

SENATE ECONOMIC GROWTH COMMITTEE

STATEMENT TO

SENATE, No. 3192

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 14, 2021

The Senate Economic Growth Committee reports favorably and with committee amendments Senate Bill No. 3192.

As amended and reported, this bill requires an electric public utility (utility) to file a proposed or, as applicable, an updated plan with the Board of Public Utilities (BPU) for the procurement and installation of “smart meter infrastructure” and “smart meter technology,” as defined in the bill, at customer premises. The BPU is to approve or modify the smart meter plan within 180 days of plan submittal. The plan is to describe the smart meter infrastructure and smart meter technology the utility proposes to furnish, and the requirement that the utility furnish the smart meter infrastructure and smart meter technology either: 1) upon a request from a customer that agrees to pay the cost of the smart meter infrastructure and technology at the time of the request; or 2) in new building construction. The bill requires that the smart meter plan include a provision requiring a utility to make available, with customer consent, direct smart meter access and electronic access to customer smart meter data to third parties, including electric power suppliers and providers of an electric related service.

The bill requires a utility to file one or more proposed time-of-use electric rates and real-time price plans for customers provided with smart meter infrastructure and smart meter technology after the implementation of a smart meter plan as a component of the utility’s next rate base proceeding. The BPU is to approve or modify the time-of-use rates and real-time price plan within 180 days of plan submittal. A utility is required to offer time-of-use rates and real-time price plans to all customers that have been provided with smart meter infrastructure and smart meter technology and each residential or commercial customer may elect to participate in such a price plan.

The bill allows a utility to recover reasonable and prudent costs of providing smart meter infrastructure and smart meter technology under a proposed smart meter plan approved by the BPU. Eligible cost recovery is to include annual depreciation and capital costs over the life of the smart meter infrastructure and smart meter technology, in accordance with a depreciation schedule not to exceed 25 years, and the cost of any electric distribution system upgrades that the utility

may require to enable the use of smart meters and smart meter technology which are incurred, less operating and capital cost savings realized by the utility from the installation and use of smart meter infrastructure and smart meter technology. The bill prohibits a utility from recovering lost or decreased revenues from customers due to reduced electricity usage or shifting electricity demand, but a utility may recover costs through a petition or, as applicable, an updated petition filed and approved by the board.

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

The committee amended the bill to change timelines for plan submissions to the board, require plans to include independent analyses estimating the cost, increase the depreciation schedule timeframe for cost recovery, and to change the manner through which a utility may recover costs.