

SENATE, No. 1925

STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED MAY 14, 2012

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

SYNOPSIS

Revises certain solar renewable energy programs and requirements; provides for aggregating net metering of Class I renewable energy production on certain contiguous and non-contiguous properties owned by local government units and school districts.

CURRENT VERSION OF TEXT

As introduced.



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

3

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

6

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

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

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

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

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

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

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

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

42 "Basic generation service transition costs" means the amount by
43 which the payments by an electric public utility for the procurement
44 of power for basic generation service and related ancillary and
45 administrative costs exceeds the net revenues from the basic

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.

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

18 "Board" means the New Jersey Board of Public Utilities or any
19 successor agency;

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

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

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

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

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

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

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

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

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

47 "Class I renewable energy" means electric energy produced from
48 solar technologies, photovoltaic technologies, wind energy, fuel

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

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

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

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

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

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

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

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

47 "Connected to the distribution system" means, for a solar electric
48 power generation facility, (1) connected to a net metering

1 customer's side of a meter, regardless of the voltage at which that
2 customer connects to the electric grid, or (2) directly connected to
3 the electric grid at 69 kilovolts or less, regardless of how an electric
4 public utility classifies that portion of its electric grid, except that
5 notwithstanding that it meets the criterion set forth in paragraph (1)
6 or (2) hereof, a solar electric power generation facility that is
7 neither net metered nor an on-site generation facility shall not be
8 considered "connected to the distribution system" unless it shall
9 have been designated as such by the board pursuant to subsections
10 q. through s. of section 38 of P.L.1999, c.23 (C.48:3-87). Any solar
11 electric power generation facility, other than that of a net metering
12 customer on the customer's side of the meter, connected above 69
13 kilovolts, shall not be considered connected to the distribution
14 system;

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

19 "Customer account service" means metering, billing, or such
20 other administrative activity associated with maintaining a customer
21 account;

22 "Delivery year" or "DY" means the 12-month period from June
23 1st through May 31st, numbered according to the calendar year in
24 which it ends;

25 "Demand side management" means the management of customer
26 demand for energy service through the implementation of cost-
27 effective energy efficiency technologies, including, but not limited
28 to, installed conservation, load management and energy efficiency
29 measures on and in the residential, commercial, industrial,
30 institutional and governmental premises and facilities in this State;

31 "Electric generation service" means the provision of retail
32 electric energy and capacity which is generated off-site from the
33 location at which the consumption of such electric energy and
34 capacity is metered for retail billing purposes, including agreements
35 and arrangements related thereto;

36 "Electric power generator" means an entity that proposes to
37 construct, own, lease or operate, or currently owns, leases or
38 operates, an electric power production facility that will sell or does
39 sell at least 90 percent of its output, either directly or through a
40 marketer, to a customer or customers located at sites that are not on
41 or contiguous to the site on which the facility will be located or is
42 located. The designation of an entity as an electric power generator
43 for the purposes of P.L.1999, c.23 (C.48:3-49 et al.) shall not, in
44 and of itself, affect the entity's status as an exempt wholesale
45 generator under the Public Utility Holding Company Act of 1935,
46 15 U.S.C. s.79 et seq., or its successor;

47 "Electric power supplier" means a person or entity that is duly
48 licensed pursuant to the provisions of P.L.1999, c.23 (C.48:3-49 et

1 al.) to offer and to assume the contractual and legal responsibility to
2 provide electric generation service to retail customers, and includes
3 load serving entities, marketers and brokers that offer or provide
4 electric generation service to retail customers. The term excludes an
5 electric public utility that provides electric generation service only
6 as a basic generation service pursuant to section 9 of P.L.1999, c.23
7 (C.48:3-57);

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

11 "Electric related service" means a service that is directly related
12 to the consumption of electricity by an end user, including, but not
13 limited to, the installation of demand side management measures at
14 the end user's premises, the maintenance, repair or replacement of
15 appliances, lighting, motors or other energy-consuming devices at
16 the end user's premises, and the provision of energy consumption
17 measurement and billing services;

18 "Electronic signature" means an electronic sound, symbol or
19 process, attached to, or logically associated with, a contract or other
20 record, and executed or adopted by a person with the intent to sign
21 the record;

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

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

33 "Energy consumer" means a business or residential consumer of
34 electric generation service or gas supply service located within the
35 territorial jurisdiction of a government aggregator;

36 "Energy efficiency portfolio standard" means a requirement to
37 procure a specified amount of energy efficiency or demand side
38 management resources as a means of managing and reducing energy
39 usage and demand by customers;

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

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

47 "Federal Energy Regulatory Commission" or "FERC" means the
48 federal agency established pursuant to 42 U.S.C. s.7171 et seq. to

1 regulate the interstate transmission of electricity, natural gas, and
2 oil;

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

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

12 "Gas related service" means a service that is directly related to
13 the consumption of gas by an end user, including, but not limited to,
14 the installation of demand side management measures at the end
15 user's premises, the maintenance, repair or replacement of
16 appliances or other energy-consuming devices at the end user's
17 premises, and the provision of energy consumption measurement
18 and billing services;

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

34 "Gas supply service" means the provision to customers of the
35 retail commodity of gas, but does not include any regulated
36 distribution service;

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

1 "Government energy aggregation program" means a program and
2 procedure pursuant to which a government aggregator enters into a
3 written contract for the provision of electric generation service or
4 gas supply service on behalf of business or residential customers
5 within its territorial jurisdiction;

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

9 "Greenhouse gas emissions portfolio standard" means a
10 requirement that addresses or limits the amount of carbon dioxide
11 emissions indirectly resulting from the use of electricity as applied
12 to any electric power suppliers and basic generation service
13 providers of electricity;

14 "Incremental auction" means an auction conducted by PJM, as
15 part of PJM's reliability pricing model, prior to the start of the
16 delivery year to secure electric capacity as necessary to satisfy the
17 capacity requirements for that delivery year, that is not otherwise
18 provided for in the base residual auction;

19 "Leakage" means an increase in greenhouse gas emissions
20 related to generation sources located outside of the State that are not
21 subject to a state, interstate or regional greenhouse gas emissions
22 cap or standard that applies to generation sources located within the
23 State;

24 "Locational deliverability area" or "LDA" means one or more of
25 the zones within the PJM region which are used to evaluate area
26 transmission constraints and reliability issues including electric
27 public utility company zones, sub-zones, and combinations of
28 zones;

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

34 "Market transition charge" means a charge imposed pursuant to
35 section 13 of P.L.1999, c.23 (C.48:3-61) by an electric public
36 utility, at a level determined by the board, on the electric public
37 utility customers for a limited duration transition period to recover
38 stranded costs created as a result of the introduction of electric
39 power supply competition pursuant to the provisions of P.L.1999,
40 c.23 (C.48:3-49 et al.);

41 "Marketer" means a duly licensed electric power supplier that
42 takes title to electric energy and capacity, transmission and other
43 services from electric power generators and other wholesale
44 suppliers and then assumes the contractual and legal obligation to
45 provide electric generation service, and may include transmission
46 and other services, to an end-use retail customer or customers, or a
47 duly licensed gas supplier that takes title to gas and then assumes

1 the contractual and legal obligation to provide gas supply service to
2 an end-use customer or customers;

3 "Mid-merit electric power generation facility" means a
4 generation facility that operates at a capacity factor between
5 baseload generation facilities and peaker generation facilities;

6 "Net metering" means the process of measuring the difference
7 between (1) the quantity of electric power supplied by a basic
8 generation service provider or an electric power supplier to a
9 customer owning or leasing a generating facility that produces Class
10 I renewable energy, and (2) the quantity of electric power generated
11 by that facility which is used to offset part or all of the customer-
12 generator's requirements for electric power;

13 "Net metering aggregation" means the combination of readings
14 from, and billing for, all net metering of the electric power
15 consumption of a customer, provided that such customer is a school
16 district, a county or any agency, authority, or other entity thereof,
17 or a municipality, or any agency, authority, or other entity thereof,
18 which owns or leases properties and which operates a Class I
19 renewable energy generation system or systems on one or more of
20 those properties, provided that such properties are located within
21 the service territory of a single electric public utility. Net metering
22 aggregation may be completed through physical or virtual net
23 metering aggregation;

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

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

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

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

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

42 "On-site generation facility" means a generation facility,
43 including, but not limited to, a generation facility that produces
44 Class I or Class II renewable energy, and equipment and services
45 appurtenant to electric sales by such facility to the end use customer
46 located on the property or on property contiguous to the property on
47 which the end user is located. An on-site generation facility shall
48 not be considered a public utility. The property of the end use

1 customer and the property on which the on-site generation facility is
2 located shall be considered contiguous if they are geographically
3 located next to each other, but may be otherwise separated by an
4 easement, public thoroughfare, transportation or utility-owned
5 right-of-way, or if the end use customer is purchasing thermal
6 energy services produced by the on-site generation facility, for use
7 for heating or cooling, or both, regardless of whether the customer
8 is located on property that is separated from the property on which
9 the on-site generation facility is located by more than one easement,
10 public thoroughfare, or transportation or utility-owned right-of-
11 way;

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

15 "Physical net metering aggregation" means the physical rewiring
16 of all instruments for net metering of the electric power
17 consumption of a single customer that is a school district, a county
18 or any agency, authority, or other entity thereof, or a municipality,
19 or any agency, authority, or other entity thereof, to provide a single
20 point of contact for net metering of that customer's consumption;

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

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

37 "Properly closed sanitary landfill facility" means a sanitary
38 landfill facility at which all activities associated with the design,
39 purchase, or construction of all measures required by the
40 Department of Environmental Protection, pursuant to law, in order
41 to prevent, minimize, or monitor pollution or health hazards
42 resulting from a sanitary landfill facility subsequent to the
43 termination of operations at any portion thereof, including, but not
44 necessarily limited to, the costs of placement of earthen or
45 vegetative cover, and the installation of methane gas vents or
46 monitors and leachate monitoring wells or collection systems at the
47 site of any sanitary landfill facility;

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

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

26 "Registration program" means an administrative process
27 developed by the board that requires all owners of solar electric
28 power generation facilities connected to the distribution system that
29 intend to generate SRECs, to file with the board documents
30 detailing the size, location, interconnection plan, land use, and other
31 project information as required by the board;

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

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

42 "Related competitive business segment of a public utility holding
43 company" means any business venture of a public utility holding
44 company, including, but not limited to, functionally separate
45 business units, joint ventures, and partnerships and subsidiaries, that
46 offers to provide or provides competitive services, but does not
47 include any related competitive business segments of an electric
48 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 "Stranded cost" means the amount by which the net cost of an
21 electric public utility's electric generating assets or electric power
22 purchase commitments, as determined by the board consistent with
23 the provisions of P.L.1999, c.23 (C.48:3-49 et al.), exceeds the
24 market value of those assets or contractual commitments in a
25 competitive supply marketplace and the costs of buydowns or
26 buyouts of power purchase contracts;

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

34 "Thermal efficiency" means the useful electric energy output of a
35 facility, plus the useful thermal energy output of the facility,
36 expressed as a percentage of the total energy input to the facility;

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

42 "Transition bonds" means bonds, notes, certificates of
43 participation or beneficial interest or other evidences of
44 indebtedness or ownership issued pursuant to an indenture, contract
45 or other agreement of an electric public utility or a financing entity,
46 the proceeds of which are used, directly or indirectly, to recover,
47 finance or refinance bondable stranded costs and which are, directly
48 or indirectly, secured by or payable from bondable transition

1 property. References in P.L.1999, c.23 (C.48:3-49 et al.) to
2 principal, interest, and acquisition or redemption premium with
3 respect to transition bonds which are issued in the form of
4 certificates of participation or beneficial interest or other evidences
5 of ownership shall refer to the comparable payments on such
6 securities;

7 "Transition period" means the period from August 1, 1999
8 through July 31, 2003;

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

16 "Universal service" means any service approved by the board
17 with the purpose of assisting low-income residential customers in
18 obtaining or retaining electric generation or delivery service; and

19 "Virtual net metering aggregation" means the combination of
20 readings from instruments for, and billing for, all net metering of
21 the electric power consumption of a single customer which is a
22 school district, a county or any agency, authority, or other entity
23 thereof, or a municipality, or any agency, authority, or other entity
24 thereof, which owns or leases properties and which operates a
25 generating facility on those properties that produces Class I
26 renewable energy by means of the electric public utility's billing
27 process, rather than through physical rewiring of the customer's
28 property to provide a single point of contact, provided that such
29 properties are located three miles within the boundaries of each
30 other and within the service territory of a single electric public
31 utility. A customer engaged in virtual net metering shall not be
32 considered a public utility.

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

34

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

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

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

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

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

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

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

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

16 (3) A uniform emissions disclosure format that is graphic in
17 nature and easily understandable by consumers. The board shall
18 periodically review the disclosure requirements to determine if
19 revisions to the environmental disclosure system as implemented
20 are necessary.

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

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

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

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

36 (2) By July 1, 2009, the board shall adopt, pursuant to the
37 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
38 seq.), a greenhouse gas emissions portfolio standard to mitigate
39 leakage or another regulatory mechanism to mitigate leakage
40 applicable to all electric power suppliers and basic generation
41 service providers that provide electricity to customers within the
42 State. The greenhouse gas emissions portfolio standard or any other
43 regulatory mechanism to mitigate leakage shall:

44 (a) Allow a transition period, either before or after the effective
45 date of the regulation to mitigate leakage, for a basic generation
46 service provider or electric power supplier to either meet the
47 emissions portfolio standard or other regulatory mechanism to
48 mitigate leakage, or to transfer any customer to a basic generation

1 service provider or electric power supplier that meets the emissions
2 portfolio standard or other regulatory mechanism to mitigate
3 leakage. If the transition period allowed pursuant to this
4 subparagraph occurs after the implementation of an emissions
5 portfolio standard or other regulatory mechanism to mitigate
6 leakage, the transition period shall be no longer than three years;
7 and

8 (b) Exempt the provision of basic generation service pursuant to
9 a basic generation service purchase and sale agreement effective
10 prior to the date of the regulation.

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

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

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

31 (2) beginning on January 1, 2001, that one-half of one percent
32 of the kilowatt hours sold in this State by each electric power
33 supplier and each basic generation service provider be from Class I
34 renewable energy sources. The board shall increase the required
35 percentage for Class I renewable energy sources so that by January
36 1, 2006, one percent of the kilowatt hours sold in this State by each
37 electric power supplier and each basic generation service provider
38 shall be from Class I renewable energy sources and shall
39 additionally increase the required percentage for Class I renewable
40 energy sources by one-half of one percent each year until January 1,
41 2012, when four percent of the kilowatt hours sold in this State by
42 each electric power supplier and each basic generation service
43 provider shall be from Class I renewable energy sources.

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

1 (3) that the board establish a multi-year schedule, applicable to
 2 each electric power supplier or basic generation service provider in
 3 this State, beginning with the one-year period commencing on June
 4 1, 2010, and continuing for each subsequent one-year period up to
 5 and including, the one-year period commencing on **June 1, 2025**
 6 June 1, 2028, that requires **suppliers or providers to purchase at**
 7 **least** the following number or percentage, as the case may be, of
 8 kilowatt-hours sold in this State by each electric power supplier and
 9 each basic generation service provider to be from solar electric
 10 power generators connected to the distribution system in this State:

11 EY 2011	306 Gigawatthours (Gwhrs)
12 EY 2012	442 Gwhrs
13 EY 2013	596 Gwhrs
14 EY 2014	772 Gwhrs <u>1.832%</u>
15 EY 2015	965 Gwhrs <u>2.145%</u>
16 EY 2016	1,150 Gwhrs <u>2.446%</u>
17 EY 2017	1,357 Gwhrs <u>2.519%</u>
18 EY 2018	1,591 Gwhrs <u>2.851%</u>
19 EY 2019	1,858 Gwhrs <u>3.111%</u>
20 EY 2020	2,164 Gwhrs <u>3.233%</u>
21 EY 2021	2,518 Gwhrs <u>3.320%</u>
22 EY 2022	2,928 Gwhrs <u>3.383%</u>
23 EY 2023	3,433 Gwhrs <u>3.434%</u>
24 EY 2024	3,989 Gwhrs <u>3.483%</u>
25 EY 2025	4,610 Gwhrs <u>3.532%</u>
26 EY 2026	5,316 Gwhrs <u>3.579%</u>
27 EY 2027	<u>3.625%</u>

28 EY 2028, 3.730%, and for every energy year thereafter, at least
 29 **5,316 Gwhrs** 3.730% per energy year to reflect an increasing
 30 number of kilowatt-hours to be purchased by suppliers or providers
 31 from solar electric power generators connected to the distribution
 32 system in this State, and to establish a framework within which, of
 33 the electricity that the generators sell in this State, suppliers and
 34 providers shall **purchase** each obtain at least **2,518 Gwhrs**
 35 3.320% in the energy year 2021 and **5,316 Gwhrs** 3.730% in the
 36 energy year **2026** 2028 from solar electric power generators
 37 connected to the distribution system in this State, provided,
 38 however, that

39 **the number of solar kilowatt-hours required to be purchased by**
 40 **each supplier or provider, when expressed as a percentage of the**
 41 **total number of solar kilowatt-hours purchased in this State, shall be**
 42 **equivalent to each supplier's or provider's proportionate share of the**
 43 **total number of kilowatt-hours sold in this State by all suppliers and**
 44 **providers.] :**

45 (a) The board shall determine an appropriate period of no less
 46 than 120 days following the end of an energy year prior to which a

1 provider or supplier must demonstrate compliance for that energy
2 year with the annual renewable portfolio standard;

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

11 (c) The solar renewable portfolio standards requirements in this
12 paragraph shall exempt those existing supply contracts which are
13 effective prior to the date of enactment of P.L. , c. (C.)
14 (pending before the Legislature as this bill) from any increase
15 beyond the number of SRECs that exceeds the number mandated by
16 the solar renewable portfolio standards requirements that were in
17 effect on the date that the providers executed their existing supply
18 contracts. This limited exemption for providers' existing supply
19 contracts shall not be construed to lower the Statewide solar
20 sourcing requirements set forth in this paragraph. Such incremental
21 new requirements shall be distributed over the electric power
22 suppliers and providers not subject to the existing supply contract
23 exemption until such time as existing supply contracts expire and
24 all suppliers are subject to the new requirement in a manner that is
25 competitively neutral among all providers and suppliers, such that
26 non-exempt providers are assigned the requirements that would
27 have otherwise been assigned to the exempt providers.

28 (d) The solar renewable portfolio standards requirements in this
29 paragraph [(3) of this subsection] shall automatically increase by
30 20% for the remainder of the schedule in the event that the
31 following two conditions are met: [(a)] (i) the number of SRECs
32 generated meets or exceeds the requirement for three consecutive
33 reporting years, starting with energy year [2013] 2014; and [(b)]
34 (ii) the [average] SREC price for [all] SRECs purchased by
35 entities with renewable energy portfolio standards obligations [has
36 decreased] in each of the same three consecutive reporting years is
37 less than the current SREC price in the year prior to the three
38 consecutive reporting years; and

39 (e) The board shall exempt providers' [existing] supply contracts
40 that are [:(a)] effective prior to the date of [P.L.2009, c.289; or
41 (b) effective prior to any future increase in the solar renewable
42 portfolio standard beyond the multi-year schedule established in
43 paragraph (3) of this subsection] any such increase. This
44 exemption shall apply to the number of SRECs that exceeds the
45 number mandated by the solar renewable portfolio standards
46 requirements that were in effect on the date that the suppliers or
47 providers executed their existing supply contracts. This limited

1 exemption for providers' existing supply contracts shall not be
2 construed to lower the Statewide solar **purchase** sourcing
3 requirements set forth in this paragraph **[(3) of this subsection]**.
4 Such incremental new requirements shall be distributed over the
5 electric power suppliers and providers not subject to the existing
6 supply contract exemption until such time as existing supply
7 contracts expire and all suppliers are subject to the new requirement
8 in a manner that is competitively neutral among all suppliers and
9 providers, such that non-exempt providers are assigned the
10 requirements that would have otherwise been assigned to the
11 exempt providers.

12 An electric power supplier or basic generation service provider
13 may satisfy the requirements of this subsection by participating in a
14 renewable energy trading program approved by the board in
15 consultation with the Department of Environmental Protection, or
16 compliance with the requirements of this subsection may be
17 demonstrated to the board by suppliers or providers through the
18 purchase of SRECs.

19 The renewable energy portfolio standards adopted by the board
20 pursuant to paragraphs (1) and (2) of this subsection shall be
21 effective as regulations immediately upon filing with the Office of
22 Administrative Law and shall be effective for a period not to exceed
23 18 months, and may, thereafter, be amended, adopted or readopted
24 by the board in accordance with the provisions of the
25 "Administrative Procedure Act."

26 The renewable energy portfolio standards adopted by the board
27 pursuant to this paragraph **[(3) of this subsection]** shall be effective
28 as regulations immediately upon filing with the Office of
29 Administrative Law and shall be effective for a period not to exceed
30 30 months after such filing, and shall, thereafter, be amended,
31 adopted or readopted by the board in accordance with the
32 "Administrative Procedure Act"; and

33 (4) within 180 days after the date of enactment of P.L.2010,
34 c.57 (C.48:3-87.1 et al.), that the board establish an offshore wind
35 renewable energy certificate program to require that a percentage of
36 the kilowatt hours sold in this State by each electric power supplier
37 and each basic generation service provider be from offshore wind
38 energy in order to support at least 1,100 megawatts of generation
39 from qualified offshore wind projects.

40 The percentage established by the board pursuant to this
41 paragraph shall serve as an offset to the renewable energy portfolio
42 standard established pursuant to paragraphs (1) and (2) of this
43 subsection and shall reduce the corresponding Class I renewable
44 energy requirement.

45 The percentage established by the board pursuant to this
46 paragraph shall reflect the projected OREC production of each
47 qualified offshore wind project, approved by the board pursuant to
48 section 3 of P.L.2010, c.57 (C.48:3-87.1), for twenty years from the

1 commercial operation start date of the qualified offshore wind
2 project which production projection and OREC purchase
3 requirement, once approved by the board, shall not be subject to
4 reduction.

5 An electric power supplier or basic generation service provider
6 shall comply with the OREC program established pursuant to this
7 paragraph through the purchase of offshore wind renewable energy
8 certificates at a price and for the time period required by the board.
9 In the event there are insufficient offshore wind renewable energy
10 certificates available, the electric power supplier or basic generation
11 service provider shall pay an offshore wind alternative compliance
12 payment established by the board. Any offshore wind alternative
13 compliance payments collected shall be refunded directly to the
14 ratepayers by the electric public utilities.

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

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

27 (1) net metering standards for electric power suppliers and basic
28 generation service providers. The standards shall require electric
29 power suppliers and basic generation service providers to offer net
30 metering at non-discriminatory rates to industrial, large
31 commercial, residential and small commercial customers, as those
32 customers are classified or defined by the board, that generate
33 electricity, on the customer's side of the meter, using a Class I
34 renewable energy source, for the net amount of electricity supplied
35 by the electric power supplier or basic generation service provider
36 over an annualized period. Systems of any sized capacity, as
37 measured in watts, are eligible for net metering [. If], provided,
38 however, that the system shall not be sized in excess of the
39 generation capacity necessary to serve the annualized energy needs
40 of (a) on-site load, inclusive of load associated with a customer-
41 generator receiving physical net metering aggregation service, or
42 (b) load associated with a customer-generator receiving virtual net
43 metering aggregation service. For a customer-generator eligible for
44 virtual net metering aggregation service, the customer-generator
45 may designate other of its net metering instruments to be credited
46 with the kilowatt-hour production from any physical net metering
47 aggregation service, including net annual excess, if any. For
48 physical net metering aggregation and virtual net metering

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

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
41 meter.

42 Such rules shall require the board or its designee to issue a credit
43 or other incentive to those generators that do not use a net meter but
44 otherwise generate electricity derived from a Class I renewable
45 energy source and to issue an enhanced credit or other incentive,
46 including, but not limited to, a solar renewable energy credit, to
47 those generators that generate electricity derived from solar
48 technologies.

1 Such standards or rules shall be effective as regulations
2 immediately upon filing with the Office of Administrative Law and
3 shall be effective for a period not to exceed 18 months, and may,
4 thereafter, be amended, adopted or readopted by the board in
5 accordance with the provisions of the "Administrative Procedure
6 Act."

7 f. The board may assess, by written order and after notice and
8 opportunity for comment, a separate fee to cover the cost of
9 implementing and overseeing an emission disclosure system or
10 emission portfolio standard, which fee shall be assessed based on an
11 electric power supplier's or basic generation service provider's share
12 of the retail electricity supply market. The board shall not impose a
13 fee for the cost of implementing and overseeing a greenhouse gas
14 emissions portfolio standard adopted pursuant to paragraph (2) of
15 subsection c. of this section, the electric energy efficiency portfolio
16 standard adopted pursuant to subsection g. of this section, or the gas
17 energy efficiency portfolio standard adopted pursuant to subsection
18 h. of this section.

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

29 h. The board may adopt, pursuant to the "Administrative
30 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), a gas energy
31 efficiency portfolio standard that may require each gas public utility
32 to implement energy efficiency measures that reduce natural gas
33 usage for heating in the State by 2020 to a level that is 20 percent
34 below the usage projected by the board in the absence of such a
35 standard. Nothing in this section shall be construed to prevent a gas
36 public utility from meeting the requirements of this section by
37 contracting with another entity for the performance of the
38 requirements.

39 i. After the board establishes a schedule of solar kilowatt-hour
40 sale or purchase requirements pursuant to paragraph (3) of
41 subsection d. of this section, the board may initiate subsequent
42 proceedings and adopt, after appropriate notice and opportunity for
43 public comment and public hearing, increased minimum solar
44 kilowatt-hour sale or purchase requirements, provided that the
45 board shall not reduce previously established minimum solar
46 kilowatt-hour sale or purchase requirements, or otherwise impose
47 constraints that reduce the requirements by any means.

1 j. The board shall determine an appropriate level of solar
2 alternative compliance payment, and **【**establish a 15-year solar
3 alternative compliance payment schedule, that permits**】** permit each
4 supplier or provider to submit an SACP to comply with the solar
5 electric generation requirements of paragraph (3) of subsection d. of
6 this section. The value of the SACP for each Energy Year, for
7 Energy Years 2014 through 2028 per megawatt hour from solar
8 electric generation required pursuant to this section, shall be:

9	<u>EY 2014</u>	<u>\$350</u>
10	<u>EY 2015</u>	<u>\$343</u>
11	<u>EY 2016</u>	<u>\$336</u>
12	<u>EY 2017</u>	<u>\$329</u>
13	<u>EY 2018</u>	<u>\$322</u>
14	<u>EY 2019</u>	<u>\$315</u>
15	<u>EY 2020</u>	<u>\$308</u>
16	<u>EY 2021</u>	<u>\$301</u>
17	<u>EY 2022</u>	<u>\$294</u>
18	<u>EY 2023</u>	<u>\$287</u>
19	<u>EY 2024</u>	<u>\$280</u>
20	<u>EY 2025</u>	<u>\$273</u>
21	<u>EY 2026</u>	<u>\$266</u>
22	<u>EY 2027</u>	<u>\$259</u>
23	<u>EY 2028</u>	<u>\$252</u>

24 The **【**board may initiate subsequent proceedings and adopt, after
25 appropriate notice and opportunity for public comment and public
26 hearing, an increase in solar alternative compliance payments,
27 provided that the**】** board shall not reduce previously established
28 levels of solar alternative compliance payments, nor shall the board
29 provide relief from the obligation of payment of the SACP by the
30 electric power suppliers or basic generation service providers in any
31 form. Any SACP payments collected shall be refunded directly to
32 the ratepayers by the electric public utilities.

33 k. The board may allow electric public utilities to offer long-
34 term contracts through a competitive process, direct electric public
35 utility investment and other means of financing, including but not
36 limited to loans, for the purchase of SRECs and the resale of SRECs
37 to suppliers or providers or others, provided that after such
38 contracts have been approved by the board, the board's approvals
39 shall not be modified by subsequent board orders.

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

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

45 (2) maintain adequate regulatory authority over non-competitive
46 public utility services;

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

- 1 (4) promote energy efficiency and Class I renewable energy
- 2 market development, taking into consideration environmental
- 3 benefits and market barriers;
- 4 (5) make energy services more affordable for low and moderate
- 5 income customers;
- 6 (6) attempt to transform the renewable energy market into one
- 7 that can move forward without subsidies from the State or public
- 8 utilities;
- 9 (7) achieve the goals put forth under the renewable energy
- 10 portfolio standards;
- 11 (8) promote the lowest cost to ratepayers; and
- 12 (9) allow all market segments to participate.
- 13 m. The board shall ensure the availability of financial incentives
- 14 under its jurisdiction, including, but not limited to, long-term
- 15 contracts, loans, SRECs, or other financial support, to ensure
- 16 market diversity, competition, and appropriate coverage across all
- 17 ratepayer segments, including, but not limited to, residential,
- 18 commercial, industrial, non-profit, farms, schools, and public entity
- 19 customers.
- 20 n. For projects which are owned, or directly invested in, by a
- 21 public utility pursuant to section 13 of P.L.2007, c.340 (C.48:3-
- 22 98.1), the board shall determine the number of SRECs with which
- 23 such projects shall be credited; and in determining such number the
- 24 board shall ensure that the market for SRECs does not detrimentally
- 25 affect the development of non-utility solar projects and shall
- 26 consider how its determination may impact the ratepayers.
- 27 o. The board, in consultation with the Department of
- 28 Environmental Protection, electric public utilities, the Division of
- 29 Rate Counsel in, but not of, the Department of the Treasury,
- 30 affected members of the solar energy industry, and relevant
- 31 stakeholders, shall periodically consider increasing the renewable
- 32 energy portfolio standards beyond the minimum amounts set forth
- 33 in subsection d. of this section, taking into account the cost impacts
- 34 and public benefits of such increases including, but not limited to:
- 35 (1) reductions in air pollution, water pollution, land disturbance,
- 36 and greenhouse gas emissions;
- 37 (2) reductions in peak demand for electricity and natural gas,
- 38 and the overall impact on the costs to customers of electricity and
- 39 natural gas;
- 40 (3) increases in renewable energy development, manufacturing,
- 41 investment, and job creation opportunities in this State; and
- 42 (4) reductions in State and national dependence on the use of
- 43 fossil fuels.
- 44 p. Class I RECs and ORECS shall be eligible for use in
- 45 renewable energy portfolio standards compliance in the energy year
- 46 in which they are generated, and for the following two energy years.
- 47 SRECs **【and ORECS】** shall be eligible for use in renewable energy

1 portfolio standards compliance in the energy year in which they are
2 generated, and for the following ~~two~~ four energy years.

3 q. (1) During the energy years of 2014, 2015, and 2016, a solar
4 electric generation facility project which is not net metered, not an
5 on-site generation facility, or not certified as being located on a
6 brownfield or a properly closed sanitary landfill facility, as
7 provided pursuant to subsection t. of this section, shall be
8 considered "connected to the distribution system" if (a) the facility
9 files a notice with the board indicating its intent to qualify under
10 this subsection; and (b) the capacity of the facility, when added to
11 the capacity of other facilities that have been approved for
12 connection prior to the facility's filing under this subsection, does
13 not exceed 100 megawatts in the aggregate for each year. The
14 board shall act within 180 days of its receipt of a completed
15 application for designation of a solar power electric generation
16 facility as "connected to the distribution system," to either approve,
17 conditionally approve, or disapprove the application. Filings made
18 pursuant to this subsection shall include a notice escrow of \$40,000
19 per megawatt of the proposed capacity of the facility. The notice
20 escrow shall be reimbursed to the facility in full upon the facility
21 entering commercial operation, or shall be forfeited to the State if
22 the facility is determined to be "connected to the distribution
23 system" pursuant to this paragraph but does not enter commercial
24 operation pursuant to paragraph (2) of this 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 as "connected to the distribution
29 system" shall be deemed to be null and void, and the facility shall
30 thereafter be considered not "connected to the distribution system."

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

1 technology to be used; and other such information as the board shall
2 require.

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

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

9 (b) the loss of tillable acreage that would result from the
10 approval of the designation of the proposed facility, together with
11 the tillable acreage of all other facilities approved pursuant to this
12 subsection, would cumulatively constitute a loss of less than one
13 percent of the total tillable acres of farmland in the State on the date
14 of enactment of P.L. , c. (C.) (pending before the
15 Legislature as this bill), pursuant to information provided by the
16 New Jersey Department of Agriculture; and

17 (c) the impact of the designation on electric rates and economic
18 development is beneficial.

19 (3) The board shall act within 180 days of its receipt of a
20 completed application for designation of a solar power electric
21 generation facility as "connected to the distribution system," to
22 either approve, conditionally approve, or disapprove the
23 application. If the proposed solar power electric generation facility
24 does not commence commercial operations within two years
25 following the date of the designation by the board pursuant to this
26 subsection, the designation of the facility as “connected to the
27 distribution system” shall be deemed to be null and void, and the
28 facility shall thereafter be considered not "connected to the
29 distribution system."

30 s. Notwithstanding the foregoing provisions of this section, a
31 solar power electric generation facility located on farmland, and not
32 heretofore approved pursuant to subsection q. of this section, shall
33 not be considered "connected to the distribution system" unless the
34 facility has been approved as such by the board and (a) PJM issued
35 a System Impact Study for the facility prior to March 31, 2011; (b)
36 the facility files a notice with the board within 60 days of the
37 effective date of P.L. , c. (C.) (pending before the
38 Legislature as this bill), indicating its intent to qualify under this
39 subsection.

40 t. No more than 180 days after the date of enactment of P.L. ,
41 c. (C.) (pending before the Legislature as this bill), the board
42 shall, in consultation with the Department of Environmental
43 Protection and the New Jersey Economic Development Authority,
44 and, after notice and opportunity for public comment and public
45 hearing, complete a proceeding to establish a program to provide
46 SRECs to owners of solar power electric generation facility projects
47 certified by the board as being located on a brownfield or a properly
48 closed sanitary landfill facility. Projects certified under this

1 subsection shall (1) be considered “connected to the distribution
2 system” and shall not require such designation by the board and (2)
3 shall not be subject to board review required pursuant to
4 subsections q. and r. of this section. For projects certified under
5 this subsection, the board shall credit additional incentives to be
6 determined by the board for each megawatt hour (MWh) of solar
7 energy that is generated by the project. The issuance of SRECs for
8 all solar electric generation facility projects pursuant to this
9 subsection shall be deemed “Board of Public Utilities financial
10 assistance” as provided under section 1 of P.L.2009, c.89 (C.48:2-
11 29.47).

12 u. No more than 180 days after the date of enactment of
13 P.L. , c. (C.) (pending before the Legislature as this bill),
14 the board shall complete a proceeding to establish a registration
15 program. The registration program shall require the owners of solar
16 power electric generation facility projects connected to the
17 distribution system to make periodic milestone filings with the
18 board in a manner and at such times as determined by the board to
19 provide full disclosure and transparency regarding the overall level
20 of development and construction activity of those projects
21 Statewide.

22 v. The issuance of SRECs for all solar power electric generation
23 facility projects pursuant to this section, for projects connected to
24 the distribution system with a capacity of one megawatt or greater,
25 shall be deemed “Board of Public Utilities financial assistance” as
26 provided pursuant to under section 1 of P.L.2009, c.89 (C.48:2-
27 29.47).

28 (cf: P.L.2010, c.57, s.2)

29

30 3. This act shall take effect immediately.

31

32

33

STATEMENT

34

35 The bill amends sections 3 and 38 of P.L.1999, c.23 (C.48:3-49
36 et al.) (“EDECA”) concerning solar renewable energy programs,
37 purchase requirements, and net metering standards. The bill would
38 provide that a solar power electric generation facility shall be
39 deemed by the Board of Public Utilities (“BPU”) as “connected to
40 the distribution system” (“connected”) if it is: (1) connected to a net
41 metering customer’s side of a meter, regardless of the voltage at
42 which that customer connects to the electric grid, or (2) directly
43 connected to the electric grid at 69 kilovolts or less, regardless of
44 how an electric public utility classifies that portion of its electric
45 grid, except that a solar facility that is neither net metered nor an
46 on-site generation facility would not be considered “connected”
47 unless it was designated as such by the BPU as provided pursuant to
48 the bill’s provisions except that, during the energy years of 2014

1 through 2016, a solar electric generation facility project which is
2 not net metered, not an on-site generation facility, and not certified
3 as being located on a brownfield or a properly closed sanitary
4 landfill facility shall be considered “connected” if the capacity of
5 the facility, when added to the capacity of other facilities that have
6 been approved for connection prior to the facility’s filing, does not
7 exceed 100 megawatts in the aggregate for each energy year. Such
8 facilities would not be subject to BPU review. Failure to commence
9 commercial operations within two years following the date of the
10 “connected” designation would void the designation.

11 Notwithstanding the foregoing criteria, the BPU must approve
12 the designation of the proposed facility as “connected” if it
13 determines that: (1) the solar renewable energy certificates
14 (“SREC”s) forecasted to be produced by the facility do not have a
15 detrimental impact on the SREC market or on the appropriate
16 development of solar power in the State; (2) the loss of tillable
17 acreage that would result from the approval of the designation of
18 the proposed facility, together with the tillable acreage of all other
19 similar facilities, would cumulatively constitute a loss of less than
20 one percent of the total tillable acres of farmland in the State on the
21 date of the bill’s enactment, pursuant to information provided by
22 the New Jersey Department of Agriculture; and (3) the impact of
23 the designation on electric rates and economic development is
24 beneficial provided, however, that a solar facility constructed on
25 farmland would not be considered “connected” unless it is approved
26 by the BPU as such and (a) it is approved as a facility not subject to
27 BPU review for energy years 2014, 2015, or 2016, or (b) PJM
28 issued a System Impact Study for the facility prior to March 31,
29 2011 and the facility files a notice with the board within 60 days of
30 the bill’s effective date indicating its intent to qualify as connected
31 under the bill.

32 The bill directs the BPU, to within 180 days of the bill’s
33 enactment, in consultation with the Department of Environmental
34 Protection and the New Jersey Economic Development Authority,
35 establish a program to provide SRECs to owners of solar power
36 electric generation facility projects certified as being located on a
37 brownfield or a properly closed sanitary landfill facility and provide
38 that such projects shall (1) be considered “connected to the
39 distribution system,” (2) not be subject to board review, and (3) be
40 credited additional incentives for each megawatt hour of solar
41 energy that is generated by the project.

42 The bill provides that the issuance of SRECs for projects located
43 on brownfields and landfills, and for projects greater than one
44 megawatt are to be deemed “Board of Public Utilities financial
45 assistance” as provided under section 1 of P.L.2009, c.89 (C.48:2-
46 29.47), to provide that prevailing wage rates would apply to such
47 projects.

1 The bill requires the BPU to establish a solar registration
2 program, which would require that all owners of solar electric
3 power generation facilities that are filing with the BPU for approval
4 to generate SRECs, to file documents detailing the size, location,
5 interconnection plan, land use, and other project information as
6 required by the BPU.

7 The bill would extend the scope of "Class I renewable energy"
8 producers to include small scale hydropower facilities with a
9 capacity of three megawatts or less that are put into service after the
10 effective date of the bill. "Small scale hydropower facility" is
11 defined to mean a facility located within New Jersey that is
12 connected to the distribution system, and that meets the
13 requirements of, and has been certified by, a nationally recognized
14 low-impact hydropower organization. Electricity from any
15 hydropower facility with a capacity greater than three megawatts
16 would be included in the category of "Class II renewable energy."

17 The bill would provide that for a resource recovery facility to be
18 considered as generating Class II renewable energy, the facility
19 must be in compliance with current environmental standards,
20 including, but not limited to, all applicable requirements of the
21 federal "Clean Air Act." The bill clarifies that a "combined heat
22 and power facility" or "co-generation facility" means a generation
23 facility which produces electric energy and steam. The bill also
24 provides that an on-site generation facility shall include an on-site
25 facility that produces Class I or Class II renewable energy.

26 The bill would change the solar alternative compliance payment
27 ("SACP") schedule from a 15-year schedule with obligations set by
28 the board to a statutorily established schedule with specifically
29 prescribed SACP values for each energy year.

30 The bill revises the multi-year schedule of Statewide solar
31 gigawatt hour requirements applicable to electric power suppliers
32 and basic generation providers for Energy Years 2014 to 2028. The
33 requirements are stated in percentages, instead of being enumerated
34 in gigawatt hours, from 1.832% in 2014 to 3.730% in 2028 and
35 every energy year thereafter. The bill also provides for the BPU to
36 determine whether a provider or supplier is in compliance with
37 annual renewable portfolio standards within a period of no less than
38 120 days following the end of an energy year, and to provide for a
39 future adjustment in annual Statewide gigawatt hour requirements
40 based upon any shortfall that is determined by the BPU.

41 The bill requires the BPU to, within 24 months following
42 enactment, complete a proceeding to investigate approaches to
43 mitigate solar development volatility and prepare and submit a
44 report to the Governor and the Legislature, detailing its findings and
45 recommendations. As part of the proceeding, the BPU must
46 evaluate other techniques used nationally and internationally.

47 The bill would provide that the additional solar purchase
48 requirements distributed over the electric power providers not

1 subject to the existing supply contract exemption provided under
2 section 38 of EDECA, shall be distributed in a manner that is
3 competitively neutral among all providers, such that non-exempt
4 providers are assigned the requirements that would have otherwise
5 been assigned to the exempt providers.

6 The bill provides that long-term SREC purchase contracts
7 offered by the BPU, shall be offered through a competitive process,
8 including direct investment by electric utilities.

9 Finally, the bill revises the BPU's mandate concerning the
10 prescribing of standards under which basic generation service
11 providers and electric power suppliers must offer net metering to
12 their customers that generate electricity, on the customer side of the
13 meter, using a Class I renewable energy source, for a customer that
14 is a school district, county or municipality, including any agency,
15 authority, or other entity thereof ("customer-generators").
16 Specifically, the bill expands the eligibility requirements for the
17 provision of net metering to customer-generators when the
18 generation is occurring on two or more properties owned or leased
19 and operated by customer-generators where those properties are
20 either: (1) contiguous to each other within the service territory of
21 one electric utility ("physical net metering aggregation"); or (2)
22 non-contiguous but within three miles of each other property of the
23 customer-generator within the service territory of one electric utility
24 ("virtual net metering aggregation"). Further, the bill allows
25 customer-generators receiving virtual net metering aggregation
26 service to designate other of its net metering instruments to be
27 credited with the kilowatt-hour production from its physical net
28 metering aggregation service, including net annual excess, if any.