and Passaic)

SYNOPSIS

Requires BPU and electric public utilities to conduct energy storage analysis.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 5/12/2021)

1 **AN ACT** requiring the Board of Public Utilities and electric public
2 utilities to conduct an energy storage analysis.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. a. Within one year after the effective date of this act, the
8 Board of Public Utilities, together with the State's electric public
9 utilities, and in consultation with PJM Interconnection, L.L.C., the
10 independent system operator, shall conduct an energy storage
11 analysis and submit a written report to the Governor and, pursuant
12 to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature
13 concerning energy storage needs and opportunities in the State. In
14 conducting this analysis, the board and the electric public utilities
15 shall:

16 (1) consider how implementation of renewable electric energy
17 storage systems may benefit ratepayers by providing emergency
18 back-up power for essential services, offsetting peak loads, and
19 stabilizing the electric distribution system;

20 (2) consider whether implementation of renewable electric
21 energy storage systems would promote the use of electric vehicles
22 in the State and the potential impact on renewable energy
23 production in the State;

24 (3) study the types of energy storage technologies currently
25 being implemented in the State;

26 (4) consider the benefits and costs to ratepayers, local
27 governments, and electric public utilities associated with the
28 development and implementation of additional energy storage
29 technologies;

30 (5) determine the optimal amount of energy storage to be added
31 in the State over the next five years in order to provide the
32 maximum benefit to ratepayers;

33 (6) determine the optimum points of entry into the electric
34 distribution system for distributed energy resources; and

35 (7) calculate the cost to the State's ratepayers of adding the
36 optimal amount of energy storage.

37 In conducting the analysis required by this subsection, the board
38 and the electric public utilities shall also consider the need for
39 integration of distributed energy resources into the electric
40 distribution system and how distributed energy resources may be
41 incorporated into the electric distribution system in the most
42 efficient and cost-effective manner.

43 b. In conducting the energy storage analysis required by this
44 section, the board and the electric public utilities shall consult with
45 the Laboratory for Energy Smart Systems in the Center for
46 Advanced Infrastructure and Transportation at Rutgers, The State
47 University, and public and private entities in the State and in other

1 states that have conducted studies concerning, or are implementing
2 technologies for, energy storage and distributed energy resources.

3 c. The written report shall: (1) summarize the analysis
4 conducted pursuant to subsection a. of this section; (2) discuss and
5 quantify the potential benefits and costs associated with increasing
6 opportunities for energy storage and distributed energy resources in
7 the State; and (3) recommend ways to increase opportunities for
8 energy storage and distributed energy resources opportunities in the
9 State, including any recommendations for financial incentives to aid
10 in the development and implementation of these technologies by
11 public and private entities in the State.

12
13 2. This act shall take effect immediately.
14
15

16 STATEMENT
17

18 This bill requires the Board of Public Utilities, together with the
19 State's electric public utilities, in consultation with PJM, the
20 independent system operator, to conduct an energy storage analysis.

21 In conducting the analysis required by the bill, the board and
22 electric public utilities would:

23 (1) consider how implementation of renewable electric energy
24 storage systems may benefit ratepayers by providing emergency
25 back-up power for essential services, offsetting peak loads, and
26 stabilizing the electric distribution system;

27 (2) consider whether implementation of renewable electric
28 energy storage systems would promote the use of electric vehicles
29 in the State and the potential impact on renewable energy
30 production in the State;

31 (3) study the types of energy storage technologies currently
32 being implemented in the State;

33 (4) consider the benefits and costs to ratepayers, local
34 governments, and electric public utilities associated with the
35 development and implementation of additional energy storage
36 technologies;

37 (5) determine the optimal amount of energy storage to be added
38 in the State over the next five years in order to provide the
39 maximum benefit to ratepayers;

40 (6) determine optimum points of entry into the electric
41 distribution system for distributed energy resources; and

42 (7) calculate the cost to the State's ratepayers of adding the
43 optimal amount of energy storage.

44 In conducting this analysis, the bill directs the board and electric
45 public utilities to also consider the need for integration of
46 distributed energy resources into the electric distribution system and
47 how distributed energy resources may be incorporated into the

1 electric distribution system in the most efficient and cost-effective
2 manner.

3 The bill directs the board and electric public utilities to consult
4 with the Laboratory for Energy Smart Systems at Rutgers, The State
5 University, and public and private entities in the State and in other
6 states that have conducted studies concerning, or are implementing
7 technologies for, energy storage and distributed energy resources.

8 The bill requires the board and electric public utilities to prepare
9 and submit, within one year after enactment of the bill into law, a
10 written report to the Governor and to the Legislature concerning
11 energy storage needs and opportunities in the State. The report
12 would: (1) summarize the energy storage analysis; (2) discuss and
13 quantify the potential benefits and costs associated with increasing
14 opportunities for energy storage and distributed energy resources in
15 the State; and (3) recommend ways to increase opportunities for
16 energy storage and distributed energy resources opportunities in the
17 State, including any recommendations for financial incentives to aid
18 in the development and implementation of these technologies by
19 public and private entities in the State.