

[Second Reprint]

ASSEMBLY, No. 2966

STATE OF NEW JERSEY
215th LEGISLATURE

INTRODUCED MAY 21, 2012

Sponsored by:

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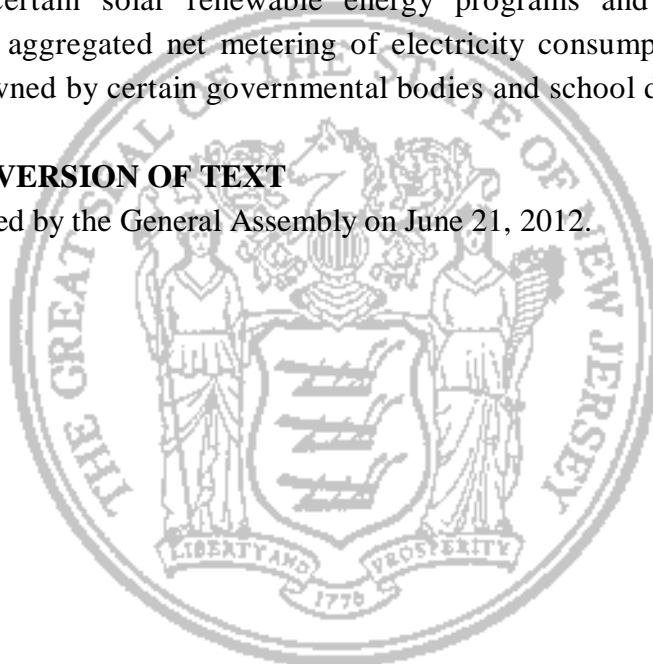
Assemblymen Singleton, Egan, Conaway and DeAngelo

SYNOPSIS

Revises certain solar renewable energy programs and requirements; provides for aggregated net metering of electricity consumption related to properties owned by certain governmental bodies and school districts.

CURRENT VERSION OF TEXT

As amended by the General Assembly on June 21, 2012.



(Sponsorship Updated As Of: 6/26/2012)

1 AN ACT concerning certain electric customer metering and solar
2 renewable portfolio standards requirements and amending
3 P.L.1999, c.23.

4

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

7

8 1. Section 3 of P.L.1999, c.23 (C.48:3-51) is amended to read
9 as follows:

10 3. As used in P.L.1999, c.23 (C.48:3-49 et al.):

11 "Assignee" means a person to which an electric public utility or
12 another assignee assigns, sells or transfers, other than as security,
13 all or a portion of its right to or interest in bondable transition
14 property. Except as specifically provided in P.L.1999, c.23
15 (C.48:3-49 et al.), an assignee shall not be subject to the public
16 utility requirements of Title 48 or any rules or regulations adopted
17 pursuant thereto;

18 "Base load electric power generation facility" means an electric
19 power generation facility intended to be operated at a greater than
20 50 percent capacity factor including, but not limited to, a combined
21 cycle power facility and a combined heat and power facility;

22 "Base residual auction" means the auction conducted by PJM, as
23 part of PJM's reliability pricing model, three years prior to the start
24 of the delivery year to secure electrical capacity as necessary to
25 satisfy the capacity requirements for that delivery year;

26 "Basic gas supply service" means gas supply service that is
27 provided to any customer that has not chosen an alternative gas
28 supplier, whether or not the customer has received offers as to
29 competitive supply options, including, but not limited to, any
30 customer that cannot obtain such service for any reason, including
31 non-payment for services. Basic gas supply service is not a
32 competitive service and shall be fully regulated by the board;

33 "Basic generation service" or "BGS" means electric generation
34 service that is provided, to any customer that has not chosen an
35 alternative electric power supplier, whether or not the customer has
36 received offers for competitive supply options, including, but not
37 limited to, any customer that cannot obtain such service from an
38 electric power supplier for any reason, including non-payment for
39 services. Basic generation service is not a competitive service and
40 shall be fully regulated by the board;

41 "Basic generation service provider" or "provider" means a
42 provider of basic generation service;

43 "Basic generation service transition costs" means the amount by
44 which the payments by an electric public utility for the procurement

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ATU committee amendments adopted June 7, 2012.

²Assembly floor amendments adopted June 21, 2012.

1 of power for basic generation service and related ancillary and
2 administrative costs exceeds the net revenues from the basic
3 generation service charge established by the board pursuant to
4 section 9 of P.L.1999, c.23 (C.48:3-57) during the transition period,
5 together with interest on the balance at the board-approved rate, that
6 is reflected in a deferred balance account approved by the board in
7 an order addressing the electric public utility's unbundled rates,
8 stranded costs, and restructuring filings pursuant to P.L.1999, c.23
9 (C.48:3-49 et al.). Basic generation service transition costs shall
10 include, but are not limited to, costs of purchases from the spot
11 market, bilateral contracts, contracts with non-utility generators,
12 parting contracts with the purchaser of the electric public utility's
13 divested generation assets, short-term advance purchases, and
14 financial instruments such as hedging, forward contracts, and
15 options. Basic generation service transition costs shall also include
16 the payments by an electric public utility pursuant to a competitive
17 procurement process for basic generation service supply during the
18 transition period, and costs of any such process used to procure the
19 basic generation service supply;

20 "Board" means the New Jersey Board of Public Utilities or any
21 successor agency;

22 "Bondable stranded costs" means any stranded costs or basic
23 generation service transition costs of an electric public utility
24 approved by the board for recovery pursuant to the provisions of
25 P.L.1999, c.23 (C.48:3-49 et al.), together with, as approved by the
26 board: (1) the cost of retiring existing debt or equity capital of the
27 electric public utility, including accrued interest, premium and other
28 fees, costs and charges relating thereto, with the proceeds of the
29 financing of bondable transition property; (2) if requested by an
30 electric public utility in its application for a bondable stranded costs
31 rate order, federal, State and local tax liabilities associated with
32 stranded costs recovery or basic generation service transition cost
33 recovery or the transfer or financing of such property or both,
34 including taxes, whose recovery period is modified by the effect of
35 a stranded costs recovery order, a bondable stranded costs rate order
36 or both; and (3) the costs incurred to issue, service or refinance
37 transition bonds, including interest, acquisition or redemption
38 premium, and other financing costs, whether paid upon issuance or
39 over the life of the transition bonds, including, but not limited to,
40 credit enhancements, service charges, overcollateralization, interest
41 rate cap, swap or collar, yield maintenance, maturity guarantee or
42 other hedging agreements, equity investments, operating costs and
43 other related fees, costs and charges, or to assign, sell or otherwise
44 transfer bondable transition property;

45 "Bondable stranded costs rate order" means one or more
46 irrevocable written orders issued by the board pursuant to P.L.1999,
47 c.23 (C.48:3-49 et al.) which determines the amount of bondable
48 stranded costs and the initial amount of transition bond charges

1 authorized to be imposed to recover such bondable stranded costs,
2 including the costs to be financed from the proceeds of the
3 transition bonds, as well as on-going costs associated with servicing
4 and credit enhancing the transition bonds, and provides the electric
5 public utility specific authority to issue or cause to be issued,
6 directly or indirectly, transition bonds through a financing entity
7 and related matters as provided in P.L.1999, c.23 (C.48:3-49 et al.),
8 which order shall become effective immediately upon the written
9 consent of the related electric public utility to such order as
10 provided in P.L.1999, c.23 (C.48:3-49 et al.);

11 "Bondable transition property" means the property consisting of
12 the irrevocable right to charge, collect and receive, and be paid
13 from collections of, transition bond charges in the amount necessary
14 to provide for the full recovery of bondable stranded costs which
15 are determined to be recoverable in a bondable stranded costs rate
16 order, all rights of the related electric public utility under such
17 bondable stranded costs rate order including, without limitation, all
18 rights to obtain periodic adjustments of the related transition bond
19 charges pursuant to subsection b. of section 15 of P.L.1999, c.23
20 (C.48:3-64), and all revenues, collections, payments, money and
21 proceeds arising under, or with respect to, all of the foregoing;

22 "British thermal unit" or "Btu" means the amount of heat
23 required to increase the temperature of one pound of water by one
24 degree Fahrenheit;

25 "Broker" means a duly licensed electric power supplier that
26 assumes the contractual and legal responsibility for the sale of
27 electric generation service, transmission or other services to end-use
28 retail customers, but does not take title to any of the power sold, or
29 a duly licensed gas supplier that assumes the contractual and legal
30 obligation to provide gas supply service to end-use retail customers,
31 but does not take title to the gas;

32 "Brownfield" means any former or current commercial or
33 industrial site that is currently vacant or underutilized and on which
34 there has been, or there is suspected to have been, a discharge of ²a²
35 contaminant, ²[as included in the "Brownfields Redevelopment
36 Task Force" inventory, developed pursuant to section 5 of
37 P.L.1997, c.278 (C.58:10B-23)]²;

38 "Buydown" means an arrangement or arrangements involving the
39 buyer and seller in a given power purchase contract and, in some
40 cases third parties, for consideration to be given by the buyer in
41 order to effectuate a reduction in the pricing, or the restructuring of
42 other terms to reduce the overall cost of the power contract, for the
43 remaining succeeding period of the purchased power arrangement
44 or arrangements;

45 "Buyout" means an arrangement or arrangements involving the
46 buyer and seller in a given power purchase contract and, in some
47 cases third parties, for consideration to be given by the buyer in
48 order to effectuate a termination of such power purchase contract;

1 "Class I renewable energy" means electric energy produced from
2 solar technologies, photovoltaic technologies, wind energy, fuel
3 cells, geothermal technologies, wave or tidal action, small scale
4 hydropower facilities with a capacity of three megawatts or less and
5 put into service after the effective date of P.L. , c. (C.)
6 (pending before the Legislature as this bill), and methane gas from
7 landfills or a biomass facility, provided that the biomass is
8 cultivated and harvested in a sustainable manner;

9 "Class II renewable energy" means electric energy produced at a
10 **[resource recovery facility or]** hydropower facility with a capacity
11 of greater than three megawatts or a resource recovery facility,
12 provided that such facility is located where retail competition is
13 permitted and provided further that the Commissioner of
14 Environmental Protection has determined that such facility meets
15 the highest environmental standards and minimizes any impacts to
16 the environment and local communities;

17 "Co-generation" means the sequential production of electricity
18 and steam or other forms of useful energy used for industrial or
19 commercial heating and cooling purposes;

20 "Combined cycle power facility" means a generation facility that
21 combines two or more thermodynamic cycles, by producing electric
22 power via the combustion of fuel and then routing the resulting
23 waste heat by-product to a conventional boiler or to a heat recovery
24 steam generator for use by a steam turbine to produce electric
25 power, thereby increasing the overall efficiency of the generating
26 facility;

27 "Combined heat and power facility" or "co-generation facility"
28 means a generation facility which produces electric energy~~[,] and~~
29 steam~~[,] or~~ other forms of useful energy such as heat, which are
30 used for industrial or commercial heating or cooling purposes. A
31 combined heat and power facility or co-generation facility shall not
32 be considered a public utility;

33 "Competitive service" means any service offered by an electric
34 public utility or a gas public utility that the board determines to be
35 competitive pursuant to section 8 or section 10 of P.L.1999, c.23
36 (C.48:3-56 or C.48:3-58) or that is not regulated by the board;

37 "Commercial and industrial energy pricing class customer" or
38 "CIEP class customer" means that group of non-residential
39 customers with high peak demand, as determined by periodic board
40 order, which either is eligible or which would be eligible, as
41 determined by periodic board order, to receive funds from the Retail
42 Margin Fund established pursuant to section 9 of P.L.1999, c.23
43 (C.48:3-57) and for which basic generation service is hourly-priced;

44 "Comprehensive resource analysis" means an analysis including,
45 but not limited to, an assessment of existing market barriers to the
46 implementation of energy efficiency and renewable technologies
47 that are not or cannot be delivered to customers through a
48 competitive marketplace;

1 "Connected to the distribution system" means, for a solar electric
2 power generation facility, 'that the facility is' ² (1) connected to a
3 net metering customer's side of a meter, regardless of the voltage at
4 which that customer connects to the electric grid, '[or]' (2) 'an on-
5 site generation facility'² (3) qualified for net metering
6 aggregation as provided pursuant to paragraph (4) of subsection e.
7 of section 38 of P.L.1999, c.23 (C.48:3-87)² (4) owned or
8 operated by an electric public utility and approved by the board
9 pursuant to section 13 of P.L.2007, c.340 (C.48:3-98.1) ² [; or],²
10 (5) directly connected to the electric grid at 69 kilovolts or less,
11 regardless of how an electric public utility classifies that portion of
12 its electric grid, '[except that notwithstanding that it meets the
13 criterion set forth in paragraph (1) or (2) hereof, a solar electric
14 power generation facility that is neither net metered nor an on-site
15 generation facility shall not be considered] and is designated as'
16 "connected to the distribution system" '[unless it shall have been
17 designated as such]' by the board pursuant to subsections q.
18 through s. of section 38 of P.L.1999, c.23 (C.48:3-87) ¹, or ²(6)² is
19 certified by the board as being located on a brownfield ²[, an
20 existing or proposed commercial, retail, industrial, municipal,
21 professional, recreational, transit, commuter, entertainment
22 complex, multi-use, or mixed-use parking lot with a capacity to
23 park 350 or more vehicles where the area to be utilized for the
24 facility is paved, or is an impervious surface,]² or a properly closed
25 sanitary landfill facility' . Any solar electric power generation
26 facility, other than that of a net metering customer on the
27 customer's side of the meter, connected above 69 kilovolts '[,]'¹
28 shall not be considered connected to the distribution system;

29 "Customer" means any person that is an end user and is
30 connected to any part of the transmission and distribution system
31 within an electric public utility's service territory or a gas public
32 utility's service territory within this State;

33 "Customer account service" means metering, billing, or such
34 other administrative activity associated with maintaining a customer
35 account;

36 "Delivery year" or "DY" means the 12-month period from June
37 1st through May 31st, numbered according to the calendar year in
38 which it ends;

39 "Demand side management" means the management of customer
40 demand for energy service through the implementation of cost-
41 effective energy efficiency technologies, including, but not limited
42 to, installed conservation, load management and energy efficiency
43 measures on and in the residential, commercial, industrial,
44 institutional and governmental premises and facilities in this State;

45 "Electric generation service" means the provision of retail
46 electric energy and capacity which is generated off-site from the

1 location at which the consumption of such electric energy and
2 capacity is metered for retail billing purposes, including agreements
3 and arrangements related thereto;

4 "Electric power generator" means an entity that proposes to
5 construct, own, lease or operate, or currently owns, leases or
6 operates, an electric power production facility that will sell or does
7 sell at least 90 percent of its output, either directly or through a
8 marketer, to a customer or customers located at sites that are not on
9 or contiguous to the site on which the facility will be located or is
10 located. The designation of an entity as an electric power generator
11 for the purposes of P.L.1999, c.23 (C.48:3-49 et al.) shall not, in
12 and of itself, affect the entity's status as an exempt wholesale
13 generator under the Public Utility Holding Company Act of 1935,
14 15 U.S.C. s.79 et seq., or its successor;

15 "Electric power supplier" means a person or entity that is duly
16 licensed pursuant to the provisions of P.L.1999, c.23 (C.48:3-49 et
17 al.) to offer and to assume the contractual and legal responsibility to
18 provide electric generation service to retail customers, and includes
19 load serving entities, marketers and brokers that offer or provide
20 electric generation service to retail customers. The term excludes an
21 electric public utility that provides electric generation service only
22 as a basic generation service pursuant to section 9 of P.L.1999, c.23
23 (C.48:3-57);

24 "Electric public utility" means a public utility, as that term is
25 defined in R.S.48:2-13, that transmits and distributes electricity to
26 end users within this State;

27 "Electric related service" means a service that is directly related
28 to the consumption of electricity by an end user, including, but not
29 limited to, the installation of demand side management measures at
30 the end user's premises, the maintenance, repair or replacement of
31 appliances, lighting, motors or other energy-consuming devices at
32 the end user's premises, and the provision of energy consumption
33 measurement and billing services;

34 "Electronic signature" means an electronic sound, symbol or
35 process, attached to, or logically associated with, a contract or other
36 record, and executed or adopted by a person with the intent to sign
37 the record;

38 "Eligible generator" means a developer of a base load or mid-
39 merit electric power generation facility including, but not limited to,
40 an on-site generation facility that qualifies as a capacity resource
41 under PJM criteria and that commences construction after the
42 effective date of P.L.2011, c.9 (C.48:3-98.2 et al.);

43 "Energy agent" means a person that is duly registered pursuant to
44 the provisions of P.L.1999, c.23 (C.48:3-49 et al.), that arranges the
45 sale of retail electricity or electric related services or retail gas
46 supply or gas related services between government aggregators or
47 private aggregators and electric power suppliers or gas suppliers,
48 but does not take title to the electric or gas sold;

1 "Energy consumer" means a business or residential consumer of
2 electric generation service or gas supply service located within the
3 territorial jurisdiction of a government aggregator;

4 "Energy year" or "EY" means the 12-month period from June 1st
5 through May 31st, numbered according to the calendar year in
6 which it ends;

7 "Farmland" means land actively devoted to agricultural or
8 horticultural use that is valued, assessed, and taxed pursuant to the
9 "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et
10 seq.);

11 "Federal Energy Regulatory Commission" or "FERC" means the
12 federal agency established pursuant to 42 U.S.C. s.7171 et seq. to
13 regulate the interstate transmission of electricity, natural gas, and
14 oil;

15 "Financing entity" means an electric public utility, a special
16 purpose entity, or any other assignee of bondable transition
17 property, which issues transition bonds. Except as specifically
18 provided in P.L.1999, c.23 (C.48:3-49 et al.), a financing entity
19 which is not itself an electric public utility shall not be subject to
20 the public utility requirements of Title 48 or any rules or regulations
21 adopted pursuant thereto;

22 "Gas public utility" means a public utility, as that term is defined
23 in R.S.48:2-13, that distributes gas to end users within this State;

24 "Gas related service" means a service that is directly related to
25 the consumption of gas by an end user, including, but not limited to,
26 the installation of demand side management measures at the end
27 user's premises, the maintenance, repair or replacement of
28 appliances or other energy-consuming devices at the end user's
29 premises, and the provision of energy consumption measurement
30 and billing services;

31 "Gas supplier" means a person that is duly licensed pursuant to
32 the provisions of P.L.1999, c.23 (C.48:3-49 et al.) to offer and
33 assume the contractual and legal obligation to provide gas supply
34 service to retail customers, and includes, but is not limited to,
35 marketers and brokers. A non-public utility affiliate of a public
36 utility holding company may be a gas supplier, but a gas public
37 utility or any subsidiary of a gas utility is not a gas supplier. In the
38 event that a gas public utility is not part of a holding company legal
39 structure, a related competitive business segment of that gas public
40 utility may be a gas supplier, provided that related competitive
41 business segment is structurally separated from the gas public
42 utility, and provided that the interactions between the gas public
43 utility and the related competitive business segment are subject to
44 the affiliate relations standards adopted by the board pursuant to
45 subsection k. of section 10 of P.L.1999, c.23 (C.48:3-58);

46 "Gas supply service" means the provision to customers of the
47 retail commodity of gas, but does not include any regulated
48 distribution service;

1 "Government aggregator" means any government entity subject
2 to the requirements of the "Local Public Contracts Law," P.L.1971,
3 c.198 (C.40A:11-1 et seq.), the "Public School Contracts Law,"
4 N.J.S.18A:18A-1 et seq., or the "County College Contracts Law,"
5 P.L.1982, c.189 (C.18A:64A-25.1 et seq.), that enters into a written
6 contract with a licensed electric power supplier or a licensed gas
7 supplier for: (1) the provision of electric generation service, electric
8 related service, gas supply service, or gas related service for its own
9 use or the use of other government aggregators; or (2) if a
10 municipal or county government, the provision of electric
11 generation service or gas supply service on behalf of business or
12 residential customers within its territorial jurisdiction;

13 "Government energy aggregation program" means a program and
14 procedure pursuant to which a government aggregator enters into a
15 written contract for the provision of electric generation service or
16 gas supply service on behalf of business or residential customers
17 within its territorial jurisdiction;

18 "Governmental entity" means any federal, state, municipal, local
19 or other governmental department, commission, board, agency,
20 court, authority or instrumentality having competent jurisdiction;

21 "Greenhouse gas emissions portfolio standard" means a
22 requirement that addresses or limits the amount of carbon dioxide
23 emissions indirectly resulting from the use of electricity as applied
24 to any electric power suppliers and basic generation service
25 providers of electricity;

26 "Incremental auction" means an auction conducted by PJM, as
27 part of PJM's reliability pricing model, prior to the start of the
28 delivery year to secure electric capacity as necessary to satisfy the
29 capacity requirements for that delivery year, that is not otherwise
30 provided for in the base residual auction;

31 "Leakage" means an increase in greenhouse gas emissions
32 related to generation sources located outside of the State that are not
33 subject to a state, interstate or regional greenhouse gas emissions
34 cap or standard that applies to generation sources located within the
35 State;

36 "Locational deliverability area" or "LDA" means one or more of
37 the zones within the PJM region which are used to evaluate area
38 transmission constraints and reliability issues including electric
39 public utility company zones, sub-zones, and combinations of
40 zones;

41 "Long-term capacity agreement pilot program" or "LCAPP"
42 means a pilot program established by the board that includes
43 participation by eligible generators, to seek offers for financially-
44 settled standard offer capacity agreements with eligible generators
45 pursuant to the provisions of P.L.2011, c.9 (C.48:3-98.2 et al.);

46 "Market transition charge" means a charge imposed pursuant to
47 section 13 of P.L.1999, c.23 (C.48:3-61) by an electric public
48 utility, at a level determined by the board, on the electric public

1 utility customers for a limited duration transition period to recover
2 stranded costs created as a result of the introduction of electric
3 power supply competition pursuant to the provisions of P.L.1999,
4 c.23 (C.48:3-49 et al.);

5 "Marketer" means a duly licensed electric power supplier that
6 takes title to electric energy and capacity, transmission and other
7 services from electric power generators and other wholesale
8 suppliers and then assumes the contractual and legal obligation to
9 provide electric generation service, and may include transmission
10 and other services, to an end-use retail customer or customers, or a
11 duly licensed gas supplier that takes title to gas and then assumes
12 the contractual and legal obligation to provide gas supply service to
13 an end-use customer or customers;

14 "Mid-merit electric power generation facility" means a
15 generation facility that operates at a capacity factor between
16 baseload generation facilities and peaker generation facilities;

17 "Net proceeds" means proceeds less transaction and other related
18 costs as determined by the board;

19 "Net revenues" means revenues less related expenses, including
20 applicable taxes, as determined by the board;

21 ¹"Net metering aggregation" means a procedure for calculating
22 the combination of the annual energy usage for all ²[solar electric
23 power generating]² facilities owned by a single customer where
24 such customer is a State entity, school district, county, county
25 agency, county authority, municipality, municipal agency, or
26 municipal authority, ²and which are served by a solar electric power
27 generating facility² as provided pursuant to paragraph (4) of
28 subsection e. of section 38 of P.L.1999, c.23 (C.48:3-87)^{1 2,2}

29 "Offshore wind energy" means electric energy produced by a
30 qualified offshore wind project;

31 "Offshore wind renewable energy certificate" or "OREC" means
32 a certificate, issued by the board or its designee, representing the
33 environmental attributes of one megawatt hour of electric
34 generation from a qualified offshore wind project;

35 "Off-site end use thermal energy services customer" means an
36 end use customer that purchases thermal energy services from an
37 on-site generation facility, combined heat and power facility, or co-
38 generation facility, and that is located on property that is separated
39 from the property on which the on-site generation facility,
40 combined heat and power facility, or co-generation facility is
41 located by more than one easement, public thoroughfare, or
42 transportation or utility-owned right-of-way;

43 "On-site generation facility" means a generation facility,
44 including, but not limited to, a generation facility that produces
45 Class I or Class II renewable energy, and equipment and services
46 appurtenant to electric sales by such facility to the end use customer
47 located on the property or on property contiguous to the property on

1 which the end user is located. An on-site generation facility shall
2 not be considered a public utility. The property of the end use
3 customer and the property on which the on-site generation facility is
4 located shall be considered contiguous if they are geographically
5 located next to each other, but may be otherwise separated by an
6 easement, public thoroughfare, transportation or utility-owned
7 right-of-way, or if the end use customer is purchasing thermal
8 energy services produced by the on-site generation facility, for use
9 for heating or cooling, or both, regardless of whether the customer
10 is located on property that is separated from the property on which
11 the on-site generation facility is located by more than one easement,
12 public thoroughfare, or transportation or utility-owned right-of-
13 way;

14 "Person" means an individual, partnership, corporation,
15 association, trust, limited liability company, governmental entity or
16 other legal entity;

17 "PJM Interconnection, L.L.C." or "PJM" means the privately-
18 held, limited liability corporation that is a FERC-approved Regional
19 Transmission Organization, or its successor, that manages the
20 regional, high-voltage electricity grid serving all or parts of 13
21 states including New Jersey and the District of Columbia, operates
22 the regional competitive wholesale electric market, manages the
23 regional transmission planning process, and establishes systems and
24 rules to ensure that the regional and in-State energy markets operate
25 fairly and efficiently;

26 "Private aggregator" means a non-government aggregator that is
27 a duly-organized business or non-profit organization authorized to
28 do business in this State that enters into a contract with a duly
29 licensed electric power supplier for the purchase of electric energy
30 and capacity, or with a duly licensed gas supplier for the purchase
31 of gas supply service, on behalf of multiple end-use customers by
32 combining the loads of those customers;

33 "Properly closed sanitary landfill facility" means a sanitary
34 landfill facility^{2, 2} ¹[at] or a portion of a sanitary landfill facility,
35 for¹ which ²[all]² ¹performance is complete with respect to all¹
36 activities associated with the design, ¹installation, ¹purchase, or
37 construction of all measures¹, structures, or equipment¹ required by
38 the Department of Environmental Protection, pursuant to law, in
39 order to prevent, minimize, or monitor pollution or health hazards
40 resulting from a sanitary landfill facility subsequent to the
41 termination of operations at any portion thereof, including, but not
42 necessarily limited to, the ¹[costs of]¹ placement of earthen or
43 vegetative cover, and the installation of methane gas vents or
44 monitors and leachate monitoring wells or collection systems at the
45 site of any sanitary landfill facility;

46 "Public utility holding company" means: (1) any company that,
47 directly or indirectly, owns, controls, or holds with power to vote,

1 ten percent or more of the outstanding voting securities of an
2 electric public utility or a gas public utility or of a company which
3 is a public utility holding company by virtue of this definition,
4 unless the Securities and Exchange Commission, or its successor,
5 by order declares such company not to be a public utility holding
6 company under the Public Utility Holding Company Act of 1935,
7 15 U.S.C. s.79 et seq., or its successor; or (2) any person that the
8 Securities and Exchange Commission, or its successor, determines,
9 after notice and opportunity for hearing, directly or indirectly, to
10 exercise, either alone or pursuant to an arrangement or
11 understanding with one or more other persons, such a controlling
12 influence over the management or policies of an electric public
13 utility or a gas public utility or public utility holding company as to
14 make it necessary or appropriate in the public interest or for the
15 protection of investors or consumers that such person be subject to
16 the obligations, duties, and liabilities imposed in the Public Utility
17 Holding Company Act of 1935 or its successor;

18 "Qualified offshore wind project" means a wind turbine
19 electricity generation facility in the Atlantic Ocean and connected
20 to the electric transmission system in this State, and includes the
21 associated transmission-related interconnection facilities and
22 equipment, and approved by the board pursuant to section 3 of
23 P.L.2010, c.57 (C.48:3-87.1);

24 "Registration program" means an administrative process
25 developed by the board pursuant to subsection u. of section 38 of
26 P.L.1999, c.23 (C.48:3-87) that requires all owners of solar electric
27 power generation facilities connected to the distribution system that
28 intend to generate SRECs, to file with the board documents
29 detailing the size, location, interconnection plan, land use, and other
30 project information as required by the board;

31 "Regulatory asset" means an asset recorded on the books of an
32 electric public utility or gas public utility pursuant to the Statement
33 of Financial Accounting Standards, No. 71, entitled "Accounting for
34 the Effects of Certain Types of Regulation," or any successor
35 standard and as deemed recoverable by the board;

36 "Related competitive business segment of an electric public
37 utility or gas public utility" means any business venture of an
38 electric public utility or gas public utility including, but not limited
39 to, functionally separate business units, joint ventures, and
40 partnerships, that offers to provide or provides competitive services;

41 "Related competitive business segment of a public utility holding
42 company" means any business venture of a public utility holding
43 company, including, but not limited to, functionally separate
44 business units, joint ventures, and partnerships and subsidiaries, that
45 offers to provide or provides competitive services, but does not
46 include any related competitive business segments of an electric
47 public utility or gas public utility;

1 "Reliability pricing model" or "RPM" means PJM's capacity-
2 market model, and its successors, that secures capacity on behalf of
3 electric load serving entities to satisfy load obligations not satisfied
4 through the output of electric generation facilities owned by those
5 entities, or otherwise secured by those entities through bilateral
6 contracts;

7 "Renewable energy certificate" or "REC" means a certificate
8 representing the environmental benefits or attributes of one
9 megawatt-hour of generation from a generating facility that
10 produces Class I or Class II renewable energy, but shall not include
11 a solar renewable energy certificate or an offshore wind renewable
12 energy certificate;

13 "Resource clearing price" or "RCP" means the clearing price
14 established for the applicable locational deliverability area by the
15 base residual auction or incremental auction, as determined by the
16 optimization algorithm for each auction, conducted by PJM as part
17 of PJM's reliability pricing model;

18 "Resource recovery facility" means a solid waste facility
19 constructed and operated for the incineration of solid waste for
20 energy production and the recovery of metals and other materials
21 for reuse, which the Department of Environmental Protection has
22 determined to be in compliance with current environmental
23 standards, including, but not limited to, all applicable requirements
24 of the federal "Clean Air Act" (42 U.S.C. s.7401 et seq.);

25 "Restructuring related costs" means reasonably incurred costs
26 directly related to the restructuring of the electric power industry,
27 including the closure, sale, functional separation and divestiture of
28 generation and other competitive utility assets by a public utility, or
29 the provision of competitive services as such costs are determined
30 by the board, and which are not stranded costs as defined in
31 P.L.1999, c.23 (C.48:3-49 et al.) but may include, but not be limited
32 to, investments in management information systems, and which
33 shall include expenses related to employees affected by
34 restructuring which result in efficiencies and which result in
35 benefits to ratepayers, such as training or retraining at the level
36 equivalent to one year's training at a vocational or technical school
37 or county community college, the provision of severance pay of two
38 weeks of base pay for each year of full-time employment, and a
39 maximum of 24 months' continued health care coverage. Except as
40 to expenses related to employees affected by restructuring,
41 "restructuring related costs" shall not include going forward costs;

42 "Retail choice" means the ability of retail customers to shop for
43 electric generation or gas supply service from electric power or gas
44 suppliers, or opt to receive basic generation service or basic gas
45 service, and the ability of an electric power or gas supplier to offer
46 electric generation service or gas supply service to retail customers,
47 consistent with the provisions of P.L.1999, c.23 (C.48:3-49 et al.);

1 "Retail margin" means an amount, reflecting differences in
2 prices that electric power suppliers and electric public utilities may
3 charge in providing electric generation service and basic generation
4 service, respectively, to retail customers, excluding residential
5 customers, which the board may authorize to be charged to
6 categories of basic generation service customers of electric public
7 utilities in this State, other than residential customers, under the
8 board's continuing regulation of basic generation service pursuant to
9 sections 3 and 9 of P.L.1999, c.23 (C.48:3-51 and 48:3-57), for the
10 purpose of promoting a competitive retail market for the supply of
11 electricity;

12 "Sanitary landfill facility" shall have the same meaning as
13 provided in section 3 of P.L.1970, c.39 (C.13:1E-3);

14 "School district" means a local or regional school district
15 established pursuant to chapter 8 or chapter 13 of Title 18A of the
16 New Jersey Statutes, a county special services school district
17 established pursuant to article 8 of chapter 46 of Title 18A of the
18 New Jersey Statutes, a county vocational school district established
19 pursuant to article 3 of chapter 54 of Title 18A of the New Jersey
20 Statutes, and a district under full State intervention pursuant to
21 P.L.1987, c.399 (C.18A:7A-34 et al.);

22 "Shopping credit" means an amount deducted from the bill of an
23 electric public utility customer to reflect the fact that such customer
24 has switched to an electric power supplier and no longer takes basic
25 generation service from the electric public utility;

26 "Small scale hydropower facility" means a facility located within
27 this State that is connected to the distribution system, and that
28 meets the requirements of, and has been certified by, a nationally
29 recognized low-impact hydropower organization that has
30 established low-impact hydropower certification criteria applicable
31 to: (1) river flows; (2) water quality; (3) fish passage and
32 protection; (4) watershed protection; (5) threatened and endangered
33 species protection; (6) cultural resource protection; (7) recreation;
34 and (8) facilities recommended for removal;

35 "Social program" means a program implemented with board
36 approval to provide assistance to a group of disadvantaged
37 customers, to provide protection to consumers, or to accomplish a
38 particular societal goal, and includes, but is not limited to, the
39 winter moratorium program, utility practices concerning "bad debt"
40 customers, low income assistance, deferred payment plans,
41 weatherization programs, and late payment and deposit policies, but
42 does not include any demand side management program or any
43 environmental requirements or controls;

44 "Societal benefits charge" means a charge imposed by an electric
45 public utility, at a level determined by the board, pursuant to, and in
46 accordance with, section 12 of P.L.1999, c.23 (C.48:3-60);

47 "Solar alternative compliance payment" or "SACP" means a
48 payment of a certain dollar amount per megawatt hour (MWh)

1 which an electric power supplier or provider may submit to the
2 board in order to comply with the solar electric generation
3 requirements under section 38 of P.L.1999, c.23 (C.48:3-87);

4 "Solar renewable energy certificate" or "SREC" means a
5 certificate issued by the board or its designee, representing one
6 megawatt hour (MWh) of solar energy that is generated by a facility
7 connected to the distribution system in this State and has value
8 based upon, and driven by, the energy market;

9 "Standard offer capacity agreement" or "SOCA" means a
10 financially-settled transaction agreement, approved by board order,
11 that provides for eligible generators to receive payments from the
12 electric public utilities for a defined amount of electric capacity for
13 a term to be determined by the board but not to exceed 15 years,
14 and for such payments to be a fully non-bypassable charge, with
15 such an order, once issued, being irrevocable;

16 "Standard offer capacity price" or "SOCP" means the capacity
17 price that is fixed for the term of the SOCA and which is the price
18 to be received by eligible generators under a board-approved
19 SOCA;

20 "State entity" means a department, agency, or office of State
21 government, a State university or college, or an authority created by
22 the State;¹

23 "Stranded cost" means the amount by which the net cost of an
24 electric public utility's electric generating assets or electric power
25 purchase commitments, as determined by the board consistent with
26 the provisions of P.L.1999, c.23 (C.48:3-49 et al.), exceeds the
27 market value of those assets or contractual commitments in a
28 competitive supply marketplace and the costs of buydowns or
29 buyouts of power purchase contracts;

30 "Stranded costs recovery order" means each order issued by the
31 board in accordance with subsection c. of section 13 of P.L.1999,
32 c.23 (C.48:3-61) which sets forth the amount of stranded costs, if
33 any, the board has determined an electric public utility is eligible to
34 recover and collect in accordance with the standards set forth in
35 section 13 of P.L.1999, c.23 (C.48:3-61) and the recovery
36 mechanisms therefor;

37 "Thermal efficiency" means the useful electric energy output of a
38 facility, plus the useful thermal energy output of the facility,
39 expressed as a percentage of the total energy input to the facility;

40 "Transition bond charge" means a charge, expressed as an
41 amount per kilowatt hour, that is authorized by and imposed on
42 electric public utility ratepayers pursuant to a bondable stranded
43 costs rate order, as modified at any time pursuant to the provisions
44 of P.L.1999, c.23 (C.48:3-49 et al.);

45 "Transition bonds" means bonds, notes, certificates of
46 participation or beneficial interest or other evidences of
47 indebtedness or ownership issued pursuant to an indenture, contract
48 or other agreement of an electric public utility or a financing entity,

1 the proceeds of which are used, directly or indirectly, to recover,
2 finance or refinance bondable stranded costs and which are, directly
3 or indirectly, secured by or payable from bondable transition
4 property. References in P.L.1999, c.23 (C.48:3-49 et al.) to
5 principal, interest, and acquisition or redemption premium with
6 respect to transition bonds which are issued in the form of
7 certificates of participation or beneficial interest or other evidences
8 of ownership shall refer to the comparable payments on such
9 securities;

10 "Transition period" means the period from August 1, 1999
11 through July 31, 2003;

12 "Transmission and distribution system" means, with respect to an
13 electric public utility, any facility or equipment that is used for the
14 transmission, distribution or delivery of electricity to the customers
15 of the electric public utility including, but not limited to, the land,
16 structures, meters, lines, switches and all other appurtenances
17 thereof and thereto, owned or controlled by the electric public
18 utility within this State; and

19 "Universal service" means any service approved by the board
20 with the purpose of assisting low-income residential customers in
21 obtaining or retaining electric generation or delivery service.

22 ["Virtual metering aggregation" means the combination of
23 readings from instruments for determining the amount of, and
24 billing for, all the electric power consumption of a single customer
25 which is a school district, a county or any agency, authority, or
26 other entity thereof, or a municipality, or any agency, authority, or
27 other entity thereof, which owns or leases properties and which
28 operates a solar electric power generation facility that is not an on-
29 site generation facility, by means of the electric public utility's
30 billing process, rather than through physical rewiring of the
31 customer's property to provide a single point of contact, provided
32 that each such property, including the solar electric generation
33 facility, is located no more than three miles from each of the others
34 and within the service territory of a single electric public utility. A
35 customer engaged in virtual metering aggregation shall not be
36 considered a public utility. Any incremental cost to electric public
37 utilities for virtual metering aggregation shall be fully and timely
38 recovered in a manner determined by the board.]"¹

39 (cf: P.L.2011, c.9, s.2)

40

41 2. Section 38 of P.L.1999, c.23 (C.48:3-87) is amended to read
42 as follows:

43 38. a. The board shall require an electric power supplier or basic
44 generation service provider to disclose on a customer's bill or on
45 customer contracts or marketing materials, a uniform, common set
46 of information about the environmental characteristics of the energy
47 purchased by the customer, including, but not limited to:

1 (1) Its fuel mix, including categories for oil, gas, nuclear, coal,
2 solar, hydroelectric, wind and biomass, or a regional average
3 determined by the board;

4 (2) Its emissions, in pounds per megawatt hour, of sulfur
5 dioxide, carbon dioxide, oxides of nitrogen, and any other pollutant
6 that the board may determine to pose an environmental or health
7 hazard, or an emissions default to be determined by the board; and

8 (3) Any discrete emission reduction retired pursuant to rules and
9 regulations adopted pursuant to P.L.1995, c.188.

10 b. Notwithstanding any provisions of the "Administrative
11 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
12 contrary, the board shall initiate a proceeding and shall adopt, in
13 consultation with the Department of Environmental Protection, after
14 notice and opportunity for public comment and public hearing,
15 interim standards to implement this disclosure requirement,
16 including, but not limited to:

17 (1) A methodology for disclosure of emissions based on output
18 pounds per megawatt hour;

19 (2) Benchmarks for all suppliers and basic generation service
20 providers to use in disclosing emissions that will enable consumers
21 to perform a meaningful comparison with a supplier's or basic
22 generation service provider's emission levels; and

23 (3) A uniform emissions disclosure format that is graphic in
24 nature and easily understandable by consumers. The board shall
25 periodically review the disclosure requirements to determine if
26 revisions to the environmental disclosure system as implemented
27 are necessary.

28 Such standards shall be effective as regulations immediately
29 upon filing with the Office of Administrative Law and shall be
30 effective for a period not to exceed 18 months, and may, thereafter,
31 be amended, adopted or readopted by the board in accordance with
32 the provisions of the "Administrative Procedure Act."

33 c. (1) The board may adopt, in consultation with the
34 Department of Environmental Protection, after notice and
35 opportunity for public comment, an emissions portfolio standard
36 applicable to all electric power suppliers and basic generation
37 service providers, upon a finding that:

38 (a) The standard is necessary as part of a plan to enable the
39 State to meet federal Clean Air Act or State ambient air quality
40 standards; and

41 (b) Actions at the regional or federal level cannot reasonably be
42 expected to achieve the compliance with the federal standards.

43 (2) By July 1, 2009, the board shall adopt, pursuant to the
44 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
45 seq.), a greenhouse gas emissions portfolio standard to mitigate
46 leakage or another regulatory mechanism to mitigate leakage
47 applicable to all electric power suppliers and basic generation
48 service providers that provide electricity to customers within the

1 State. The greenhouse gas emissions portfolio standard or any other
2 regulatory mechanism to mitigate leakage shall:

3 (a) Allow a transition period, either before or after the effective
4 date of the regulation to mitigate leakage, for a basic generation
5 service provider or electric power supplier to either meet the
6 emissions portfolio standard or other regulatory mechanism to
7 mitigate leakage, or to transfer any customer to a basic generation
8 service provider or electric power supplier that meets the emissions
9 portfolio standard or other regulatory mechanism to mitigate
10 leakage. If the transition period allowed pursuant to this
11 subparagraph occurs after the implementation of an emissions
12 portfolio standard or other regulatory mechanism to mitigate
13 leakage, the transition period shall be no longer than three years;
14 and

15 (b) Exempt the provision of basic generation service pursuant to
16 a basic generation service purchase and sale agreement effective
17 prior to the date of the regulation.

18 Unless the Attorney General or the Attorney General's designee
19 determines that a greenhouse gas emissions portfolio standard
20 would unconstitutionally burden interstate commerce or would be
21 preempted by federal law, the adoption by the board of an electric
22 energy efficiency portfolio standard pursuant to subsection g. of this
23 section, a gas energy efficiency portfolio standard pursuant to
24 subsection h. of this section, or any other enhanced energy
25 efficiency policies to mitigate leakage shall not be considered
26 sufficient to fulfill the requirement of this subsection for the
27 adoption of a greenhouse gas emissions portfolio standard or any
28 other regulatory mechanism to mitigate leakage.

29 d. Notwithstanding any provisions of the "Administrative
30 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
31 contrary, the board shall initiate a proceeding and shall adopt, after
32 notice, provision of the opportunity for comment, and public
33 hearing, renewable energy portfolio standards that shall require:

34 (1) that two and one-half percent of the kilowatt hours sold in
35 this State by each electric power supplier and each basic generation
36 service provider be from Class I or Class II renewable energy
37 sources;

38 (2) beginning on January 1, 2001, that one-half of one percent
39 of the kilowatt hours sold in this State by each electric power
40 supplier and each basic generation service provider be from Class I
41 renewable energy sources. The board shall increase the required
42 percentage for Class I renewable energy sources so that by January
43 1, 2006, one percent of the kilowatt hours sold in this State by each
44 electric power supplier and each basic generation service provider
45 shall be from Class I renewable energy sources and shall
46 additionally increase the required percentage for Class I renewable
47 energy sources by one-half of one percent each year until January 1,
48 2012, when four percent of the kilowatt hours sold in this State by

1 each electric power supplier and each basic generation service
2 provider shall be from Class I renewable energy sources.

3 An electric power supplier or basic generation service provider
4 may satisfy the requirements of this subsection by participating in a
5 renewable energy trading program approved by the board in
6 consultation with the Department of Environmental Protection;

7 (3) that the board establish a multi-year schedule, applicable to
8 each electric power supplier or basic generation service provider in
9 this State, beginning with the one-year period commencing on June
10 1, 2010, and continuing for each subsequent one-year period up to
11 and including, the one-year period commencing on **[June 1, 2025]**
12 June 1, 2028, that requires **[suppliers or providers to purchase at**
13 **least]** the following number or percentage, as the case may be, of
14 kilowatt-hours sold in this State by each electric power supplier and
15 each basic generation service provider to be from solar electric
16 power generators connected to the distribution system in this State:

17 EY 2011	306 Gigawatthours (Gwhrs)
18 EY 2012	442 Gwhrs
19 EY 2013	¹ [596 Gwhrs] ² [0.752%¹] <u>596 Gwhrs</u> ²
20 EY 2014	[772 Gwhrs] ¹ [1.99%] <u>2.050%</u> ¹
21 EY 2015	[965 Gwhrs] ¹ [2.24%] <u>2.450%</u> ¹
22 EY 2016	[1,150 Gwhrs] ¹ [2.54%] <u>2.750%</u> ¹
23 EY 2017	[1,357 Gwhrs] ¹ [2.87%] <u>3.000%</u> ¹
24 EY 2018	[1,591 Gwhrs] ¹ [3.25%] <u>3.200%</u> ¹
25 EY 2019	[1,858 Gwhrs] ¹ [3.67%] <u>3.290%</u> ¹
26 EY 2020	[2,164 Gwhrs] ¹ [3.90%] <u>3.380%</u> ¹
27 EY 2021	[2,518 Gwhrs] ¹ [4.03%] <u>3.470%</u> ¹
28 EY 2022	[2,928 Gwhrs] ¹ [4.13%] <u>3.560%</u> ¹
29 EY 2023	[3,433 Gwhrs] ¹ [4.23%] <u>3.650%</u> ¹
30 EY 2024	[3,989 Gwhrs] ¹ [4.31%] <u>3.740%</u> ¹
31 EY 2025	[4,610 Gwhrs] ¹ [4.39%] <u>3.830%</u> ¹
32 EY 2026	[5,316 Gwhrs] ¹ [4.47%] <u>3.920%</u> ¹
33 EY 2027	¹ [4.55%] <u>4.010%</u> ¹

34 EY 2028 ¹**[4.63%]** 4.100%¹, and for every energy year thereafter,
35 at least **[5,316 Gwhrs]** ¹**[4.63%]** 4.100%¹ per energy year to reflect
36 an increasing number of kilowatt-hours to be purchased by
37 suppliers or providers from solar electric power generators
38 connected to the distribution system in this State, and to establish a
39 framework within which, of the electricity that the generators sell in
40 this State, suppliers and providers shall **[purchase]** each obtain at
41 least **[2,518 Gwhrs]** ¹**[4.03%]** 3.470%¹ in the energy year 2021
42 and **[5,316 Gwhrs]** ¹**[4.63%]** 4.100%¹ in the energy year **[2026]**
43 2028 from solar electric power generators connected to the
44 distribution system in this State, provided, however, that

45 **[the number of solar kilowatt-hours required to be purchased by**
46 **each supplier or provider, when expressed as a percentage of the**

1 total number of solar kilowatt-hours purchased in this State, shall be
 2 equivalent to each supplier's or provider's proportionate share of the
 3 total number of kilowatt-hours sold in this State by all suppliers and
 4 providers.] :

5 (a) The board shall determine an appropriate period of no less
 6 than 120 days following the end of an energy year prior to which a
 7 provider or supplier must demonstrate compliance for that energy
 8 year with the annual renewable portfolio standard;

9 (b) No more than 24 months following the date of enactment of
 10 P.L. , c. (C.) (pending before the Legislature as this bill),
 11 the board shall complete a proceeding to investigate approaches to
 12 mitigate solar development volatility and prepare and submit,
 13 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), a report to
 14 the Legislature, detailing its findings and recommendations. As
 15 part of the proceeding, the board shall evaluate other techniques
 16 used nationally and internationally;

17 (c) The solar renewable portfolio standards requirements in this
 18 paragraph shall exempt those existing supply contracts which are
 19 effective prior to the date of enactment of P.L. , c. (C.)
 20 (pending before the Legislature as this bill) from any increase
 21 beyond the number of SRECs ²[that exceeds the number]²
 22 mandated by the solar renewable portfolio standards requirements
 23 that were in effect on the date that the providers executed their
 24 existing supply contracts. This limited exemption for providers'
 25 existing supply contracts shall not be construed to lower the
 26 Statewide solar sourcing requirements set forth in this paragraph.
 27 Such incremental ²[new]² requirements ²that would have otherwise
 28 been imposed on exempt providers² shall be distributed over the
 29 ²[electric power suppliers and]² providers not subject to the
 30 existing supply contract exemption until such time as existing
 31 supply contracts expire and all ²[suppliers] providers² are subject
 32 to the new requirement in a manner that is competitively neutral
 33 among all providers and suppliers ²[, such that non-exempt
 34 providers are assigned the requirements that would have otherwise
 35 been assigned to the exempt providers]². ²The board shall
 36 implement the provisions of this subsection in a manner so as to
 37 prevent any subsidies between suppliers and providers and to
 38 promote competition in the electricity supply industry.²

39 ²[(d) The solar renewable portfolio standards requirements in
 40 this paragraph [(3) of this subsection] shall automatically increase
 41 by 20% for the remainder of the schedule in the event that the
 42 following two conditions are met: [(a)] (i) the number of SRECs
 43 generated meets or exceeds the requirement for three consecutive
 44 reporting years, starting with energy year [2013] 2014; and [(b)]
 45 (ii) the average current market SREC price for [all] SRECs
 46 purchased by entities with renewable energy portfolio standards

1 obligations **[has decreased]** in each of the same three consecutive
2 reporting years is less than the average current market SREC price
3 in the year prior to the three consecutive reporting years; and

4 (e) The board shall exempt providers' **[existing]** supply
5 contracts that are **[: (a)]** effective prior to the date of **[P.L.2009,**
6 **c.289;** or (b) effective prior to any future increase in the solar
7 renewable portfolio standard beyond the multi-year schedule
8 established in paragraph (3) of this subsection] any such increase.
9 This exemption shall apply to the number of SRECs that exceeds
10 the number mandated by the solar renewable portfolio standards
11 requirements that were in effect on the date that the suppliers or
12 providers executed their existing supply contracts. This limited
13 exemption for providers' existing supply contracts shall not be
14 construed to lower the Statewide solar purchase requirements set
15 forth in this paragraph [(3) of this subsection]. Such incremental
16 new requirements shall be distributed over the electric power
17 suppliers and providers not subject to the existing supply contract
18 exemption until such time as existing supply contracts expire and
19 all suppliers are subject to the new requirement in a manner that is
20 competitively neutral among all suppliers and providers, such that
21 non-exempt providers are assigned the requirements that would
22 have otherwise been assigned to the exempt providers.]²

23 An electric power supplier or basic generation service provider
24 may satisfy the requirements of this subsection by participating in a
25 renewable energy trading program approved by the board in
26 consultation with the Department of Environmental Protection, or
27 compliance with the requirements of this subsection may be
28 demonstrated to the board by suppliers or providers through the
29 purchase of SRECs.

30 The renewable energy portfolio standards adopted by the board
31 pursuant to paragraphs (1) and (2) of this subsection shall be
32 effective as regulations immediately upon filing with the Office of
33 Administrative Law and shall be effective for a period not to exceed
34 18 months, and may, thereafter, be amended, adopted or readopted
35 by the board in accordance with the provisions of the
36 "Administrative Procedure Act."

37 The renewable energy portfolio standards adopted by the board
38 pursuant to this paragraph [(3) of this subsection] shall be effective
39 as regulations immediately upon filing with the Office of
40 Administrative Law and shall be effective for a period not to exceed
41 30 months after such filing, and shall, thereafter, be amended,
42 adopted or readopted by the board in accordance with the
43 "Administrative Procedure Act"; and

44 (4) within 180 days after the date of enactment of P.L.2010,
45 c.57 (C.48:3-87.1 et al.), that the board establish an offshore wind
46 renewable energy certificate program to require that a percentage of
47 the kilowatt hours sold in this State by each electric power supplier

1 and each basic generation service provider be from offshore wind
2 energy in order to support at least 1,100 megawatts of generation
3 from qualified offshore wind projects.

4 The percentage established by the board pursuant to this
5 paragraph shall serve as an offset to the renewable energy portfolio
6 standard established pursuant to paragraphs (1) and (2) of this
7 subsection and shall reduce the corresponding Class I renewable
8 energy requirement.

9 The percentage established by the board pursuant to this
10 paragraph shall reflect the projected OREC production of each
11 qualified offshore wind project, approved by the board pursuant to
12 section 3 of P.L.2010, c.57 (C.48:3-87.1), for twenty years from the
13 commercial operation start date of the qualified offshore wind
14 project which production projection and OREC purchase
15 requirement, once approved by the board, shall not be subject to
16 reduction.

17 An electric power supplier or basic generation service provider
18 shall comply with the OREC program established pursuant to this
19 paragraph through the purchase of offshore wind renewable energy
20 certificates at a price and for the time period required by the board.
21 In the event there are insufficient offshore wind renewable energy
22 certificates available, the electric power supplier or basic generation
23 service provider shall pay an offshore wind alternative compliance
24 payment established by the board. Any offshore wind alternative
25 compliance payments collected shall be refunded directly to the
26 ratepayers by the electric public utilities.

27 The rules established by the board pursuant to this paragraph
28 shall be effective as regulations immediately upon filing with the
29 Office of Administrative Law and shall be effective for a period not
30 to exceed 18 months, and may, thereafter, be amended, adopted or
31 readopted by the board in accordance with the provisions of the
32 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
33 seq.).

34 e. Notwithstanding any provisions of the "Administrative
35 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
36 contrary, the board shall initiate a proceeding and shall adopt, after
37 notice, provision of the opportunity for comment, and public
38 hearing:

39 (1) net metering standards for electric power suppliers and basic
40 generation service providers. The standards shall require electric
41 power suppliers and basic generation service providers to offer net
42 metering at non-discriminatory rates to industrial, large
43 commercial, residential and small commercial customers, as those
44 customers are classified or defined by the board, that generate
45 electricity, on the customer's side of the meter, using a Class I
46 renewable energy source, for the net amount of electricity supplied
47 by the electric power supplier or basic generation service provider
48 over an annualized period. Systems of any sized capacity, as

1 measured in watts, are eligible for net metering. If the amount of
2 electricity generated by the customer-generator, plus any kilowatt
3 hour credits held over from the previous billing periods, exceeds the
4 electricity supplied by the electric power supplier or basic
5 generation service provider, then the electric power supplier or
6 basic generation service provider, as the case may be, shall credit
7 the customer-generator for the excess kilowatt hours until the end of
8 the annualized period at which point the customer-generator will be
9 compensated for any remaining credits or, if the customer-generator
10 chooses, credit the customer-generator on a real-time basis, at the
11 electric power supplier's or basic generation service provider's
12 avoided cost of wholesale power or the PJM electric power pool's
13 real-time locational marginal pricing rate, adjusted for losses, for
14 the respective zone in the PJM electric power pool. Alternatively,
15 the customer-generator may execute a bilateral agreement with an
16 electric power supplier or basic generation service provider for the
17 sale and purchase of the customer-generator's excess generation.
18 The customer-generator may be credited on a real-time basis, so
19 long as the customer-generator follows applicable rules prescribed
20 by the PJM electric power pool for its capacity requirements for the
21 net amount of electricity supplied by the electric power supplier or
22 basic generation service provider. The board may authorize an
23 electric power supplier or basic generation service provider to cease
24 offering net metering whenever the total rated generating capacity
25 owned and operated by net metering customer-generators Statewide
26 equals 2.5 percent of the State's peak electricity demand;

27 (2) safety and power quality interconnection standards for Class
28 I renewable energy source systems used by a customer-generator
29 that shall be eligible for net metering.

30 Such standards or rules shall take into consideration the goals of
31 the New Jersey Energy Master Plan, applicable industry standards,
32 and the standards of other states and the Institute of Electrical and
33 Electronic Engineers. The board shall allow electric public utilities
34 to recover the costs of any new net meters, upgraded net meters,
35 system reinforcements or upgrades, and interconnection costs
36 through either their regulated rates or from the net metering
37 customer-generator; ¹[and]¹

38 (3) credit or other incentive rules for generators using Class I
39 renewable energy generation systems that connect to New Jersey's
40 electric public utilities' distribution system but who do not net meter
41 ¹[.]; ²and²

42 (4) net metering aggregation standards to require electric public
43 utilities to provide net metering aggregation to single electric public
44 utility customers that operate a solar electric power generation
45 system installed at one of the customer's facilities ²or on property
46 owned by the customer² , provided that any such customer is a
47 ²State entity,² school district, county, county agency, county

1 authority, municipality, municipal agency, or municipal authority.
2 The standards shall provide that, in order to qualify for net metering
3 aggregation, the customer must operate a solar electric power
4 generation system using a net metering billing account, which
5 system is located on property owned by the customer, provided that:
6 (a) the property is not land that has been actively devoted to
7 agricultural or horticultural use and that is valued, assessed, and
8 taxed pursuant to the "Farmland Assessment Act of 1964,"
9 P.L.1964, c.48 (C.54:4-23.1 et seq.) at any time within the 10 year
10 period prior to the effective date of P.L. , c. (C.) (pending
11 before the Legislature as this bill),² provided, however, that the
12 municipal planning board of a municipality in which a solar electric
13 power generation system is located may waive the requirement of
14 this subparagraph (a),² (b) the system is not an on-site generation
15 facility, (c) all of the facilities of the single customer combined for
16 the purpose of net metering aggregation are facilities owned or
17 operated by the single customer and are located within its territorial
18 jurisdiction, except that all of the facilities of a State entity engaged
19 in net metering aggregation shall be located within five miles of one
20 another, and (d) all of those facilities are within the service territory
21 of a single electric public utility and are all served by the same
22 basic generation service provider or by the same electric power
23 supplier. The standards shall provide that in order to qualify for net
24 metering aggregation, the customer's solar electric power
25 generation system shall be sized so that its annual generation does
26 not exceed the combined metered annual energy usage of the
27 qualified customer facilities, and the qualified customer facilities
28 shall all be in the same customer²rate² class under the applicable
29 electric public utility tariff. For the customer's facility²or
30 property² on which the solar electric generation system is installed,
31 the electricity generated from the customer's solar electric
32 generation system shall be accounted for pursuant to the provisions
33 of paragraph (1) of this subsection to provide that the electricity
34 generated in excess of the electricity supplied by the electric power
35 supplier or the basic generation service provider, as the case may
36 be, for the customer's facility on which the solar electric generation
37 system is installed, over the annualized period, is credited²[to] at²
38 the electric power supplier's or the basic generation service
39 provider's avoided cost of wholesale power or the PJM electric
40 power pool real-time locational marginal pricing rate. All
41 electricity used by the customer's qualified facilities, with the
42 exception of the facility²or property² on which the solar electric
43 power generation system is installed, shall be billed at the full retail
44 rate pursuant to the electric public utility²[transmission and
45 distribution]² tariff applicable to the customer class of the customer
46 using the electricity. A customer may contract with a third party to
47 operate a solar electric power generation system, for the purpose of

1 net metering aggregation. Any contractual relationship entered into
2 for operation of a solar electric power generation system related to
3 net metering aggregation shall include contractual protections that
4 provide for adequate performance and provision for construction
5 and operation for the term of the contract, including any appropriate
6 bonding or escrow requirements. Any incremental cost to an electric
7 public utility for net metering aggregation shall be fully and timely
8 recovered in a manner to be determined by the board. The board
9 shall adopt net metering aggregation standards within 270 days after
10 the effective date of P.L. _____, c. (C. _____) (pending before the
11 Legislature as this bill).¹

12 Such rules shall require the board or its designee to issue a credit
13 or other incentive to those generators that do not use a net meter but
14 otherwise generate electricity derived from a Class I renewable
15 energy source and to issue an enhanced credit or other incentive,
16 including, but not limited to, a solar renewable energy credit, to
17 those generators that generate electricity derived from solar
18 technologies.

19 Such standards or rules shall be effective as regulations
20 immediately upon filing with the Office of Administrative Law and
21 shall be effective for a period not to exceed 18 months, and may,
22 thereafter, be amended, adopted or readopted by the board in
23 accordance with the provisions of the "Administrative Procedure
24 Act."

25 f. The board may assess, by written order and after notice and
26 opportunity for comment, a separate fee to cover the cost of
27 implementing and overseeing an emission disclosure system or
28 emission portfolio standard, which fee shall be assessed based on an
29 electric power supplier's or basic generation service provider's share
30 of the retail electricity supply market. The board shall not impose a
31 fee for the cost of implementing and overseeing a greenhouse gas
32 emissions portfolio standard adopted pursuant to paragraph (2) of
33 subsection c. of this section, the electric energy efficiency portfolio
34 standard adopted pursuant to subsection g. of this section, or the gas
35 energy efficiency portfolio standard adopted pursuant to subsection
36 h. of this section.

37 g. The board may adopt, pursuant to the "Administrative
38 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), an electric
39 energy efficiency portfolio standard that may require each electric
40 public utility to implement energy efficiency measures that reduce
41 electricity usage in the State by 2020 to a level that is 20 percent
42 below the usage projected by the board in the absence of such a
43 standard. Nothing in this section shall be construed to prevent an
44 electric public utility from meeting the requirements of this section
45 by contracting with another entity for the performance of the
46 requirements.

47 h. The board may adopt, pursuant to the "Administrative
48 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), a gas energy

1 efficiency portfolio standard that may require each gas public utility
 2 to implement energy efficiency measures that reduce natural gas
 3 usage for heating in the State by 2020 to a level that is 20 percent
 4 below the usage projected by the board in the absence of such a
 5 standard. Nothing in this section shall be construed to prevent a gas
 6 public utility from meeting the requirements of this section by
 7 contracting with another entity for the performance of the
 8 requirements.

9 i. After the board establishes a schedule of solar kilowatt-hour
 10 sale or purchase requirements pursuant to paragraph (3) of
 11 subsection d. of this section, the board may initiate subsequent
 12 proceedings and adopt, after appropriate notice and opportunity for
 13 public comment and public hearing, increased minimum solar
 14 kilowatt-hour sale or purchase requirements, provided that the
 15 board shall not reduce previously established minimum solar
 16 kilowatt-hour sale or purchase requirements, or otherwise impose
 17 constraints that reduce the requirements by any means.

18 j. The board shall determine an appropriate level of solar
 19 alternative compliance payment, and ~~establish a 15-year solar~~
 20 ~~alternative compliance payment schedule, that permits~~ permit each
 21 supplier or provider to submit an SACP to comply with the solar
 22 electric generation requirements of paragraph (3) of subsection d. of
 23 this section. The value of the SACP for each Energy Year, for
 24 Energy Years 2014 through 2028 per megawatt hour from solar
 25 electric generation required pursuant to this section, shall be:

26	<u>EY 2014</u>	[\$400] <u>\$339</u> ¹
27	<u>EY 2015</u>	[\$390] <u>\$331</u> ¹
28	<u>EY 2016</u>	[\$380] <u>\$323</u> ¹
29	<u>EY 2017</u>	[\$371] <u>\$315</u> ¹
30	<u>EY 2018</u>	[\$362] <u>\$308</u> ¹
31	<u>EY 2019</u>	[\$353] <u>\$300</u> ¹
32	<u>EY 2020</u>	[\$344] <u>\$293</u> ¹
33	<u>EY 2021</u>	[\$335] <u>\$286</u> ¹
34	<u>EY 2022</u>	[\$327] <u>\$279</u> ¹
35	<u>EY 2023</u>	[\$319] <u>\$272</u> ¹
36	<u>EY 2024</u>	[\$311] <u>\$266</u> ¹
37	<u>EY 2025</u>	[\$303] <u>\$260</u> ¹
38	<u>EY 2026</u>	[\$293] <u>\$253</u> ¹
39	<u>EY 2027</u>	[\$259] <u>\$250</u> ¹
40	<u>EY 2028</u>	[\$252] <u>\$239</u> ^{1 2, 2}

41 The board may initiate subsequent proceedings and adopt, after
 42 appropriate notice and opportunity for public comment and public
 43 hearing, an increase in solar alternative compliance payments,
 44 provided that the board shall not reduce previously established
 45 levels of solar alternative compliance payments, nor shall the board
 46 provide relief from the obligation of payment of the SACP by the

1 electric power suppliers or basic generation service providers in any
2 form. Any SACP payments collected shall be refunded directly to
3 the ratepayers by the electric public utilities.

4 k. The board may allow electric public utilities to offer long-
5 term contracts through a competitive process, direct electric public
6 utility investment and other means of financing, including but not
7 limited to loans, for the purchase of SRECs and the resale of SRECs
8 to suppliers or providers or others, provided that after such
9 contracts have been approved by the board, the board's approvals
10 shall not be modified by subsequent board orders. 1If the board
11 allows the offering of contracts pursuant to this subsection, the
12 board ²~~[shall]~~ may² establish a process, after hearing, and
13 opportunity for public comment, to provide that a designated
14 segment of the contracts approved pursuant to this subsection shall
15 be contracts involving solar electric power generation facility
16 projects with a capacity of up to 250 kilowatts.¹

17 l. The board shall implement its responsibilities under the
18 provisions of this section in such a manner as to:

19 (1) place greater reliance on competitive markets, with the
20 explicit goal of encouraging and ensuring the emergence of new
21 entrants that can foster innovations and price competition;

22 (2) maintain adequate regulatory authority over non-competitive
23 public utility services;

24 (3) consider alternative forms of regulation in order to address
25 changes in the technology and structure of electric public utilities;

26 (4) promote energy efficiency and Class I renewable energy
27 market development, taking into consideration environmental
28 benefits and market barriers;

29 (5) make energy services more affordable for low and moderate
30 income customers;

31 (6) attempt to transform the renewable energy market into one
32 that can move forward without subsidies from the State or public
33 utilities;

34 (7) achieve the goals put forth under the renewable energy
35 portfolio standards;

36 (8) promote the lowest cost to ratepayers; and

37 (9) allow all market segments to participate.

38 m. The board shall ensure the availability of financial incentives
39 under its jurisdiction, including, but not limited to, long-term
40 contracts, loans, SRECs, or other financial support, to ensure
41 market diversity, competition, and appropriate coverage across all
42 ratepayer segments, including, but not limited to, residential,
43 commercial, industrial, non-profit, farms, schools, and public entity
44 customers.

45 n. For projects which are owned, or directly invested in, by a
46 public utility pursuant to section 13 of P.L.2007, c.340 (C.48:3-
47 98.1), the board shall determine the number of SRECs with which
48 such projects shall be credited; and in determining such number the

1 board shall ensure that the market for SRECs does not detrimentally
2 affect the development of non-utility solar projects and shall
3 consider how its determination may impact the ratepayers.

4 o. The board, in consultation with the Department of
5 Environmental Protection, electric public utilities, the Division of
6 Rate Counsel in, but not of, the Department of the Treasury,
7 affected members of the solar energy industry, and relevant
8 stakeholders, shall periodically consider increasing the renewable
9 energy portfolio standards beyond the minimum amounts set forth
10 in subsection d. of this section, taking into account the cost impacts
11 and public benefits of such increases including, but not limited to:

12 (1) reductions in air pollution, water pollution, land disturbance,
13 and greenhouse gas emissions;

14 (2) reductions in peak demand for electricity and natural gas,
15 and the overall impact on the costs to customers of electricity and
16 natural gas;

17 (3) increases in renewable energy development, manufacturing,
18 investment, and job creation opportunities in this State; and

19 (4) reductions in State and national dependence on the use of
20 fossil fuels.

21 p. Class I RECs and ORECS shall be eligible for use in
22 renewable energy portfolio standards compliance in the energy year
23 in which they are generated, and for the following two energy years.
24 SRECs [and ORECs] shall be eligible for use in renewable energy
25 portfolio standards compliance in the energy year in which they are
26 generated, and for the following [two] four energy years.

27 q. (1) During the energy years of 2014, 2015, and 2016, a solar
28 electric power generation facility project ¹[which] ¹that ¹is not ¹;
29 (a) ¹net metered ¹[, not] ; (b) ¹an on-site generation facility ¹[, or
30 not]; (c) qualified for net metering aggregation; ²or ²(d) ¹certified
31 as being located on a brownfield ²[,] ²or a properly closed sanitary
32 landfill facility, as provided pursuant to subsection t. of this section
33 ²[,] ²[shall be considered "connected to the distribution system" if
34 (a) the facility files a notice with the board indicating its intent to
35 qualify under this subsection; and (b) the capacity of the facility,
36 when added to the capacity of other facilities that have been
37 approved for connection prior to the facility's filing under this
38 subsection, does not exceed 100 megawatts in the aggregate for
39 each year. The board shall act within 180 days of its receipt of a
40 completed application for designation of a solar power electric
41 generation facility as "connected to the distribution system," to
42 either approve, conditionally approve, or disapprove the
43 application. Filings made] ²[or (e) certified as being located on an
44 existing or proposed commercial, retail, industrial, municipal,
45 professional, recreational, transit, commuter, entertainment
46 complex, multi-use, or mixed-use parking lot with a capacity to
47 park 350 or more vehicles where the area to be utilized for the

1 facility is paved or is an impervious surface, pursuant to subsection
2 x. of this section]² may file an application with the board for
3 approval of a designation pursuant to this subsection that the
4 facility is connected to the distribution system. An application
5 filed¹ pursuant to this subsection shall include a notice escrow of
6 \$40,000 per megawatt of the proposed capacity of the facility. ¹The
7 board shall approve the designation if: the facility has filed notice in
8 writing with the board applying for designation pursuant to this
9 subsection, together with the notice escrow; and the capacity of the
10 facility, when added to the capacity of other facilities that have
11 been previously approved for designation prior to the facility's
12 filing under this subsection, does not exceed 80 megawatts in the
13 aggregate for each year. The capacity of any one solar electric
14 power supply project approved pursuant to this subsection shall not
15 exceed 10 megawatts. No more than 90 days after its receipt of a
16 completed application for designation pursuant to this subsection,
17 the board shall approve, conditionally approve, or disapprove the
18 application.¹ The notice escrow shall be reimbursed to the facility
19 in full upon ²either rejection by the board or² the facility entering
20 commercial operation, or shall be forfeited to the State if the facility
21 is ¹[determined to be "connected to the distribution system"]
22 designated¹ pursuant to this ¹[paragraph] subsection¹ but does not
23 enter commercial operation pursuant to paragraph (2) of this
24 subsection.

25 (2) If the proposed solar power electric generation facility does
26 not commence commercial operations within two years following
27 the date of the designation by the board pursuant to this subsection,
28 the designation of the facility ¹[as "connected to the distribution
29 system"]¹ shall be deemed to be null and void, and the facility shall
30 ¹not be considered connected to the distribution system¹ thereafter
31 ¹[be considered not "connected to the distribution system."].¹

32 r. (1) For ¹all proposed solar electric power generation facility
33 projects except for those¹ solar power electric generation facility
34 projects ¹[proposed in addition to those]¹ approved pursuant to
35 subsection q. of this section and for all projects proposed in each
36 energy year following energy year 2016, a proposed solar
37 ¹[power]¹ electric ¹power¹ generation facility that is neither net
38 metered nor an on-site generation facility, may be considered
39 "connected to the distribution system" only upon designation as
40 such by the board, after notice to the public and opportunity for
41 public comment or hearing. A proposed solar power electric
42 generation facility seeking board designation as "connected to the
43 distribution system" shall submit an application to the board that
44 includes for the proposed facility: the nameplate capacity; the
45 estimated energy and number of SRECs to be produced and sold per
46 year; the estimated annual rate impact on ratepayers; the estimated

1 capacity of the generator as defined by PJM for sale in the PJM
2 capacity market; the point of interconnection; the total ²project²
3 acreage and location; the current land use designation of the
4 property; the type of solar technology to be used; and ²[other]²
5 such ²other² information as the board shall require.

6 (2) The board shall approve the designation of the proposed
7 solar power electric generation facility as “connected to the
8 distribution system” if the board determines that:

9 (a) the SRECs forecasted to be produced by the facility do not
10 have a detrimental impact on the SREC market or on the
11 appropriate development of solar power in the State;

12 (b) ¹[the loss of tillable acreage that would result from the
13 approval of the designation of the proposed facility, together with
14 the tillable acreage of all other facilities approved pursuant to this
15 subsection, would cumulatively constitute a loss of less than one
16 percent of the total tillable acres of farmland in the State on the date
17 of enactment of P.L. , c. (C.) (pending before the
18 Legislature as this bill), pursuant to information provided by the
19 New Jersey Department of Agriculture; and] the approval of the
20 designation of the proposed facility would not significantly impact
21 the preservation of open space in this State;¹

22 (c) the impact of the designation on electric rates and economic
23 development is beneficial ¹; and

24 (d) there will be no ²[impact] impingement² on the ability of an
25 electric public utility to maintain its property and equipment in such
26 a condition as to enable it to provide safe, adequate, and proper
27 service to each of its customers¹.

28 (3) The board shall act within ¹[180] 90¹ days of its receipt of a
29 completed application for designation of a solar power electric
30 generation facility as "connected to the distribution system," to
31 either approve, conditionally approve, or disapprove the
32 application. If the proposed solar ²[power]² electric ²power²
33 generation facility does not commence commercial operations
34 within two years following the date of the designation by the board
35 pursuant to this subsection, the designation of the facility as
36 “connected to the distribution system” shall be deemed to be null
37 and void, and the facility shall thereafter be considered not
38 "connected to the distribution system."

39 s. ¹[Notwithstanding the foregoing provisions of this section]
40 In addition to any other requirements of P.L.1999, c.23 or any other
41 law, rule, regulation or order¹ , a solar power electric generation
42 facility ²that is not net metered or an on-site generation facility and
43 which is² located ¹[on farmland, and not heretofore approved
44 pursuant to subsection q. of this section, shall not] on land that has
45 been actively devoted to agricultural or horticultural use that is
46 valued, assessed, and taxed pursuant to the "Farmland Assessment

1 Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.) at any time
 2 within the 10 year period prior to the effective date of P.L. _____,
 3 c. (C. _____) (pending before the Legislature as this bill), shall only¹
 4 be considered "connected to the distribution system" ¹["unless] if
 5 (1)¹ the ¹["facility has been approved as such by the"]¹ board ¹["and
 6 (1)] approves the facility's designation pursuant to subsection q. of
 7 this section; or (2) (a)¹ PJM issued a System Impact Study for the
 8 facility ¹["prior to.] on or before ¹ ²["March 31, 2011] June 30, 2011²
 9 ¹["; or (2)] ²["and], ² (b) ²["the facility is not (i) net metered, or (ii)
 10 an on-site generation facility, and (c)¹"]² the facility files a notice
 11 with the board within 60 days of the effective date of P.L. _____, c.
 12 (C. _____) (pending before the Legislature as this bill), indicating its
 13 intent to qualify under this subsection ¹, and ²["(d)] (c)² the facility
 14 has been approved as ²["connected"] "connected² to the distribution
 15 ²["system] system"² by the board. Nothing in this subsection shall
 16 ²["affect] limit² the board's authority concerning the review and
 17 oversight of facilities, unless such facilities are exempt from such
 18 review as a result of having been approved pursuant to subsection q.
 19 of this section¹.

20 t. ²["(1)¹"]² No more than 180 days after the date of enactment of
 21 P.L. _____, c. (C. _____) (pending before the Legislature as this bill),
 22 the board shall, in consultation with the Department of
 23 Environmental Protection and the New Jersey Economic
 24 Development Authority, and, after notice and opportunity for public
 25 comment and public hearing, complete a proceeding to establish a
 26 program to provide SRECs to owners of solar ²["power"]² electric
 27 ²power² generation facility projects certified by the board as being
 28 located on a brownfield or a properly closed sanitary landfill
 29 facility ¹, ²["or an existing or proposed commercial, retail,
 30 industrial, municipal, professional, recreational, transit, commuter,
 31 entertainment complex, multi-use, or mixed-use parking lot with a
 32 capacity to park 350 or more vehicles where the area to be utilized
 33 for the facility is paved or is an impervious surface which shall
 34 include, but not be limited to projects located on a brownfield or a
 35 properly closed sanitary landfill facility or an existing or proposed
 36 commercial, retail, industrial, municipal, professional, recreational,
 37 transit, commuter, entertainment complex, multi-use, or mixed-use
 38 parking lot with a capacity to park 350 or more vehicles where the
 39 area to be utilized for the facility is paved or is an impervious
 40 surface and] including those² owned or operated by an electric
 41 public utility and approved pursuant to section 13 of P.L.2007,
 42 c.340 (C.48:3-98.1)¹ . Projects certified under this subsection
 43 ¹["(1)]¹ shall be considered "connected to the distribution system"
 44 ¹["and],¹ shall not require such designation by the board, and
 45 ¹["(2)]¹ shall not be subject to board review required pursuant to
 46 subsections q. and r. of this section. ¹["For] ²["Notwithstanding the

1 provisions of section 3 of P.L.1999, c.23 (C.48:3-51) or any other
2 law, rule, regulation, or order to the contrary, for¹ projects certified
3 under this subsection ¹except for those projects involving a facility
4 that is certified as being located on an existing or proposed
5 commercial, retail, industrial, municipal, professional, recreational,
6 transit, commuter, entertainment complex, multi-use, or mixed-use
7 parking lot with a capacity to park 350 or more vehicles where the
8 area to be utilized for the facility is paved, or is an impervious
9 surface¹ , the board shall ¹[credit additional incentives to be
10 determined by the board for each megawatt hour (MWh) of solar
11 energy that is generated by the project,] establish a financial
12 incentive that is designed to supplement the SRECs generated by
13 the facility in order to cover the additional cost of constructing and
14 operating a solar electric power generation facility on a brownfield
15 or properly closed sanitary landfill facility.]² Notwithstanding the
16 provisions of section 3 of P.L.1999, c.23 (C.48:3-51) or any other
17 law, rule, regulation, or order to the contrary, for projects certified
18 under this subsection, the board shall establish a financial incentive
19 that is designed to supplement the SRECs generated by the facility
20 in order to cover the additional cost of constructing and operating a
21 solar electric power generation facility on a brownfield or properly
22 closed sanitary landfill ²facility² . Any financial benefit realized in
23 relation to a project owned or operated by an electric public utility
24 and approved by the board pursuant to section 13 of P.L.2007,
25 c.340 (C.48:3-98.1), as a result of the provision of a financial
26 incentive established by the board pursuant to this subsection, shall
27 be credited to ratepayers.¹ The issuance of SRECs for all solar
28 electric ²power² generation facility projects pursuant to this
29 subsection shall be deemed "Board of Public Utilities financial
30 assistance" as provided under section 1 of P.L.2009, c.89 (C.48:2-
31 29.47).

32 ²[¹(2) Notwithstanding the provisions of the "Spill
33 Compensation and Control Act," P.L.1976, c.141 (C.58:10-23.11 et
34 seq.) or any other law, rule, regulation, or order to the contrary, the
35 board may find that a person who owns real property, where there
36 is constructed a solar electric power generation facility project
37 certified by the board, pursuant to paragraph (1) of this subsection,
38 as being located on a brownfield or a properly closed sanitary
39 landfill facility, which shall include, but not be limited to projects
40 located on a brownfield or a properly closed sanitary landfill
41 facility and owned or operated by an electric public utility and
42 approved pursuant to section 13 of P.L.2007, c.340 (C.48:3-98.1),
43 that is acquired on or after the effective date of P.L. , c. (C.)
44 (pending in the Legislature as this bill), or who operates a solar
45 electric power generation facility project certified by the board,
46 pursuant to paragraph (1) of this subsection, as being located on a
47 brownfield or a properly closed sanitary landfill facility, which

1 shall include, but not be limited to projects located on a brownfield
2 or a properly closed sanitary landfill facility and owned or operated
3 by an electric public utility and approved pursuant to section 13 of
4 P.L.2007, c.340 (C.48:3-98.1), after the effective date of P.L. ,
5 c. (C:) (pending in the Legislature as this bill), shall not be
6 liable for cleanup and removal costs or for any other costs or
7 damages to the State or to any other person for the discharge of a
8 hazardous substance provided that:

9 (a) the person acquired or leased the real property after the
10 discharge of that hazardous substance at the real property;

11 (b) the person did not discharge the hazardous substance, is not
12 in any way responsible for the hazardous substance, and is not a
13 successor to the discharger or to any person in any way responsible
14 for the hazardous substance or to anyone liable for cleanup and
15 removal costs pursuant to section 8 of P.L.1976, c.141 (C. 58:10-
16 23.11g);

17 (c) the person, within 30 days after acquisition of the property,
18 gave notice of the discharge to the department in a manner the
19 department prescribes;

20 (d) the person does not disrupt or change, without the
21 department's prior written permission, any engineering or
22 institutional control that is part of a remedial action for the
23 contaminated site;

24 (e) the person does not exacerbate the contamination at the
25 property;

26 (f) the person cooperates with any necessary remediation of the
27 property; and

28 (g) the person complies with any regulations and any permit the
29 department issues pursuant to section 19 of P.L.2009, c.60
30 (C.58:10C-19).

31 Only the person who is liable to clean up and remove the
32 contamination pursuant to section 8 of P.L.1976, c.141 (C.58:10-
33 23.11g) and who does not have a defense to liability pursuant to
34 subsection d. of that section shall be liable for cleanup and removal
35 costs or for any other costs or damages.']²

36 u. No more than 180 days after the date of enactment of
37 P.L. , c. (C.) (pending before the Legislature as this bill),
38 the board shall complete a proceeding to establish a registration
39 program. The registration program shall require the owners of solar
40 ²[power]² electric ²power² generation facility projects connected to
41 the distribution system to make periodic milestone filings with the
42 board in a manner and at such times as determined by the board to
43 provide full disclosure and transparency regarding the overall level
44 of development and construction activity of those projects
45 Statewide.

46 v. The issuance of SRECs for all solar ²[power]² electric
47 ²power² generation facility projects pursuant to this section, for
48 projects connected to the distribution system with a capacity of one

1 megawatt or greater, shall be deemed “Board of Public Utilities
2 financial assistance” as provided pursuant to ²[under]² section 1 of
3 P.L.2009, c.89 (C.48:2-29.47).

4 w. ¹[Electricity used for virtual metering aggregation shall be
5 delivered to customers pursuant to the electric public utility
6 transmission and distribution tariffs applicable to the customer class
7 of the customer using the energy. A customer that is a school
8 district, a county or any agency, authority, or other entity thereof, or
9 a municipality, or any agency, authority, or other thereof, may
10 purchase such electricity through virtual metering aggregation to
11 meet its electricity requirements.] No more than 270 days after the
12 date of enactment of P.L. , c. (C.) (pending before the
13 Legislature as this bill), the board shall, after notice and opportunity
14 for public comment and public hearing, complete a proceeding to
15 ²[establish] consider whether to establish² a program to provide
16 ²[SRECs],² to owners of solar ²[power]² electric ²power²
17 generation facility projects certified by the board as being three
18 megawatts or greater in capacity and being net metered, including
19 facilities which are owned or operated by an electric public utility
20 and approved by the board pursuant to section 13 of P.L.2007,
21 c.340 (C.48:3-98.1), ²a financial incentive that is designed to
22 supplement the SRECs generated by the facility² to further the goal
23 of improving the economic competitiveness of commercial and
24 industrial customers taking power from such projects. ²[Projects
25 certified under this subsection (1) shall be considered “connected to
26 the distribution system” and shall not require such designation by
27 the board, and (2) shall not be subject to board review required
28 pursuant to subsections q. and r. of this section. For projects
29 approved] If the board determines to establish such a program²
30 pursuant to this subsection, the board may establish a financial
31 incentive to provide that the board shall issue ²one SREC² for ²no
32 less than² every 750 ²[kilowatts] kilowatt-hours² of solar energy
33 generated by the certified projects. Any financial benefit realized in
34 relation to a project owned or operated by an electric public utility
35 and approved by the board pursuant to section 13 of P.L.2007,
36 c.340 (C.48:3-98.1), as a result of the provisions of a financial
37 incentive established by the board pursuant to this subsection, shall
38 be credited to ratepayers.

39 x. ²[No more than 180 days after the date of enactment of
40 P.L. , c. (C.) (pending before the Legislature as this bill),
41 the board shall, in consultation with the Department of
42 Environmental Protection and the New Jersey Economic
43 Development Authority, and, after notice and opportunity for public
44 comment and public hearing, complete a proceeding to establish a
45 program to provide SRECs to owners of solar] Solar² electric
46 power generation facility projects ²[, including facility projects
47 which are owned or operated by an electric public utility and

1 approved by the board pursuant to section 13 of P.L.2007, c.340
2 (C.48:3-98.1), certified by the board as being² that are² located on
3 an existing or proposed commercial, retail, industrial, municipal,
4 professional, recreational, transit, commuter, entertainment
5 complex, multi-use, or mixed-use parking lot with a capacity to
6 park 350 or more vehicles where the area to be utilized for the
7 facility is paved, or an impervious surface ²may be owned or
8 operated by an electric public utility and may be approved by the
9 board pursuant to section 13 of P.L.2007, c.340 (C.48:3-98.1)².
10 ²[Projects certified under this subsection (1) shall be considered
11 “connected to the distribution system” and shall not require such
12 designation by the board, and (2) shall not be subject to board
13 review required pursuant to subsections q. and r. of this section.¹]²
14 (cf: P.L.2010, c.57, s.2)

15
16

3. This act shall take effect immediately.