

ASSEMBLY, No. 4768

STATE OF NEW JERSEY 219th LEGISLATURE

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SYNOPSIS

Requires electric public utility to install and operate smart meters and smart meter technology at customers' premises upon request and in new building construction.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning certain electric public utility metering
2 equipment and technology and supplementing Title 48 of the
3 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 P.L. , c. (C.) (pending before the
9 Legislature as this bill):

10 “Board” means the Board of Public Utilities or any successor
11 agency.

12 “Customer” means any person that is an end user and is
13 connected to any part of the transmission and distribution system
14 within an electric public utility's service territory within this State.

15 “Electric power supplier” shall have the same meaning as
16 provided in section 3 of P.L.1999, c.23 (C.48:3-51).

17 “Electric public utility” or “utility” means a public utility, as that
18 term is defined in R.S.48:2-13, that provides electric distribution
19 service to customers in this State.

20 “Electric related service” shall have the same meaning as
21 provided in section 3 of P.L.1999, c.23 (C.48:3-51).

22 “Smart meter” means an electric metering device that employs
23 smart meter technology to measure and record electricity usage data
24 to both an electric public utility and a customer for billing and other
25 purposes. “Smart meter” shall include a basic hourly interval
26 meter, a meter with one-way communication, and a real-time meter
27 with built-in two-way communication capable of recording and
28 transmitting instantaneous electric usage data.

29 “Smart meter technology” means technology, including metering
30 technology and network communications technology capable of
31 bidirectional communication between an electric public utility and a
32 customer, that records electricity usage on at least an hourly basis,
33 including related electric distribution system upgrades to enable the
34 technology. “Smart meter technology” shall include technology
35 that provides utility customers with direct access to, and use of,
36 electricity price and consumption information. “Smart meter
37 technology” shall also include technology that:

38 a. directly provides utility customers with information on their
39 hourly electricity usage;

40 b. enables time-of-use electric rates and real-time price
41 programs;

42 c. effectively supports the automatic control of the customer's
43 electricity consumption by one or more of the following, as selected
44 by the customer:

45 (1) the customer;

46 (2) the customer's utility; or

47 (3) a third party engaged by the customer or the customer's
48 utility.

1 2. a. Within 90 days after the effective date of P.L. ,
2 c. (C.) (pending before the Legislature as this bill), an
3 electric public utility shall submit to the Board of Public Utilities, in
4 a form and manner determined by the board, a proposed plan for the
5 procurement and installation of smart meters and smart meter
6 technology. The board shall approve or modify a proposed smart
7 meter plan within 180 days of plan submittal. A proposed smart
8 meter plan shall describe the smart meters and smart meter
9 technology the utility intends to furnish and shall require the utility
10 to furnish smart meters and smart meter technology, as follows:

11 (1) upon a request from a customer that agrees to pay the cost of
12 the smart meter at the time of the request; or

13 (2) in new building construction.

14 b. A plan filed with the board, pursuant to subsection a. of this
15 section, shall include a provision that an electric public utility shall
16 make available, with customer consent, direct smart meter access
17 and electronic access to customer smart meter data to third parties,
18 including electric power suppliers and providers of an electric-
19 related service.

20

21 3. a. Within 24 months after the effective date of P.L. ,
22 c. (C.) (pending before the Legislature as this bill), an
23 electric public utility shall submit to the board one or more
24 proposed time-of-use electric rates and real-time price plans for
25 customers provided with smart meters and smart meter technology.
26 The board shall approve or modify the time-of-use rates and real-
27 time price plan within 180 days of plan submittal. A utility shall
28 offer the time-of-use rates and real-time price plan to all customers
29 that have been provided with smart meters and smart meter
30 technology pursuant to P.L. , c. (C.) (pending before the
31 Legislature as this bill). A residential or commercial customer may
32 elect to participate in a time-of-use rates or real-time price plan.

33

34 4. a. An electric public utility may recover reasonable and
35 prudent costs of providing smart meters and smart meter
36 technology, pursuant to P.L. , c. (C.) (pending before the
37 Legislature as this bill), under a plan approved by the board.
38 Eligible cost recovery shall include annual depreciation and capital
39 costs over the life of the smart meters and smart meter technology,
40 in accordance with a depreciation schedule not to exceed 15 years,
41 and the cost of any electric distribution system upgrades that the
42 utility may require to enable the use of smart meters and smart
43 meter technology that are incurred after the effective date of P.L. ,
44 c. (C.) (pending before the Legislature as this bill), less
45 operating and capital cost savings realized by the utility from the
46 installation and use of smart meters and smart meter technology.

47 b. An electric public utility may recover smart meters and
48 smart meter technology costs as follows:

1 (1) through base rates, including a deferral for future base rate
2 recovery of current basis with a carrying charge as determined by
3 the board; or

4 (2) on a full and current basis through a reconcilable automatic
5 adjustment clause as determined by the board.

6 c. In no event shall lost or decreased revenues by an electric
7 public utility, due to reduced electricity consumption or shifting
8 electricity demand, be considered any of the following:

9 (1) a cost of smart meters and smart meter technology
10 recoverable under any reconcilable automatic adjustment clause
11 allowed by the board, except that decreased revenues and reduced
12 electricity usage may be reflected in the revenue and sales data used
13 to calculate rates in a utility rate base rate proceeding filed under
14 R.S.48:2-21 or R.S.48:2-21.1; or

15 (2) a recoverable cost.

16
17 5. This act shall take effect immediately, but shall remain
18 inoperative for 60 days following the date of enactment.

21 STATEMENT

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23 This bill requires an electric public utility (utility) to file, within
24 90 days of the effective date of the bill, a proposed plan with the
25 Board of Public Utilities (BPU) for the procurement and installation
26 of “smart meters” and “smart meter technology,” as defined in the
27 bill, at customer premises. The BPU is to approve or modify the
28 smart meter plan within 180 days of plan submittal. The plan is to
29 describe the smart meters and smart meter technology the utility
30 proposes to furnish, under the condition that they be provided: 1)
31 upon a request from a customer that agrees to pay the cost of the
32 smart meter at the time of the request; or 2) in new building
33 construction. The bill requires that the smart meter plan include a
34 provision requiring a utility to make available, with customer
35 consent, direct smart meter access and electronic access to customer
36 smart meter data to third parties, including electric power suppliers
37 and providers of an electric related service.

38 The bill requires a utility to file with the BPU, within 24 months
39 of the effective date of the bill, one or more proposed time-of-use
40 electric rates and real-time price plans for customers provided with
41 smart meters and smart meter technology. The BPU is to approve
42 or modify the time-of-use rates and real-time price plan within 180
43 days of plan submittal. A residential or commercial customer may
44 elect to participate in a time-of-use rates or real-time price plan.

45 The bill allows a utility to recover reasonable and prudent costs
46 of providing smart meters and smart meter technology, as
47 determined by the BPU, through a base rate recovery proceeding or
48 an automatic adjustment clause. Eligible cost recovery is to include

1 annual depreciation and capital costs over the life of the smart
2 meters and smart meter technology, in accordance with a
3 depreciation schedule not to exceed 15 years, and the cost of any
4 electric distribution system upgrades that the utility may require to
5 enable the use of smart meters and smart meter technology which
6 are incurred, less operating and capital cost savings realized by the
7 utility from the installation and use of smart meters and smart meter
8 technology. The bill prohibits a utility from recovering lost or
9 decreased revenues from customers due to reduced electricity usage
10 or shifting electricity demand.