

[First Reprint]

ASSEMBLY SUBSTITUTE FOR
ASSEMBLY, No. 5267

STATE OF NEW JERSEY
221st LEGISLATURE

ADOPTED MAY 22, 2025

Sponsored by:

Assemblyman WAYNE P. DEANGELO
District 14 (Mercer and Middlesex)
Assemblyman DAVID BAILEY, JR.
District 3 (Cumberland, Gloucester and Salem)
Assemblyman KEVIN P. EGAN
District 17 (Middlesex and Somerset)
Senator BOB SMITH
District 17 (Middlesex and Somerset)
Senator JOHN J. BURZICHELLI
District 3 (Cumberland, Gloucester and Salem)

Co-Sponsored by:

Assemblymen Miller, Hutchison, Assemblywoman Ramirez, Assemblyman Karabinchak, Assemblywoman McCoy, Assemblyman Freiman, Assemblywomen Drulis, Simmons and Senator Greenstein

SYNOPSIS

Requires BPU to procure and incentivize transmission-scale energy storage.

CURRENT VERSION OF TEXT

As amended by the Senate on June 30, 2025.

(Sponsorship Updated As Of: 6/30/2025)

1 AN ACT concerning transmission-scale energy storage,
2 supplementing Title 48 of the Revised Statutes, and amending
3 P.L.1999, c.23.

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

7
8 1. (New section) As used in P.L. , c. (C.) (pending before
9 the Legislature as this bill):

10 “Accredited capacity” means the amount of capacity, measured in
11 megawatts of unforced capacity, that an eligible project can contribute
12 toward New Jersey’s capacity needs or bid into the base residual
13 auction.

14 “Base residual auction” means the same as that term is defined in
15 section 3 of P.L.1999, c.23 (C.48:3-51).

16 “Board” means the Board of Public Utilities.

17 “Capacity Interconnection Rights” means the same as that term is
18 defined in PJM’s Open Access Transmission Tariff or in any successor
19 document.

20 “Decision Point I” means the same as that term is defined in PJM’s
21 Open Access Transmission Tariff or in any successor document.

22 “Electric public utility” means a public utility, as that term is
23 defined in R.S.48:2-13, that transmits and distributes electricity to end
24 users within the State.

25 “Eligible project” means a transmission-scale energy storage
26 system that meets the criteria for an incentive award pursuant to
27 P.L. , c. (C.) (pending before the Legislature as this bill).

28 “Energy storage” means a device that is capable of absorbing
29 energy from the grid or from a generation resource located behind the
30 same point of interconnection as the device; storing it for a period of
31 time using mechanical, chemical, or thermal processes; and, thereafter,
32 discharging the energy back to the grid or directly to an energy-using
33 system to reduce the use of power from the grid.

34 “Energy storage capacity” means the measure of the energy
35 capacity in megawatt-hours of a transmission-scale energy storage
36 system.

37 “Energy storage program” means a program designed to encourage
38 the growth of energy storage capacity in the State in order to
39 strengthen storage capacity for the electric grid. “Energy storage
40 program” includes the board’s Successor Solar Incentive Program,
41 including the Competitive Solar Incentive Program; the program
42 established pursuant to P.L. , c. (C.) (pending before the
43 Legislature as this bill); and the board’s Garden State Energy Storage
44 Program.

45 “Garden State Energy Storage Program” or “GSESP” means the
46 final form of the energy storage program currently under development

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:

¹ Senate floor amendments adopted June 30, 2025.

1 by the board and outlined in the board's November 2024 straw
2 proposal, or the program's replacement or successor.

3 "Generation Interconnection Agreement" means the same as that
4 term is defined in PJM's Open Access Transmission Tariff or in any
5 successor document.

6 "Incentive award" means a set of payments awarded by the board
7 for an eligible project, which payments are conditioned upon the
8 completion and commercial operation of the eligible project in
9 compliance with P.L. , c. (C.) (pending before the Legislature
10 as this bill) and any conditions required by the board. An "incentive
11 award" shall be a fixed series of annual payments to be issued over the
12 15-year award period; based on the maximum usable installed capacity
13 of an eligible project, which is measured in dollars per megawatt, or on
14 the energy storage capacity of an eligible project, which is measured in
15 dollars per megawatt-hour; and paid upon commercial operation of the
16 eligible project, unless the board provides for an alternative payment
17 timeline. An "incentive award" is subject to any conditions imposed
18 by the board, including, but not limited to, satisfactory up-time
19 performance metrics. An "incentive award" may include, at the
20 discretion of the board, a performance-based adjustment based on the
21 availability of the eligible project or the benefits created through the
22 commercial operation of the eligible project, provided that the board
23 shall confirm the reliability of any proposed metrics on which to base a
24 performance-based adjustment prior to being used in the calculation of
25 an incentive award.

26 "Installed capacity" means the nameplate output of an eligible
27 project, measured in megawatts of alternating current (MW AC), that
28 is available to the electric grid.

29 "Interconnection Service Agreement" means the same as that term
30 is defined in PJM's Open Access Transmission Tariff or in any
31 successor document.

32 "Phase I System Impact Study" means the same as that term is
33 defined in PJM's Open Access Transmission Tariff or in any successor
34 document.

35 "PJM" means "PJM Interconnection, L.L.C." or "PJM," as those
36 terms are defined in section 3 of P.L.1999, c.23 (C.48:3-51).

37 "Readiness Deposit" means the same as that term is defined in
38 PJM's Open Access Transmission Tariff or in any successor
39 document.

40 "Subsequent tranche" means additional energy storage
41 procurement administered pursuant to section 4 of P.L. ,
42 c. (C.) (pending before the Legislature as this bill).

43 "Tranche 1" means the initial procurement for the energy storage
44 program established pursuant to section 2 of P.L. , c. (C.)
45 (pending before the Legislature as this bill).

46 "Tranche 2" means the second procurement for the energy storage
47 program established pursuant to section 2 of P.L. , c. (C.)
48 (pending before the Legislature as this bill).

1 “Transmission-scale energy storage system” means an energy
2 storage system, with an installed capacity of at least 5 MW AC, that is
3 interconnected with the PJM Transmission Network and situated
4 inside a Transmission Zone in New Jersey or is otherwise located in
5 New Jersey and qualified to provide energy, capacity, or ancillary
6 services in the wholesale markets established by PJM.

7 “Unforced capacity” means the same as that term is defined in
8 PJM’s Reliability Assurance Agreement or in any successor document.
9

10 2. (New section) a. (1) The Board of Public Utilities shall
11 establish a program to procure and provide incentive awards for the
12 development of transmission-scale energy storage systems with a
13 reasonable likelihood of successful and timely completion. The
14 board shall solicit applications for the program established pursuant
15 to this section in an initial Tranche 1 and in Tranche 2, pursuant to
16 paragraph (2) of this subsection. The board may place an eligible
17 project that does not receive an incentive award for Tranche 1 or
18 Tranche 2 on a waiting list and consider the eligible project for an
19 incentive award during a subsequent tranche.

20 (2) By no later than ¹~~December 31~~ June 30¹, 2026, the board
21 shall approve incentive awards for eligible projects totaling at least
22 1,000 MW AC in installed capacity. However, at least ¹~~500~~ 350¹
23 MW AC of the 1,000 MW AC procurement goal shall be approved
24 in incentive awards for eligible projects in Tranche 1 by no later
25 than ¹~~April 1, 2026~~ December 31, 2025¹. If the board is unable
26 to procure all 1,000 MW AC in installed capacity in Tranche 1, the
27 board shall approve incentive awards for eligible projects in
28 Tranche 2, provided that all incentive awards in Tranche 2 are
29 awarded by no later than ¹~~December 31~~ June 30¹, 2026.

30 b. To qualify for an incentive award in Tranche 1 or Tranche 2
31 pursuant to this section, a transmission-scale energy storage system
32 shall:

33 (1) not participate in any other energy storage program, except
34 for the GSESP, to the extent that the energy storage program
35 established pursuant to P.L. , c. (C.) (pending before the
36 Legislature as this bill) is incorporated into the GSESP;

37 (2) have an anticipated commercial operations date of no later
38 than December 31, 2030, unless the board permits an exception;

39 (3) meet the following project maturity requirements, as
40 applicable:

41 (a) a transmission-scale energy storage system applying for an
42 incentive award in Tranche 1 shall have entered the PJM
43 interconnection process and, at the time of application, have a fully-
44 executed Generation Interconnection Agreement or Interconnection
45 Service Agreement through PJM, have a completed Surplus
46 Interconnection Study through PJM, or have notified PJM of intent

1 to transfer existing Capacity Interconnection Rights associated with
2 a deactivating generation station; ¹**[or]**¹

3 (b) a transmission-scale energy storage system applying for an
4 incentive award in Tranche 2 shall have entered the PJM
5 interconnection process and, at the time of application, have a fully-
6 executed Generation Interconnection Agreement or Interconnection
7 Service Agreement through PJM, have a completed Surplus
8 Interconnection Study through PJM, have been studied by PJM in a
9 Phase I System Impact Study and have paid a Decision Point I
10 Readiness Deposit to PJM, or have notified PJM of intent to
11 transfer existing Capacity Interconnection Rights associated with a
12 deactivating generation station; ¹and

13 (c) if a transmission-scale energy storage system fulfils the
14 project maturity requirements established pursuant to subparagraph
15 (a) or subparagraph (b) of this paragraph by completing a Surplus
16 Interconnection Study or by notifying PJM of intent to transfer
17 existing Capacity Interconnection Rights associated with a
18 deactivating generation station, then the transmission-scale energy
19 storage system shall also have obtained the associated Capacity
20 Interconnection Rights through PJM; and¹

21 (4) ¹**[**have the associated Capacity Interconnection Rights
22 through PJM; and

23 (5)¹**]** meet any other eligibility criteria the board may establish
24 through board order or rulemaking.

25 c. Any application for an incentive award issued in Tranche 1
26 or Tranche 2 pursuant to this section shall include:

27 (1) evidence reasonably satisfactory to the board of site control;

28 (2) evidence reasonably satisfactory to the board that an
29 applicant has or will obtain all required permits, which evidence
30 shall include an execution plan to obtain all required permits;

31 (3) evidence reasonably satisfactory to the board that the
32 applicant has submitted all interconnection applications and initial
33 application fees necessary to obtain permission from the appropriate
34 electric public utility or grid operator to operate the transmission-
35 scale energy storage system;

36 (4) evidence reasonably satisfactory to the board of the
37 applicant's financial means to construct the transmission-scale
38 energy storage system and ability to obtain revenues through
39 electricity markets or non-ratepayer funding, including, but not
40 limited to, energy arbitrage, ancillary services, and capacity
41 revenues in PJM;

42 (5) evidence reasonably satisfactory to the board of the status of
43 the transmission-scale energy storage system in the PJM
44 interconnection process;

45 (6) assurances reasonably satisfactory to the board that the
46 transmission-scale energy storage system will adhere to any safety
47 requirements, standards, or measures that the board deems

1 appropriate as well as to any nationally recognized minimum safety
2 requirements, including, but not limited to, appropriate laboratory
3 testing, and will comply with all manufacturers' installation
4 requirements, applicable laws, regulations, codes, licensing, and
5 permit requirements;

6 (7) a statement describing the transmission-scale energy storage
7 system's alignment with State and regional transmission and
8 resource adequacy planning goals and demonstrating the
9 transmission-scale energy storage system's coordination with PJM
10 and the appropriate electric public utility;

11 (8) an application fee as set by the board; and
12 (9) any other information required by the board.

13 d. The board shall review Tranche 1 and Tranche 2
14 applications consistently with the requirements of this section. At
15 its discretion, the board may instruct an applicant on curing minor
16 defects in a Tranche 1 or Tranche 2 application. The board shall
17 evaluate each application based on the bid prices of the requested
18 incentive awards. The board may appropriately compare bid prices,
19 at the board's discretion, based on the measure of a transmission-
20 scale energy storage system's installed capacity, energy storage
21 capacity, or expected accredited capacity. The board may also
22 consider other factors such as:

23 (1) project maturity and likelihood of success;
24 (2) whether the project has completed non-ministerial permits;
25 (3) whether the project is proposed by an applicant with
26 experience in energy storage development, construction, and
27 finance; ¹and¹

28 (4) whether the project promotes redevelopment, community
29 benefits, brownfield redevelopment, or existing or former fossil fuel
30 plant replacement, or provides demonstrated benefits to
31 environmental justice in communities where a transmission-scale
32 energy storage system is proposed to be located ¹];

33 (5) the extent to which the project provides value to the
34 distribution system, including locational benefits, peak load
35 reduction, or deferral of infrastructure upgrades; and
36 (6) whether the project contributes to local grid reliability,
37 resilience, or emergency backup service for critical facilities¹.

38 e. Any board order issued pursuant to P.L. , c. (C.)
39 (pending before the Legislature as this bill) shall be binding and
40 enforceable. Any such board order shall:

41 (1) define the eligible project receiving an incentive award and
42 the eligible project's installed capacity;
43 (2) define the incentive award, including a payment schedule for
44 the 15-year award period of the incentive award, which term shall
45 commence no earlier than the commercial operations date of an
46 eligible project, and during which term an eligible project shall
47 receive an annual incentive award on each anniversary of the first
48 payment date;

1 (3) determine the amount of funding to be allocated for payment
2 of the incentive award beginning in the fiscal year in which the
3 eligible project commences commercial operations;

4 (4) include a participation fee as the board may require from the
5 developer;

6 (5) require, for an eligible project awarded an incentive award, a
7 pre-development security not to exceed \$100,000 per megawatt and
8 not to exceed in total \$10,000,000;

9 (6) outline the conditions under which the board may, in the
10 event of a developer's failure to operate an eligible project by the
11 deadline stated in the board order or to meet deadlines included in
12 the board order, revoke an incentive award or retain some or all of
13 the pre-development security;

14 (7) provide that receipt of an incentive award for an eligible
15 project shall be contingent on achievement of baseline performance
16 requirements, including, but not limited to, availability for dispatch
17 in a minimum number of hours per year, as determined by the
18 board. The board may use the PJM Equivalent Forced Outage Rate
19 or another metric determined appropriate by the board to measure
20 energy storage availability. The board order shall require that the
21 developer report data for the purpose of this paragraph at regular
22 intervals and shall provide for a reduction of an incentive award in
23 proportion to the number of hours of required availability that is
24 unmet by the eligible project; and

25 (8) require a developer to provide additional information to the
26 board during the term of the incentive award, as the board may
27 reasonably require. The board may set additional requirements at
28 its discretion, including, but not limited to, a requirement that the
29 developer report major development and construction milestones to
30 the board, maintain financial security throughout the term of the
31 incentive award, or any other requirement the board determines
32 necessary to ensure continued progress and operational viability of
33 an eligible project.

34 f. The board may amend an order issuing an incentive award
35 pursuant to this section solely to change the funding source of the
36 incentive award. Any incentive award for an eligible project and
37 the conditions for receiving funding pursuant to this section shall
38 remain effective for the full duration of the award period specified
39 in the board order issuing the incentive award, notwithstanding any
40 change to the funding source of the incentive award.

41 g. (1) Notwithstanding the provisions of the "Administrative
42 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), or any other
43 law or rule to the contrary, the board shall permit applications for
44 Tranche 1 without regard to the publication status of the rules and
45 regulations to be issued pursuant to P.L. , c. (C.) (pending
46 before the Legislature as this bill), by no later than ¹January 15,
47 2026] September 30, 2025¹.

(2) The board shall accept Tranche 1 applications for a maximum of 60 days after the beginning of the formal application period for Tranche 1. Within 60 days following the closure of the Tranche 1 application period, the board shall:

(a) evaluate projects in accordance with this section, any rules or regulations proposed pursuant to P.L. , c. (C.) (pending before the Legislature as this bill), and any application requirements and eligibility criteria approved pursuant to this subsection; and

(b) select eligible projects to receive an award.

h. An incentive award shall be conditioned upon a developer's compliance with the board order determining the incentive award and with any conditions the board shall reasonably require.

¹[i. The board shall develop standardized service agreements between electric public utilities and eligible projects that have received an incentive award pursuant to P.L. , c. (C.) (pending before the Legislature as this bill), which agreement shall include information concerning dispatch protocols, telemetry requirements, and performance metrics.]¹

3. (New section) a. Within 30 days of meeting its 1,000 MW AC procurement goal established pursuant to paragraph (2) of subsection a. of section 2 of P.L. , c. (C.) (pending before the Legislature as this bill), the board shall initiate a proceeding, with opportunity for public comment, to determine whether to extend its procurement of transmission-scale energy storage through the energy storage program established pursuant to P.L. , c. (C.) (pending before the Legislature as this bill).

b. The board shall issue a report detailing its findings based on the proceeding initiated pursuant to subsection a. of this section and submit the report to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature. In its report issued pursuant to this subsection, the board shall:

(1) examine the impact of the State's energy storage programs, individually and collectively, on the State's progress toward the 2030 energy storage target established pursuant to section 1 of P.L.2018, c.17 (C.48:3-87.8);

(2) assess the impact of the energy storage program established pursuant to P.L. , c. (C.) (pending before the Legislature as this bill) on ratepayers, which impact shall include an evaluation of any costs and benefits to ratepayers as a result of increased energy storage capacity under the program;

(3) evaluate any changes in the PJM capacity market or in the federal energy and utility landscape that could impact the need for incentive awards issued through the energy storage program established pursuant to P.L. , c. (C.) (pending before the Legislature as this bill);

1 (4) study any other information the board deems necessary to
2 make its determination pursuant to paragraph (5) of this subsection;
3 and

4 (5) determine, at the discretion of the board, whether to extend
5 the procurement of transmission-scale energy storage pursuant to
6 P.L. , c. (C.) (pending before the Legislature as this bill)
7 through subsequent tranches based on its findings from paragraphs
8 (1) through (4) of this subsection.

9
10 4. (New section) a. If the board elects to extend its
11 procurement of transmission-scale energy storage pursuant to
12 paragraph (5) of subsection b. of section 3 of P.L. , c. (C.)
13 (pending before the Legislature as this bill) through subsequent
14 tranches under the energy storage program established pursuant to
15 P.L. , c. (C.) (pending before the Legislature as this bill),
16 the board shall administer any subsequent tranche in a similar
17 manner to Tranche 1 and Tranche 2, modifying as appropriate for
18 each subsequent tranche:

- 19 (1) the amount of megawatts to be solicited;
20 (2) the application requirements or eligibility criteria;
21 (3) the timeline for an eligible project, including, but not limited
22 to, application deadlines or the contract term; and
23 (4) any other administrative modification the board deems
24 appropriate.

25 b. Prior to administering each subsequent tranche, the board
26 shall increase, decrease, or maintain the amount of an incentive
27 award as the board deems necessary based on a market analysis that
28 shall account for:

29 (1) changes within the energy and utility industries, including
30 any changes due to State and federal policies, that may increase or
31 decrease average project costs for developers of transmission-scale
32 energy storage systems;

33 (2) any additional sources of revenue available to developers of
34 transmission-scale energy storage systems; and

35 (3) any other factors concerning the cost to develop
36 transmission-scale energy storage systems that the board deems
37 necessary to reevaluate the amount of an incentive award.

38 ¹c. Notwithstanding subsection b. of this section to the contrary,
39 the board may determine incentive award amounts in a subsequent
40 tranche by a competitive solicitation process.¹

41
42 5. (New section) a. There is established in the Board of Public
43 Utilities a special, non-lapsing fund to be known as the “Energy
44 Storage Fund.” The fund shall be administered by the board and shall
45 be credited with:

46 (1) monies deposited into the fund by the board pursuant to
47 subsection b. of this section;

48 (2) monies appropriated by the Legislature; and

1 (3) any return on investment of monies deposited in the fund.

2 b. The board shall deposit into the fund, each year, ¹until the end
3 of all award periods for incentive awards issued pursuant to P.L. ,

4 c. (C.) (pending before the Legislature as this bill),¹ a minimum
5 of ¹["\$60 million"] \$60,000,000¹ from the:

6 (1) revenues from the societal benefits charge established pursuant
7 to subsection a. of section 12 of P.L.1999, c.23 (C.48:3-60); and

8 (2) monies made available from other funding sources, as
9 determined by the board, which sources shall include, but not be
10 limited to, federal funding.

11 c. Notwithstanding any restrictions on the use of funds provided
12 in section 12 of P.L.1999, c.23 (C.48:3-60), monies in the fund shall
13 be used by the board solely ¹["for the purpose of funding"] to fund:

14 (1)¹ incentive awards issued pursuant to P.L. , c. (C.)
15 (pending before the Legislature as this bill) ¹; and

16 (2) energy storage incentives issued pursuant to the GSESP¹.

17 d. In the fiscal year beginning on July 1, 2027, and in each fiscal
18 year thereafter, until the end of all award periods for incentive awards
19 issued pursuant to P.L. , c. (C.) (pending before the
20 Legislature as this bill), the board shall allocate sufficient monies from
21 the "Energy Storage Fund" established pursuant to subsection a. of this
22 section to fully fund the incentive awards issued by the board pursuant
23 to P.L. , c. (C.) (pending before the Legislature as this bill).

24
25 6. (New section) a. (1) The board shall adopt, as expeditiously
26 as possible, pursuant to the "Administrative Procedure Act," P.L.1968,
27 c.410 (C.52:14B-1 et seq.), rules and regulations consistent with the
28 purposes of P.L. , c. (C.) (pending before the Legislature as
29 this bill).

30 (2) Notwithstanding the provisions of the "Administrative
31 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), or any other law
32 or rule to the contrary, within 90 days following the effective date of
33 P.L. , c. (C.) (pending before the Legislature as this bill), the
34 board shall publish a notice of proposal that contains the proposed
35 rules required by this subsection.

36 b. Notwithstanding the provisions of the "Administrative
37 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), or any other law
38 or rule to the contrary, the board may procure transmission-scale
39 energy storage systems and issue incentive awards for Tranche 1 and
40 Tranche 2 pursuant to section 2 of P.L. , c. (C.) (pending
41 before the Legislature as this bill) notwithstanding the status of board
42 rules or regulations pursuant to subsection a. of this section.

43
44 7. Section 12 of P.L.1999, c.23 (C.48:3-60) is amended to read as
45 follows:

46 12. a. Simultaneously with the starting date for the
47 implementation of retail choice as determined by the board pursuant to

1 subsection a. of section 5 of P.L.1999, c.23 (C.48:3-53), the board
2 shall permit each electric public utility and gas public utility to recover
3 some or all of the following costs through a societal benefits charge
4 that shall be collected as a non-bypassable charge imposed on all
5 electric public utility customers and gas public utility customers, as
6 appropriate:

7 (1) **【The】** the costs for the social programs for which rate
8 recovery was approved by the board prior to April 30, 1997. For the
9 purpose of establishing initial unbundled rates pursuant to section 4 of
10 P.L.1999, c.23 (C.48:3-52), the societal benefits charge shall be set to
11 recover the same level of social program costs as is being collected in
12 the bundled rates of the electric public utility on the effective date of
13 P.L.1999, c.23 (C.48:3-49 et al.). The board may subsequently order,
14 pursuant to its rules and regulations, an increase or decrease in the
15 societal benefits charge to reflect changes in the costs to the utility of
16 administering existing social programs. Nothing in P.L.1999, c.23
17 (C.48:3-49 et al.) shall be construed to abolish or change any social
18 program required by statute or board order or rule or regulation to be
19 provided by an electric public utility. Any such social program shall
20 continue to be provided by the utility until otherwise provided by law,
21 unless the board determines that it is no longer appropriate for the
22 electric public utility to provide the program, or the board chooses to
23 modify the program;

24 (2) **【Nuclear】** nuclear plant decommissioning costs;

25 (3) **【The】** the costs of demand side management programs that
26 were approved by the board pursuant to its demand side management
27 regulations prior to April 30, 1997. For the purpose of establishing
28 initial unbundled rates pursuant to section 4 of P.L.1999, c.23 (C.48:3-
29 52), the societal benefits charge shall be set to recover the same level
30 of demand side management program costs as is being collected in the
31 bundled rates of the electric public utility on the effective date of
32 P.L.1999, c.23 (C.48:3-49 et al.). Within four months of the effective
33 date of P.L.1999, c.23 (C.48:3-49 et al.), and every four years
34 thereafter, the board shall initiate a proceeding and cause to be
35 undertaken a comprehensive resource analysis of energy programs,
36 and within eight months of initiating such proceeding and after notice,
37 provision of the opportunity for public comment, and public hearing,
38 the board, in consultation with the Department of Environmental
39 Protection, shall determine the appropriate level of funding for energy
40 efficiency, light, medium, and heavy-duty plug-in electric vehicles,
41 including school buses, and associated plug-in electric vehicle
42 charging infrastructure, energy storage, and Class I renewable energy
43 programs that provide environmental benefits above and beyond those
44 provided by standard offer or similar programs in effect as of the
45 effective date of P.L.1999, c.23 (C.48:3-49 et al.); provided that the
46 funding for such programs be no less than 50 percent of the total
47 Statewide amount being collected in electric and gas public utility
48 rates for demand side management programs on the effective date of

1 P.L.1999, c.23 (C.48:3-49 et al.) for an initial period of four years
2 from the issuance of the first comprehensive resource analysis
3 following the effective date of P.L.1999, c.23 (C.48:3-49 et al.), and
4 provided that 25 percent of this amount shall be used to provide
5 funding for Class I renewable energy projects in the State. In each of
6 the following fifth through eighth years, the Statewide funding for
7 such programs shall be no less than 50 percent of the total Statewide
8 amount being collected in electric and gas public utility rates for
9 demand side management programs on the effective date of P.L.1999,
10 c.23 (C.48:3-49 et al.), except that as additional funds are made
11 available as a result of the expiration of past standard offer or similar
12 commitments, the minimum amount of funding for such programs
13 shall increase by an additional amount equal to 50 percent of the
14 additional funds made available, until the minimum amount of funding
15 dedicated to such programs reaches \$140,000,000 total. After the
16 eighth year the board shall make a determination as to the appropriate
17 level of funding for these programs. Such programs shall include a
18 program to provide financial incentives for the installation of Class I
19 renewable energy projects in the State, and the board, in consultation
20 with the Department of Environmental Protection, shall determine the
21 level and total amount of such incentives as well as the renewable
22 technologies eligible for such incentives which shall include, at a
23 minimum, photovoltaic, wind, and fuel cells. The board shall
24 simultaneously determine, as a result of the comprehensive resource
25 analysis, the programs to be funded by the societal benefits charge, the
26 level of cost recovery and performance incentives for old and new
27 programs and whether the recovery of demand side management
28 programs' costs currently approved by the board may be reduced or
29 extended over a longer period of time. The board shall make these
30 determinations taking into consideration existing market barriers and
31 environmental benefits, with the objective of transforming markets,
32 capturing lost opportunities, making energy services more affordable
33 for low income customers and eliminating subsidies for programs that
34 can be delivered in the marketplace without electric public utility and
35 gas public utility customer funding. In addition to the determinations
36 above, the board shall allocate sufficient funding from the societal
37 benefits charge to cover the remaining cost of fully funding incentive
38 awards issued for transmission-scale energy storage systems that are
39 eligible projects pursuant to P.L. , c. (C.) (pending before the
40 Legislature as this bill), after accounting for funding allocated to this
41 purpose from other sources;

42 (4) **【Manufactured】** manufactured gas plant remediation costs,
43 which shall be determined initially in a manner consistent with
44 mechanisms in the remediation adjustment clauses for the electric
45 public utility and gas public utility adopted by the board; and

46 (5) **【The】** the cost, of consumer education, as determined by the
47 board, which shall be in an amount that, together with the consumer
48 education surcharge imposed on electric power supplier license fees

1 pursuant to subsection h. of section 29 of P.L.1999, c.23 (C.48:3-78)
2 and the consumer education surcharge imposed on gas supplier license
3 fees pursuant to subsection g. of section 30 of P.L.1999, c.23 (C.48:3-
4 79), shall be sufficient to fund the consumer education program
5 established pursuant to section 36 of P.L.1999, c.23 (C.48:3-85).

6 b. There is established in the Board of Public Utilities a
7 nonlapsing fund to be known as the "Universal Service Fund." The
8 board shall determine: the level of funding and the appropriate
9 administration of the fund; the purposes and programs to be funded
10 with monies from the fund; which social programs shall be provided
11 by an electric public utility as part of the provision of its regulated
12 services which provide a public benefit; whether the funds
13 appropriated to fund the "Lifeline Credit Program" established
14 pursuant to P.L.1979, c.197 (C.48:2-29.15 et seq.), the "Tenants'
15 Lifeline Assistance Program" established pursuant to P.L.1981, c.210
16 (C.48:2-29.30 et seq.), the funds received pursuant to the Low Income
17 Home Energy Assistance Program established pursuant to 42 U.S.C.
18 s.8621 et seq., and funds collected by electric and gas public utilities,
19 as authorized by the board, to offset uncollectible electricity and
20 natural gas bills should be deposited in the fund; and whether new
21 charges should be imposed to fund new or expanded social programs.
22 (cf: P.L.2022, c.86, s.2)

23
24 8. This act shall take effect immediately.