

ASSEMBLY HOMELAND SECURITY AND STATE  
PREPAREDNESS COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2454**

**STATE OF NEW JERSEY**

DATED: OCTOBER 19, 2020

The Assembly Homeland Security and State Preparedness Committee reports favorably Assembly Bill No. 2454.

As reported by the committee, Assembly Bill No. 2454 requires the Board of Public Utilities (board) to establish a set of standards for emergency preparation and restoration of service after an outage that every investor-owned electric public utility (utility) in the State must follow. The standards are intended to serve as a minimum set of best practices that every utility in the State should follow with regard to power outages. The bill establishes that a utility which fails to meet these standards shall be fined \$10,000 per violation, per day. The total amount of the fine is limited to \$1 million for a series of related events. The board can investigate a violation on its own initiative or upon request from the Governor, from county freeholders affected by an outage, or from a municipality affected by an outage.

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

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

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