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ASSEMBLY, No. 2204

STATE OF NEW JERSEY
217th LEGISLATURE

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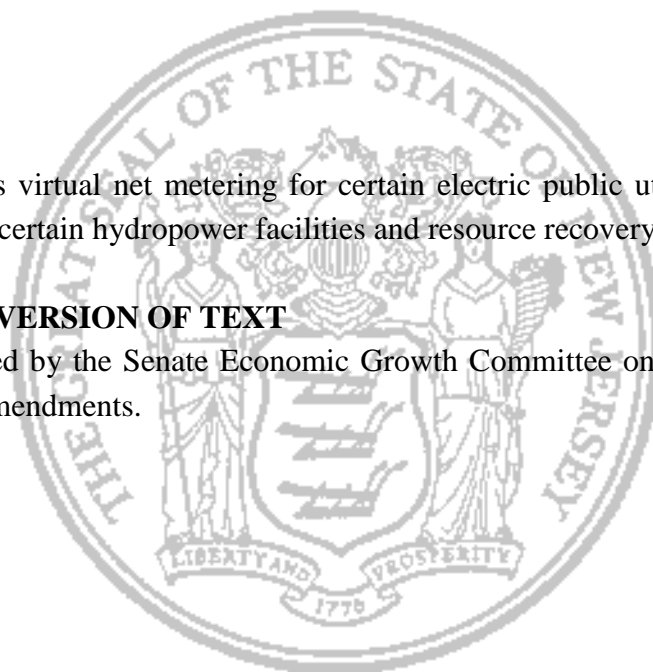
Assemblymen Gusciora and DeAngelo

SYNOPSIS

Authorizes virtual net metering for certain electric public utility customers connected to certain hydropower facilities and resource recovery facilities.

CURRENT VERSION OF TEXT

As reported by the Senate Economic Growth Committee on November 30, 2017, with amendments.



(Sponsorship Updated As Of: 12/19/2017)

1 AN ACT concerning certain electric generation facilities, ¹and¹
2 supplementing P.L.1999, c.23 (C.48:3-49 et al).

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. As used in P.L. , c. (C.) (pending before the
8 Legislature as this bill):

9 “Facility” means a small scale hydropower facility put into
10 service after the effective date of P.L.2012, c.24 with a capacity of
11 three megawatts or less ²or a resource recovery facility².

12 ²”Resource recovery facility” shall have the same meaning as
13 provided in section 3 of P.L.1999, c.23 (C.48:3-51).²

14 “Standby charge” means a charge imposed by an electric public
15 utility upon ¹[(1)]¹ a facility that delivers or sells power to an
16 end-use customer ¹[(1)]¹ or ¹[(2)]¹ upon¹ an end-use customer of
17 that power, for the recovery of costs necessary to make power
18 available to the facility or the end-use customer during a facility
19 power outage including, but not limited to, the allocation of
20 reasonable capital investment costs and operating and maintenance
21 expenses associated with the electric public utility’s infrastructure
22 needed to provide the standby power.

23 “Standby power” means power made available during a facility
24 outage to a facility or to an end-use customer who uses power
25 generated by the facility.

26
27 2. At the request of an owner of a facility, an electric public
28 utility shall install distribution lines to connect the facility with the
29 electric public utility’s distribution network. The electric public
30 utility may charge the owner of the facility for the entire amount of
31 costs incurred to connect the facility.

32
33 3. a. (1) An electric power supplier or a basic generation
34 service provider shall offer a facility net metering at a non-
35 discriminatory rate. If the amount of electricity generated by the
36 facility, plus any kilowatt hour credits held over from previous
37 billing periods, exceeds the electricity supplied by the electric
38 power supplier or basic generation service provider, then the
39 electric power supplier or basic generation service provider shall
40 credit the facility for the excess kilowatt hours until the end of the
41 annualized period. If any kilowatt hour credit remains at the end of
42 the annualized period, the facility shall be compensated by the
43 electric power supplier or basic generation service provider for any

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AEN committee amendments adopted June 15, 2017.

²Senate SEG committee amendments adopted November 30, 2017.

1 remaining credits or, if the facility chooses, have the electric power
2 supplier or a basic generation service provider credit the facility on
3 a real-time basis, at the electric power supplier's or basic generation
4 service provider's avoided cost of wholesale power or the PJM
5 electric power pool's real-time locational marginal pricing rate,
6 adjusted for losses, for the respective zone in the PJM electric
7 power pool.

8 (2) In the event that the facility elects not to receive a credit
9 pursuant to paragraph (1) of this subsection, the facility may
10 execute a bilateral agreement with an electric power supplier or
11 basic generation service provider for the sale and purchase of the
12 facility's excess generation. The facility may be credited on a real-
13 time basis, if the facility follows applicable rules prescribed by the
14 PJM electric power pool for its capacity requirements for the net
15 amount of electricity supplied by the electric power supplier or
16 basic generation service provider.

17 b. A facility may deliver or sell power to up to 10 end-use
18 customers, who are located within 10 miles of the facility and net-
19 metered within the service territory of a single electric public
20 utility, and designate the end-use customers to be credited by the
21 electric power supplier or basic generation service provider with the
22 excess generation of the facility. The facility may designate the
23 proportionate share of the excess electricity generated to credit each
24 of the designated end-use customers.

25 c. The owner of a facility who sells or delivers power to an
26 end-use customer pursuant to the provisions of this section shall not
27 be considered a public utility pursuant to R.S.48:2-13 or P.L.1999,
28 c.23 (C.48:3-49 et al.).
29

30 4. a. Upon request to an electric public utility, electric power
31 supplier, or ¹**[a]** basic generation service provider for standby
32 power by ¹**[(1)]** a facility that supplies power to an end-use
33 customer pursuant to section 3 of P.L. , c. (C.) (pending
34 before the Legislature as this bill) ¹**[(1);]** or ¹**[(2)]** the end-use
35 customer of that power, the electric public utility, electric power
36 supplier, or basic generation provider ¹as applicable,¹ shall impose
37 and assess a standby charge.

38 b. The ¹**[board]** Board of Public Utilities¹ shall, within 120
39 days after the effective date of P.L. , c. (C.) (pending before
40 the Legislature as this bill), establish criteria for an electric public
41 utility, electric power supplier, or ¹**[a]** basic generation provider to
42 assess and impose a standby charge.
43

44 5. This act shall take effect immediately.