

ASSEMBLY, No. 5063

STATE OF NEW JERSEY

219th LEGISLATURE

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Sponsored by:

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

SYNOPSIS

Requires electric public utility to install and operate smart meter infrastructure and technology at certain customers' premises; provides employment protections for certain electric public utility employees.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning certain electric public utility meter
2 infrastructure and technology and employment protections 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 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 infrastructure” means a system consisting of the
30 following components including, but not limited to:

31 a. a smart meter at the customer's premises;
32 b. a communications network between the smart meter and the
33 electric public utility and electric power supplier serving the
34 customer; and

35 c. a smart meter data management application at the premises
36 of the electric public utility and electric power supplier.

37 “Smart meter technology” means technology, including metering
38 technology and network communications technology capable of
39 bidirectional communication between a customer and an electric
40 public utility and electric power supplier serving the customer, that
41 records electricity usage on at least an hourly basis, including
42 related electric distribution system upgrades to enable the
43 technology. “Smart meter technology” shall include technology
44 that provides utility customers with direct access to, and use of,
45 electricity price and consumption information. “Smart meter
46 technology” shall also include technology that:

47 a. directly provides utility customers with information on their
48 hourly electricity usage;

1 b. enables time-of-use electric rates and real-time price plans;
2 c. effectively supports the automatic control of the customer's
3 electricity consumption by one or more of the following, as selected
4 by the customer:

- 5 (1) the customer;
6 (2) the customer's utility; or
7 (3) a third party engaged by the customer or the customer's
8 utility.

9
10 2. a. Within 90 days after the effective date of
11 P.L. , c. (C.) (pending before the Legislature as this bill),
12 an electric public utility shall submit to the Board of Public
13 Utilities, in a form and manner determined by the board, a proposed
14 plan for the procurement and installation of smart meter
15 infrastructure and smart meter technology. The board shall approve
16 or modify a proposed smart meter plan within 180 days of plan
17 submittal. A proposed smart meter plan shall describe the smart
18 meter infrastructure and smart meter technology the utility intends
19 to furnish and shall require the utility to furnish smart meter
20 infrastructure and smart meter technology, as follows:

21 (1) upon a request from a customer that agrees to pay the cost of
22 the smart meter infrastructure and smart meter technology at the
23 time of the request; or

24 (2) in new building construction.

25 b. A plan filed with the board, pursuant to subsection a. of this
26 section, shall include a provision that an electric public utility shall
27 make available, with customer consent, direct smart meter access
28 and electronic access to customer smart meter data to third parties,
29 including electric power suppliers and providers of an electric-
30 related service.

31
32 3. Within 24 months after the effective date of
33 P.L. , c. (C.) (pending before the Legislature as this bill),
34 an electric public utility shall submit to the board one or more
35 proposed time-of-use electric rates and real-time price plans for
36 customers provided with smart meter infrastructure and smart meter
37 technology. The board shall approve or modify the time-of-use
38 rates and real-time price plan within 180 days of plan submittal. A
39 utility shall offer the time-of-use rates and real-time price plan to all
40 customers that have been provided with smart meter infrastructure
41 and smart meter technology pursuant to P.L. , c. (C.)
42 (pending before the Legislature as this bill). A residential or
43 commercial customer may elect to participate in a time-of-use rates
44 or real-time price plan.

45
46 4. a. An electric public utility may recover reasonable and
47 prudent costs of providing smart meter infrastructure and smart
48 meter technology, pursuant to P.L. , c. (C.) (pending before

1 the Legislature as this bill), under a plan approved by the board.
2 Eligible cost recovery shall include annual depreciation and capital
3 costs over the life of the smart meter infrastructure and smart meter
4 technology, in accordance with a depreciation schedule not to
5 exceed 15 years, and the cost of any electric distribution system
6 upgrades that the utility may require to enable the use of smart
7 meter infrastructure and smart meter technology that are incurred
8 after the effective date of P.L. , c. (C.) (pending before the
9 Legislature as this bill), less operating and capital cost savings
10 realized by the utility from the installation and use of smart meter
11 infrastructure and smart meter technology.

12 b. An electric public utility may recover smart meter
13 infrastructure and smart meter technology costs as follows:

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

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

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

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

28 (2) a recoverable cost.
29

30 5. An electric public utility shall offer any employee whose
31 position has been eliminated due to the utility's installation and
32 operation of smart meter infrastructure and smart meter technology
33 pursuant to P.L. , c. (C.) (pending before the Legislature as
34 this bill) a one-time right of first refusal for any available position
35 with the utility for which the employee may qualify.
36

37 6. This act shall take effect immediately, but shall remain
38 inoperative for 60 days following the date of enactment.
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40

41 STATEMENT

42
43 This bill requires an electric public utility (utility) to file, within
44 90 days of the effective date of the bill, a proposed plan with the
45 Board of Public Utilities (BPU) for the procurement and installation
46 of "smart meter infrastructure" and "smart meter technology," as
47 defined in the bill, at customer premises. The BPU is to approve or
48 modify the smart meter plan within 180 days of plan submittal. The

1 plan is to describe the smart meter infrastructure and smart meter
2 technology the utility proposes to furnish, under the condition that
3 they be provided: 1) upon a request from a customer that agrees to
4 pay the cost of the smart meter infrastructure and technology at the
5 time of the request; or 2) in new building construction. The bill
6 requires that the smart meter plan include a provision requiring a
7 utility to make available, with customer consent, direct smart meter
8 access and electronic access to customer smart meter data to third
9 parties, including electric power suppliers and providers of an
10 electric related service.

11 The bill requires a utility to file with the BPU, within 24 months
12 of the effective date of the bill, one or more proposed time-of-use
13 electric rates and real-time price plans for customers provided with
14 smart meter infrastructure and smart meter technology. The BPU is
15 to approve or modify the time-of-use rates and real-time price plan
16 within 180 days of plan submittal. A residential or commercial
17 customer may elect to participate in a time-of-use rates or real-time
18 price plan.

19 The bill allows a utility to recover reasonable and prudent costs
20 of providing smart meter infrastructure and smart meter technology,
21 as determined by the BPU, through a base rate recovery proceeding
22 or an automatic adjustment clause. Eligible cost recovery is to
23 include annual depreciation and capital costs over the life of the
24 smart meter infrastructure and smart meter technology, in
25 accordance with a depreciation schedule not to exceed 15 years, and
26 the cost of any electric distribution system upgrades that the utility
27 may require to enable the use of smart meters and smart meter
28 technology which are incurred, less operating and capital cost
29 savings realized by the utility from the installation and use of smart
30 meter infrastructure and smart meter technology. The bill prohibits
31 a utility from recovering lost or decreased revenues from customers
32 due to reduced electricity usage or shifting electricity demand.

33 The bill requires a utility to offer any employee whose position
34 has been eliminated due to the utility's installation and operation of
35 smart meter infrastructure and smart meter technology a one-time
36 right of first refusal for any available position with the utility for
37 which the employee may qualify.