

ASSEMBLY, No. 3469

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 25, 2020

Sponsored by:

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

SYNOPSIS

Requires funds collected through societal benefits charge not allocated be credited to electric and gas public utility customers.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning allocation of societal benefits charge funds and
2 amending P.L.1999, c.23.

3

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

6

7 1. Section 12 of P.L.1999, c.23 (C.48:3-60) is amended to read
8 as follows:

9 12. a. Simultaneously with the starting date for the
10 implementation of retail choice as determined by the board pursuant
11 to subsection a. of section 5 of **[this act]** P.L.1999, c.23 (C.48:3-
12 53), the board shall permit each electric public utility and gas public
13 utility to recover some or all of the following costs through a
14 societal benefits charge that shall be collected as a non-bypassable
15 charge imposed on all electric public utility customers and gas
16 public utility customers, as appropriate:

17 (1) The costs for the social programs for which rate recovery
18 was approved by the board prior to April 30, 1997. For the purpose
19 of establishing initial unbundled rates pursuant to section 4 of **[this**
20 **act]** P.L.1999, c.23 (C.48:3-52), the societal benefits charge shall
21 be set to recover the same level of social program costs as is being
22 collected in the bundled rates of the electric public utility on the
23 effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.). The
24 board may subsequently order, pursuant to its rules and regulations,
25 an increase or decrease in the societal benefits charge to reflect
26 changes in the costs to the utility of administering existing social
27 programs. Nothing in **[this act]** P.L.1999, c.23 (C.48:3-49 et al.)
28 shall be construed to abolish or change any social program required
29 by statute or board order or rule or regulation to be provided by an
30 electric public utility. Any such social program shall continue to be
31 provided by the electric public utility until otherwise provided by
32 law, unless the board determines that it is no longer appropriate for
33 the electric public utility to provide the program, or the board
34 chooses to modify the program;

35 (2) Nuclear plant decommissioning costs;

36 (3) The costs of demand side management programs that were
37 approved by the board pursuant to its demand side management
38 regulations prior to April 30, 1997. For the purpose of establishing
39 initial unbundled rates pursuant to section 4 of **[this act]** P.L.1999,
40 c.23 (C.48:3-52), the societal benefits charge shall be set to recover
41 the same level of demand side management program costs as is
42 being collected in the bundled rates of the electric public utility on
43 the effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.).
44 Within four months of the effective date of **[this act]** P.L.1999,
45 c.23 (C.48:3-49 et al.), and every four years thereafter, the board

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 shall initiate a proceeding and cause to be undertaken a
2 comprehensive resource analysis of energy programs, and within
3 eight months of initiating such proceeding and after notice,
4 provision of the opportunity for public comment, and public
5 hearing, the board, in consultation with the Department of
6 Environmental Protection, shall determine the appropriate level of
7 funding for energy efficiency and Class I renewable energy
8 programs that provide environmental benefits above and beyond
9 those provided by standard offer or similar programs in effect as of
10 the effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.);
11 provided that the funding for **[such]** demand side management
12 programs be no less than **[50%]** 50 percent of the total Statewide
13 amount being collected in **[public]** electric and gas public utility
14 rates for demand side management programs on the effective date
15 of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.) for an initial period of
16 four years from the issuance of the first comprehensive resource
17 analysis following the effective date of **[this act]** P.L.1999, c.23
18 (C.48:3-49 et al.), and provided that **[25%]** 25 percent of this
19 amount shall be used to provide funding for Class I renewable
20 energy projects in the State. In each of the following fifth through
21 eighth years, the Statewide funding for **[such]** demand side
22 management programs shall be no less than 50 percent of the total
23 Statewide amount being collected in **[public]** electric and gas
24 public utility rates for demand side management programs on the
25 effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.), except
26 that as additional funds are made available as a result of the
27 expiration of past standard offer or similar commitments, the
28 minimum amount of funding for **[such]** demand side management
29 programs shall increase by an additional amount equal to 50 percent
30 of the additional funds made available, until the minimum amount
31 of funding dedicated to **[such]** demand side management programs
32 reaches \$140,000,000 total. After the eighth year, the board shall
33 make a determination as to the appropriate level of funding for
34 these programs. **[Such]** The demand side management programs
35 shall include a program to provide financial incentives for the
36 installation of Class I renewable energy projects in the State, and
37 the board, in consultation with the Department of Environmental
38 Protection, shall determine the level and total amount of **[such]** the
39 incentives as well as the renewable technologies eligible for **[such]**
40 the incentives which shall include, at a minimum, photovoltaic,
41 wind, and fuel cells. The board shall simultaneously determine, as
42 a result of the comprehensive resource analysis, the programs to be
43 funded by the societal benefits charge, the level of cost recovery
44 and performance incentives for old and new programs and whether
45 the recovery of demand side management programs' costs currently
46 approved by the board may be reduced or extended over a longer

1 period of time. The board shall make these determinations taking
2 into consideration existing market barriers and environmental
3 benefits, with the objective of transforming markets, capturing lost
4 opportunities, making energy services more affordable for low
5 income customers and eliminating subsidies for programs that can
6 be delivered in the marketplace without electric public utility and
7 gas public utility customer funding;

8 (4) Manufactured gas plant remediation costs, which shall be
9 determined initially in a manner consistent with mechanisms in the
10 remediation adjustment clauses for the electric public utility and gas
11 public utility adopted by the board; and

12 (5) The cost, of consumer education, as determined by the
13 board, which shall be in an amount that, together with the consumer
14 education surcharge imposed on electric power supplier license fees
15 pursuant to subsection h. of section 29 of **[this act]** P.L.1999, c.23
16 (C.48:3-78) and the consumer education surcharge imposed on gas
17 supplier license fees pursuant to subsection g. of section 30 of **[this**
18 **act]** P.L.1999, c.23 (C.48:3-79), shall be sufficient to fund the
19 consumer education program established pursuant to section 36 of
20 **[this act]** P.L.1999, c.23 (C.48:3-85).

21 On and after the date of enactment of P.L. , c. (C.)
22 (pending before the Legislature as this bill), all funds imposed and
23 collected pursuant to this subsection which, as of the
24 commencement of each State fiscal year, have not been allocated to
25 the electric public utilities and gas public utilities to recover costs,
26 as provided under this subsection, shall be appropriated to the
27 electric public utilities and gas public utilities for the purpose of
28 providing a credit to electric public utility customers and gas public
29 utility customers in a manner to be determined by board regulation.
30 Each customer shall be awarded a pro-rata share of the funds
31 through a credit on the electric or gas public utility bill of a
32 customer within 120 days after the date of the appropriation. A
33 customer that is a customer of a single public utility providing both
34 electric service and gas service to that customer shall receive a pro
35 rata share of the credit in connection with each service.

36 b. There is established in the **[Board of Public Utilities]** board
37 a nonlapsing fund to be known as the "Universal Service Fund."
38 The board shall determine: the level of funding and the appropriate
39 administration of the fund; the purposes and programs to be funded
40 with monies from the fund; which social programs shall be provided
41 by an electric public utility as part of the provision of its regulated
42 services which provide a public benefit; whether the funds
43 appropriated to fund the "Lifeline Credit Program" established
44 pursuant to P.L.1979, c.197 (C.48:2-29.15 et seq.), the "Tenants'
45 Lifeline Assistance Program" established pursuant to P.L.1981,
46 c.210 **[(C.48:2-29.31 et seq.)]** (C.48:2-29.30 et seq.), the funds
47 received pursuant to the Low Income Home Energy Assistance

1 Program established pursuant to 42 U.S.C. s.8621 et seq., and funds
2 collected by electric and **【natural】** gas public utilities, as authorized
3 by the board, to offset uncollectible **【electricity】** electric and
4 **【natural】** gas public utility bills should be deposited in the fund;
5 and whether new charges should be imposed to fund new or
6 expanded social programs.
7 (cf: P.L.1999, c.23, s.12)

8
9 2. This act shall take effect immediately.

10
11
12 STATEMENT

13
14 This bill provides that all funds collected in relation to the
15 societal benefits charge (SBC) which, as of the commencement of
16 each State fiscal year, have not been allocated to the electric and
17 gas public utilities and, to recover costs associated with the SBC,
18 are to be appropriated to the electric and gas public utilities for the
19 purpose of providing a credit to electric and gas public utility
20 customers in a manner to be determined by board regulation. Each
21 customer is to be awarded a pro-rata share of the funds through a
22 credit on that customer's electric or gas utility bill, as appropriate.