

ASSEMBLY HOMELAND SECURITY AND STATE
PREPAREDNESS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2427

STATE OF NEW JERSEY

DATED: FEBRUARY 24, 2021

The Assembly Homeland Security and State Preparedness Committee reports favorably Assembly Bill No. 2427. “The Reliability, Preparedness, and Storm Response Act,” requires the Board of Public Utilities (“BPU”) to develop and enforce performance benchmarks for service reliability and communications for electric public utilities and requires electric public utilities to submit to the BPU a review of strategies to mitigate flooding of substations within flood zones.

In addition, the bill requires all public utilities conducting business in the State to file a service reliability plan and an emergency communications strategic plan for review and approval by the BPU. After review of a public utility’s service reliability or communications plan, the BPU may order the public utility to make modifications as it deems reasonably necessary to remedy any deficiency.

The BPU will have the authority to open an investigation to review the performance or communications of a public utility during an outage in the public utility’s service area. If the BPU finds that, as a result of the failure of a public utility to implement its service reliability plan or communications plan, the public utility’s performance was materially less effective, the BPU may impose a civil administrative penalty.

This bill amends existing law to increase the civil penalties paid by all public utilities for lapses in service delivery, preparedness, and responsiveness in emergencies. Civil penalties will be increased from \$100 per day to \$25,000 for each violation, but penalties are not to exceed \$2,000,000 for any series of related events. The “Board of Public Utilities Civil Penalty Fund” will be established in the BPU, into which all penalties collected will be deposited. The money in the fund will be used to increase public utilities’ service quality and reliability. Civil penalties will not be recoverable from ratepayers.