

ASSEMBLY, No. 2454

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 3, 2020

Sponsored by:

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Assemblywoman CAROL A. MURPHY

District 7 (Burlington)

SYNOPSIS

Requires certain electric public utilities to file emergency response plan with Board of Public Utilities.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/16/2020)

1 AN ACT requiring investor-owned electric public utilities to file an
2 emergency response plan with the Board of Public Utilities and
3 supplementing Title 48 of the Revised Statutes.

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

7
8 1. As used in this act:

9 “Board” means the Board of Public Utilities.

10 “Electric public utility” or “utility” means a public utility, as that
11 term is defined in R.S.48:2-13, that transmits and distributes
12 electricity to end users within this State.

13
14 2. a. The board shall establish standards of acceptable
15 performance for emergency preparation and restoration of service
16 for investor-owned electric public utilities doing business in the
17 State. These standards shall replicate national best practices for
18 service restoration, subject to adjustment as appropriate to
19 accommodate any factors unique to the State.

20 b. The board shall open a full investigation of any alleged
21 failure of an investor-owned electric public utility to meet the
22 standards established pursuant to subsection a. of this section, upon
23 its own initiative, upon petition of the Governor, or by the board of
24 chosen freeholders of an affected county, or by petition from an
25 affected municipality. The investigation shall seek to determine
26 whether an investor-owned electric public utility has committed a
27 violation of the board’s standards of acceptable performance;
28 provided, however, that the petition to open an investigation shall
29 be filed with the board not more than 90 days after the violation has
30 been remedied.

31 c. The board shall impose a penalty not to exceed \$10,000 for
32 each violation for each day that the violation of the board’s
33 standards persists; provided, however, that the maximum penalty
34 shall not exceed \$1,000,000 for any related series of violations.

35
36 3. a. Each investor-owned electric public utility conducting
37 business in the State shall annually, on or before May 15, submit to
38 the board an emergency response plan for review and approval.
39 The emergency response plan shall be designed for the reasonably
40 prompt restoration of service in the event of a widespread outage in
41 the service area of the utility due to storms or other causes beyond
42 the control of the utility, and the provisions of the plan shall reflect
43 the standards established pursuant to subsection a. of section 2 of
44 this act. The emergency response plan shall include but not be
45 limited to the following:

46 (1) The identification of management staff responsible for utility
47 operations during an emergency;

- 1 (2) An explanation of the utility's system for communicating
- 2 with customers during an emergency that extends beyond normal
- 3 business hours and business conditions;
- 4 (3) A history, for the year ending April 30, of contacts with
- 5 customers that document a need of essential electricity for medical
- 6 reasons;
- 7 (4) Designation of utility staff to communicate with local
- 8 officials and relevant regulatory agencies;
- 9 (5) Provisions regarding how the utility will assure the safety of
- 10 its employees and contractors;
- 11 (6) Procedures for deploying utility and mutual aid crews to
- 12 work assignment areas; and
- 13 (7) Identification of supplies and equipment reasonably
- 14 anticipated by the utility to be needed during an emergency and the
- 15 means of obtaining additional supplies and equipment.
- 16 b. After review of an investor-owned electric public utility's
- 17 emergency response plan, the board may request that the utility
- 18 amend the plan. If the board finds a material deficiency in the plan,
- 19 the board may order the utility to make such modifications as it
- 20 deems reasonably necessary to remedy the deficiency.
- 21 c. Any investor-owned electric public utility failing to file its
- 22 emergency response plan by May 15th, may be fined \$1,000 per day
- 23 until an emergency response plan is filed.
- 24 d. The board shall also have the authority to open an
- 25 investigation to review the performance of any investor-owned
- 26 electric public utility in restoring service during a widespread
- 27 outage in the utility's service area. If, after evidentiary hearings or
- 28 other investigatory proceedings, the board finds that, as a result of
- 29 the failure of the utility to implement its emergency response plan,
- 30 the length of the outages were materially longer than they would
- 31 have been but for the utility's failure, the board may impose a fine
- 32 commensurate with the length and severity of the damage caused by
- 33 that failure.
- 34
- 35 4. Any fines imposed under this act shall be deposited into a
- 36 non-lapsing account to be administered by the board. The account
- 37 shall be used to award grants to municipalities affected by major
- 38 service outages for the purpose of maintaining public rights of way
- 39 located near public utility service infrastructure. Qualified
- 40 maintenance activities include tree trimming and removing hazards
- 41 that could lead to future outages.
- 42
- 43 5. The board shall promulgate any rules and regulations
- 44 pursuant to the "Administrative Procedure Act" P.L.1968, c.410
- 45 (C.52:14B-1 et seq.) necessary to effectuate the provisions
- 46 of this act.

1 6. This act shall take effect 12 months following enactment.

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STATEMENT

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6 This bill requires the Board of Public Utilities (board) to
7 establish a set of standards for emergency preparation and
8 restoration of service after an outage that every investor-owned
9 electric public utility (utility) in the State must follow. The
10 standards are intended to serve as a minimum set of best practices
11 that every utility in the State should follow with regard to power
12 outages. The bill establishes that a utility which fails to meet these
13 standards shall be fined \$10,000 per violation, per day. The total
14 amount of the fine is limited to \$1 million for a series of related
15 events. The board can investigate a violation on its own initiative
16 or upon request from the Governor, from county freeholders
17 affected by an outage, or from a municipality affected by an outage.

18 The bill also requires every utility to file an emergency response
19 plan with the board. This plan would serve as an official plan of
20 action for each utility in the event of a major power outage and
21 must include: the identification of management staff responsible for
22 utility operations during an emergency; an explanation of the
23 utility's system of communication with customers during an
24 emergency that extends beyond normal business hours and business
25 conditions; a history of contacts with customers that document a
26 need of essential electricity for medical reasons; designation of
27 utility staff to communicate with local officials and relevant
28 regulatory agencies; provisions regarding how the utility will assure
29 the safety of its employees and contractors; procedures for
30 deploying utility and mutual aid crews to work assignment areas;
31 and identification of supplies and equipment anticipated to be
32 needed by the utility during an emergency and the means of
33 obtaining additional supplies and equipment.

34 If a utility fails to file an emergency response plan, the board can
35 fine the utility \$1,000 per day until a plan is filed. If the board
36 investigates a utility after an outage and finds that the utility failed
37 to follow its emergency response plan, the board is directed to
38 impose a fine that reflects the severity of the damage caused by
39 failing to follow the plan.

40 Any fines imposed by the board under this bill are to be placed in
41 a non-lapsing account administered by the board. Monies in the
42 account are to be distributed as grant funds to municipalities
43 affected by power outages for maintenance costs along rights of
44 way near utility infrastructure, such as tree trimming near power
45 lines or removing hazards that could potentially cause a future
46 outage.