# 48:3-56 LEGISLATIVE HISTORY CHECKLIST

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- LAWS OF: 2013 CHAPTER: 184
- **NJSA:** 48:3-56 (Authorizes BPU to promulgate regulations requiring electricity providers to provide information so customers may compare prices and services)
- BILL NO: A2132 (Substituted for S2181)
- SPONSOR(S) Burzichelli and others
- DATE INTRODUCED: January 30, 2012
- **COMMITTEE: ASSEMBLY:** Telecommunication and Utilities

SENATE: Economic Growth

- AMENDED DURING PASSAGE: Yes
- DATE OF PASSAGE: ASSEMBLY: October 18, 2012
  - SENATE: December 19, 2013
- DATE OF APPROVAL: January 13, 2014

#### FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (First Reprint enacted)

A2132	SPONSOR'S STATEMENT: (Begins on page 5 c	of introduced bill)	Yes
	COMMITTEE STATEMENT:	ASSEMBLY:	Yes
		SENATE:	Yes

(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:		No
S2181	LEGISLATIVE FISCAL ESTIMATE:		No
	SPONSOR'S STATEMENT: (Begins on page 5 of introduced bill)		
	COMMITTEE STATEMENT:	ASSEMBLY:	No
		SENATE:	Yes
	FLOOR AMENDMENT STATEMENT:		No
	LEGISLATIVE FISCAL ESTIMATE:		No

(continued)

VETO MESSAGE:	No	
GOVERNOR'S PRESS RELEASE ON SIGNING:	No	
L <b>LOWING WERE PRINTED:</b> To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <u>mailto:refdesk@njstatelib.org</u>		
REPORTS:	No	
HEARINGS:	No	
NEWSPAPER ARTICLES:	Yes	
"Governor signs bills, wields veto," CourierPostOnline.com, 1-14-14		

LAW/RWH

### P.L.2013, CHAPTER 184, approved January 13, 2014 Assembly, No. 2132 (First Reprint)

AN ACT providing electricity customers with price comparison
information and amending P.L.1999, c.23.
BE IT ENACTED by the Senate and General Assembly of the State
of New Jersey:
Section 8 of PL 1999, c.23 (C.48:3.56) is amended to read

7 1. Section 8 of P.L.1999, c.23 (C.48:3-56) is amended to read8 as follows:

8. a. Except as otherwise provided in [this act] P.L.1999, c.23
(C.48:3-49 et al.), and notwithstanding any provisions of R.S.48:211 18, R.S.48:2-21, section 31 of P.L.1962, c.198 (C.48:2-21.2),
R.S.48:3-1 or any other law to the contrary, the board shall not
regulate, fix <sup>1</sup>, <sup>1</sup> or prescribe the rates, tolls, charges, rate structures,
rate base, or cost of service of competitive services.

b. For the purposes of [this act] <u>P.L.1999, c.23 (C.48:3-49 et</u>
<u>al.</u>), electric generation service is deemed to be a competitive
service.

18 c. The board is authorized to determine, after notice and hearing, whether any other service offered by an electric public 19 utility is a competitive service. In making such a determination, the 20 21 board shall develop standards of competitive service which, at a 22 minimum, shall include: evidence of ease of market entry; presence 23 of other competitors; and the availability of like or substitute 24 services in the relevant market segment and geographic area. 25 Notwithstanding the presence of these factors, the board may 26 determine that any service shall remain regulated for purposes of 27 the public safety and welfare.

28 d. The board is authorized to determine, after notice and 29 hearing, and after appropriate review by the Legislature pursuant to 30 subsection k. of this section, whether to reclassify as regulated any 31 electric service or segment thereof that it has previously found to be 32 competitive, including electric generation service, if it determines 33 that sufficient competition is no longer present, upon application of the criteria set forth in subsection c. of this section. Upon such a 34 35 reclassification, subsection a. of this section shall no longer apply 36 and the board shall determine such rates for that electric service 37 which it finds to be just and reasonable. The board, however, shall continue to monitor the electric service or segment thereof and, 38 39 whenever the board shall find that the electric service has again 40 become sufficiently competitive pursuant to subsection c. of this

Matter underlined <u>thus</u> is new matter.

Matter enclosed in superscript numerals has been adopted as follows: <sup>1</sup>Assembly ATU committee amendments adopted September 24, 2012.

**EXPLANATION** – Matter enclosed in **bold-faced brackets** [thus] in the above bill is not enacted and is intended to be omitted in the law.

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section, the board shall again apply the provisions of subsection a.
 of this section.

e. Nothing in [this act] P.L.1999, c.23 (C.48:3-49 et al.) shall
limit the authority of the board, pursuant to Title 48 of the Revised
Statutes, to ensure that electric public utilities do not make or
impose unjust preferences, discriminations, or classifications for
any services provided to customers.

(1) The board shall adopt, by rule, regulation  $\frac{1}{1}$  or order, 8 f. 9 such fair competition standards, affiliate relation standards, accounting standards  $\frac{1}{2}$  and reports as are necessary to ensure that 10 electric public utilities or their related competitive business 11 12 segments do not enjoy an unfair competitive advantage over other 13 non-affiliated purveyors of competitive services and in order to monitor the allocation of costs between competitive and non-14 15 competitive services offered by an electric public utility, and within 16 60 days after the starting date for implementation of retail choice 17 pursuant to subsection a. of section 5 of [this act] P.L.1999, c.23 18 (C.48:3-53), shall commence the process of conducting audits, at 19 the expense of the electric public utilities, to ensure compliance 20 with this section and section 7 of [this act] P.L.1999, c.23 (C.48:3-21 55) and with the board's rules, regulations and orders adopted 22 pursuant to this section and section 7 of [this act] P.L.1999, c.23 23 (C.48:3-55). The board shall hire an independent contractor to 24 perform such audits.

(2) Subsequent audits shall take place no less than every two
years after the date of the decision rendered pursuant to subsection
k. of section 7 of [this act] P.L.1999, c.23 (C.48:3-55).

28 (3) The public utility or an intervenor shall have the right to 29 contest the methodology and rebut the findings of an audit 30 performed pursuant to this subsection, in a filing with the board. 31 The board shall take no action to functionally separate, structurally 32 separate  $\frac{1}{2}$  or require the divestiture of any portion of a public utility's operations pursuant to this subsection until the public 33 34 utility, and any intervenors, have been afforded timely opportunity to make such filing and until the board has issued a decision 35 36 thereon.

37 (4) If the board finds, as a result of any such audit, that 38 substantial violations of [this act] P.L.1999, c.23 (C.48:3-49 et al.) 39 or of the board's rules, regulations or orders adopted pursuant to this section and section 7 of [this act] P.L.1999, c.23 (C.48:3-55) have 40 41 occurred which result in unfair competitive advantages for an 42 electric public utility, it shall: order the electric public utility to 43 establish and provide such services through a business unit which is functionally separated from the electric public utility business unit 44 45 as a related competitive business segment of the utility, such that, 46 other than shared administration and overheads, employees of the 47 competitive services business unit shall not also be involved in the

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1 provision of non-competitive utility and safety services, and the 2 competitive services are provided utilizing separate assets than 3 those utilized to provide noncompetitive utility and safety services; 4 order the electric public utility to establish and provide such 5 services through a structurally separate business unit or units 6 including, but not limited to, a related competitive business segment 7 of the public utility holding company; or order the electric public 8 utility to divest itself of any business units that provide such 9 services.

10 (5) If the board determines, as a result of the audit performed 11 pursuant to this subsection that an electric public utility has unfairly 12 allocated costs between its competitive and non-competitive services, the board is authorized to require such utility to return to 13 14 the ratepayers an amount, equivalent to the amount of the costs 15 determined to be unfairly allocated, with interest, during the time 16 that the unfair allocation of costs occurred. In addition, the board is 17 authorized to order such utility to pay a fine of up to \$10,000 as a 18 result of the violation or violations determined to have occurred 19 pursuant to this subsection.

20 (6) Notwithstanding any requirements of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the 21 22 contrary, the board shall initiate a proceeding and shall adopt, after 23 notice, provision of the opportunity for comment, and public 24 hearing, such fair competition and accounting standards as are 25 necessary on an interim basis to implement retail electric choice. 26 Such standards shall be effective as regulations immediately upon 27 filing with the Office of Administrative Law and shall be effective 28 for a period not to exceed 18 months, and may, thereafter, be 29 amended, adopted or readopted by the board in accordance with the 30 provisions of the "Administrative Procedure Act."

g. The board shall determine, by rule or order, what reports are
necessary to monitor the competitiveness of any service offered to a
customer of an electric public utility.

34 h. The board shall have the authority to take appropriate 35 increasingly stringent action, including the issuance of an order that 36 an electric public utility or its related competitive business segment 37 cease the offering of a competitive service, functionally separate or 38 structurally separate its competitive service offering from non-39 competitive business functions, or divest itself of such services, in 40 the event that the board determines, after hearing, that recurring and 41 significant violations of its rules or orders adopted pursuant to 42 subsection f. of this section have occurred.

i. Nothing in [this act] <u>P.L.1999, c.23 (C.48:3-49 et al.)</u> shall
exempt an electric public utility from obtaining all applicable local,
State <sup>1</sup>, <sup>1</sup> and federal licenses or permits associated with the offering
of competitive services and complying with all applicable laws and
regulations regarding the provision of such services.

j. If the board finds, as a result of any audit conducted pursuant to this section, that violations of the board's rules, regulations or orders adopted pursuant to this section and section 7 of [this act] <u>P.L.1999, c.23 (C.48:3-55)</u> have occurred, which are not substantial violations, the board is authorized to impose a fine of up to \$10,000 against the electric public utility.

7 k. Prior to reclassifying as regulated any service it previously 8 found to be competitive, the board shall make recommendations to 9 the Legislature concerning the proposed reclassification. The 10 recommendations shall be deemed to be approved unless the Legislature adopts a concurrent resolution stating that the 11 12 Legislature is not in agreement with all or any part of the 13 recommendations within 90 days following the date of transmittal 14 of the recommendations to the Legislature. The concurrent resolution shall advise the board of the Legislature's specific 15 objections to the recommendations and shall direct the board to 16 17 submit revised recommendations which respond to those objections 18 within 45 days of the date of transmittal of the concurrent resolution 19 to the board.

20 <u>1. The board</u> <sup>1</sup>[shall] may<sup>1</sup> promulgate regulations to require each electric public utility, electric power supplier, marketer, 21 government aggregator, and broker <sup>1</sup>engaged in the provision of 22 electricity to end use customers<sup>1</sup> to provide the board with adequate 23 and accurate price comparison information that will enable 24 25 customers to make informed choices regarding the purchase of electric energy offered by that provider to customers. The board 26 27 <sup>1</sup>[shall then] may<sup>1</sup> compile that information into a single, understandable database and post the database on its <sup>1</sup>Internet<sup>1</sup> 28 29 website in a manner that enables customers to compare prices and services on a uniform basis. The board may contract with a public 30 31 or private entity for the purpose of developing, administering, and 32 maintaining the database. The contract shall specify the duties and 33 responsibilities of the entity with respect to the development, administration, and maintenance of the database. The board shall 34 35 monitor the work of the entity to ensure that the database is 36 developed, administered, and maintained pursuant to the 37 requirements of this section. 38 (cf: P.L.1999, c.23, s.8)

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42 43 2. This act shall take effect immediately.

44
45 Authorizes BPU to promulgate regulations requiring electricity
46 providers to provide information so customers may compare prices
47 and services.

# ASSEMBLY, No. 2132 **STATE OF NEW JERSEY** 215th LEGISLATURE

INTRODUCED JANUARY 30, 2012

Sponsored by: Assemblyman JOHN J. BURZICHELLI District 3 (Cumberland, Gloucester and Salem) Assemblyman DANIEL R. BENSON District 14 (Mercer and Middlesex) Assemblywoman CELESTE M. RILEY District 3 (Cumberland, Gloucester and Salem)

#### **SYNOPSIS**

Requires BPU to promulgate regulations requiring electricity providers to provide information so customers can compare prices and services.

### **CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 2/22/2012)

1 AN ACT providing electricity customers with price comparison 2 information and amending P.L.1999, c.23. 3 4 **BE IT ENACTED** by the Senate and General Assembly of the State 5 of New Jersey: 6 7 1. Section 8 of P.L.1999, c.23 (C.48:3-56) is amended to read 8 as follows: 9 8. a. Except as otherwise provided in [this act] P.L.1999, c.23 10 (C.48:3-49 et al.), and notwithstanding any provisions of R.S.48:2-11 18, R.S.48:2-21, section 31 of P.L.1962, c.198 (C.48:2-21.2), 12 R.S.48:3-1 or any other law to the contrary, the board shall not 13 regulate, fix or prescribe the rates, tolls, charges, rate structures, 14 rate base, or cost of service of competitive services. 15 b. For the purposes of [this act] P.L.1999, c.23 (C.48:3-49 et 16 al.), electric generation service is deemed to be a competitive 17 service. 18 c. The board is authorized to determine, after notice and 19 hearing, whether any other service offered by an electric public 20 utility is a competitive service. In making such a determination, the 21 board shall develop standards of competitive service which, at a 22 minimum, shall include: evidence of ease of market entry; presence 23 of other competitors; and the availability of like or substitute 24 services in the relevant market segment and geographic area. 25 Notwithstanding the presence of these factors, the board may 26 determine that any service shall remain regulated for purposes of 27 the public safety and welfare. d. The board is authorized to determine, after notice and 28 29 hearing, and after appropriate review by the Legislature pursuant to 30 subsection k. of this section, whether to reclassify as regulated any 31 electric service or segment thereof that it has previously found to be 32 competitive, including electric generation service, if it determines 33 that sufficient competition is no longer present, upon application of 34 the criteria set forth in subsection c. of this section. Upon such a 35 reclassification, subsection a. of this section shall no longer apply 36 and the board shall determine such rates for that electric service 37 which it finds to be just and reasonable. The board, however, shall 38 continue to monitor the electric service or segment thereof and, 39 whenever the board shall find that the electric service has again 40 become sufficiently competitive pursuant to subsection c. of this 41 section, the board shall again apply the provisions of subsection a. 42 of this section. 43 e. Nothing in [this act] <u>P.L.1999, c.23 (C.48:3-49 et al.)</u> shall 44 limit the authority of the board, pursuant to Title 48 of the Revised

45 Statutes, to ensure that electric public utilities do not make or

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 <u>thus</u> is new matter.

1 impose unjust preferences, discriminations, or classifications for 2 any services provided to customers. 3 f. (1) The board shall adopt, by rule, regulation or order, such 4 fair competition standards, affiliate relation standards, accounting 5 standards and reports as are necessary to ensure that electric public 6 utilities or their related competitive business segments do not enjoy 7 an unfair competitive advantage over other non-affiliated purveyors 8 of competitive services and in order to monitor the allocation of 9 costs between competitive and non-competitive services offered by 10 an electric public utility, and within 60 days after the starting date 11 for implementation of retail choice pursuant to subsection a. of 12 section 5 of [this act] P.L.1999, c.23 (C.48:3-53), shall commence 13 the process of conducting audits, at the expense of the electric 14 public utilities, to ensure compliance with this section and section 7 15 of [this act] P.L.1999, c.23 (C.48:3-55) and with the board's rules, 16 regulations and orders adopted pursuant to this section and section 7 17 of [this act] P.L.1999, c.23 (C.48:3-55). The board shall hire an 18 independent contractor to perform such audits. 19 (2) Subsequent audits shall take place no less than every two 20 years after the date of the decision rendered pursuant to subsection 21 k. of section 7 of [this act] P.L.1999, c.23 (C.48:3-55). 22 (3) The public utility or an intervenor shall have the right to 23 contest the methodology and rebut the findings of an audit 24 performed pursuant to this subsection, in a filing with the board. 25 The board shall take no action to functionally separate, structurally 26 separate or require the divestiture of any portion of a public utility's 27 operations pursuant to this subsection until the public utility, and 28 any intervenors, have been afforded timely opportunity to make 29 such filing and until the board has issued a decision thereon. 30 (4) If the board finds, as a result of any such audit, that 31 substantial violations of [this act] P.L.1999, c.23 (C.48:3-49 et al.) 32 or of the board's rules, regulations or orders adopted pursuant to this 33 section and section 7 of [this act] P.L.1999, c.23 (C.48:3-55) have 34 occurred which result in unfair competitive advantages for an 35 electric public utility, it shall: order the electric public utility to 36 establish and provide such services through a business unit which is 37 functionally separated from the electric public utility business unit 38 as a related competitive business segment of the utility, such that,

39 other than shared administration and overheads, employees of the 40 competitive services business unit shall not also be involved in the 41 provision of non-competitive utility and safety services, and the 42 competitive services are provided utilizing separate assets than 43 those utilized to provide noncompetitive utility and safety services; 44 order the electric public utility to establish and provide such 45 services through a structurally separate business unit or units 46 including, but not limited to, a related competitive business segment 47 of the public utility holding company; or order the electric public

utility to divest itself of any business units that provide such
 services.

3 (5) If the board determines, as a result of the audit performed 4 pursuant to this subsection that an electric public utility has unfairly 5 allocated costs between its competitive and non-competitive 6 services, the board is authorized to require such utility to return to 7 the ratepayers an amount, equivalent to the amount of the costs 8 determined to be unfairly allocated, with interest, during the time 9 that the unfair allocation of costs occurred. In addition, the board is 10 authorized to order such utility to pay a fine of up to \$10,000 as a 11 result of the violation or violations determined to have occurred 12 pursuant to this subsection.

(6) Notwithstanding any requirements of the "Administrative 13 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the 14 15 contrary, the board shall initiate a proceeding and shall adopt, after 16 notice, provision of the opportunity for comment, and public 17 hearing, such fair competition and accounting standards as are 18 necessary on an interim basis to implement retail electric choice. 19 Such standards shall be effective as regulations immediately upon 20 filing with the Office of Administrative Law and shall be effective 21 for a period not to exceed 18 months, and may, thereafter, be 22 amended, adopted or readopted by the board in accordance with the 23 provisions of the "Administrative Procedure Act."

g. The board shall determine, by rule or order, what reports are
necessary to monitor the competitiveness of any service offered to a
customer of an electric public utility.

27 The board shall have the authority to take appropriate h. 28 increasingly stringent action, including the issuance of an order that 29 an electric public utility or its related competitive business segment 30 cease the offering of a competitive service, functionally separate or 31 structurally separate its competitive service offering from non-32 competitive business functions, or divest itself of such services, in 33 the event that the board determines, after hearing, that recurring and 34 significant violations of its rules or orders adopted pursuant to 35 subsection f. of this section have occurred.

i. Nothing in [this act] <u>P.L.1999, c.23 (C.48:3-49 et al.)</u> shall
exempt an electric public utility from obtaining all applicable local,
State and federal licenses or permits associated with the offering of
competitive services and complying with all applicable laws and
regulations regarding the provision of such services.

j. If the board finds, as a result of any audit conducted
pursuant to this section, that violations of the board's rules,
regulations or orders adopted pursuant to this section and section 7
of [this act] <u>P.L.1999</u>, c.23 (C.48:3-55) have occurred, which are
not substantial violations, the board is authorized to impose a fine
of up to \$10,000 against the electric public utility.

47 k. Prior to reclassifying as regulated any service it previously48 found to be competitive, the board shall make recommendations to

#### A2132 BURZICHELLI, BENSON

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1 the Legislature concerning the proposed reclassification. The 2 recommendations shall be deemed to be approved unless the 3 Legislature adopts a concurrent resolution stating that the Legislature is not in agreement with all or any part of the 4 5 recommendations within 90 days following the date of transmittal of the recommendations to the Legislature. 6 The concurrent resolution shall advise the board of the Legislature's specific 7 8 objections to the recommendations and shall direct the board to 9 submit revised recommendations which respond to those objections 10 within 45 days of the date of transmittal of the concurrent resolution 11 to the board. 12 1. The board shall promulgate regulations to require each 13 electric public utility, electric power supplier, marketer, government

14 aggregator, and broker to provide the board with adequate and 15 accurate price comparison information that will enable customers to 16 make informed choices regarding the purchase of electric energy 17 offered by that provider to customers. The board shall then compile 18 that information into a single, understandable database and post the 19 database on its website in a manner that enables customers to 20 compare prices and services on a uniform basis. The board may 21 contract with a public or private entity for the purpose of 22 developing, administering, and maintaining the database. The 23 contract shall specify the duties and responsibilities of the entity 24 with respect to the development, administration, and maintenance of 25 the database. The board shall monitor the work of the entity to ensure that the database is developed, administered, and maintained 26 27 pursuant to the requirements of this section.

- 28 (cf: P.L.1999, c.23, s.8)
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2. This act shall take effect immediately.

#### STATEMENT

This bill directs the Board of Public Utilities ("BPU") to promulgate regulations requiring each electric public utility, electric power supplier, marketer, government aggregator, and broker to provide adequate and accurate price information so that customers can compare services. The bill will allow customers to go to a single source to obtain comparative information regarding the prices and services of the many electricity providers in the State.

# ASSEMBLY TELECOMMUNICATIONS AND UTILITIES COMMITTEE

# STATEMENT TO

# ASSEMBLY, No. 2132

with committee amendments

# STATE OF NEW JERSEY

#### DATED: SEPTEMBER 24, 2012

The Assembly Telecommunications and Utilities Committee reports favorably Assembly Bill No. 2132 with committee amendments.

As amended, this bill authorizes the Board of Public Utilities ("BPU") to promulgate regulations requiring each electric public utility, electric power supplier, marketer, government aggregator, and broker to provide adequate and accurate price information with respect to the provision of electricity to end use customers in New Jersey, so that customers may compare services. The BPU is further authorized to compile that information into a database to be posted on its Internet website in a manner that enables customers to compare prices and services on a uniform basis.

#### COMMITTEE AMENDMENTS

The committee amended the bill to authorize, rather than require, the BPU to promulgate regulations concerning the submission of price information and compilation of such information on its Internet website.

# STATEMENT TO

# [First Reprint] ASSEMBLY, No. 2132

# **STATE OF NEW JERSEY**

### DATED: DECEMBER 16, 2013

The Senate Economic Growth Committee reports favorably Assembly Bill, No. 2132 (1R).

As reported, this bill authorizes the Board of Public Utilities (BPU) to promulgate regulations requiring each electric public utility, electric power supplier, marketer, government aggregator, and broker to provide adequate and accurate price information with respect to the provision of electricity to end use customers in New Jersey, so that customers may compare prices and services. The BPU is further authorized to compile that information into a database to be posted on the BPU's Internet website in a manner that enables customers to compare prices and services on a uniform basis.

As reported by the committee, Assembly Bill No. 2132 (1R) is identical to Senate Bill No. 2181 which was amended and also reported by the committee on this date.

# SENATE, No. 2181 STATE OF NEW JERSEY 215th LEGISLATURE

**INTRODUCED SEPTEMBER 20, 2012** 

Sponsored by: Senator LINDA R. GREENSTEIN District 14 (Mercer and Middlesex)

#### SYNOPSIS

Requires BPU to promulgate regulations requiring electricity providers to provide information so customers can compare prices and services.

### **CURRENT VERSION OF TEXT**

As introduced.



AN ACT providing electricity customers with price comparison 1 2 information and amending P.L.1999, c.23. 3 4 **BE IT ENACTED** by the Senate and General Assembly of the State 5 of New Jersey: 6 7 1. Section 8 of P.L.1999, c.23 (C.48:3-56) is amended to read 8 as follows: 9 a. Except as otherwise provided in [this act] P.L.1999, c.23 8. (C.48:3-49 et al.), and notwithstanding any provisions of R.S.48:2-10 18, R.S.48:2-21, section 31 of P.L.1962, c.198 (C.48:2-21.2), 11 R.S.48:3-1 or any other law to the contrary, the board shall not 12 13 regulate, fix or prescribe the rates, tolls, charges, rate structures, 14 rate base, or cost of service of competitive services. b. For the purposes of [this act] P.L.1999, c.23 (C.48:3-49 et 15 16 al.), electric generation service is deemed to be a competitive 17 service. 18 c. The board is authorized to determine, after notice and 19 hearing, whether any other service offered by an electric public utility is a competitive service. In making such a determination, the 20 21 board shall develop standards of competitive service which, at a 22 minimum, shall include: evidence of ease of market entry; presence 23 of other competitors; and the availability of like or substitute 24 services in the relevant market segment and geographic area. 25 Notwithstanding the presence of these factors, the board may 26 determine that any service shall remain regulated for purposes of 27 the public safety and welfare. 28 The board is authorized to determine, after notice and d. 29 hearing, and after appropriate review by the Legislature pursuant to 30 subsection k. of this section, whether to reclassify as regulated any 31 electric service or segment thereof that it has previously found to be 32 competitive, including electric generation service, if it determines 33 that sufficient competition is no longer present, upon application of 34 the criteria set forth in subsection c. of this section. Upon such a 35 reclassification, subsection a. of this section shall no longer apply 36 and the board shall determine such rates for that electric service 37 which it finds to be just and reasonable. The board, however, shall 38 continue to monitor the electric service or segment thereof and, 39 whenever the board shall find that the electric service has again 40 become sufficiently competitive pursuant to subsection c. of this 41 section, the board shall again apply the provisions of subsection a. 42 of this section. 43 Nothing in [this act] P.L.1999, c.23 (C.48:3-49 et al.) shall e. 44 limit the authority of the board, pursuant to Title 48 of the Revised

Statutes, to ensure that electric public utilities do not make or

Matter underlined <u>thus</u> is new matter.

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**EXPLANATION** – Matter enclosed in **bold-faced brackets** [thus] in the above bill is not enacted and is intended to be omitted in the law.

impose unjust preferences, discriminations, or classifications for

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2 any services provided to customers. 3 (1) The board shall adopt, by rule, regulation or order, such f. 4 fair competition standards, affiliate relation standards, accounting 5 standards and reports as are necessary to ensure that electric public 6 utilities or their related competitive business segments do not enjoy 7 an unfair competitive advantage over other non-affiliated purveyors 8 of competitive services and in order to monitor the allocation of 9 costs between competitive and non-competitive services offered by 10 an electric public utility, and within 60 days after the starting date 11 for implementation of retail choice pursuant to subsection a. of section 5 of [this act] P.L.1999, c.23 (C.48:3-53), shall commence 12 the process of conducting audits, at the expense of the electric 13 14 public utilities, to ensure compliance with this section and section 7 15 of [this act] P.L.1999, c.23 (C.48:3-55) and with the board's rules, 16 regulations and orders adopted pursuant to this section and section 7 17 of [this act] P.L.1999, c.23 (C.48:3-55). The board shall hire an 18 independent contractor to perform such audits. 19 (2) Subsequent audits shall take place no less than every two 20 years after the date of the decision rendered pursuant to subsection 21 k. of section 7 of [this act] P.L.1999, c.23 (C.48:3-55). 22 (3) The public utility or an intervenor shall have the right to 23 contest the methodology and rebut the findings of an audit 24 performed pursuant to this subsection, in a filing with the board. 25 The board shall take no action to functionally separate, structurally 26 separate or require the divestiture of any portion of a public utility's 27 operations pursuant to this subsection until the public utility, and any intervenors, have been afforded timely opportunity to make 28 29 such filing and until the board has issued a decision thereon. 30 (4) If the board finds, as a result of any such audit, that 31 substantial violations of [this act] P.L.1999, c.23 (C.48:3-49 et al.) 32 or of the board's rules, regulations or orders adopted pursuant to this 33 section and section 7 of [this act] P.L.1999, c.23 (C.48:3-55) have 34 occurred which result in unfair competitive advantages for an 35 electric public utility, it shall: order the electric public utility to 36 establish and provide such services through a business unit which is 37 functionally separated from the electric public utility business unit 38 as a related competitive business segment of the utility, such that, 39 other than shared administration and overheads, employees of the 40 competitive services business unit shall not also be involved in the provision of non-competitive utility and safety services, and the 41 42 competitive services are provided utilizing separate assets than 43 those utilized to provide noncompetitive utility and safety services; 44 order the electric public utility to establish and provide such 45 services through a structurally separate business unit or units 46 including, but not limited to, a related competitive business segment

47 of the public utility holding company; or order the electric public

utility to divest itself of any business units that provide such
 services.

3 (5) If the board determines, as a result of the audit performed 4 pursuant to this subsection that an electric public utility has unfairly 5 allocated costs between its competitive and non-competitive 6 services, the board is authorized to require such utility to return to 7 the ratepayers an amount, equivalent to the amount of the costs 8 determined to be unfairly allocated, with interest, during the time 9 that the unfair allocation of costs occurred. In addition, the board is 10 authorized to order such utility to pay a fine of up to \$10,000 as a 11 result of the violation or violations determined to have occurred 12 pursuant to this subsection.

13 (6) Notwithstanding any requirements of the "Administrative 14 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the 15 contrary, the board shall initiate a proceeding and shall adopt, after 16 notice, provision of the opportunity for comment, and public 17 hearing, such fair competition and accounting standards as are 18 necessary on an interim basis to implement retail electric choice. 19 Such standards shall be effective as regulations immediately upon 20 filing with the Office of Administrative Law and shall be effective 21 for a period not to exceed 18 months, and may, thereafter, be 22 amended, adopted or readopted by the board in accordance with the 23 provisions of the "Administrative Procedure Act."

g. The board shall determine, by rule or order, what reports are
necessary to monitor the competitiveness of any service offered to a
customer of an electric public utility.

27 The board shall have the authority to take appropriate h. 28 increasingly stringent action, including the issuance of an order that 29 an electric public utility or its related competitive business segment 30 cease the offering of a competitive service, functionally separate or 31 structurally separate its competitive service offering from non-32 competitive business functions, or divest itself of such services, in 33 the event that the board determines, after hearing, that recurring and 34 significant violations of its rules or orders adopted pursuant to 35 subsection f. of this section have occurred.

i. Nothing in [this act] P.L.1999, c.23 (C.48:3-49 et al.) shall
exempt an electric public utility from obtaining all applicable local,
State and federal licenses or permits associated with the offering of
competitive services and complying with all applicable laws and
regulations regarding the provision of such services.

j. If the board finds, as a result of any audit conducted
pursuant to this section, that violations of the board's rules,
regulations or orders adopted pursuant to this section and section 7
of [this act] P.L.1999, c.23 (C.48:3-55) have occurred, which are
not substantial violations, the board is authorized to impose a fine
of up to \$10,000 against the electric public utility.

k. Prior to reclassifying as regulated any service it previously
found to be competitive, the board shall make recommendations to
the Legislature concerning the proposed reclassification. The

1 recommendations shall be deemed to be approved unless the 2 Legislature adopts a concurrent resolution stating that the 3 Legislature is not in agreement with all or any part of the 4 recommendations within 90 days following the date of transmittal 5 of the recommendations to the Legislature. The concurrent resolution shall advise the board of the Legislature's specific 6 7 objections to the recommendations and shall direct the board to 8 submit revised recommendations which respond to those objections 9 within 45 days of the date of transmittal of the concurrent resolution 10 to the board. 11 1. The board shall promulgate regulations to require each 12 electric public utility, electric power supplier, marketer, government 13 aggregator, and broker to provide the board with adequate and 14 accurate price comparison information that will enable customers to 15 make informed choices regarding the purchase of electric energy offered by that provider to customers. The board shall then compile 16 that information into a single, understandable database and post the 17 18 database on its website in a manner that enables customers to 19 compare prices and services on a uniform basis. The board may 20 contract with a public or private entity for the purpose of 21 developing, administering, and maintaining the database. The 22 contract shall specify the duties and responsibilities of the entity 23 with respect to the development, administration, and maintenance of 24 the database. The board shall monitor the work of the entity to 25 ensure that the database is developed, administered, and maintained pursuant to the requirements of this section. 26 27 (cf: P.L.1999, c.23, s.8) 28 29 2. This act shall take effect immediately. 30 31

#### STATEMENT

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34 This bill directs the Board of Public Utilities ("BPU") to 35 promulgate regulations requiring each electric public utility, electric 36 power supplier, marketer, government aggregator, and broker to 37 provide adequate and accurate price information to the BPU. The 38 BPU shall then compile the information into a single, 39 understandable database and make available the database on its 40 website in a manner that enables customers to compare prices and 41 services. The BPU may contract with a public or private entity for 42 the purpose of developing, administering, and maintaining the 43 database. The bill will allow customers to go to a single source to 44 obtain comparative information to make informed choices regarding 45 the prices and services of those electricity providers in the State.

# SENATE ECONOMIC GROWTH COMMITTEE

## STATEMENT TO

## **SENATE, No. 2181**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: DECEMBER 16, 2013

The Senate Economic Growth Committee reports favorably and with committee amendments Senate Bill, No. 2181.

As amended and reported, this bill authorizes the Board of Public Utilities (BPU) to promulgate regulations requiring each electric public utility, electric power supplier, marketer, government aggregator, and broker to provide adequate and accurate price information with respect to the provision of electricity to end use customers in New Jersey, so that customers may compare services. The BPU is further authorized to compile that information into a database to be posted on the BPU's Internet website in a manner that enables customers to compare prices and services on a uniform basis.

The committee amended the bill to authorize, rather than require, the BPU to promulgate regulations concerning the submission of price information and compilation of that information on the BPU's Internet website.

As amended and reported by the committee, Senate Bill No. 2181 is identical to Assembly Bill No. 2132 (1R) which was also reported by the committee on this date.