

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, **may possibly** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: Yes

LEGISLATIVE FISCAL ESTIMATE: Yes 01/09/2024
01/10/2024

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CL/MM

P.L. 2023, CHAPTER 315, *approved January 16, 2024*
Assembly, No. 4791 (*Third Reprint*)

1 **AN ACT** establishing the “Resiliency and Environmental System
2 Investment Charge Program” for cost recovery of certain
3 investments made by certain utilities and supplementing Title 48
4 of the Revised Statutes.

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

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

11 “Adjusted weighted average cost of capital” means the weighted
12 average of the debt and equity components of a utility’s capital
13 structure, where the equity component shall equal the equity rate
14 approved by the board in the utility’s most recent base rate case and
15 the debt component shall equal the approved embedded long-term cost
16 of debt (LTD), which component shall be adjusted semi-annually to
17 reflect the actual embedded cost of LTD at the end of the RESIC
18 recovery period, and which component shall not include short-term
19 debt.

20 “Board” means the Board of Public Utilities or any successor
21 agency.

22 “Depreciation expense” means the amount equal to the total
23 amount of RESIC eligible investments, multiplied by the weighted
24 composite depreciation rate on those assets utilizing depreciation rates,
25 as most recently approved by the board.

26 “In-service” means when a RESIC-eligible project has been
27 substantially completed, is functioning in its intended purpose, and is
28 used and useful for the provision of utility service.

29 “Pre-tax adjusted weighted average cost of capital” means the
30 adjusted weighted average cost of capital calculated on a pre-income
31 tax basis.

32 “Requirement” means a decision or regulation imposed on a utility
33 by the State, including any political subdivision thereof, or the federal
34 government, in connection with any of the following:

- 35 a. the “Federal Water Pollution Control Act Amendments of
36 1972” (33 U.S.C. s.1251 et seq.);
37 b. the federal “Safe Drinking Water Act” (42 U.S.C. 300f et seq.);

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 AAP committee amendments adopted December 4, 2023.

²Senate floor amendments adopted December 21, 2023.

³Senate SBA committee amendments adopted January 4, 2024.

1 c. any other law, order, or regulation administered by the United
2 States Environmental Protection Agency, the United States Army
3 Corps of Engineers, the United States Department of Transportation,
4 the United States Department of Homeland Security, the New Jersey
5 Office of Homeland Security and Preparedness, the New Jersey
6 Department of Transportation, or the New Jersey Department of
7 Environmental Protection; or

8 d. a regulation imposed by any local government unit related to
9 the provision of water or wastewater service, or both, or imposing
10 more stringent standards than those adopted by law.

11 “RESIC” means the Resiliency and Environmental System
12 Investment Charge program, established pursuant to P.L. ,
13 c. (C.) (pending before the Legislature as this bill).

14 “RESIC-cap” or “cap” means the maximum amount of RESIC
15 revenues that a utility may recover, during the period the RESIC rate is
16 in effect, through the assessment or surcharge computed pursuant to
17 P.L. , c. (C.) (pending before the Legislature as this bill).

18 “RESIC-eligible project” or “eligible project” means a water or
19 wastewater system project, or both, with projected costs that are:

20 a. non-revenue producing;

21 b. specifically identified by the utility within its petition in
22 support of a RESIC;

23 c. not already being recovered through current base rates, as set
24 by the utility’s most recent base rate case proceeding or through
25 another infrastructure surcharge mechanism; and

26 d. approved by the board for inclusion in a RESIC in response to
27 the utility’s petition.

28 “RESIC filing” means the semi-annual filing made by a utility
29 pursuant to section 4 of P.L. , c. (C.) (pending before the
30 Legislature as this bill) for each RESIC recovery period, which filing
31 contains actual data for the RESIC recovery period.

32 “RESIC period” means the period of time between the effective
33 date of the foundational filing and the rate effective date of the next
34 base rate case.

35 “RESIC rate” means the surcharge added to a utility customer’s
36 bill, calculated pursuant to the provisions of P.L. , c. (C.)
37 (pending before the Legislature as this bill), which rate shall be
38 assessed on the basis of meter charges or meter equivalent basis, and
39 which shall remain in effect for the duration of the RESIC period.

40 “RESIC recovery period” means the six-month period preceding
41 each RESIC filing submitted pursuant to subsection b. of section 4 of
42 P.L. , c. (C.) (pending before the Legislature as this bill),
43 provided that the RESIC-eligible project for which filing is submitted
44 shall be completed and in-service during this period.

45 “RESIC revenue requirement recovery amount” means the total
46 eligible amount to be recovered through the RESIC rate, as calculated
47 pursuant to section 7 of P.L. , c. (C.) (pending before the
48 Legislature as this bill).

1 “Restoration costs” means costs necessary to restore construction
2 to preconstruction condition or as dictated by federal, State, county, or
3 municipal laws, rules, ordinances, orders, or regulations, including, but
4 not limited to, paving, sidewalks, curbing, landscaping, and traffic
5 control costs for RESIC-eligible projects approved in a foundational
6 filing.

7 “Revenue factor” means a gross-up for the associated revenue
8 taxes, uncollectibles, board assessment, and Division of Rate Counsel
9 assessment, adjusted to properly reflect the revenue required to
10 generate the agreed upon rate of return.

11 “Utility” means a water utility and wastewater utility as defined in
12 this section.

13 “Wastewater treatment service” means the management of
14 wastewater and includes any activity related to the collection, storage,
15 transport, handling, delivery, processing, treatment, or disposal of
16 wastewater, and other similar activities.

17 “Wastewater utility” means an investor-owned public utility, as
18 defined in R.S.48:2-13, that provides wastewater treatment service ²[,
19 or a municipal public utility that provides wastewater treatment service
20 to more than 1,000 billed customers in another municipality]².

21 “Water utility” means an investor-owned public utility, as defined
22 in R.S.48:2-13, that provides water service, or a municipal public
23 utility that provides water service to more than 1,000 billed customers
24 in another municipality and charges a different rate to customers inside
25 the municipality than it charges customers outside of the municipality.
26

27 2. a. A utility may seek recovery through the implementation
28 of a RESIC rate for any cost made, or to be made, by a utility,
29 which cost is related to the:

30 (1) direct or indirect compliance with one or more requirements,
31 including, but not limited to, addressing both existing and emerging
32 chemical elements or compounds;

33 (2) installation of new distribution, production, treatment, or
34 other plant or equipment to further resiliency, health, safety, or
35 environmental protection for the utility’s customers or employees,
36 or the public; ¹[or]¹

37 (3) replacement of existing distribution, production, treatment,
38 or other plant or equipment to maintain, enhance, or improve the
39 existing resiliency, health, safety, or environmental protection of
40 the utility’s customers or employees, or the public¹; or

41 (4) ³[replacement of]³ treatment media ³replacement,³ including
42 ³[, but not limited to,]³ granular activated carbon and anionic
43 exchange ³[resin and] resins, as well as³ new treatment media, and
44 related tanks, pumps, instrumentation, controls, and electrical
45 equipment for both existing and emerging chemical elements and
46 compounds¹.

1 b. Restoration costs associated with an eligible project pursuant
2 to paragraph (1) of subsection a. of this section and approved
3 through a utility's RESIC foundational filing, made pursuant to
4 subsection b. of section 3 of P.L. , c. (C.) (pending before
5 the Legislature as this bill), may be recovered if the costs were
6 incurred not more than 18 months after the eligible project's in-
7 service date and were included in a normally scheduled semi-annual
8 RESIC filing.

9 ¹c. Notwithstanding any provision of this section to the
10 contrary, a utility may only seek recovery through the
11 implementation of a RESIC rate for costs that may be recorded in
12 the applicable accounts set forth in the uniform system of accounts
13 adopted by the National Association of Regulatory Utility
14 Commissioners for the following categories of expenses: lake, river,
15 and other intakes; wells and springs; power generation equipment;
16 pumping equipment; water treatment plant equipment; distribution
17 reservoirs and standpipes; communication equipment; wastewater
18 pumping equipment; wastewater treatment and disposal equipment;
19 and wastewater communication equipment.¹

20
21 3. a. (1) The board shall authorize the implementation of a
22 RESIC by a utility to recover costs associated with RESIC-eligible
23 projects through an approved RESIC rate.

24 (2) A utility that offers more than one regulated service may file
25 a joint petition to establish a RESIC that includes RESIC-eligible
26 projects for multiple regulated services or separate petitions to
27 establish a separate RESIC for water and wastewater services,
28 respectively. If a utility files separate petitions, each RESIC
29 approved by the board shall be subject to its own respective RESIC-
30 cap.

31 b. To obtain authorization to implement a RESIC, the utility
32 shall submit a foundational filing to the board. Whether filed
33 separately or concurrently with a base rate case, the utility shall
34 submit the following information with the foundational filing:

35 (1) projected annual capital expenditures on RESIC-eligible
36 projects for a three-year period, identified by major categories of
37 expenditures;

38 (2) actual annual capital expenditures on RESIC-eligible
39 projects for the previous three years, identified by major categories
40 of expenditures;

41 (3) an engineering evaluation and report identifying the specific
42 projects to be included in the proposed RESIC, with descriptions of
43 project objectives, detailed cost estimates, and the estimated in-
44 service dates for each project;

45 (4) vintage, condition, or other similarly relevant and reasonably
46 available information about the eligible infrastructure that is being
47 rehabilitated or replaced, if applicable;

- 1 (5) a forecast of RESIC-eligible capital expenditures for a three-
2 year period setting forth annual planned capital expenditures;
- 3 (6) the maximum dollar amount, in aggregate, the utility seeks
4 to recover through the RESIC under the foundational filing; and
- 5 (7) the estimated rate impact of the proposed RESIC on
6 customers of the utility.
- 7 c. In considering a utility's foundational filing in support of a
8 RESIC, the board may require the utility to provide any
9 supplemental information that the board deems necessary to
10 evaluate the utility's foundational filing.
- 11 d. Before the board approves a RESIC, the board shall conduct
12 a public hearing in the utility's service territory, notice of which
13 shall contain the maximum dollar amount the utility seeks to
14 recover through its RESIC and the utility's estimated rate impact.
- 15 e. A RESIC foundational filing shall not be approved unless a
16 utility has had its base rates set by the board within the past three
17 years and any prior RESIC rate was reset to zero through the
18 current or prior base rate case. After a utility's RESIC rate has
19 been reset to zero, a new foundational filing shall be approved
20 before a new RESIC rate recovery may occur. A RESIC
21 foundational filing may be approved concurrently with the setting
22 of new base rates.
- 23 f. The board shall act on each foundational filing no later than
24 120 calendar days after receiving the completed filing, except that if
25 the foundational filing is submitted concurrent with a base rate case
26 or during the pendency of a base rate case, the board may delay
27 action until the effective date of the board's approval of the base
28 rate case.
- 29
- 30 4. a. Following board approval of the utility's foundational
31 filing, each subsequent RESIC filing made by a utility shall include
32 the following:
- 33 (1) a detailed description of all RESIC-eligible projects placed
34 in-service, which description shall clearly identify any projects that
35 are carried over from a prior RESIC period or from a prior RESIC
36 recovery period, any restoration costs sought for projects placed in-
37 service, and the in-service date for the projects associated with the
38 restoration costs;
- 39 (2) aggregate information capturing blanket-type RESIC-
40 eligible infrastructure, if any, to be rehabilitated or replaced and the
41 actual annual costs of the blanket-type replacement programs;
- 42 (3) a schedule comparing the:
- 43 (a) total spending on RESIC-eligible projects to date for the
44 RESIC recovery period, and eligible project spending by
45 foundational filing project identification number or blanket-project
46 category;
- 47 (b) actual cost of completed RESIC-eligible projects for the
48 RESIC recovery period with the estimated costs for the projects

1 contained in the most recent foundational filing or any amendment
2 thereto;

3 (c) in-service date of completed RESIC-eligible projects
4 compared to the estimated in-service date of RESIC-eligible
5 projects set forth in the foundational filing; and

6 (d) actual revenues collected through the RESIC assessment,
7 compared with the actual revenue requirement of the RESIC-
8 eligible projects during the RESIC recovery period, and the
9 resultant RESIC under- or over-recovery amounts; and

10 (4) a proposed RESIC schedule outlining the RESIC rate,
11 determined pursuant to P.L. , c. (C.) (pending before the
12 Legislature as this bill), and detailed information demonstrating that
13 the proposed RESIC rate meets those requirements. The schedule
14 shall include either a proposed schedule for returning to customers
15 any over-recovery in the prior RESIC recovery period, including
16 interest at the adjusted weighted average cost of capital, or a
17 proposed schedule for recovering from customers any under-
18 recovery in the prior RESIC recovery period. The over-recovery,
19 including interest, or under-recovery shall be credited or charged to
20 customers during the next RESIC recovery period. This
21 information shall support the RESIC rate calculation, with
22 documentation, detailed financial analyses, and other relevant
23 information, showing all assumptions and calculations. All
24 supporting financial information shall be presented in a manner to
25 allow the board to evaluate whether the calculations meet the
26 requirements of P.L. , c. (C.) (pending before the
27 Legislature as this bill).

28 b. RESIC filings shall be filed with the board on a semi-annual
29 basis, commencing six months after the effective date of the
30 foundational filing. A utility shall submit a semi-annual RESIC
31 filing to the board within 15 calendar days of the scheduled
32 conclusion of the RESIC recovery period. A RESIC filing shall be
33 reviewed by the board and the Division of Rate Counsel. The
34 utility may recover the interim surcharge associated with the
35 RESIC-eligible projects placed in-service, including restoration
36 costs during the RESIC recovery period, beginning 45 calendar
37 days after the receipt of the complete semi-annual RESIC filing.

38 c. To the extent permitted under section 2 of P.L. ,
39 c. (C.) (pending before the Legislature as this bill), a utility's
40 expenditures made prior to the board's approval of a RESIC shall
41 be eligible for cost recovery so long as the expenditures were
42 included in the RESIC foundational filing.

43 d. The semi-annual RESIC filings may include changes or
44 updates to any information provided in the foundational filing,
45 provided that the utility has a reasonable expectation that the
46 change shall occur during the RESIC recovery period, which project
47 changes may include, but shall not be limited to, additions,

1 replacements, or deferral projects that are otherwise RESIC-
2 eligible.

3 e. Rates approved by the board for recovery of expenditures
4 under a RESIC shall be:

5 (1) accelerated and recovered through a separate clause of the
6 utility's board-approved tariff;

7 (2) subject to annual reconciliation based on a reconciliation
8 period consisting of the 12 months completed prior to the utility's
9 next RESIC filing. The revenue received through the RESIC rate
10 for the reconciliation period shall be compared to the utility's costs
11 associated with RESIC-eligible projects for that period. The
12 difference between revenue and costs shall be recouped or credited,
13 as appropriate, through the RESIC rate included in the RESIC
14 filing; and

15 (3) provisional and subject to refund and interest. The prudence
16 of RESIC expenditures shall be determined by the board in the
17 utility's next base rate case.

18 f. A utility shall file its next rate base case not later than three
19 years after the board's approval of the RESIC start date, except that
20 the board, in its discretion, may require a utility to file its next base
21 rate case within a shorter period.

22 g. A utility may continue to file for cost recovery of RESIC-
23 eligible projects during the approved RESIC period notwithstanding
24 the filing of the utility's next base rate case.

25

26 5. a. If RESIC-eligible project plant additions are placed in-
27 service during the test year of a utility's base rate case, and the
28 plant additions are not recovered as part of a routine RESIC filing,
29 then the plant additions shall be considered as part of the base rate
30 case proceeding and included in the plant additions, consistent with
31 existing board rules.

32 b. Notwithstanding any other provisions of P.L. , c. (C.)
33 (pending before the Legislature as this bill) to the contrary, a utility
34 may continue to make RESIC-eligible investments and collect the
35 RESIC rate during a pending rate case filed in accordance with
36 existing board rules.

37 c. RESIC rates shall be included in base rates during a utility's
38 subsequent base rate case, and the RESIC rate shall be reset to zero.

39

40 6. a. All carryover costs permitted by this section and included
41 in a RESIC rate shall be included in the calculation of the RESIC-
42 cap.

43 b. Notwithstanding any other provision of this section to the
44 contrary, when a utility has commenced work on a RESIC-eligible
45 project, but the eligible project has not been placed in-service
46 during the period captured under an initial foundational filing, the
47 eligible project may be considered a valid RESIC-eligible project in
48 a subsequent foundational filing that is filed with the board prior to

1 the resetting of rates under the initial foundational filing when the
2 RESIC-eligible project began.

3 c. When a RESIC-eligible project is placed in-service by a
4 utility between the close of the test year and the effective date of
5 rates in the base rate case, the utility may recover the costs of the
6 project, as authorized by a board order approving a foundational
7 filing, in the first RESIC filing under the board's new foundational
8 filing order and included in the RESIC-cap.

9 d. Unrecovered restoration costs of a project that was placed
10 in-service during one foundational filing may be carried over and
11 recovered in a subsequent foundational filing and included in a
12 timely semi-annual RESIC filing, provided that the restoration costs
13 shall otherwise be within the timeframe set forth in P.L. ,
14 c. (C.) (pending before the Legislature as this bill).

15

16 7. a. The revenues to be recovered through the RESIC rate
17 shall be calculated as follows:

18 (1) the eligible net investment shall equal the eligible
19 investment, less the per-book accumulated depreciation amount
20 recorded for the eligible projects, and adjusted for the recorded
21 accumulated deferred income tax amount for the eligible projects;

22 (2) the eligible net investment shall be multiplied by the pre-tax
23 adjusted weighted average cost of capital, plus depreciation
24 expense, the sum of which shall be multiplied by the revenue factor,
25 plus or minus the RESIC under-recovery or over-recovery amount,
26 the product of which shall equal the RESIC revenue requirement
27 recovery amount; and

28 (3) the RESIC revenue requirement recovery amount shall be
29 divided by the number of meters and meter equivalents, weighted
30 by meter capacity ratio, the product of which shall equal the RESIC
31 rate per customer.

32 b. ³(1)³ The revenues to be recovered through the RESIC rate
33 shall not exceed the RESIC-cap, which amount shall not exceed
34 ³[five] a maximum³ percent ³, as set forth in paragraph (2) of this
35 subsection,³ of the utility's total annual revenue, as established in
36 the utility's most recent base rate decision, and such revenues shall
37 be adjusted in accordance with a purchased water or wastewater
38 adjustment clause approved by the board pursuant to chapter 9 of
39 Title 14 of the New Jersey Administrative Code.

40 ³(2) The RESIC-cap shall not exceed the following amounts,
41 subject to the methodology set forth in paragraph (1) of this
42 subsection:

43 (a) at the time of the utility's initial foundational filing, two and
44 one half percent of the utility's total annual revenue;

45 (b) at the time of the utility's second foundational filing, three
46 and one half percent of the utility's total annual revenue;

47 (c) at the time of the utility's third foundational filing, four and
48 one half percent of the utility's total annual revenue; and

1 (d) for each foundational filing thereafter, five percent of the
2 utility's total annual revenue.³

3

4 8. a. If a utility has a board-approved RESIC, the utility shall
5 identify and list the amount owed by the customer, based on the
6 RESIC rate calculated in accordance with section 7 of P.L. ,
7 c. (C.) (pending before the Legislature as this bill), separately
8 on a customer's utility bill. The RESIC rate shall be reflected in
9 bills issued on and after the effective date of the first RESIC filing
10 and may be adjusted on the basis of subsequent RESIC filings, no
11 more frequently than every six months, up to an amount not to
12 exceed the RESIC-cap over the RESIC period.

13 b. A customer's bill shall reflect the RESIC rate calculated
14 pursuant to paragraph (3) of subsection a. of section 7 of P.L. ,

15 c. (C.) (pending before the Legislature as this bill).

16

17 9. This act shall take effect immediately.

18

19

20

21

22 Establishes "Resiliency and Environmental System Investment
23 Charge Program."

ASSEMBLY, No. 4791

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED OCTOBER 17, 2022

Sponsored by:

Assemblyman JAMES J. KENNEDY

District 22 (Middlesex, Somerset and Union)

Assemblywoman SHAMA A. HAIDER

District 37 (Bergen)

Assemblyman JOHN F. MCKEON

District 27 (Essex and Morris)

SYNOPSIS

Establishes “Resiliency and Environmental System Investment Charge Program.”

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT establishing the “Resiliency and Environmental System
2 Investment Charge Program” for cost recovery of certain
3 investments made by certain utilities and supplementing Title 48
4 of the Revised Statutes.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8

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

11 “Adjusted weighted average cost of capital” means the weighted
12 average of the debt and equity components of a utility’s capital
13 structure, where the equity component shall equal the equity rate
14 approved by the board in the utility’s most recent base rate case and
15 the debt component shall equal the approved embedded long-term
16 cost of debt (LTD), which component shall be adjusted semi-
17 annually to reflect the actual embedded cost of LTD at the end of
18 the RESIC recovery period, and which component shall not include
19 short-term debt.

20 “Board” means the Board of Public Utilities or any successor
21 agency.

22 “Depreciation expense” means the amount equal to the total
23 amount of RESIC eligible investments, multiplied by the weighted
24 composite depreciation rate on those assets utilizing depreciation
25 rates, as most recently approved by the board.

26 “In-service” means when a RESIC-eligible project has been
27 substantially completed, is functioning in its intended purpose, and
28 is used and useful for the provision of utility service.

29 “Pre-tax adjusted weighted average cost of capital” means the
30 adjusted weighted average cost of capital calculated on a pre-
31 income tax basis.

32 “Requirement” means a decision or regulation imposed on a
33 utility by the State, including any political subdivision thereof, or
34 the federal government, in connection with any of the following:

35 a. the “Federal Water Pollution Control Act Amendments of
36 1972” (33 U.S.C. s.1251 et seq.);

37 b. the federal “Safe Drinking Water Act” (42 U.S.C. 300f et
38 seq.);

39 c. any other law, order, or regulation administered by the
40 United States Environmental Protection Agency, the United States
41 Army Corps of Engineers, the United States Department of
42 Transportation, the United States Department of Homeland
43 Security, the New Jersey Office of Homeland Security and
44 Preparedness, the New Jersey Department of Transportation, or the
45 New Jersey Department of Environmental Protection; or

46 d. a regulation imposed by any local government unit related to
47 the provision of water or wastewater service, or both, or imposing
48 more stringent standards than those adopted by law.

1 “RESIC” means the Resiliency and Environmental System
2 Investment Charge program, established pursuant to P.L. ,
3 c. (C.) (pending before the Legislature as this bill).

4 “RESIC-cap” or “cap” means the maximum amount of RESIC
5 revenues that a utility may recover, during the period the RESIC
6 rate is in effect, through the assessment or surcharge computed
7 pursuant to P.L. , c. (C.) (pending before the Legislature as
8 this bill).

9 “RESIC-eligible project” or “eligible project” means a water or
10 wastewater system project, or both, with projected costs that are:

- 11 a. non-revenue producing;
- 12 b. specifically identified by the utility within its petition in
13 support of a RESIC;
- 14 c. not already being recovered through current base rates, as set
15 by the utility’s most recent base rate case proceeding or through
16 another infrastructure surcharge mechanism; and
- 17 d. approved by the board for inclusion in a RESIC in response
18 to the utility’s petition.

19 “RESIC filing” means the semi-annual filing made by a utility
20 pursuant to section 4 of P.L. , c. (C.) (pending before the
21 Legislature as this bill) for each RESIC recovery period, which
22 filing contains actual data for the RESIC recovery period.

23 “RESIC period” means the period of time between the effective
24 date of the foundational filing and the rate effective date of the next
25 base rate case.

26 “RESIC rate” means the surcharge added to a utility customer’s
27 bill, calculated pursuant to the provisions of P.L. , c. (C.)
28 (pending before the Legislature as this bill), which rate shall be
29 assessed on the basis of meter charges or meter equivalent basis,
30 and which shall remain in effect for the duration of the RESIC
31 period.

32 “RESIC recovery period” means the six-month period preceding
33 each RESIC filing submitted pursuant to subsection b. of section 4
34 of P.L. , c. (C.) (pending before the Legislature as this
35 bill), provided that the RESIC-eligible project for which filing is
36 submitted shall be completed and in-service during this period.

37 “RESIC revenue requirement recovery amount” means the total
38 eligible amount to be recovered through the RESIC rate, as
39 calculated pursuant to section 7 of P.L. , c. (C.) (pending
40 before the Legislature as this bill).

41 “Restoration costs” means costs necessary to restore construction
42 to preconstruction condition or as dictated by federal, State, county,
43 or municipal laws, rules, ordinances, orders, or regulations,
44 including, but not limited to, paving, sidewalks, curbing,
45 landscaping, and traffic control costs for RESIC-eligible projects
46 approved in a foundational filing.

47 “Revenue factor” means a gross-up for the associated revenue
48 taxes, uncollectibles, board assessment, and Division of Rate

1 Counsel assessment, adjusted to properly reflect the revenue
2 required to generate the agreed upon rate of return.

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4 in this section.

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6 wastewater and includes any activity related to the collection,
7 storage, transport, handling, delivery, processing, treatment, or
8 disposal of wastewater, and other similar activities.

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10 defined in R.S.48:2-13, that provides wastewater treatment service,
11 or a municipal public utility that provides wastewater treatment
12 service to more than 1,000 billed customers in another municipality.

13 “Water utility” means an investor-owned public utility, as
14 defined in R.S.48:2-13, that provides water service, or a municipal
15 public utility that provides water service to more than 1,000 billed
16 customers in another municipality and charges a different rate to
17 customers inside the municipality than it charges customers outside
18 of the municipality.

19

20 2. a. A utility may seek recovery through the implementation
21 of a RESIC rate for any cost made, or to be made, by a utility,
22 which cost is related to the:

23 (1) direct or indirect compliance with one or more requirements,
24 including, but not limited to, addressing both existing and emerging
25 chemical elements or compounds;

26 (2) installation of new distribution, production, treatment, or
27 other plant or equipment to further resiliency, health, safety, or
28 environmental protection for the utility’s customers or employees,
29 or the public; or

30 (3) replacement of existing distribution, production, treatment,
31 or other plant or equipment to maintain, enhance, or improve the
32 existing resiliency, health, safety, or environmental protection of
33 the utility’s customers or employees, or the public.

34 b. Restoration costs associated with an eligible project pursuant
35 to paragraph (1) of subsection a. of this section and approved
36 through a utility’s RESIC foundational filing, made pursuant to
37 subsection b. of section 3 of P.L. , c. (C.) (pending before
38 the Legislature as this bill), may be recovered if the costs were
39 incurred not more than 18 months after the eligible project’s in-
40 service date and were included in a normally scheduled semi-annual
41 RESIC filing.

42

43 3. a. (1) The board shall authorize the implementation of a
44 RESIC by a utility to recover costs associated with RESIC-eligible
45 projects through an approved RESIC rate.

46 (2) A utility that offers more than one regulated service may file
47 a joint petition to establish a RESIC that includes RESIC-eligible
48 projects for multiple regulated services or separate petitions to

1 establish a separate RESIC for water and wastewater services,
2 respectively. If a utility files separate petitions, each RESIC
3 approved by the board shall be subject to its own respective RESIC-
4 cap.

5 b. To obtain authorization to implement a RESIC, the utility
6 shall submit a foundational filing to the board. Whether filed
7 separately or concurrently with a base rate case, the utility shall
8 submit the following information with the foundational filing:

9 (1) projected annual capital expenditures on RESIC-eligible
10 projects for a three-year period, identified by major categories of
11 expenditures;

12 (2) actual annual capital expenditures on RESIC-eligible
13 projects for the previous three years, identified by major categories
14 of expenditures;

15 (3) an engineering evaluation and report identifying the specific
16 projects to be included in the proposed RESIC, with descriptions of
17 project objectives, detailed cost estimates, and the estimated in-
18 service dates for each project;

19 (4) vintage, condition, or other similarly relevant and reasonably
20 available information about the eligible infrastructure that is being
21 rehabilitated or replaced, if applicable;

22 (5) a forecast of RESIC-eligible capital expenditures for a three-
23 year period setting forth annual planned capital expenditures;

24 (6) the maximum dollar amount, in aggregate, the utility seeks
25 to recover through the RESIC under the foundational filing; and

26 (7) the estimated rate impact of the proposed RESIC on
27 customers of the utility.

28 c. In considering a utility's foundational filing in support of a
29 RESIC, the board may require the utility to provide any
30 supplemental information that the board deems necessary to
31 evaluate the utility's foundational filing.

32 d. Before the board approves a RESIC, the board shall conduct
33 a public hearing in the utility's service territory, notice of which
34 shall contain the maximum dollar amount the utility seeks to
35 recover through its RESIC and the utility's estimated rate impact.

36 e. A RESIC foundational filing shall not be approved unless a
37 utility has had its base rates set by the board within the past three
38 years and any prior RESIC rate was reset to zero through the
39 current or prior base rate case. After a utility's RESIC rate has
40 been reset to zero, a new foundational filing shall be approved
41 before a new RESIC rate recovery may occur. A RESIC
42 foundational filing may be approved concurrently with the setting
43 of new base rates.

44 f. The board shall act on each foundational filing no later than
45 120 calendar days after receiving the completed filing, except that if
46 the foundational filing is submitted concurrent with a base rate case
47 or during the pendency of a base rate case, the board may delay

1 action until the effective date of the board's approval of the base
2 rate case.

3

4 4. a. Following board approval of the utility's foundational
5 filing, each subsequent RESIC filing made by a utility shall include
6 the following:

7 (1) a detailed description of all RESIC-eligible projects placed
8 in-service, which description shall clearly identify any projects that
9 are carried over from a prior RESIC period or from a prior RESIC
10 recovery period, any restoration costs sought for projects placed in-
11 service, and the in-service date for the projects associated with the
12 restoration costs;

13 (2) aggregate information capturing blanket-type RESIC-
14 eligible infrastructure, if any, to be rehabilitated or replaced and the
15 actual annual costs of the blanket-type replacement programs;

16 (3) a schedule comparing the:

17 (a) total spending on RESIC-eligible projects to date for the
18 RESIC recovery period, and eligible project spending by
19 foundational filing project identification number or blanket-project
20 category;

21 (b) actual cost of completed RESIC-eligible projects for the
22 RESIC recovery period with the estimated costs for the projects
23 contained in the most recent foundational filing or any amendment
24 thereto;

25 (c) in-service date of completed RESIC-eligible projects
26 compared to the estimated in-service date of RESIC-eligible
27 projects set forth in the foundational filing; and

28 (d) actual revenues collected through the RESIC assessment,
29 compared with the actual revenue requirement of the RESIC-
30 eligible projects during the RESIC recovery period, and the
31 resultant RESIC under- or over-recovery amounts; and

32 (4) a proposed RESIC schedule outlining the RESIC rate,
33 determined pursuant to P.L. , c. (C.) (pending before the
34 Legislature as this bill), and detailed information demonstrating that
35 the proposed RESIC rate meets those requirements. The schedule
36 shall include either a proposed schedule for returning to customers
37 any over-recovery in the prior RESIC recovery period, including
38 interest at the adjusted weighted average cost of capital, or a
39 proposed schedule for recovering from customers any under-
40 recovery in the prior RESIC recovery period. The over-recovery,
41 including interest, or under-recovery shall be credited or charged to
42 customers during the next RESIC recovery period. This
43 information shall support the RESIC rate calculation, with
44 documentation, detailed financial analyses, and other relevant
45 information, showing all assumptions and calculations. All
46 supporting financial information shall be presented in a manner to
47 allow the board to evaluate whether the calculations meet the

- 1 requirements of P.L. , c. (C.) (pending before the
2 Legislature as this bill).
- 3 b. RESIC filings shall be filed with the board on a semi-annual
4 basis, commencing six months after the effective date of the
5 foundational filing. A utility shall submit a semi-annual RESIC
6 filing to the board within 15 calendar days of the scheduled
7 conclusion of the RESIC recovery period. A RESIC filing shall be
8 reviewed by the board and the Division of Rate Counsel. The
9 utility may recover the interim surcharge associated with the
10 RESIC-eligible projects placed in-service, including restoration
11 costs during the RESIC recovery period, beginning 45 calendar
12 days after the receipt of the complete semi-annual RESIC filing.
- 13 c. To the extent permitted under section 2 of P.L. ,
14 c. (C.) (pending before the Legislature as this bill), a utility's
15 expenditures made prior to the board's approval of a RESIC shall
16 be eligible for cost recovery so long as the expenditures were
17 included in the RESIC foundational filing.
- 18 d. The semi-annual RESIC filings may include changes or
19 updates to any information provided in the foundational filing,
20 provided that the utility has a reasonable expectation that the
21 change shall occur during the RESIC recovery period, which project
22 changes may include, but shall not be limited to, additions,
23 replacements, or deferral projects that are otherwise RESIC-
24 eligible.
- 25 e. Rates approved by the board for recovery of expenditures
26 under a RESIC shall be:
- 27 (1) accelerated and recovered through a separate clause of the
28 utility's board-approved tariff;
- 29 (2) subject to annual reconciliation based on a reconciliation
30 period consisting of the 12 months completed prior to the utility's
31 next RESIC filing. The revenue received through the RESIC rate
32 for the reconciliation period shall be compared to the utility's costs
33 associated with RESIC-eligible projects for that period. The
34 difference between revenue and costs shall be recouped or credited,
35 as appropriate, through the RESIC rate included in the RESIC
36 filing; and
- 37 (3) provisional and subject to refund and interest. The prudence
38 of RESIC expenditures shall be determined by the board in the
39 utility's next base rate case.
- 40 f. A utility shall file its next rate base case not later than three
41 years after the board's approval of the RESIC start date, except that
42 the board, in its discretion, may require a utility to file its next base
43 rate case within a shorter period.
- 44 g. A utility may continue to file for cost recovery of RESIC-
45 eligible projects during the approved RESIC period notwithstanding
46 the filing of the utility's next base rate case.

1 5. a. If RESIC-eligible project plant additions are placed in-
2 service during the test year of a utility's base rate case, and the
3 plant additions are not recovered as part of a routine RESIC filing,
4 then the plant additions shall be considered as part of the base rate
5 case proceeding and included in the plant additions, consistent with
6 existing board rules.

7 b. Notwithstanding any other provisions of P.L. , c. (C.)
8 (pending before the Legislature as this bill) to the contrary, a utility
9 may continue to make RESIC-eligible investments and collect the
10 RESIC rate during a pending rate case filed in accordance with
11 existing board rules.

12 c. RESIC rates shall be included in base rates during a utility's
13 subsequent base rate case, and the RESIC rate shall be reset to zero.
14

15 6. a. All carryover costs permitted by this section and included
16 in a RESIC rate shall be included in the calculation of the RESIC-
17 cap.

18 b. Notwithstanding any other provision of this section to the
19 contrary, when a utility has commenced work on a RESIC-eligible
20 project, but the eligible project has not been placed in-service
21 during the period captured under an initial foundational filing, the
22 eligible project may be considered a valid RESIC-eligible project in
23 a subsequent foundational filing that is filed with the board prior to
24 the resetting of rates under the initial foundational filing when the
25 RESIC-eligible project began.

26 c. When a RESIC-eligible project is placed in-service by a
27 utility between the close of the test year and the effective date of
28 rates in the base rate case, the utility may recover the costs of the
29 project, as authorized by a board order approving a foundational
30 filing, in the first RESIC filing under the board's new foundational
31 filing order and included in the RESIC-cap.

32 d. Unrecovered restoration costs of a project that was placed
33 in-service during one foundational filing may be carried over and
34 recovered in a subsequent foundational filing and included in a
35 timely semi-annual RESIC filing, provided that the restoration costs
36 shall otherwise be within the timeframe set forth in P.L. ,
37 c. (C.) (pending before the Legislature as this bill).
38

39 7. a. The revenues to be recovered through the RESIC rate
40 shall be calculated as follows:

41 (1) the eligible net investment shall equal the eligible
42 investment, less the per-book accumulated depreciation amount
43 recorded for the eligible projects, and adjusted for the recorded
44 accumulated deferred income tax amount for the eligible projects;

45 (2) the eligible net investment shall be multiplied by the pre-tax
46 adjusted weighted average cost of capital, plus depreciation
47 expense, the sum of which shall be multiplied by the revenue factor,
48 plus or minus the RESIC under-recovery or over-recovery amount,

1 the product of which shall equal the RESIC revenue requirement
2 recovery amount; and

3 (3) the RESIC revenue requirement recovery amount shall be
4 divided by the number of meters and meter equivalents, weighted
5 by meter capacity ratio, the product of which shall equal the RESIC
6 rate per customer.

7 b. The revenues to be recovered through the RESIC rate shall
8 not exceed the RESIC-cap, which amount shall not exceed five
9 percent of the utility's total annual revenue, as established in the
10 utility's most recent base rate decision, and such revenues shall be
11 adjusted in accordance with a purchased water or wastewater
12 adjustment clause approved by the board pursuant to chapter 9 of
13 Title 14 of the New Jersey Administrative Code.

14

15 8. a. If a utility has a board-approved RESIC, the utility shall
16 identify and list the amount owed by the customer, based on the
17 RESIC rate calculated in accordance with section 7 of P.L. ,

18 c. (C.) (pending before the Legislature as this bill), separately
19 on a customer's utility bill. The RESIC rate shall be reflected in
20 bills issued on and after the effective date of the first RESIC filing
21 and may be adjusted on the basis of subsequent RESIC filings, no
22 more frequently than every six months, up to an amount not to
23 exceed the RESIC-cap over the RESIC period.

24 b. A customer's bill shall reflect the RESIC rate calculated
25 pursuant to paragraph (3) of subsection a. of section 7 of P.L. ,

26 c. (C.) (pending before the Legislature as this bill).

27

28 9. This act shall take effect immediately.

29

30

31

STATEMENT

32

33 This bill establishes the "Resiliency and Environmental System
34 Investment Charge Program"(RESIC), which creates a regulatory
35 mechanism that enables water and wastewater utilities (utilities) to
36 recover the costs of investment in certain non-revenue producing
37 utility system components that enhance water and wastewater
38 system resiliency, environmental compliance, safety, and public
39 health.

40 The bill authorizes a utility to petition the Board of Public
41 Utilities (BPU) concerning RESIC activities through the submission
42 of a foundational filing. A utility that offers more than one
43 regulated service may file a joint foundational filing for a RESIC
44 that includes infrastructure investments for multiple regulated
45 services or separate foundational filings to establish a separate
46 RESIC for each regulated service offered by the utility. If a utility
47 files separate foundational filings, each RESIC approved by the
48 BPU would be subject to its own respective spending cap.

1 Under the RESIC program, after approval of the foundational
2 filing, a utility may charge customers up to the RESIC-cap amount
3 for the costs of installing, rehabilitating, improving, or replacing
4 utility system infrastructure in accordance with the bill.

5 The bill provides that if a utility has a BPU-approved RESIC, the
6 utility is required to identify and list the amount owed by the
7 customer, based on the RESIC rate calculated in accordance with
8 the bill, separately on a customer's utility bill. The RESIC rate is to
9 be reflected in bills issued on and after the effective date of the first
10 RESIC filing and may be adjusted on the basis of subsequent
11 RESIC filings no more frequently than every six months, up to an
12 amount not to exceed the RESIC-cap over the RESIC period.

ASSEMBLY ENVIRONMENT AND SOLID WASTE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4791

STATE OF NEW JERSEY

DATED: JUNE 15, 2023

The Assembly Environment and Solid Waste Committee reports favorably Assembly Bill No. 4791.

This bill establishes the “Resiliency and Environmental System Investment Charge Program” (RESIC), which creates a regulatory mechanism that enables water and wastewater utilities (utilities) to recover the costs of investment in certain non-revenue producing utility system components that enhance water and wastewater system resiliency, environmental compliance, safety, and public health.

The bill authorizes a utility to petition the Board of Public Utilities (BPU) concerning RESIC activities through the submission of a foundational filing. A utility that offers more than one regulated service may file a joint foundational filing for a RESIC that includes infrastructure investments for multiple regulated services or separate foundational filings to establish a separate RESIC for each regulated service offered by the utility. If a utility files separate foundational filings, each RESIC approved by the BPU would be subject to a separate revenue recovery cap.

Under the RESIC program, after approval of the foundational filing, a utility may charge customers for the costs of installing, rehabilitating, improving, or replacing utility system infrastructure in accordance with the bill. However, the bill provides that the total revenues recovered through the RESIC rate may not exceed the RESIC-cap, which amount equals five percent of the utility’s total annual revenues, as adjusted for certain approved charges. Under the bill, the utility would also be required to identify the amounts owed by each customer, based on the RESIC rate, separately on the customer’s utility bill.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4791

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 4, 2023

The Assembly Appropriations Committee reports favorably and with committee amendments Assembly Bill No. 4791.

As amended and reported, this bill establishes the “Resiliency and Environmental System Investment Charge Program” (RESIC), which creates a regulatory mechanism that enables water and wastewater utilities (utilities) to recover the costs of investment in certain non-revenue producing utility system components that enhance water and wastewater system resiliency, environmental compliance, safety, and public health.

The bill authorizes a utility to petition the Board of Public Utilities (BPU) concerning RESIC activities by submitting a foundational filing. A utility that offers more than one regulated service may file a joint foundational filing for a RESIC that includes infrastructure investments for multiple regulated services or separate foundational filings to establish a separate RESIC for each regulated service offered by the utility. If a utility files separate foundational filings, each RESIC approved by the BPU would be subject to a separate revenue recovery cap.

Under the RESIC program, after approval of the foundational filing, a utility may charge customers for the costs of installing, rehabilitating, improving, or replacing utility system infrastructure in accordance with the bill. However, the bill provides that the total revenues recovered through the RESIC rate may not exceed the RESIC-cap, which equals five percent of the utility’s total annual revenues, as adjusted for certain approved charges. Under the bill, the utility would also be required to identify the amounts owed by each customer, based on the RESIC rate, separately on the customer’s utility bill

COMMITTEE AMENDMENTS:

The committee amended the bill to expand the types of expenses that are eligible for cost recovery by a utility through the implementation of a RESIC rate to include any cost related to the replacement of treatment media including, granular activated carbon and anionic exchange resins and new treatment media, and related tanks, pumps, instrumentation, controls, and electrical equipment for

both existing and emerging chemical elements and compounds. The committee amendments also provide that a utility may only seek cost recovery for costs that may be recorded in the applicable accounts set forth in the uniform system of accounts adopted by the National Association of Regulatory Utility Commissioners for certain categories of expenses.

FISCAL IMPACT:

The Office of Legislative Services determines that the bill may result in a potential increase in expenditures to certain State entities, local units, and school districts associated with the establishment of the “Resiliency and Environmental System Investment Charge (RESIC) Program.”

The bill may result in a marginal increase in administrative expenditures to the Board of Public Utilities (board) associated with administering the program, which costs may include the review processes for the foundational and semi-annual filings of RESIC-eligible projects.

Additionally, the bill may result in expenditure increases for certain State and local entities and school districts that are serviced by a water or wastewater utility that elects to participate in the RESIC Program, if these public entities are required to pay the RESIC rate as part of their water or wastewater bill. The OLS cannot calculate the magnitude of these potential expenditure increases because it is unable to predict how many utilities will participate in the RESIC Program, the amount of the RESIC rates that will be approved by the board for each utility, and the total impact of the RESIC rate on the water or wastewater bills of public entities.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[Second Reprint] **ASSEMBLY, No. 4791**

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 4, 2024

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Assembly Bill No. 4791 (2R).

As amended and reported, this bill establishes the “Resiliency and Environmental System Investment Charge Program” (RESIC), which creates a regulatory mechanism that enables water and wastewater utilities (utilities) to recover the costs of investment in certain non-revenue producing utility system components that enhance water and wastewater system resiliency, environmental compliance, safety, and public health. Additionally, a utility may recover any cost related to the replacement of treatment media, including granular activated carbon and anionic exchange resins and new treatment media, and related tanks, pumps, instrumentation, controls, and electrical equipment for both existing and emerging chemical elements and compounds. However, a utility may only seek cost recovery for costs that may be recorded in the applicable accounts set forth in the uniform system of accounts adopted by the National Association of Regulatory Utility Commissioners for certain categories of expenses.

The bill authorizes a utility to petition the Board of Public Utilities (BPU) concerning RESIC activities through the submission of a foundational filing. A utility that offers more than one regulated service may file a joint foundational filing for a RESIC that includes infrastructure investments for multiple regulated services or separate foundational filings to establish a separate RESIC for each regulated service offered by the utility. If a utility files separate foundational filings, each RESIC approved by the BPU would be subject to a separate revenue recovery cap.

Under the RESIC program, after approval of the foundational filing, a utility may charge customers for the costs of installing, rehabilitating, improving, or replacing utility system infrastructure in accordance with the bill. However, the bill provides that the total revenues recovered through the RESIC rate may not exceed the RESIC-cap, which amount may not exceed a maximum percent of the utility’s total annual revenues, as adjusted for certain approved charges. The RESIC-cap is not to exceed: (1) at the time of the

utility's initial foundational filing, two and one half percent of the utility's total annual revenue; (2) at the time of the utility's second foundational filing, three and one half percent of the utility's total annual revenue; (3) at the time of the utility's third foundational filing, four and one half percent of the utility's total annual revenue; and (4) for each foundational filing thereafter, five percent of the utility's total annual revenue.

Under the bill, the utility would also be required to identify the amounts owed by each customer, based on the RESIC rate, separately on the customer's utility bill.

As amended and reported by the committee, Assembly Bill No. 4791 (2R) is identical to Senate Bill No. 3184 (1R), which was also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to provide that the RESIC-cap may not exceed a maximum percent of the utility's total annual revenue, as calculated pursuant to the bill. The amendments provide that the RESIC-cap may not exceed: (1) at the time of the utility's initial foundational filing, two and one half percent of the utility's total annual revenue; (2) at the time of the utility's second foundational filing, three and one half percent of the utility's total annual revenue; (3) at the time of the utility's third foundational filing, four and one half percent of the utility's total annual revenue; and (4) for each foundational filing thereafter, five percent of the utility's total annual revenue. Previously, the bill provided that the RESIC-cap would have been five percent of the utility's total annual revenues.

The committee amendments also provide for technical changes to the bill to clarify the types of treatment media replacement costs that may be recovered through the RESIC rate.

FISCAL IMPACT:

The Office of Legislative Services (OLS) determines that the bill may result in annual expenditure increases for certain State and local entities and school districts that are serviced by a water or wastewater utility that elects to participate in the Resiliency and Environmental System Investment Charge (RESIC) Program, if these public entities are required to pay the RESIC surcharge as part of their water or wastewater bill.

For each eligible municipal water utility that elects to participate in the RESIC program, the bill is expected to result in increased local revenues associated with the collection of approved RESIC surcharges from the utility's customers. The bill may result in a marginal increase in annual administrative expenditures to the Board of Public Utilities associated with administering the program, which costs may include the review processes for the foundational and semi-annual filings of RESIC-eligible projects.

STATEMENT TO
[First Reprint]
ASSEMBLY, No. 4791

with Senate Floor Amendments
(Proposed by Senator DIEGNAN)

ADOPTED: DECEMBER 21, 2023

These Senate floor amendments revise the definition of the term “wastewater utility” to mean an investor-owned public utility that provides wastewater treatment service. As introduced, the bill would have also included any municipal public utility that provides wastewater treatment service to more than 1,000 billed customers in another municipality in the definition of “wastewater utility.”

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 4791

STATE OF NEW JERSEY 220th LEGISLATURE

DATED: DECEMBER 11, 2023

SUMMARY

- Synopsis:** Establishes “Resiliency and Environmental System Investment Charge Program.”
- Type of Impact:** Potential increase in State and local expenditures and revenues.
- Agencies Affected:** Board of Public Utilities; certain State entities, local units, and school districts.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
Potential State Expenditure Increase	Indeterminate
Potential State Revenue Increase	Indeterminate
Potential Local Expenditure Increase	Indeterminate
Potential Local Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) determines that the bill may result in annual expenditure increases for certain State and local entities and school districts that are serviced by a water or wastewater utility that elects to participate in the Resiliency and Environmental System Investment Charge (RESIC) Program, if these public entities are required to pay the RESIC surcharge as part of their water or wastewater bill.
- For each eligible municipal utility that elects to participate in the RESIC program, the bill is expected to result in increased local revenues associated with the collection of approved RESIC surcharges from the utility’s customers.
- The bill may result in a marginal increase in annual administrative expenditures to the Board of Public Utilities associated with administering the program, which costs may include the review processes for the foundational and semi-annual filings of RESIC-eligible projects.

BILL DESCRIPTION

This bill establishes the Resiliency and Environmental System Investment Charge Program, which creates a regulatory mechanism that enables water and wastewater utilities to recover the costs of investment in certain non-revenue producing utility system components that enhance water and wastewater system resiliency, environmental compliance, safety, and public health.

The bill authorizes a utility to petition the Board of Public Utilities concerning program activities by submitting a fundamental filing. Any utility that offers more than one regulated service may file a joint foundational filing for a RESIC that includes infrastructure investments for multiple regulated services or separate foundational filings to establish a separate RESIC for each regulated service offered by the utility. If a utility files separate foundational filings, each RESIC approved by the board would be subject to its own respective revenue recovery cap. After approval of the foundational filing, a utility may charge customers up to the RESIC-cap amount for the costs of installing, rehabilitating, improving, or replacing utility system infrastructure in accordance with the bill.

The bill provides that if a utility has a board-approved RESIC, the utility is required to identify and list the amount owed by the customer, which is based on the RESIC rate calculated in accordance with the bill, separately on a customer's utility bill. The RESIC rate is to be reflected in bills issued on and after the effective date of the first RESIC filing and may be adjusted on the basis of subsequent RESIC filings no more frequently than every six months, up to an amount not to exceed the RESIC cap over the program period.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS determines that the bill may result in annual expenditure increases for certain State and local entities and school districts that are serviced by a water or wastewater utility that elects to participate in the RESIC Program, if these public entities are required to pay the RESIC surcharge as part of their water or wastewater bill. The OLS cannot calculate the magnitude of these potential expenditure increases because it is unable to predict how many utilities will participate in the RESIC Program, the amount of the RESIC rates that will be approved by the board for each utility, and the total impact of the RESIC rate on the water or wastewater bills of public entities.

The bill may result in a marginal increase in administrative expenditures to the board associated with administering the RESIC Program, which costs may include the review processes for the foundational and semi-annual filings submitted by water or wastewater utilities for RESIC-eligible projects. The OLS notes, for context, that the board currently administers a similar program known as the Distribution System Improvement Charge Program, which provides rate recovery mechanisms for water utilities for improvements to their distribution systems. Given this experience, the OLS expects the administrative costs associated with the establishment and implementation of the RESIC Program to be marginal in nature, assuming that the board is not required to hire additional staff to support the program.

Additionally, the bill provides that certain municipal water and wastewater utilities, which serve more than 1,000 billed customers outside of the municipality, would be eligible to apply for

the RESIC program. Based on this criteria, no more than nine municipal water utilities, each of which serve customers outside of the municipality, could be eligible for the program. For each municipal water utility that elects to participate in the RESIC program, the bill is expected to result in increased local expenditures associated with the undertaking of approved investments and increased local revenues associated with the collection of approved RESIC charges from the utility's customers.

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Michael D. Walker
Assistant Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[Third Reprint]

ASSEMBLY, No. 4791

STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JANUARY 10, 2024

SUMMARY

- Synopsis:** Establishes “Resiliency and Environmental System Investment Charge Program.”
- Type of Impact:** Potential increase in State and local expenditures and revenues.
- Agencies Affected:** Board of Public Utilities; certain State entities, local units, and school districts.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
Potential State Expenditure Increase	Indeterminate
Potential State Revenue Increase	Indeterminate
Potential Local Expenditure Increase	Indeterminate
Potential Local Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) determines that the bill may result in annual expenditure increases for certain State and local entities and school districts that are serviced by a water or wastewater utility that elects to participate in the Resiliency and Environmental System Investment Charge (RESIC) Program, if these public entities are required to pay the RESIC surcharge as part of their water or wastewater bill.
- For each eligible municipal water utility that elects to participate in the RESIC program, the bill is expected to result in increased local revenues associated with the collection of approved RESIC surcharges from the utility’s customers.
- The bill may result in a marginal increase in annual administrative expenditures to the Board of Public Utilities associated with administering the program, which costs may include the review processes for the foundational and semi-annual filings of RESIC-eligible projects.

BILL DESCRIPTION

This bill establishes the Resiliency and Environmental System Investment Charge Program, which creates a regulatory mechanism that enables water and wastewater utilities to recover the costs of investment in certain non-revenue producing utility system components that enhance water and wastewater system resiliency, environmental compliance, safety, and public health.

The bill authorizes a utility to petition the Board of Public Utilities concerning program activities by submitting a fundamental filing. Any utility that offers more than one regulated service may file a joint foundational filing for a RESIC that includes infrastructure investments for multiple regulated services or separate foundational filings to establish a separate RESIC for each regulated service offered by the utility. If a utility files separate foundational filings, each RESIC approved by the board would be subject to its own respective revenue recovery cap. After approval of the foundational filing, a utility may charge customers up to the RESIC-cap amount for the costs of installing, rehabilitating, improving, or replacing utility system infrastructure in accordance with the bill.

The bill provides that if a utility has a board-approved RESIC, the utility is required to identify and list the amount owed by the customer, which is based on the RESIC rate calculated in accordance with the bill, separately on a customer's utility bill. The RESIC rate is to be reflected in bills issued on and after the effective date of the first RESIC filing and may be adjusted on the basis of subsequent RESIC filings no more frequently than every six months, up to an amount not to exceed the RESIC cap over the program period.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS determines that the bill may result in annual expenditure increases for certain State entities, local units, and school districts that are serviced by a water or wastewater utility that elects to participate in the RESIC Program, if these public entities are required to pay the RESIC surcharge as part of their water or wastewater bill. The OLS cannot calculate the magnitude of these potential expenditure increases because it is unable to predict how many utilities will participate in the RESIC Program, the amount of the RESIC rates that will be approved by the board for each utility, and the total impact of the RESIC rate on the water or wastewater bills of public entities.

The bill may result in a marginal increase in administrative expenditures to the board associated with administering the RESIC Program, which costs may include the review processes for the foundational and semi-annual filings submitted by water or wastewater utilities for RESIC-eligible projects. The OLS notes, for context, that the board currently administers a similar program known as the Distribution System Improvement Charge Program, which provides rate recovery mechanisms for water utilities for improvements to their distribution systems. Given this experience, the OLS expects the administrative costs associated with the establishment and implementation of the RESIC Program to be marginal in nature, assuming that the board is not required to hire additional staff to support the program.

Additionally, the bill provides that certain municipal water utilities, which serve more than 1,000 billed customers outside of the municipality, would be eligible to apply for the RESIC program. Based on this criteria, no more than nine municipal water utilities, each of which serve customers outside of the municipality, could be eligible for the program. For each municipal water utility that elects to participate in the RESIC program, the bill is expected to result in increased local expenditures associated with the undertaking of approved investments and increased local revenues associated with the collection of approved RESIC charges from the utility's customers.

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Michael D. Walker
Assistant Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE, No. 3184

STATE OF NEW JERSEY
220th LEGISLATURE

INTRODUCED OCTOBER 6, 2022

Sponsored by:

Senator PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

Co-Sponsored by:

Senator Johnson

SYNOPSIS

Establishes “Resiliency and Environmental System Investment Charge Program.”

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/27/2023)

1 AN ACT establishing the “Resiliency and Environmental System
2 Investment Charge Program” for cost recovery of certain
3 investments made by certain utilities and supplementing Title 48
4 of the Revised Statutes.

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

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

11 “Adjusted weighted average cost of capital” means the weighted
12 average of the debt and equity components of a utility’s capital
13 structure, where the equity component shall equal the equity rate
14 approved by the board in the utility’s most recent base rate case and
15 the debt component shall equal the approved embedded long-term
16 cost of debt (LTD), which component shall be adjusted semi-
17 annually to reflect the actual embedded cost of LTD at the end of
18 the RESIC recovery period, and which component shall not include
19 short-term debt.

20 “Board” means the Board of Public Utilities or any successor
21 agency.

22 “Depreciation expense” means the amount equal to the total
23 amount of RESIC eligible investments, multiplied by the weighted
24 composite depreciation rate on those assets utilizing depreciation
25 rates, as most recently approved by the board.

26 “In-service” means when a RESIC-eligible project has been
27 substantially completed, is functioning in its intended purpose, and
28 is used and useful for the provision of utility service.

29 “Pre-tax adjusted weighted average cost of capital” means the
30 adjusted weighted average cost of capital calculated on a pre-
31 income tax basis.

32 “Requirement” means a decision or regulation imposed on a
33 utility by the State, including any political subdivision thereof, or
34 the federal government, in connection with any of the following:

35 a. the “Federal Water Pollution Control Act Amendments of
36 1972” (33 U.S.C. s.1251 et seq.);

37 b. the federal “Safe Drinking Water Act” (42 U.S.C. 300f et
38 seq.);

39 c. any other law, order, or regulation administered by the
40 United States Environmental Protection Agency, the United States
41 Army Corps of Engineers, the United States Department of
42 Transportation, the United States Department of Homeland
43 Security, the New Jersey Office of Homeland Security and
44 Preparedness, the New Jersey Department of Transportation, or the
45 New Jersey Department of Environmental Protection; or

46 d. a regulation imposed by any local government unit related to
47 the provision of water or wastewater service, or both, or imposing
48 more stringent standards than those adopted by law.

1 “RESIC” means the Resiliency and Environmental System
2 Investment Charge program, established pursuant to P.L. ,
3 c. (C.) (pending before the Legislature as this bill).

4 “RESIC-cap” or “cap” means the maximum amount of RESIC
5 revenues that a utility may recover, during the period the RESIC
6 rate is in effect, through the assessment or surcharge computed
7 pursuant to P.L. , c. (C.) (pending before the Legislature as
8 this bill).

9 “RESIC-eligible project” or “eligible project” means a water or
10 wastewater system project, or both, with projected costs that are:

- 11 a. non-revenue producing;
- 12 b. specifically identified by the utility within its petition in
13 support of a RESIC;
- 14 c. not already being recovered through current base rates, as set
15 by the utility’s most recent base rate case proceeding or through
16 another infrastructure surcharge mechanism; and
- 17 d. approved by the board for inclusion in a RESIC in response
18 to the utility’s petition.

19 “RESIC filing” means the semi-annual filing made by a utility
20 pursuant to section 4 of P.L. , c. (C.) (pending before the
21 Legislature as this bill) for each RESIC recovery period, which
22 filing contains actual data for the RESIC recovery period.

23 “RESIC period” means the period of time between the effective
24 date of the foundational filing and the rate effective date of the next
25 base rate case.

26 “RESIC rate” means the surcharge added to a utility customer’s
27 bill, calculated pursuant to the provisions of P.L. , c. (C.)
28 (pending before the Legislature as this bill), which rate shall be
29 assessed on the basis of meter charges or meter equivalent basis,
30 and which shall remain in effect for the duration of the RESIC
31 period.

32 “RESIC recovery period” means the six-month period preceding
33 each RESIC filing submitted pursuant to subsection b. of section 4
34 of P.L. , c. (C.) (pending before the Legislature as this
35 bill), provided that the RESIC-eligible project for which filing is
36 submitted shall be completed and in-service during this period.

37 “RESIC revenue requirement recovery amount” means the total
38 eligible amount to be recovered through the RESIC rate, as
39 calculated pursuant to section 7 of P.L. , c. (C.) (pending
40 before the Legislature as this bill).

41 “Restoration costs” means costs necessary to restore construction
42 to preconstruction condition or as dictated by federal, State, county,
43 or municipal laws, rules, ordinances, orders, or regulations,
44 including, but not limited to, paving, sidewalks, curbing,
45 landscaping, and traffic control costs for RESIC-eligible projects
46 approved in a foundational filing.

47 “Revenue factor” means a gross-up for the associated revenue
48 taxes, uncollectibles, board assessment, and Division of Rate

1 Counsel assessment, adjusted to properly reflect the revenue
2 required to generate the agreed upon rate of return.

3 “Utility” means a water utility and wastewater utility as defined
4 in this section.

5 “Wastewater treatment service” means the management of
6 wastewater and includes any activity related to the collection,
7 storage, transport, handling, delivery, processing, treatment, or
8 disposal of wastewater, and other similar activities.

9 “Wastewater utility” means an investor-owned public utility, as
10 defined in R.S.48:2-13, that provides wastewater treatment service,
11 or a municipal public utility that provides wastewater treatment
12 service to more than 1,000 billed customers in another municipality.

13 “Water utility” means an investor-owned public utility, as
14 defined in R.S.48:2-13, that provides water service, or a municipal
15 public utility that provides water service to more than 1,000 billed
16 customers in another municipality and charges a different rate to
17 customers inside the municipality than it charges customers outside
18 of the municipality.

19

20 2. a. A utility may seek recovery through the implementation
21 of a RESIC rate for any cost made, or to be made, by a utility,
22 which cost is related to the:

23 (1) direct or indirect compliance with one or more requirements,
24 including, but not limited to, addressing both existing and emerging
25 chemical elements or compounds;

26 (2) installation of new distribution, production, treatment, or
27 other plant or equipment to further resiliency, health, safety, or
28 environmental protection for the utility’s customers or employees,
29 or the public; or

30 (3) replacement of existing distribution, production, treatment,
31 or other plant or equipment to maintain, enhance, or improve the
32 existing resiliency, health, safety, or environmental protection of
33 the utility’s customers or employees, or the public.

34 b. Restoration costs associated with an eligible project pursuant
35 to paragraph (1) of subsection a. of this section and approved
36 through a utility’s RESIC foundational filing, made pursuant to
37 subsection b. of section 3 of P.L. , c. (C.) (pending before
38 the Legislature as this bill), may be recovered if the costs were
39 incurred not more than 18 months after the eligible project’s in-
40 service date and were included in a normally scheduled semi-annual
41 RESIC filing.

42

43 3. a. (1) The board shall authorize the implementation of a
44 RESIC by a utility to recover costs associated with RESIC-eligible
45 projects through an approved RESIC rate.

46 (2) A utility that offers more than one regulated service may file
47 a joint petition to establish a RESIC that includes RESIC-eligible
48 projects for multiple regulated services or separate petitions to
49 establish a separate RESIC for water and wastewater services,

1 respectively. If a utility files separate petitions, each RESIC
2 approved by the board shall be subject to its own respective RESIC-
3 cap.

4 b. To obtain authorization to implement a RESIC, the utility
5 shall submit a foundational filing to the board. Whether filed
6 separately or concurrently with a base rate case, the utility shall
7 submit the following information with the foundational filing:

8 (1) projected annual capital expenditures on RESIC-eligible
9 projects for a three-year period, identified by major categories of
10 expenditures;

11 (2) actual annual capital expenditures on RESIC-eligible
12 projects for the previous three years, identified by major categories
13 of expenditures;

14 (3) an engineering evaluation and report identifying the specific
15 projects to be included in the proposed RESIC, with descriptions of
16 project objectives, detailed cost estimates, and the estimated in-
17 service dates for each project;

18 (4) vintage, condition, or other similarly relevant and reasonably
19 available information about the eligible infrastructure that is being
20 rehabilitated or replaced, if applicable;

21 (5) a forecast of RESIC-eligible capital expenditures for a three-
22 year period setting forth annual planned capital expenditures;

23 (6) the maximum dollar amount, in aggregate, the utility seeks
24 to recover through the RESIC under the foundational filing; and

25 (7) the estimated rate impact of the proposed RESIC on
26 customers of the utility.

27 c. In considering a utility's foundational filing in support of a
28 RESIC, the board may require the utility to provide any
29 supplemental information that the board deems necessary to
30 evaluate the utility's foundational filing.

31 d. Before the board approves a RESIC, the board shall conduct
32 a public hearing in the utility's service territory, notice of which
33 shall contain the maximum dollar amount the utility seeks to
34 recover through its RESIC and the utility's estimated rate impact.

35 e. A RESIC foundational filing shall not be approved unless a
36 utility has had its base rates set by the board within the past three
37 years and any prior RESIC rate was reset to zero through the
38 current or prior base rate case. After a utility's RESIC rate has
39 been reset to zero, a new foundational filing shall be approved
40 before a new RESIC rate recovery may occur. A RESIC
41 foundational filing may be approved concurrently with the setting
42 of new base rates.

43 f. The board shall act on each foundational filing no later than
44 120 calendar days after receiving the completed filing, except that if
45 the foundational filing is submitted concurrent with a base rate case
46 or during the pendency of a base rate case, the board may delay
47 action until the effective date of the board's approval of the base
48 rate case.

- 1 4. a. Following board approval of the utility’s foundational
2 filing, each subsequent RESIC filing made by a utility shall include
3 the following:
- 4 (1) a detailed description of all RESIC-eligible projects placed
5 in-service, which description shall clearly identify any projects that
6 are carried over from a prior RESIC period or from a prior RESIC
7 recovery period, any restoration costs sought for projects placed in-
8 service, and the in-service date for the projects associated with the
9 restoration costs;
- 10 (2) aggregate information capturing blanket-type RESIC-
11 eligible infrastructure, if any, to be rehabilitated or replaced and the
12 actual annual costs of the blanket-type replacement programs;
- 13 (3) a schedule comparing the:
- 14 (a) total spending on RESIC-eligible projects to date for the
15 RESIC recovery period, and eligible project spending by
16 foundational filing project identification number or blanket-project
17 category;
- 18 (b) actual cost of completed RESIC-eligible projects for the
19 RESIC recovery period with the estimated costs for the projects
20 contained in the most recent foundational filing or any amendment
21 thereto;
- 22 (c) in-service date of completed RESIC-eligible projects
23 compared to the estimated in-service date of RESIC-eligible
24 projects set forth in the foundational filing; and
- 25 (d) actual revenues collected through the RESIC assessment,
26 compared with the actual revenue requirement of the RESIC-
27 eligible projects during the RESIC recovery period, and the
28 resultant RESIC under- or over-recovery amounts; and
- 29 (4) a proposed RESIC schedule outlining the RESIC rate,
30 determined pursuant to P.L. , c. (C.) (pending before the
31 Legislature as this bill), and detailed information demonstrating that
32 the proposed RESIC rate meets those requirements. The schedule
33 shall include either a proposed schedule for returning to customers
34 any over-recovery in the prior RESIC recovery period, including
35 interest at the adjusted weighted average cost of capital, or a
36 proposed schedule for recovering from customers any under-
37 recovery in the prior RESIC recovery period. The over-recovery,
38 including interest, or under-recovery shall be credited or charged to
39 customers during the next RESIC recovery period. This
40 information shall support the RESIC rate calculation, with
41 documentation, detailed financial analyses, and other relevant
42 information, showing all assumptions and calculations. All
43 supporting financial information shall be presented in a manner to
44 allow the board to evaluate whether the calculations meet the
45 requirements of P.L. , c. (C.) (pending before the
46 Legislature as this bill).
- 47 b. RESIC filings shall be filed with the board on a semi-annual
48 basis, commencing six months after the effective date of the
49 foundational filing. A utility shall submit a semi-annual RESIC

1 filing to the board within 15 calendar days of the scheduled
2 conclusion of the RESIC recovery period. A RESIC filing shall be
3 reviewed by the board and the Division of Rate Counsel. The
4 utility may recover the interim surcharge associated with the
5 RESIC-eligible projects placed in-service, including restoration
6 costs during the RESIC recovery period, beginning 45 calendar
7 days after the receipt of the complete semi-annual RESIC filing.

8 c. To the extent permitted under section 2 of P.L. ,
9 c. (C.) (pending before the Legislature as this bill), a utility's
10 expenditures made prior to the board's approval of a RESIC shall
11 be eligible for cost recovery so long as the expenditures were
12 included in the RESIC foundational filing.

13 d. The semi-annual RESIC filings may include changes or
14 updates to any information provided in the foundational filing,
15 provided that the utility has a reasonable expectation that the
16 change shall occur during the RESIC recovery period, which project
17 changes may include, but shall not be limited to, additions,
18 replacements, or deferral projects that are otherwise RESIC-
19 eligible.

20 e. Rates approved by the board for recovery of expenditures
21 under a RESIC shall be:

22 (1) accelerated and recovered through a separate clause of the
23 utility's board-approved tariff;

24 (2) subject to annual reconciliation based on a reconciliation
25 period consisting of the 12 months completed prior to the utility's
26 next RESIC filing. The revenue received through the RESIC rate
27 for the reconciliation period shall be compared to the utility's costs
28 associated with RESIC-eligible projects for that period. The
29 difference between revenue and costs shall be recouped or credited,
30 as appropriate, through the RESIC rate included in the RESIC
31 filing; and

32 (3) provisional and subject to refund and interest. The prudence
33 of RESIC expenditures shall be determined by the board in the
34 utility's next base rate case.

35 f. A utility shall file its next rate base case not later than three
36 years after the board's approval of the RESIC start date, except that
37 the board, in its discretion, may require a utility to file its next base
38 rate case within a shorter period.

39 g. A utility may continue to file for cost recovery of RESIC-
40 eligible projects during the approved RESIC period notwithstanding
41 the filing of the utility's next base rate case.

42

43 5. a. If RESIC-eligible project plant additions are placed in-
44 service during the test year of a utility's base rate case, and the
45 plant additions are not recovered as part of a routine RESIC filing,
46 then the plant additions shall be considered as part of the base rate
47 case proceeding and included in the plant additions, consistent with
48 existing board rules.

1 b. Notwithstanding any other provisions of P.L. , c. (C.)
2 (pending before the Legislature as this bill) to the contrary, a utility
3 may continue to make RESIC-eligible investments and collect the
4 RESIC rate during a pending rate case filed in accordance with
5 existing board rules.

6 c. RESIC rates shall be included in base rates during a utility's
7 subsequent base rate case, and the RESIC rate shall be reset to zero.

8
9 6. a. All carryover costs permitted by this section and included
10 in a RESIC rate shall be included in the calculation of the RESIC-
11 cap.

12 b. Notwithstanding any other provision of this section to the
13 contrary, when a utility has commenced work on a RESIC-eligible
14 project, but the eligible project has not been placed in-service
15 during the period captured under an initial foundational filing, the
16 eligible project may be considered a valid RESIC-eligible project in
17 a subsequent foundational filing that is filed with the board prior to
18 the resetting of rates under the initial foundational filing when the
19 RESIC-eligible project began.

20 c. When a RESIC-eligible project is placed in-service by a
21 utility between the close of the test year and the effective date of
22 rates in the base rate case, the utility may recover the costs of the
23 project, as authorized by a board order approving a foundational
24 filing, in the first RESIC filing under the board's new foundational
25 filing order and included in the RESIC-cap.

26 d. Unrecovered restoration costs of a project that was placed
27 in-service during one foundational filing may be carried over and
28 recovered in a subsequent foundational filing and included in a
29 timely semi-annual RESIC filing, provided that the restoration costs
30 shall otherwise be within the timeframe set forth in P.L. ,
31 c. (C.) (pending before the Legislature as this bill).

32
33 7. a. The revenues to be recovered through the RESIC rate
34 shall be calculated as follows:

35 (1) the eligible net investment shall equal the eligible
36 investment, less the per-book accumulated depreciation amount
37 recorded for the eligible projects, and adjusted for the recorded
38 accumulated deferred income tax amount for the eligible projects;

39 (2) the eligible net investment shall be multiplied by the pre-tax
40 adjusted weighted average cost of capital, plus depreciation
41 expense, the sum of which shall be multiplied by the revenue factor,
42 plus or minus the RESIC under-recovery or over-recovery amount,
43 the product of which shall equal the RESIC revenue requirement
44 recovery amount; and

45 (3) the RESIC revenue requirement recovery amount shall be
46 divided by the number of meters and meter equivalents, weighted
47 by meter capacity ratio, the product of which shall equal the RESIC
48 rate per customer.

1 b. The revenues to be recovered through the RESIC rate shall
2 not exceed the RESIC-cap, which amount shall not exceed five
3 percent of the utility's total annual revenue, as established in the
4 utility's most recent base rate decision, and such revenues shall be
5 adjusted in accordance with a purchased water or wastewater
6 adjustment clause approved by the board pursuant to chapter 9 of
7 Title 14 of the New Jersey Administrative Code.

8
9 8. a. If a utility has a board-approved RESIC, the utility shall
10 identify and list the amount owed by the customer, based on the
11 RESIC rate calculated in accordance with section 7 of P.L. , c.
12 (C.) (pending before the Legislature as this bill), separately on a
13 customer's utility bill. The RESIC rate shall be reflected in bills
14 issued on and after the effective date of the first RESIC filing and
15 may be adjusted on the basis of subsequent RESIC filings, no more
16 frequently than every six months, up to an amount not to exceed the
17 RESIC-cap over the RESIC period.

18 b. A customer's bill shall reflect the RESIC rate calculated
19 pursuant to paragraph (3) of subsection a. of section 7 of P.L. , c.
20 (C.) (pending before the Legislature as this bill).

21
22 9. This act shall take effect immediately.
23
24

25 STATEMENT

26
27 This bill establishes the "Resiliency and Environmental System
28 Investment Charge Program"(RESIC), which creates a regulatory
29 mechanism that enables water and wastewater utilities (utilities) to
30 recover the costs of investment in certain non-revenue producing
31 utility system components that enhance water and wastewater
32 system resiliency, environmental compliance, safety, and public
33 health.

34 The bill authorizes a utility to petition the Board of Public
35 Utilities (BPU) concerning RESIC activities through the submission
36 of a foundational filing. A utility that offers more than one
37 regulated service may file a joint foundational filing for a RESIC
38 that includes infrastructure investments for multiple regulated
39 services or separate foundational filings to establish a separate
40 RESIC for each regulated service offered by the utility. If a utility
41 files separate foundational filings, each RESIC approved by the
42 BPU would be subject to its own respective spending cap.

43 Under the RESIC program, after approval of the foundational
44 filing, a utility may charge customers up to the RESIC-cap amount
45 for the costs of installing, rehabilitating, improving, or replacing
46 utility system infrastructure in accordance with the bill.

47 The bill provides that if a utility has a BPU-approved RESIC, the
48 utility is required to identify and list the amount owed by the
49 customer, based on the RESIC rate calculated in accordance with

S3184 DIEGNAN, SARLO

10

1 the bill, separately on a customer's utility bill. The RESIC rate is to
2 be reflected in bills issued on and after the effective date of the first
3 RESIC filing and may be adjusted on the basis of subsequent
4 RESIC filings no more frequently than every six months, up to an
5 amount not to exceed the RESIC-cap over the RESIC period.

SENATE ECONOMIC GROWTH COMMITTEE

STATEMENT TO

SENATE, No. 3184

STATE OF NEW JERSEY

DATED: NOVEMBER 3, 2022

The Senate Economic Growth Committee reports favorably Senate Bill No. 3184.

As reported, this bill establishes the “Resiliency and Environmental System Investment Charge Program” (RESIC), which creates a regulatory mechanism that enables water and wastewater utilities (utilities) to recover the costs of investment in certain non-revenue producing utility system components that enhance water and wastewater system resiliency, environmental compliance, safety, and public health.

The bill authorizes a utility to petition the Board of Public Utilities (BPU) concerning RESIC activities through the submission of a foundational filing. A utility that offers more than one regulated service may file a joint foundational filing for a RESIC that includes infrastructure investments for multiple regulated services or separate foundational filings to establish a separate RESIC for each regulated service offered by the utility. If a utility files separate foundational filings, each RESIC approved by the BPU would be subject to a separate revenue recovery cap.

Under the RESIC program, after approval of the foundational filing, a utility may charge customers for the costs of installing, rehabilitating, improving, or replacing utility system infrastructure in accordance with the bill. However, the bill provides that the total revenues recovered through the RESIC rate may not exceed the RESIC-cap, which amount equals five percent of the utility’s total annual revenues, as adjusted for certain approved charges. Under the bill, the utility would also be required to identify the amounts owed by each customer, based on the RESIC rate, separately on the customer’s utility bill.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3184

STATE OF NEW JERSEY

DATED: MARCH 6, 2023

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3184.

As reported, this bill establishes the “Resiliency and Environmental System Investment Charge Program” (RESIC), which creates a regulatory mechanism that enables water and wastewater utilities (utilities) to recover the costs of investment in certain non-revenue producing utility system components that enhance water and wastewater system resiliency, environmental compliance, safety, and public health.

The bill authorizes a utility to petition the Board of Public Utilities (BPU) concerning RESIC activities through the submission of a foundational filing. A utility that offers more than one regulated service may file a joint foundational filing for a RESIC that includes infrastructure investments for multiple regulated services or separate foundational filings to establish a separate RESIC for each regulated service offered by the utility. If a utility files separate foundational filings, each RESIC approved by the BPU would be subject to a separate revenue recovery cap.

Under the RESIC program, after approval of the foundational filing, a utility may charge customers for the costs of installing, rehabilitating, improving, or replacing utility system infrastructure in accordance with the bill. However, the bill provides that the total revenues recovered through the RESIC rate may not exceed the RESIC-cap, which amount equals five percent of the utility’s total annual revenues, as adjusted for certain approved charges. Under the bill, the utility would also be required to identify the amounts owed by each customer, based on the RESIC rate, separately on the customer’s utility bill.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 3184

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 4, 2024

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 3184 (1R).

As amended and reported, this bill establishes the “Resiliency and Environmental System Investment Charge Program” (RESIC), which creates a regulatory mechanism that enables water and wastewater utilities (utilities) to recover the costs of investment in certain non-revenue producing utility system components that enhance water and wastewater system resiliency, environmental compliance, safety, and public health. Additionally, a utility may recover any cost related to the replacement of treatment media, including granular activated carbon and anionic exchange resins and new treatment media, and related tanks, pumps, instrumentation, controls, and electrical equipment for both existing and emerging chemical elements and compounds. However, a utility may only seek cost recovery for costs that may be recorded in the applicable accounts set forth in the uniform system of accounts adopted by the National Association of Regulatory Utility Commissioners for certain categories of expenses.

The bill authorizes a utility to petition the Board of Public Utilities (BPU) concerning RESIC activities through the submission of a foundational filing. A utility that offers more than one regulated service may file a joint foundational filing for a RESIC that includes infrastructure investments for multiple regulated services or separate foundational filings to establish a separate RESIC for each regulated service offered by the utility. If a utility files separate foundational filings, each RESIC approved by the BPU would be subject to a separate revenue recovery cap.

Under the RESIC program, after approval of the foundational filing, a utility may charge customers for the costs of installing, rehabilitating, improving, or replacing utility system infrastructure in accordance with the bill. However, the bill provides that the total revenues recovered through the RESIC rate may not exceed the RESIC-cap, which amount may not exceed a maximum percent of the utility’s total annual revenues, as adjusted for certain approved charges. The RESIC-cap is not to exceed: (1) at the time of the

utility's initial foundational filing, two and one half percent of the utility's total annual revenue; (2) at the time of the utility's second foundational filing, three and one half percent of the utility's total annual revenue; (3) at the time of the utility's third foundational filing, four and one half percent of the utility's total annual revenue; and (4) for each foundational filing thereafter, five percent of the utility's total annual revenue.

Under the bill, the utility would also be required to identify the amounts owed by each customer, based on the RESIC rate, separately on the customer's utility bill.

As amended and reported by the committee, Senate Bill No. 3184 (1R) is identical to Assembly Bill No. 4791 (2R), which was also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to provide that the RESIC-cap may not exceed a maximum percent of the utility's total annual revenue, as calculated pursuant to the bill. The amendments provide that the RESIC-cap may not exceed: (1) at the time of the utility's initial foundational filing, two and one half percent of the utility's total annual revenue; (2) at the time of the utility's second foundational filing, three and one half percent of the utility's total annual revenue; (3) at the time of the utility's third foundational filing, four and one half percent of the utility's total annual revenue; and (4) for each foundational filing thereafter, five percent of the utility's total annual revenue. Previously, the bill provided that the RESIC-cap would have been five percent of the utility's total annual revenues.

The committee amendments also provide for technical changes to the bill to clarify the types of treatment media replacement costs that may be recovered through the RESIC rate.

FISCAL IMPACT:

The Office of Legislative Services (OLS) determines that the bill may result in annual expenditure increases for certain State and local entities and school districts that are serviced by a water or wastewater utility that elects to participate in the Resiliency and Environmental System Investment Charge (RESIC) Program, if these public entities are required to pay the RESIC surcharge as part of their water or wastewater bill.

For each eligible municipal water utility that elects to participate in the RESIC program, the bill is expected to result in increased local revenues associated with the collection of approved RESIC surcharges from the utility's customers. The bill may result in a marginal increase in annual administrative expenditures to the Board of Public Utilities associated with administering the program, which costs may include the review processes for the foundational and semi-annual filings of RESIC-eligible projects.

STATEMENT TO
SENATE, No. 3184

with Senate Floor Amendments
(Proposed by Senator DIEGNAN)

ADOPTED: DECEMBER 11, 2023

These Senate floor amendments expand the types of expenses that are eligible for cost recovery by a utility through the implementation of a Resiliency and Environmental System Investment Charge (RESIC) rate to include any cost related to the replacement of treatment media including, granular activated carbon and anionic exchange resins and new treatment media, and related tanks, pumps, instrumentation, controls, and electrical equipment for both existing and emerging chemical elements and compounds. The amendments also provide that a utility may only seek cost recovery for costs that may be recorded in the applicable accounts set forth in the uniform system of accounts adopted by the National Association of Regulatory Utility Commissioners for certain categories of expenses.

Finally, the amendments update the definition of the term “wastewater utility” to mean an investor-owned public utility that provides wastewater treatment service. As introduced, the bill would have also included any municipal public utility that provides wastewater treatment service to more than 1,000 billed customers in another municipality in the definition of “wastewater utility.”

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 3184 STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JANUARY 9, 2024

SUMMARY

- Synopsis:** Establishes “Resiliency and Environmental System Investment Charge Program.”
- Type of Impact:** Potential increase in State and local expenditures and revenues.
- Agencies Affected:** Board of Public Utilities; certain State entities, local units, and school districts.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
Potential State Expenditure Increase	Indeterminate
Potential State Revenue Increase	Indeterminate
Potential Local Expenditure Increase	Indeterminate
Potential Local Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) determines that the bill may result in annual expenditure increases for certain State and local entities and school districts that are serviced by a water or wastewater utility that elects to participate in the Resiliency and Environmental System Investment Charge (RESIC) Program, if these public entities are required to pay the RESIC surcharge as part of their water or wastewater bill.
- For each eligible municipal utility that elects to participate in the RESIC program, the bill is expected to result in increased local revenues associated with the collection of approved RESIC surcharges from the utility’s customers.
- The bill may result in a marginal increase in annual administrative expenditures to the Board of Public Utilities associated with administering the program, which costs may include the review processes for the foundational and semi-annual filings of RESIC-eligible projects.

BILL DESCRIPTION

This bill establishes the Resiliency and Environmental System Investment Charge Program, which creates a regulatory mechanism that enables water and wastewater utilities to recover the costs of investment in certain non-revenue producing utility system components that enhance water and wastewater system resiliency, environmental compliance, safety, and public health.

The bill authorizes a utility to petition the Board of Public Utilities concerning program activities by submitting a fundamental filing. Any utility that offers more than one regulated service may file a joint foundational filing for a RESIC that includes infrastructure investments for multiple regulated services or separate foundational filings to establish a separate RESIC for each regulated service offered by the utility. If a utility files separate foundational filings, each RESIC approved by the board would be subject to its own respective revenue recovery cap. After approval of the foundational filing, a utility may charge customers up to the RESIC-cap amount for the costs of installing, rehabilitating, improving, or replacing utility system infrastructure in accordance with the bill.

The bill provides that if a utility has a board-approved RESIC, the utility is required to identify and list the amount owed by the customer, which is based on the RESIC rate calculated in accordance with the bill, separately on a customer's utility bill. The RESIC rate is to be reflected in bills issued on and after the effective date of the first RESIC filing and may be adjusted on the basis of subsequent RESIC filings no more frequently than every six months, up to an amount not to exceed the RESIC cap over the program period.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS determines that the bill may result in annual expenditure increases for certain State and local entities and school districts that are serviced by a water or wastewater utility that elects to participate in the RESIC Program, if these public entities are required to pay the RESIC surcharge as part of their water or wastewater bill. The OLS cannot calculate the magnitude of these potential expenditure increases because it is unable to predict how many utilities will participate in the RESIC Program, the amount of the RESIC rates that will be approved by the board for each utility, and the total impact of the RESIC rate on the water or wastewater bills of public entities.

The bill may result in a marginal increase in administrative expenditures to the board associated with administering the RESIC Program, which costs may include the review processes for the foundational and semi-annual filings submitted by water or wastewater utilities for RESIC-eligible projects. The OLS notes, for context, that the board currently administers a similar program known as the Distribution System Improvement Charge Program, which provides rate recovery mechanisms for water utilities for improvements to their distribution systems. Given this experience, the OLS expects the administrative costs associated with the establishment and implementation of the RESIC Program to be marginal in nature, assuming that the board is not required to hire additional staff to support the program.

Additionally, the bill provides that certain municipal water utilities, which serve more than 1,000 billed customers outside of the municipality, would be eligible to apply for the RESIC program. Based on this criteria, no more than nine municipal water utilities, each of which serve customers outside of the municipality, could be eligible for the program. For each municipal water utility that elects to participate in the RESIC program, the bill is expected to result in increased local expenditures associated with the undertaking of approved investments and increased local revenues associated with the collection of approved RESIC charges from the utility's customers.

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Michael D. Walker
Assistant Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 3184

STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JANUARY 10, 2024

SUMMARY

- Synopsis:** Establishes “Resiliency and Environmental System Investment Charge Program.”
- Type of Impact:** Potential increase in State and local expenditures and revenues.
- Agencies Affected:** Board of Public Utilities; certain State entities, local units, and school districts.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
Potential State Expenditure Increase	Indeterminate
Potential State Revenue Increase	Indeterminate
Potential Local Expenditure Increase	Indeterminate
Potential Local Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) determines that the bill may result in annual expenditure increases for certain State and local entities and school districts that are serviced by a water or wastewater utility that elects to participate in the Resiliency and Environmental System Investment Charge (RESIC) Program, if these public entities are required to pay the RESIC surcharge as part of their water or wastewater bill.
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BILL DESCRIPTION

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The bill authorizes a utility to petition the Board of Public Utilities concerning program activities by submitting a fundamental filing. Any utility that offers more than one regulated service may file a joint foundational filing for a RESIC that includes infrastructure investments for multiple regulated services or separate foundational filings to establish a separate RESIC for each regulated service offered by the utility. If a utility files separate foundational filings, each RESIC approved by the board would be subject to its own respective revenue recovery cap. After approval of the foundational filing, a utility may charge customers up to the RESIC-cap amount for the costs of installing, rehabilitating, improving, or replacing utility system infrastructure in accordance with the bill.

The bill provides that if a utility has a board-approved RESIC, the utility is required to identify and list the amount owed by the customer, which is based on the RESIC rate calculated in accordance with the bill, separately on a customer's utility bill. The RESIC rate is to be reflected in bills issued on and after the effective date of the first RESIC filing and may be adjusted on the basis of subsequent RESIC filings no more frequently than every six months, up to an amount not to exceed the RESIC cap over the program period.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS determines that the bill may result in annual expenditure increases for certain State entities, local units, and school districts that are serviced by a water or wastewater utility that elects to participate in the RESIC Program, if these public entities are required to pay the RESIC surcharge as part of their water or wastewater bill. The OLS cannot calculate the magnitude of these potential expenditure increases because it is unable to predict how many utilities will participate in the RESIC Program, the amount of the RESIC rates that will be approved by the board for each utility, and the total impact of the RESIC rate on the water or wastewater bills of public entities.

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Section: Authorities, Utilities, Transportation and Communications

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This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

Governor Murphy Takes Action on Legislation

01/16/2024

TRENTON – Today, Governor Murphy signed the following bills into law:

SCS for S-281/ACS for A-3791 (Greenstein, Turner/Sumter, Reynolds-Jackson) – w/STATEMENT - Concerns automatic fire sprinkler systems within newly constructed townhouses

[Copy of Statement](#)

S-539wGR/A-2140 (Ruiz, Pou/Reynolds-Jackson, Wimberly, Mosquera) - Permits online purchase of eligible foods using WIC funds and use of WIC funds for grocery delivery charges

S-659/A-2014 (Oroho, Greenstein/Conaway, Wirths, Umba) - “Manufacturing in Higher Education Act”; requires various State entities to promote manufacturing career pathways for students and provides assistance to manufacturing industry

S-1110/A-3936 (Polistina, Singleton/Guardian, Swift, McClellan) - Authorizes CRDA to finance transportation projects between Atlantic City Airport and Atlantic City Tourism District

S-1662/A-3526 (Ruiz, Codey/Lampitt, Benson, Saucikie) - Requires NJ Youth Suicide Prevention Advisory Council to prepare report regarding suicide prevention instruction in public schools

S-1680wGR/A-2257 (Pou, Ruiz/Murphy, Quijano, Wimberly) - Designates each community college in State as provider of allowable services under SNAP employment and training program

S-2076/ACS for A-3319 (Zwicker, Greenstein/McKnight, Lampitt) - Establishes “Twelfth Grade Postsecondary Transition Year Pilot Program” in Department of Education

S-2535wGR/A-4048 (Polistina, Pou/Benson, McKnight, Reynolds-Jackson, Carter) - Requires health benefits coverage of hearing aids and cochlear implants

S-2841/A-4292 (Scutari, Bramnick/Carter) - Raises minimum amount of liability coverage for commercial motor vehicles and autocabs

SCS for S-3080/ACS for-398 (Ruiz, Burgess/Caputo, Giblin, Tucker) - Establishes position of Youth Disconnection Prevention and Recovery Ombudsperson; establishes “School Disconnection Prevention Task Force”; appropriates \$200,000

S-3102/A-4715 (Smith, Singleton/Stanley, Benson) - Establishes uptime requirement for electric vehicle charging station incentive programs

S-3176/A-4760 (Greenstein, Smith/Swain, Haider, Tully) - Requires DEP and Drinking Water Quality Institute to perform study concerning regulation and treatment of perfluoroalkyl and polyfluoroalkyl substances

SCS for S-3632 and 3649w/GR/ACS for A-1948 (Johnson, Cryan/Haider, Conaway, Quijano) - Requires labeling of non-flushable disposable wipes

S-3758/A-5343 (Cryan/Karabinchak) - Changes deadline for unaffiliated mail-in voters to declare their political party before primary election

S-3837/A-5438 (Pou, Cruz-Perez/Pintor Marin, Wimberly) - Clarifies process for administrative appropriations to UEZs

S-3897/A-5578 (Ruiz, Sarlo/Jasey, Carter, Reynolds-Jackson) - Authorizes Higher Education Student Assistance Authority to award annual summer tuition aid grants

S-4040/A-5881 (Polistina, Lagana/Tully, Guardian, Swift) - Concerns jurisdiction and operations of regional municipal courts

S-4084/A-5851 (Ruiz, Cruz-Perez/Moriarty, Calabrese, Moen) - Concerns temporary registration certificates and license plates

S-4130/A-5849 (Codey/Jasey, Tucker) - Special legislation to change name of “Township of South Orange Village” to “South Orange Village”; changes titles of certain municipal officials; permits nonpartisan municipal elections to be moved to November; permits stipend for governing body members

S-4206/A-5856 (Sarlo/Calabrese) - Changes number of signatures required on primary election petition to nominate certain municipal candidates in certain municipalities

S-4209/A-5879 (Sarlo/Pintor Marin) - Eliminates vote on school budgets for Type II school districts in April elections, except for separate proposals to spend above cap

S-4268/A-5911 (Scutari/Danielsen) - Permits certain special State officers to represent cannabis businesses

A-203/S-2884 (Rooney, Benson, Caputo/A.M. Bucco) - Authorizes creation of special license plates commemorating horse as State animal

A-1100/S-995 (Calabrese, Mukherji, McKnight/Ruiz, Stack) - Requires entities to remove abandoned lines and mark information on certain lines

A-1107/S-770 (Chaparro, Murphy, Mukherji/Pou, Beach) - Directs Chief Technology Officer to conduct study on impacts of redacting handwritten signatures published on State websites; allows for protocols for such redactions to be established by rules and regulations

ACS for A-1255/SS for S-1794 (Stanley, Conaway, Benson/Gopal, Singer) - Updates requirements and standards for authorization and prior authorization of health care services

A-1727/S-3300 (Speight, Reynolds-Jackson, Verrelli/Stanfield, Ruiz) - Requires Attorney General to perform outreach and provide services to victims of human trafficking under certain circumstances

A-1729/S-3550 (Speight, Reynolds-Jackson, McKnight/Greenstein, Ruiz) - Requires AG to address human trafficking in underserved communities

A-1755/S-2505 (McKeon, Calabrese, Conaway/Smith, Greenstein) - Requires installation of operational automatic rain sensor or smart sprinkler as condition of sale of certain real properties, and on certain commercial, retail, and industrial properties and common interest communities within specified timeframes

A-2146wGR/S-855 (Reynolds-Jackson, Wimberly, Sumter/Singleton, Beach) - Creates State business assistance program to establish contracting agency procurement goals for socially and economically disadvantaged business enterprises

A-2581/S-2503 (Lampitt, Park/Beach) - Provides that certain cosmetology and hairstyling courses may be taught using distance learning technology

A-3142/S-1564 (Moen, Moriarty, Benson/Singleton, Corrado) - Authorizes grants to purchase and rehabilitate abandoned homes for homeless veterans

A-3211/S-2302 (Speight, Haider, Swain/Gopal, Ruiz) - Establishes “New Jersey Feminine Hygiene Products for the Homeless Act”

A-3980/S-2706 (Speight, McKnight, Atkins/Zwicker, Turner) - Grants child placed in resource family care and resource family parents the right to be notified when case manager or supervisor is assigned to child; grants child in resource family care right to be notified of certain property and benefits

A-4033wGR/S-2657 (Coughlin, Wimberly/Sarlo, Ruiz) - Extends deadline for completion of school district’s annual audit

A-4049/S-3495 (McKnight, Reynolds-Jackson, Benson/Vitale, Johnson) - Provides for presumptive eligibility for home and community-based services and services provided through program of all-inclusive care for the elderly under Medicaid

A-4105/S-4202 (Lopez, Jimenez, Quijano/Vitale, Turner) - Establishes Interagency Council on Homelessness

A-4183/S-4264 (Haider/Singleton) - Concerns local unit filing requirement for certain shared services agreements

A-4212/S-2762 (Pintor Marin, Reynolds-Jackson, Verrelli/Ruiz, Cunningham) - Establishes Center for Career Relevant Education and Talent Evaluation of New Jersey at Thomas Edison State University

A-4337/S-4156 (Conaway, Atkins, Rooney/Singleton, Pou) - Requires Department of Health to provide information to Statewide 2-1-1 telephone system regarding the location of safe disposal sites for hypodermic syringes and needles and prescription drugs

ACS for A-4496/SCS for S-3247 (Coughlin, Lampitt, Karabinchak, Wimberly/Zwicker, Greenstein) - Revises various provisions of law governing construction of school facilities projects and operations of New Jersey Schools Development Authority; establishes "Charter School and Renaissance School Project Facilities Loan Program" in EDA

A-4522/S-3234 (Moen, McKnight, Quijano/Singer, Singleton) - Requires certain disclosures by sellers of single-family homes with solar panels installed

A-4691/S-1530 (Swain, DeAngelo, Speight/Greenstein, Zwicker) - Requires hazard mitigation plans to include climate change-related threat assessments and hazard prevention and mitigation strategies

A-4723/S-2740 (McKeon, Moriarty, Rooney/Codey, Scutari) - Requires motor vehicle dealer to offer to delete personal information in motor vehicles in certain situations

A-4791/S-3184 (Kennedy, Haider, McKeon/Diegnan, Sarlo) - Establishes "Resiliency and Environmental System Investment Charge Program"

ACS for A-4794/S-3224 (Benson, Mukherji/Singleton, Turner) - Requires request for proposal to establish demonstration projects to develop electric vehicle charging depots serviced by distributed energy resource charging centers for certain electric vehicle use

A-4814/S-1023 (Moen, Wimberly/Singleton, Gopal) - Removes expected family contribution from calculation of financial need under circumstances in which public institutions of higher education may reduce student's institutional financial aid

ACS for A-4821 and 4823wGR/S-3283 (Karabinchak, Conaway, Schaer/Greenstein, Zwicker) - Directs DEP to take certain actions concerning identification and testing of microplastics in drinking water, and requires DEP and BPU to study and promote use of microplastics removal technologies

A-4955/S-3531 (S. Kean, Thomson/Singer, Gopal) - Designates portion of State Highway Route 71 as "John Tarantino Highway"

A-5094/S-3476 (Spearman/Beach, Greenstein) - Concerns licensing of security officer companies

A-5227/S-3662 (Danielsen, Space/Smith, Oroho) - Expands eligibility for "fishing buddy license" fee

A-5285/SCS for S-3708 (Greenwald, Haider, Lopez/Greenstein, A.M. Bucco) - Requires copies of certain law enforcement records to be provided to victims of domestic violence upon request

A-5293/S-3746 (Greenwald, McKnight, Rooney/Gopal, Ruiz) - Concerns New Jersey Civic Information Consortium

A-5311/S-3061 (Verrelli, McKnight, Matsikoudis/Stanfield, Turner) - Enters New Jersey into Counseling Compact

A-5391/S-3765 (DeAngelo/Diegnan, Corrado) - Imposes conditions on drivers approaching disabled vehicles

A-5412/S-3850 (Greenwald, Swain, Jasey/Gopal, Singer) - Establishes nonpublic school transportation program to provide funding to consortiums of nonpublic schools that will assume responsibility for mandated nonpublic school busing

A-5416wGR/S-3883 (Wimberly, Giblin, Haider/Greenstein, Turner) - Requires State Board of Education to authorize alternate route to expedite teacher certification of persons employed as paraprofessionals in school districts

A-5442/S-3793 (Karabinchak, Conaway, McKeon/Smith, Greenstein) - Directs BPU to conduct study to determine feasibility, marketability, and costs of implementing large-scale geothermal heat pump systems in State

A-5462/S-3867 (Coughlin, McKnight, Speight/Vitale, Turner) - Revises law establishing Office of Food Security Advocate, and establishes certain conditions for use of monies appropriated to emergency food organizations

ACS for A-5495/SCS for S-3846 (Danielsen/Scutari, A.M. Bucco) - Clarifies types of firearms allowed to be carried or transported while hunting

A-5516/S-4047 (Reynolds-Jackson, Verrelli, Conaway/Burgess, Turner) - Requires certain health care professionals to undergo bias training

A-5565/S-3971 (S. Kean, Thomson/Gopal) - Provides that 10-year term does not apply to lease of certain municipal properties unless they are waterfront properties or related to waterfront concessions

A-5567/S-3807 (Torrissi, Calabrese/A.M. Bucco, Sarlo) - Extends period of usefulness of fire engines for bonding purposes from 10 to 20 years; eliminates exclusion of passenger cars and station wagons

A-5582/S-3781 (Swain, Simonsen/Lagana, Cryan) - Establishes grant program for NJ YouthBuild programs through DOLWD; makes appropriation

A-5610wGR/S-3954 (Greenwald, Spearman, Chaparro/Beach, A.M. Bucco) - Revises penalties for possession or consumption of alcoholic beverages by underage persons

A-5748/S-4166 (Spearman, Moen, Moriarty/Cruz-Perez, Madden) - Amends definition of "participating county" under County Option Hospital Fee Program

A-5755/S-4183 (Carter, Sumter, Wimberly, Quijano/Scutari, Singleton) - Enhances notice requirements and occupancy restrictions for hotels and multiple dwellings following determination of potentially hazardous condition

A-5799/S-1472 (Moen, Moriarty/Beach, Stack) - Authorizes DOT to establish and administer toll collection and enforcement system on behalf of NJ toll authorities and to enter into reciprocal agreements for enforcement of toll violations with toll authorities from other states

A-5806/S-4165 (Moriarty, Sauickie/Greenstein, Oroho) - Appropriates \$48 million from constitutionally dedicated CBT revenues to DEP for State acquisition of lands for recreation and conservation purposes, including Blue Acres projects, and Green Acres Program administrative costs

A-5807/S-4138 (Freiman/Johnson, Schepisi) - Appropriates \$58 million from constitutionally dedicated CBT revenues for recreation and conservation purposes to DEP for State capital and park development projects

A-5808/S-4135 (Park, Freiman, Lopez/Beach, Turner) - Appropriates \$15,564,293 from constitutionally dedicated CBT revenues to NJ Historic Trust for grants for certain historic preservation projects and associated administrative expenses

A-5809/S-4097 (Swain, Lopez, Sauickie/Zwicker, Gopal) - Amends lists of projects eligible to receive loans for environmental infrastructure projects from NJ Infrastructure Bank for FY 2024

A-5810/S-4098 (Sampson, Sauickie, Lopez/Greenstein, Stanfield) - Amends lists of environmental infrastructure projects approved for long-term funding by DEP under FY 2024 environmental infrastructure funding program

A-5828/S-4201 (Lopez/Vitale) - Authorizes State Treasurer to sell as surplus certain real property and improvements in Township of Woodbridge in Middlesex County

A-5835/S-4134 (Greenwald, Lampitt/Beach, Turner) - Authorizes regional authority to develop and operate regional rehabilitation and reentry center

A-5836/S-4212 (DeAngelo, Sumter, Wimberly/Gopal, Greenstein) - Makes supplemental appropriation of \$650,000 to New Jersey Division of State Police for trooper recruitment and retention

A-5910/S-4266 (Egan/Codey) - Increases annual salary of certain public employees and officers

AJR-200/SJR-138 (Park, Freiman, Calabrese/Lagana) - Designates November 22 of each year as Kimchi Day

Governor Murphy pocket vetoed the following bills:

S-2989/A-1739 (Pou, Singer/McKeon, Quijano, Flynn) - Makes certain for-profit debt adjusters eligible for licensing to conduct business in State

S-3172/A-4689 (Gopal, Turner/Lampitt, Matsikoudis, McKnight) - Establishes teacher certification route for candidates with Montessori teaching credentials

- S-3287/ACS for A-4852 and 1170 (Turner/Reynolds-Jackson, Jasey, Dunn, Wimberly, Calabrese, Spearman, Verrilli)** - Requires institutions of higher education to maintain supply and develop policy governing use of naloxone hydrochloride nasal spray for opioid overdose emergencies
- A-1476/S-930 (Benson, Dancer/Holzapfel, Diegnan)** - Exempts certain motor vehicles that are owned by certain nutrition programs and certain nonprofit organizations that offer social services from motor vehicle registration fees
- A-3642/S-665 (Wirhths, Murphy, Benson, Oroho/Greenstein)** - Requires MVC to place designation on motor vehicle's registration information indicating registrant is deaf
- A-3945/S-1660 (Quijano, Reynolds-Jackson, Carter/Ruiz, Singleton)** - Establishes "Male Teachers of Color Mentorship Pilot Program"; appropriates \$95,000
- A-4177/S-2478 (Mosquera, Swain, McKnight, Tucker, Dunn/Ruiz, Vitale)** - Extends duration of law requiring certain provider subsidy payments for child care services be based on enrollment
- A-4396/S-2927 (Lampitt, Jasey, Caputo/Codey)** - Establishes timelines for review and approval by Commissioner of Education of annual certified audits submitted by approved private schools for students with disabilities
- A-4621/S-3156 (Mosquera, Greenwald, Swain/Madden)** - Requires issuance of report on certain information and data on processing of applications for professional and occupational licenses and mandates review of training and call intake in Division of Consumer Affairs.
- A-4740/S-2970 (Mukherji, DeAngelo, McKnight/Cruz-Perez, Turner)** - Provides employee access to employee's employment records on file with DOLWD
- A-5294/S-1825 (Greenwald, Swain, Rooney/Steinhardt, Sarlo, Doherty)** - Exempts sales of investment metal bullion and investment coins from sales and use tax
- A-5893/S-4228 (Karabinchak, Calabrese, Sauckie/Gopal, Sarlo)** - Extends annual horse racing purse subsidies through State fiscal year 2029