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STATE OF NEW JERSEY
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Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator BARBARA BUONO

District 18 (Middlesex)

SYNOPSIS

Authorizes creation of local renewable energy collaboratives and central renewable energy generation systems, and provides for sale of renewable power generation.

CURRENT VERSION OF TEXT

As amended by the Senate on June 10, 2010.



1 AN ACT authorizing the establishment of local renewable energy
2 collaboratives and central renewable energy generation systems,
3 and amending P.L.1999, c.23.
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

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

10 3. "Assignee" means a person to which an electric public utility
11 or 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 "Basic gas supply service" means gas supply service that is
18 provided to any customer that has not chosen an alternative gas
19 supplier, whether or not the customer has received offers as to
20 competitive supply options, including, but not limited to, any
21 customer that cannot obtain such service for any reason, including
22 non-payment for services. Basic gas supply service is not a
23 competitive service and shall be fully regulated by the board;

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

32 "Basic generation service provider" or "provider" means a
33 provider of basic generation service;

34 "Basic generation service transition costs" means the amount by
35 which the payments by an electric public utility for the procurement
36 of power for basic generation service and related ancillary and
37 administrative costs exceeds the net revenues from the basic
38 generation service charge established by the board pursuant to
39 section 9 of P.L.1999, c.23 (C.48:3-57) during the transition period,
40 together with interest on the balance at the board-approved rate, that
41 is reflected in a deferred balance account approved by the board in
42 an order addressing the electric public utility's unbundled rates,
43 stranded costs, and restructuring filings pursuant to P.L.1999, c.23
44 (C.48:3-49 et al.). Basic generation service transition costs shall

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:

¹ Senate floor amendments adopted June 10, 2010.

1 include, but are not limited to, costs of purchases from the spot
2 market, bilateral contracts, contracts with non-utility generators,
3 parting contracts with the purchaser of the electric public utility's
4 divested generation assets, short-term advance purchases, and
5 financial instruments such as hedging, forward contracts, and
6 options. Basic generation service transition costs shall also include
7 the payments by an electric public utility pursuant to a competitive
8 procurement process for basic generation service supply during the
9 transition period, and costs of any such process used to procure the
10 basic generation service supply;

11 "Board" means the New Jersey Board of Public Utilities or any
12 successor agency;

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

36 "Bondable stranded costs rate order" means one or more
37 irrevocable written orders issued by the board pursuant to P.L.1999,
38 c.23 (C.48:3-49 et al.) which determines the amount of bondable
39 stranded costs and the initial amount of transition bond charges
40 authorized to be imposed to recover such bondable stranded costs,
41 including the costs to be financed from the proceeds of the
42 transition bonds, as well as on-going costs associated with servicing
43 and credit enhancing the transition bonds, and provides the electric
44 public utility specific authority to issue or cause to be issued,
45 directly or indirectly, transition bonds through a financing entity
46 and related matters as provided in P.L.1999, c.23, which order shall
47 become effective immediately upon the written consent of the

1 related electric public utility to such order as provided in P.L.1999,
2 c.23;

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

14 "British thermal unit" or "Btu" means the amount of heat
15 required to increase the temperature of one pound of water by one
16 degree Fahrenheit;

17 "Broker" means a duly licensed electric power supplier that
18 assumes the contractual and legal responsibility for the sale of
19 electric generation service, transmission or other services to end-use
20 retail customers, but does not take title to any of the power sold, or
21 a duly licensed gas supplier that assumes the contractual and legal
22 obligation to provide gas supply service to end-use retail customers,
23 but does not take title to the gas;

24 "Buydown" means an arrangement or arrangements involving the
25 buyer and seller in a given power purchase contract and, in some
26 cases third parties, for consideration to be given by the buyer in
27 order to effectuate a reduction in the pricing, or the restructuring of
28 other terms to reduce the overall cost of the power contract, for the
29 remaining succeeding period of the purchased power arrangement
30 or arrangements;

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

35 "Central renewable energy generation system" or "CREG
36 system" means a separately metered, Class I renewable energy
37 generation system that has been ¹established and ¹installed at a site
38 ¹after the effective date of P.L. , c. (C.) (pending before the
39 Legislature as this bill) ¹, that provides power to ¹**[an LREC]** ¹one or
40 ¹more LRECs ¹, ¹that ¹sells power into the PJM grid, and ¹**[which]**
41 ¹that ¹is ¹**[registered with]** ¹licensed by ¹the board pursuant to
42 ¹subsection f. of section 38 of ¹P.L.1999, c.23 ¹**[(C.48:3-49 et al.)]**
43 **(C.48:3-87)** ¹;

44 "Class I renewable energy" means electric energy produced from
45 solar technologies, photovoltaic technologies, wind energy, fuel
46 cells, geothermal technologies, wave or tidal action, and methane

1 gas from landfills or a biomass facility, provided that the biomass is
2 cultivated and harvested in a sustainable manner;

3 "Class II renewable energy" means electric energy produced at a
4 resource recovery facility or hydropower facility, provided that
5 such facility is located where retail competition is permitted and
6 provided further that the Commissioner of Environmental
7 Protection has determined that such facility meets the highest
8 environmental standards and minimizes any impacts to the
9 environment and local communities;

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

13 "Combined heat and power facility" or "co-generation facility"
14 means a generation facility which produces electric energy, steam,
15 or other forms of useful energy such as heat, which are used for
16 industrial or commercial heating or cooling purposes. A combined
17 heat and power facility or co-generation facility shall not be
18 considered a public utility;

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

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

30 "Comprehensive resource analysis" means an analysis including,
31 but not limited to, an assessment of existing market barriers to the
32 implementation of energy efficiency and renewable technologies
33 that are not or cannot be delivered to customers through a
34 competitive marketplace;

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

39 "Customer account service" means metering, billing, or such
40 other administrative activity associated with maintaining a customer
41 account;

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

1 "Electric generation service" means the provision of retail
2 electric energy and capacity which is generated off-site from the
3 location at which the consumption of such electric energy and
4 capacity is metered for retail billing purposes, including agreements
5 and arrangements related thereto;

6 "Electric power generator" means an entity that proposes to
7 construct, own, lease or operate, or currently owns, leases or
8 operates, an electric power production facility that will sell or does
9 sell at least 90 percent of its output, either directly or through a
10 marketer, to a customer or customers located at sites that are not on
11 or contiguous to the site on which the facility will be located or is
12 located. The designation of an entity as an electric power generator
13 for the purposes of P.L.1999, c.23 (C.48:3-49 et al.) shall not, in
14 and of itself, affect the entity's status as an exempt wholesale
15 generator under the Public Utility Holding Company Act of 1935,
16 15 U.S.C.s.79 et seq.;

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

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

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

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

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

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

4 "Energy efficiency portfolio standard" means a requirement to
5 procure a specified amount of energy efficiency or demand side
6 management resources as a means of managing and reducing energy
7 usage and demand by customers;

8 "Energy year" or "EY" means the 12-month period from June 1st
9 through May 31st and shall be numbered according to the calendar
10 year in which it ends;

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

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

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

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

42 "Gas supply service" means the provision to customers of the
43 retail commodity of gas, but does not include any regulated
44 distribution service;

45 "Government aggregator" means any government entity subject
46 to the requirements of the "Local Public Contracts Law," P.L.1971,
47 c.198 (C.40A:11-1 et seq.), the "Public School Contracts Law,"

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

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

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

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

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

28 "Local renewable energy collaborative" or "LREC" means a
29 limited liability corporation or other legal entity ¹established after
30 the effective date of P.L. , c. (C.) (pending before the
31 Legislature as this bill) ¹ which consists of a group of ¹residential
32 customers who ¹reside in the same municipality and ¹ share the
33 benefits of a Class I renewable energy generation system, and
34 which is ¹【registered with】 licensed by ¹ the board pursuant to
35 ¹subsection f. of section 38 of ¹P.L.1999, c.23 ¹【(C.48:3-49 et al.)】
36 (C.48:3-87) ¹;

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

44 "Marketer" means a duly licensed electric power supplier that
45 takes title to electric energy and capacity, transmission and other
46 services from electric power generators and other wholesale
47 suppliers and then assumes the contractual and legal obligation to

1 provide electric generation service, and may include transmission
2 and other services, to an end-use retail customer or customers, or a
3 duly licensed gas supplier that takes title to gas and then assumes
4 the contractual and legal obligation to provide gas supply service to
5 an end-use customer or customers;

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

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

10 "Off-site end use thermal energy services customer" means an
11 end use customer that purchases thermal energy services from an
12 on-site generation facility, combined heat and power facility, or co-
13 generation facility, and that is located on property that is separated
14 from the property on which the on-site generation facility,
15 combined heat and power facility, or co-generation facility is
16 located by more than one easement, public thoroughfare, or
17 transportation or utility-owned right-of-way;

18 "On-site generation facility" means a generation facility, and
19 equipment and services appurtenant to electric **【sales】** output
20 such facility 【to】 for sale to or use by the end use customer located
21 on the property or on property contiguous to the property on which
22 the end user is located. An on-site generation facility shall not be
23 considered a public utility. The property of the end use customer
24 and the property on which the on-site generation facility is located
25 shall be considered contiguous if they are geographically located
26 next to each other, but may be otherwise separated by an easement,
27 public thoroughfare, transportation or utility-owned right-of-way, or
28 if the end use customer is purchasing thermal energy services
29 produced by the on-site generation facility, for use for heating or
30 cooling, or both, regardless of whether the customer is located on
31 property that is separated from the property on which the on-site
32 generation facility is located by more than one easement, public
33 thoroughfare, or transportation or utility-owned right-of-way;

34 "Person" means an individual, partnership, corporation,
35 association, trust, limited liability company, governmental entity or
36 other legal entity;

37 "Private aggregator" means a non-government aggregator that is
38 a duly-organized business or non-profit organization authorized to
39 do business in this State that enters into a contract with a duly
40 licensed electric power supplier for the purchase of electric energy
41 and capacity, or with a duly licensed gas supplier for the purchase
42 of gas supply service, on behalf of multiple end-use customers by
43 combining the loads of those customers;

44 "Public utility holding company" means: (1) any company that,
45 directly or indirectly, owns, controls, or holds with power to vote,
46 ten percent or more of the outstanding voting securities of an
47 electric public utility or a gas public utility or of a company which

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

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

21 "Related competitive business segment of an electric public
22 utility or gas public utility" means any business venture of an
23 electric public utility or gas public utility including, but not limited
24 to, functionally separate business units, joint ventures, and
25 partnerships, that offers to provide or provides competitive services;

26 "Related competitive business segment of a public utility holding
27 company" means any business venture of a public utility holding
28 company, including, but not limited to, functionally separate
29 business units, joint ventures, and partnerships and subsidiaries, that
30 offers to provide or provides competitive services, but does not
31 include any related competitive business segments of an electric
32 public utility or gas public utility;

33 "Renewable energy certificate" or "REC" means a certificate
34 representing the environmental benefits or attributes of one
35 megawatt-hour of generation from a generating facility that
36 produces Class I or Class II renewable energy, but shall not include
37 a solar renewable energy certificate;

38 "Resource recovery facility" means a solid waste facility
39 constructed and operated for the incineration of solid waste for
40 energy production and the recovery of metals and other materials
41 for reuse;

42 "Restructuring related costs" means reasonably incurred costs
43 directly related to the restructuring of the electric power industry,
44 including the closure, sale, functional separation and divestiture of
45 generation and other competitive utility assets by a public utility, or
46 the provision of competitive services as such costs are determined
47 by the board, and which are not stranded costs as defined in

1 P.L.1999, c.23 (C.48:3-49 et al.) but may include, but not be limited
2 to, investments in management information systems, and which
3 shall include expenses related to employees affected by
4 restructuring which result in efficiencies and which result in
5 benefits to ratepayers, such as training or retraining at the level
6 equivalent to one year's training at a vocational or technical school
7 or county community college, the provision of severance pay of two
8 weeks of base pay for each year of full-time employment, and a
9 maximum of 24 months' continued health care coverage. Except as
10 to expenses related to employees affected by restructuring,
11 "restructuring related costs" shall not include going forward costs;

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

18 "Retail margin" means an amount, reflecting differences in
19 prices that electric power suppliers and electric public utilities may
20 charge in providing electric generation service and basic generation
21 service, respectively, to retail customers, excluding residential
22 customers, which the board may authorize to be charged to
23 categories of basic generation service customers of electric public
24 utilities in this State, other than residential customers, under the
25 board's continuing regulation of basic generation service pursuant to
26 sections 3 and 9 of P.L.1999, c.23 (C.48:3-51 and 48:3-57), for the
27 purpose of promoting a competitive retail market for the supply of
28 electricity;

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

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

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

45 "Solar alternative compliance payment" or "SACP" means a
46 payment of a certain dollar amount per megawatt hour (MWh)
47 which an electric power supplier or provider may submit to the

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

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

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

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

22 "Thermal efficiency" means the useful electric energy output of a
23 facility, plus the useful thermal energy output of the facility,
24 expressed as a percentage of the total energy input to the facility;

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

30 "Transition bonds" means bonds, notes, certificates of
31 participation or beneficial interest or other evidences of
32 indebtedness or ownership issued pursuant to an indenture, contract
33 or other agreement of an electric public utility or a financing entity,
34 the proceeds of which are used, directly or indirectly, to recover,
35 finance or refinance bondable stranded costs and which are, directly
36 or indirectly, secured by or payable from bondable transition
37 property. References in P.L.1999, c.23 (C.48:3-49 et al.) to
38 principal, interest, and acquisition or redemption premium with
39 respect to transition bonds which are issued in the form of
40 certificates of participation or beneficial interest or other evidences
41 of ownership shall refer to the comparable payments on such
42 securities;

43 "Transition period" means the period from August 1, 1999
44 through July 31, 2003;

45 "Transmission and distribution system" means, with respect to an
46 electric public utility, any facility or equipment that is used for the
47 transmission, distribution or delivery of electricity to the customers

1 of the electric public utility including, but not limited to, the land,
2 structures, meters, lines, switches and all other appurtenances
3 thereof and thereto, owned or controlled by the electric public
4 utility within this State; and

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

8 (cf: P.L.2009, c.289, s.1)

9

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

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

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

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

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

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

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

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

39 (3) A uniform emissions disclosure format that is graphic in
40 nature and easily understandable by consumers. The board shall
41 periodically review the disclosure requirements to determine if
42 revisions to the environmental disclosure system as implemented
43 are necessary.

44 Such standards shall be effective as regulations immediately
45 upon filing with the Office of Administrative Law and shall be
46 effective for a period not to exceed 18 months, and may, thereafter,

1 be amended, adopted or readopted by the board in accordance with
2 the provisions of the "Administrative Procedure Act."

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

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

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

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

21 (a) Allow a transition period, either before or after the effective
22 date of the regulation to mitigate leakage, for a basic generation
23 service provider or electric power supplier to either meet the
24 emissions portfolio standard or other regulatory mechanism to
25 mitigate leakage, or to transfer any customer to a basic generation
26 service provider or electric power supplier that meets the emissions
27 portfolio standard or other regulatory mechanism to mitigate
28 leakage. If the transition period allowed pursuant to this
29 subparagraph occurs after the implementation of an emissions
30 portfolio standard or other regulatory mechanism to mitigate
31 leakage, the transition period shall be no longer than three years;
32 and

33 (b) Exempt the provision of basic generation service pursuant to
34 a basic generation service purchase and sale agreement effective
35 prior to the date of the regulation.

36 Unless the Attorney General or the Attorney General's designee
37 determines that a greenhouse gas emissions portfolio standard
38 would unconstitutionally burden interstate commerce or would be
39 preempted by federal law, the adoption by the board of an electric
40 energy efficiency portfolio standard pursuant to subsection **[g.] h.**
41 of this section, a gas energy efficiency portfolio standard pursuant
42 to subsection **[h.] i.** of this section, or any other enhanced energy
43 efficiency policies to mitigate leakage shall not be considered
44 sufficient to fulfill the requirement of this subsection for the
45 adoption of a greenhouse gas emissions portfolio standard or any
46 other regulatory mechanism to mitigate leakage.

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

6 (1) that two and one-half percent of the kilowatt hours sold in
7 this State by each electric power supplier and each basic generation
8 service provider be from Class I or Class II renewable energy
9 sources; **[and]**

10 (2) beginning on January 1, 2001, that one-half of one percent
11 of the kilowatt hours sold in this State by each electric power
12 supplier and each basic generation service provider be from Class I
13 renewable energy sources. The board shall increase the required
14 percentage for Class I renewable energy sources so that by January
15 1, 2006, one percent of the kilowatt hours sold in this State by each
16 electric power supplier and each basic generation service provider
17 shall be from Class I renewable energy sources and shall
18 additionally increase the required percentage for Class I renewable
19 energy sources by one-half of one percent each year until January 1,
20 2012, when four percent of the kilowatt hours sold in this State by
21 each electric power supplier and each basic generation service
22 provider shall be from Class I renewable energy sources**].**

23 An electric power supplier or basic generation service provider
24 may satisfy the requirements of this subsection by participating in a
25 renewable energy trading program approved by the board in
26 consultation with the Department of Environmental Protection.**];**
27 and

28 (3) that the board establish a multi-year schedule, applicable to
29 each electric power supplier or basic generation service provider in
30 this State, beginning with the one-year period commencing on June
31 1, 2010, and continuing for each subsequent one-year period up to
32 and including, the one-year period commencing on June 1, 2025,
33 that requires suppliers or providers to purchase at least the
34 following number of kilowatt-hours from solar electric power
35 generators in this State:

36 EY 2011	306 Gigawatthours (Gwhrs)
37 EY 2012	442 Gwhrs
38 EY 2013	596 Gwhrs
39 EY 2014	772 Gwhrs
40 EY 2015	965 Gwhrs
41 EY 2016	1,150 Gwhrs
42 EY 2017	1,357 Gwhrs
43 EY 2018	1,591 Gwhrs
44 EY 2019	1,858 Gwhrs
45 EY 2020	2,164 Gwhrs
46 EY 2021	2,518 Gwhrs
47 EY 2022	2,928 Gwhrs

1 EY 2023 3,433 Gwhrs
2 EY 2024 3,989 Gwhrs
3 EY 2025 4,610 Gwhrs
4 EY 2026 5,316 Gwhrs
5 EY 2027, and for every energy year thereafter, at least 5,316 Gwhrs
6 per energy year to reflect an increasing number of kilowatt-hours to
7 be purchased by suppliers or providers from solar electric power
8 generators in this State, and to establish a framework within which
9 suppliers and providers shall purchase at least 2,518 Gwhrs in the
10 energy year 2021 and 5,316 Gwhrs in the energy year 2026 from
11 solar electric power generators in this State, provided, however, that
12 the number of solar kilowatt-hours required to be purchased by each
13 supplier or provider, when expressed as a percentage of the total
14 number of solar kilowatt-hours purchased in this State, shall be
15 equivalent to each supplier's or provider's proportionate share of the
16 total number of kilowatt-hours sold in this State by all suppliers and
17 providers.

18 The solar renewable portfolio standards requirements in this
19 paragraph **[(3) of this subsection]** shall automatically increase by
20 20% for the remainder of the schedule in the event that the
21 following two conditions are met: (a) the number of SRECs
22 generated meets or exceeds the requirement for three consecutive
23 reporting years, starting with energy year 2013; and (b) the average
24 SREC price for all SRECs purchased by entities with renewable
25 energy portfolio standards obligations has decreased in the same
26 three consecutive reporting years. The board shall exempt
27 providers' existing supply contracts that are: (a) effective prior to
28 the date of P.L.2009, c.289; or (b) effective prior to any future
29 increase in the solar renewable portfolio standard beyond the multi-
30 year schedule established in this paragraph **[(3) of this subsection]**.
31 This exemption shall apply to the number of SRECs that exceeds
32 the number mandated by the solar renewable portfolio standards
33 requirements that were in effect on the date that the providers
34 executed their existing supply contracts. This limited exemption for
35 providers' existing supply contracts shall not be construed to lower
36 the Statewide solar purchase requirements set forth in this
37 paragraph **[(3) of this subsection]**. Such incremental new
38 requirements shall be distributed over the electric power suppliers
39 and providers not subject to the existing supply contract exemption
40 until such time as existing supply contracts expire and all suppliers
41 are subject to the new requirement.

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

1 demonstrated to the board by suppliers or providers through the
2 purchase of SRECs.

3 The renewable energy portfolio standards adopted by the board
4 pursuant to paragraphs (1) and (2) of this subsection shall be
5 effective as regulations immediately upon filing with the Office of
6 Administrative Law and shall be effective for a period not to exceed
7 18 months, and may, thereafter, be amended, adopted or readopted
8 by the board in accordance with the provisions of the
9 "Administrative Procedure Act."

10 The renewable energy portfolio standards adopted by the board
11 pursuant to paragraph (3) of this subsection shall be effective as
12 regulations immediately upon filing with the Office of
13 Administrative Law and shall be effective for a period not to exceed
14 30 months after such filing, and shall, thereafter, be amended,
15 adopted or readopted by the board in accordance with the
16 "Administrative Procedure Act."

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

22 (1) net metering standards for electric power suppliers and basic
23 generation service providers. The standards shall require electric
24 power suppliers and basic generation service providers to offer net
25 metering at non-discriminatory rates to industrial, large
26 commercial, residential and small commercial customers, as those
27 customers are classified or defined by the board, that generate
28 electricity, on the customer's side of the meter, using a Class I
29 renewable energy source, for the net amount of electricity supplied
30 by the electric power supplier or basic generation service provider
31 over an annualized period. Systems of any sized capacity, as
32 measured in watts, are eligible for net metering. If the amount of
33 electricity generated by the customer-generator, plus any kilowatt
34 hour credits held over from the previous billing periods, exceeds the
35 electricity supplied by the electric power supplier or basic
36 generation service provider, then the electric power supplier or
37 basic generation service provider, as the case may be, shall credit
38 the customer-generator for the excess kilowatt hours until the end of
39 the annualized period at which point the customer-generator will be
40 compensated for any remaining credits or, if the customer-generator
41 chooses, credit the customer-generator on a real-time basis, at the
42 electric power supplier's or basic generation service provider's
43 avoided cost of wholesale power or the PJM electric power pool's
44 real-time locational marginal pricing rate, adjusted for losses, for
45 the respective zone in the PJM electric power pool. Alternatively,
46 the customer-generator may execute a bilateral agreement with an
47 electric power supplier or basic generation service provider for the

1 sale and purchase of the customer-generator's excess generation.
2 The customer-generator may be credited on a real-time basis, so
3 long as the customer-generator follows applicable rules prescribed
4 by the PJM electric power pool for its capacity requirements for the
5 net amount of electricity supplied by the electric power supplier or
6 basic generation service provider. The board may authorize an
7 electric power supplier or basic generation service provider to cease
8 offering net metering whenever the total rated generating capacity
9 owned and operated by net metering customer-generators Statewide
10 equals 2.5 percent of the State's peak electricity demand;

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

14 Such standards or rules shall take into consideration the goals of
15 the New Jersey Energy Master Plan, applicable industry standards,
16 and the standards of other states and the Institute of Electrical and
17 Electronic Engineers. The board shall allow electric public utilities
18 to recover the costs of any new net meters, upgraded net meters,
19 system reinforcements or upgrades, and interconnection costs
20 through either their regulated rates or from the net metering
21 customer-generator; and

22 (3) credit or other incentive rules for generators using Class I
23 renewable energy generation systems that connect to New Jersey's
24 electric public utilities' distribution system but who do not net
25 meter.

26 Such rules shall require the board or its designee to issue a credit
27 or other incentive to those generators that do not use a net meter but
28 otherwise generate electricity derived from a Class I renewable
29 energy source and to issue an enhanced credit or other incentive,
30 including, but not limited to, a solar renewable energy credit, to
31 those generators that generate electricity derived from solar
32 technologies.

33 Such standards or rules shall be effective as regulations
34 immediately upon filing with the Office of Administrative Law and
35 shall be effective for a period not to exceed 18 months, and may,
36 thereafter, be amended, adopted or readopted by the board in
37 accordance with the provisions of the "Administrative Procedure
38 Act."

39 f. Notwithstanding any provisions of the "Administrative
40 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
41 contrary, the board shall initiate a proceeding and, after notice,
42 provision of the opportunity for comment, and public hearing, may
43 adopt standards which require electric public utilities to offer non-
44 discriminatory rates to an LREC. Customers who are members of
45 an LREC may act as host for the installation of a CREG system.
46 The electric public utility shall be responsible for reading the utility
47 meter of each of the LREC's members and shall render a bill to each

1 member at the standard prevailing tariff rates for electric generation
2 service and electric delivery service that are normally applicable to
3 each such member and otherwise in accordance with the applicable
4 regulations, including any applicable net metering regulations to the
5 extent a customer meets the requirements of the net metering
6 regulations. Subject to compliance by each ¹~~registered~~ licensed¹
7 CREG system with applicable requirements of the PJM electric
8 power pool for generators, including without limitation, PJM
9 metering requirements, the CREG system operator shall take title to
10 the energy generated by each such CREG system and shall sell such
11 energy into the PJM electric power pool's real-time energy market,
12 and arrange for the electric public utility to receive the gross
13 payments for energy and capacity received from PJM associated
14 with the energy generated by each such CREG system, without
15 deduction for any fees or penalties paid or payable to PJM by the
16 LREC. For each kilowatt-hour of energy sold by the CREG system
17 operator for which the electric public utility receives such assigned
18 PJM payments, the electric public utility shall pay the LREC an
19 amount equal to ¹~~110% of~~¹ the then prevailing per kilowatt-hour
20 BGS rate for fixed price customers, or in the case of an LREC
21 whose members are all residential customers who reside in
22 structures older than 10 years ¹with heating systems¹ that are served
23 ¹~~only~~ predominantly¹ by electric energy, 120% of the then
24 prevailing per kilowatt-hour BGS rate for fixed price customers, or
25 if there is no such rate, a reasonably comparable amount determined
26 by the board; provided that, if the aggregate generation of all CREG
27 systems serving an LREC exceeds the aggregate amount of
28 electricity supplied by the electric power supplier or BGS provider
29 to all LREC members over an annualized period, the price for such
30 excess generation shall be the average over such annualized period
31 of the PJM electric power pool's real-time locational marginal
32 pricing rate, adjusted for losses, for the respective zone in the PJM
33 electric power pool, which may require an adjustment to the
34 amounts previously paid by the electric public utility to the LREC.
35 Such payments, or the financial equivalent of such payments, shall
36 be made by the electric public utility to the LREC no more
37 frequently than monthly and may be made through tariff or contract
38 according to the preference of the electric public utility with which
39 the LREC is registered. The LREC shall be responsible for
40 allocating the payments received from the electric public utility
41 among the LREC's members as an electric rebate in accordance
42 with an agreement between the CREG system operator and the
43 LREC. ¹~~Any difference between the amounts paid by the electric~~
44 public utility to the CREG system operator and the PJM payments
45 received by the electric public utility associated with such CREG
46 system energy, positive or negative, along with the electric public
47 utility's incremental costs of implementing and administering the

1 LREC payments, shall flow through a reconciliation clause of the
2 electric public utility's tariff.]¹

3 LRECs ¹["may"] shall¹ include ¹["all classes of"] only residential
4 class¹ customers as members, ¹["but"] and¹ all LREC members shall
5 ¹["be"] reside¹ within the ¹same municipality and within the¹ same
6 electric public utility territory. The total capacity of all CREG
7 systems associated with a particular LREC may not exceed the
8 projected annual consumption of the LREC members. CREG
9 systems within an LREC that are connected to the distribution
10 system may earn eligible energy credits, SRECs, or other applicable
11 incentives. An LREC shall not be considered an electric public
12 utility. All LRECs and CREG systems shall be ¹["registered with"]
13 licensed by¹ the board. The board's ¹["registration"] licensing¹
14 requirements shall ensure sound and uniform business practices.
15 ¹The board shall adopt and implement an LREC and CREG
16 licensing procedure within 90 days after the effective date of
17 P.L. , c. (pending before the Legislature as this bill). For the
18 purposes of the licensing procedure established pursuant to this
19 subsection, the board shall issue an order in writing either
20 approving or disapproving an LREC or CREG application for
21 licensing within 30 days of the date of receipt of such application.
22 If the board fails to either approve or disapprove the application
23 within the 30-day period, the application shall be deemed to be
24 approved.¹

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

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

1 **[h]** i. The board may adopt, pursuant to the "Administrative
2 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), a gas energy
3 efficiency portfolio standard that may require each gas public utility
4 to implement energy efficiency measures that reduce natural gas
5 usage for heating in the State by 2020 to a level that is 20 percent
6 below the usage projected by the board in the absence of such a
7 standard. Nothing in this section shall be construed to prevent a gas
8 public utility from meeting the requirements of this section by
9 contracting with another entity for the performance of the
10 requirements.

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

20 **[j]** k. The board shall determine an appropriate level of solar
21 alternative compliance payment, and establish a 15-year solar
22 alternative compliance payment schedule, that permits each supplier
23 or provider to submit an SACP to comply with the solar electric
24 generation requirements of paragraph (3) of subsection d. of this
25 section. The board may initiate subsequent proceedings and adopt,
26 after appropriate notice and opportunity for public comment and
27 public hearing, an increase in solar alternative compliance
28 payments, provided that the board shall not reduce previously
29 established levels of solar alternative compliance payments, nor
30 shall the board provide relief from the obligation of payment of the
31 SACP by the electric power suppliers or basic generation service
32 providers in any form. Any SACP payments collected shall be
33 refunded directly to the ratepayers by the electric public utilities.

34 **[k.]** l. The board may allow electric public utilities to offer
35 long-term contracts 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.]** m. 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;

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

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

6 (5) make energy services more affordable for low and moderate
7 income customers;

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

11 (7) achieve the goals put forth under the renewable energy
12 portfolio standards;

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

14 (9) allow all market segments to participate.

15 **[m.] n.** The board shall ensure the availability of financial
16 incentives under its jurisdiction, including, but not limited to, long-
17 term contracts, loans, SRECs, or other financial support, to ensure
18 market diversity, competition, and appropriate coverage across all
19 ratepayer segments, including, but not limited to, residential,
20 commercial, industrial, non-profit, farms, schools, and public entity
21 customers.

22 **[n.] o.** For projects which are owned, or directly invested in, by
23 a public utility pursuant to section 13 of P.L.2007, c.340 (C.48:3-
24 98.1), the board shall determine the number of SRECs with which
25 such projects shall be credited; and in determining such number the
26 board shall ensure that the market for SRECs does not detrimentally
27 affect the development of non-utility solar projects and shall
28 consider how its determination may impact the ratepayers.

29 **[o.] p.** The board, in consultation with the Department of
30 Environmental Protection, electric public utilities, the Division of
31 Rate Counsel in the Department of the Public Advocate, affected
32 members of the solar energy industry, and relevant stakeholders,
33 shall periodically consider increasing the renewable energy
34 portfolio standards beyond the minimum amounts set forth in
35 subsection d. of this section, taking into account the cost impacts
36 and public benefits of such increases including, but not limited to:

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

39 (2) reductions in peak demand for electricity and natural gas,
40 and the overall impact on the costs to customers of electricity and
41 natural gas;

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

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

46 **[p.] q.** Class I RECs shall be eligible for use in renewable
47 energy portfolio standards compliance in the energy year in which

1 they are generated, and for the following two energy years. SRECs
2 shall be eligible for use in renewable energy portfolio standards
3 compliance in the energy year in which they are generated, and for
4 the following two energy years.

5 r. The board shall convene a proceeding and invite
6 participation from the public, representatives of electric public
7 utilities, electric power suppliers, commercial and industrial
8 customers, and metering system, equipment manufacturers and
9 statutory parties, if any, concerning the advisability of adopting
10 advanced metering infrastructure, including system capability,
11 security, and interoperability standards for advanced metering
12 infrastructure, and safety and power quality interconnection
13 standards. The board shall consider: (1) the feasibility of deploying
14 advanced metering infrastructure; (2) potential system capability,
15 security, and interoperability standards for advanced metering
16 infrastructure; and (3) safety and power quality interconnection
17 standards. The potential standards shall address the following
18 advanced meter infrastructure capabilities: monitoring, diagnostic,
19 and control information and services that improve the efficiency
20 and reliability of the transmission and distribution system; the use
21 of electricity, including automated load control or demand response
22 programs; voltage fluctuation detection and prevention; remote
23 outage and restoration detection; reporting of customer usage and
24 demand; performance monitoring of electrical distribution network
25 equipment; and predictive maintenance and diagnostics. Any
26 standards shall take into consideration the goals of the New Jersey
27 Energy Master Plan, applicable industry standards, the standards of
28 other states, and the standards of the Institute of Electrical and
29 Electronics Engineers. The adoption of any standards shall be
30 pursuant to the provisions of the "Administrative Procedure Act,"
31 P.L.1968, c.410 (C.52:14B-1 et seq.)¹.¹
32 (cf: P.L.2009, c.289, s.2)

33
34 3. This act shall take effect ¹【on the 90th day after the date of
35 enactment, but the Board of Public Utilities may take such
36 anticipatory administrative action in advance thereof as shall be
37 necessary for the implementation of this act】 immediately¹.