

SENATE ENVIRONMENT AND ENERGY COMMITTEE

STATEMENT TO

SENATE, No. 3793

STATE OF NEW JERSEY

DATED: MAY 15, 2023

The Senate Environment and Energy Committee favorably reports Senate Bill No. 3793.

This bill directs the Board of Public Utilities (BPU) to conduct a study of the feasibility, marketability, costs, and benefits of implementing large-scale geothermal heat pump systems (GHPs), as these systems are defined in the bill. The bill requires the BPU, in conducting the study, to assess the challenges and obstacles for the installation of large-scale GHPs in the State, and to consult with the United States Department of Energy, other states, geothermal experts and public and private entities with experience installing GHPs, and public utilities concerning the feasibility, costs, and benefits of the use of geothermal energy and large-scale GHPs.

The bill requires the BPU, as part of the study, to: consider the feasibility and desirability of establishing a financial incentive system, or the use of other available means and methods, to encourage and incentivize the development and successful deployment of geothermal energy and large-scale geothermal heat pump systems; evaluate the costs of using geothermal energy and large-scale geothermal heat pump systems; conduct an assessment to compare the energy efficiency and costs of common energy sources to that of geothermal energy in commercial and residential buildings; and evaluate the marketability of geothermal energy and large-scale geothermal heat pump systems and consider methods to promote their use. The bill also requires the BPU to evaluate the costs and savings to ratepayers, government entities, electric public utilities, and the State associated with the implementation of the study findings and recommendations, and provide a recommendation on the feasibility of, need for, and design of, a pilot program in the State for the installation of large-scale GHPs.

Finally, the bill requires the BPU, within one year after the bill is enacted into law, to prepare and submit a written report to the Governor and the Legislature summarizing the findings from the study, and providing recommendations for the feasibility, need for, and design of a pilot program, and for legislative, executive, and other actions.