

**SENATE, No. 1365**

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**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

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INTRODUCED FEBRUARY 10, 2020

**Sponsored by:**

**Senator SHIRLEY K. TURNER**

**District 15 (Hunterdon and Mercer)**

**SYNOPSIS**

Directs BPU to establish certain energy conservation programs.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning the establishment and funding of certain energy  
2 conservation programs and supplementing P.L.2005, c.215  
3 (C.48:2-92 et seq.).  
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:  
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8 1. a. Notwithstanding any law, rule, regulation, or order to the  
9 contrary, the board shall, within 60 days of the effective date of  
10 P.L. , c. (C. ) (pending before the Legislature as this bill),  
11 initiate a proceeding to establish, after notice and provision of the  
12 opportunity for comment and public hearing, programs to assist  
13 large commercial and industrial customers of electric public utilities  
14 and electric power suppliers, to reduce their energy demand.

15 b. The programs to be established pursuant to subsection a. of  
16 this section shall include, but not be limited to:

17 (1) initiatives to encourage customers within the board's  
18 commercial and industrial energy pricing class to participate in  
19 demand-response energy conservation programs offered by the PJM  
20 Interconnection, L.L.C. independent system operator or its  
21 successor with respect to electric public utilities and electric power  
22 suppliers; and

23 (2) initiatives to finance the installation of hourly meters, real-  
24 time telemetry equipment, and other advanced meter technology for  
25 such commercial and industrial customers.

26 c. The board shall, within 180 days of the effective date of  
27 P.L. , c. (C. ) (pending before the Legislature as this bill),  
28 conclude the proceeding initiated pursuant to subsection a. of this  
29 section and shall issue an order establishing the programs pursuant  
30 to subsection b. of this section.

31 d. The board shall, within one year after the issuance of the  
32 order establishing the programs pursuant to subsection c. of this  
33 section and during each subsequent one-year period following the  
34 date of issuance of that order, provide the Legislature with a report  
35 on the effectiveness of the programs, and any recommendation for  
36 any changes thereto, pursuant to section 2 of P.L.1991, c.164  
37 (C.52:14-19.1).

38 e. The programs established pursuant to subsection c. of this  
39 section shall be funded through the use of a portion of the monies  
40 received by the board as a result of the board's inclusion of a retail  
41 margin in the prices charged to certain larger non-residential  
42 customers under the board's continuing regulation of basic  
43 generation service pursuant to sections 3 and 9 of P.L.1999, c.23  
44 (C.48:3-51 and C.48:3-57). Nothing in P.L.2005, c.215 (C.48:2-92  
45 et seq.) shall be interpreted to restrict the board's discretion to set  
46 the level of the retail margin. Should the board determine to reduce  
47 or eliminate the retail margin or take any action that might  
48 implicate the funding of the programs established pursuant to

1 subsection c. of this section, the board shall assess the continuing  
2 need for such programs and upon a determination that such  
3 programs remain necessary and useful shall consider alternative  
4 funding options.

5 As used in this section, “commercial and industrial energy  
6 pricing class customers” means that group of larger non-residential  
7 customers, as determined by periodic board order, for which the  
8 basic generation service is hourly-priced.

9  
10 2. This act shall take effect immediately.

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### STATEMENT

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15 This bill directs the Board of Public Utilities (board) to establish  
16 programs to assist large commercial and industrial electric power  
17 customers with reduction of their energy usage through demand-  
18 side management programs offered by the PJM Interconnection,  
19 L.L.C., the regional electric power transmission organization  
20 serving New Jersey. The demand-side management programs  
21 include the installation of various energy-saving devices such as  
22 hourly meters, real-time telemetry equipment, and advanced meter  
23 technology, as well as other energy conservation programs that may  
24 be established by the board.

25 The PJM Interconnection, L.L.C. is the Independent System  
26 Operator serving all or part of five mid-Atlantic states, including  
27 New Jersey, as well as certain mid-Western states, and is  
28 responsible for maintaining the safety, adequacy, reliability, and  
29 security of the electric power transmission.

30 The bill provides for the funding of energy conservation  
31 programs to be established by the board through the use of a portion  
32 of the monies received by the board as a result of the board's  
33 inclusion of a retail margin in the prices charged to certain larger  
34 non-residential customers under the board's continuing regulation of  
35 basic generation service pursuant to State law. The retail margin is  
36 that component of basic generation service which is added to the  
37 wholesale price of electric power to reflect the cost of providing  
38 electric service at retail.