

[First Reprint]

ASSEMBLY, No. 5466

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MARCH 17, 2025

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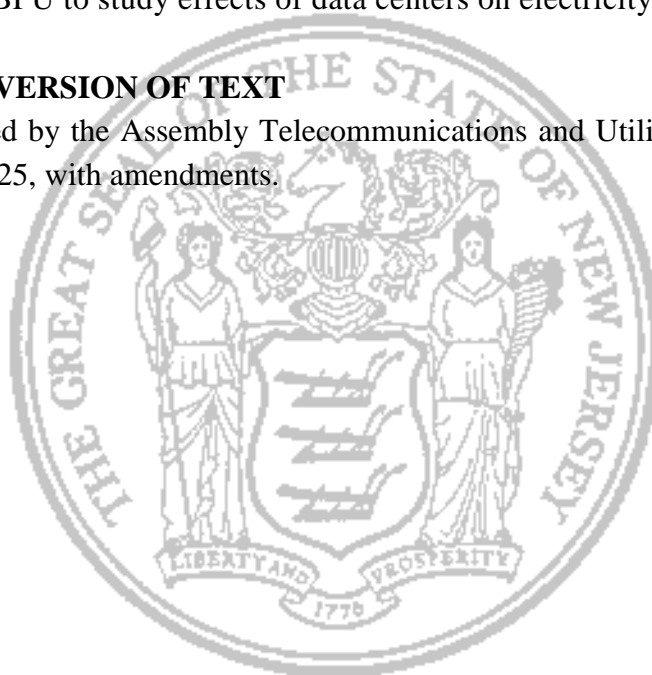
**Assemblymen Moen, Atkins, Karabinchak, Calabrese, Stanley,
Assemblywomen Speight, Drulis, Lopez, Donlon, Peterpaul, Bagolie and
Ramirez**

SYNOPSIS

Requires BPU to study effects of data centers on electricity costs.

CURRENT VERSION OF TEXT

As reported by the Assembly Telecommunications and Utilities Committee
on May 5, 2025, with amendments.



(Sponsorship Updated As Of: 5/22/2025)

1 AN ACT requiring the Board of Public Utilities to study the effects
 2 of data centers on electricity ¹**[rates]** costs¹ in the State.

3
 4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
 5 *of New Jersey:*

6
 7 1. a. As used in this section:

8 "Board" means the Board of Public Utilities.

9 ¹"Data center" means a facility in the region where PJM
 10 operates: (1) whose primary services are the storage, management,
 11 and processing of digital data; and (2) that is used to house
 12 computer and network systems, including associated components
 13 such as servers, network equipment and appliances,
 14 telecommunications, and data storage systems, systems for
 15 monitoring and managing infrastructure performance, Internet-
 16 related equipment and services, data communications connections,
 17 environmental controls, fire protection systems, and security
 18 systems and services.¹

19 "Electric public utility" means the same as the term is defined in
 20 section 3 of P.L.1999, c.23 (C.48:3-51).

21 ¹"PJM Interconnection, L.L.C." or "PJM" shall have the same
 22 meaning as provided in section 3 of P.L.1999, c.23 (C.48:3-51).¹

23 ¹**["Data center" means a facility: (1) whose primary services are**
 24 **the storage, management, and processing of digital data; and (2)**
 25 **that is used to house computer and network systems, including**
 26 **associated components such as servers, network equipment and**
 27 **appliances, telecommunications, and data storage systems, systems**
 28 **for monitoring and managing infrastructure performance, Internet-**
 29 **related equipment and services, data communications connections,**
 30 **environmental controls, fire protection systems, and security**
 31 **systems and services.]**¹

32 b. No later than one year ¹**[of]** after¹ the effective date of this
 33 section, the board shall carry out a study on the effect of electricity
 34 usage by data centers on electricity ¹**[rates]** costs¹ in the State. The
 35 board shall:

36 (1) determine if the current allocation of costs among different
 37 customer classifications of electric public utilities in the State
 38 requires ¹New Jersey¹ customers that are not data centers to
 39 unreasonably subsidize the costs of customers that are data centers;

40 (2) determine whether ¹New Jersey¹ ratepayers incur
 41 unreasonable rate increases to support new transmission,
 42 distribution, or generation facilities that are needed solely or
 43 primarily to serve customers that are data centers;

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ATU committee amendments adopted May 5, 2025.

- 1 (3) estimate the total current portion of the average residential
2 electricity rate 'in New Jersey'¹ that is attributable to the demand
3 imposed by data centers;
- 4 (4) estimate the portion of the average residential electricity rate
5 'in New Jersey'¹ that will be attributable to the demand imposed by
6 data centers in the next 20 years, assuming a range of likely
7 scenarios concerning the number of data centers **'[in the region]'**¹;
8 and
- 9 (5) assess various policy alternatives, including the use of a
10 special tariff to be applied to data centers 'within the State'¹, that
11 could be used to mitigate or avoid rate increases 'in New Jersey'¹
12 caused by increased electricity demand by data centers.
- 13 c. No later than 15 months after the effective date of this
14 section, the board shall submit to the Governor, and to the
15 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1),
16 a report that presents the findings of the study.
17
- 18 2. This act shall take effect immediately and shall expire 30
19 days after the Board of Public Utilities submits the report required
20 pursuant to subsection c. of section 1 of this act.