

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 463

STATE OF NEW JERSEY
214th LEGISLATURE

ADOPTED MAY 13, 2010

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

Substitute as adopted by the Senate Environment and Energy Committee.



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
45 include, but are not limited to, costs of purchases from the spot

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 market, bilateral contracts, contracts with non-utility generators,
2 parting contracts with the purchaser of the electric public utility's
3 divested generation assets, short-term advance purchases, and
4 financial instruments such as hedging, forward contracts, and
5 options. Basic generation service transition costs shall also include
6 the payments by an electric public utility pursuant to a competitive
7 procurement process for basic generation service supply during the
8 transition period, and costs of any such process used to procure the
9 basic generation service supply;

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

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

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

41 "Class I renewable energy" means electric energy produced from
42 solar technologies, photovoltaic technologies, wind energy, fuel
43 cells, geothermal technologies, wave or tidal action, and methane
44 gas from landfills or a biomass facility, provided that the biomass is
45 cultivated and harvested in a sustainable manner;

46 "Class II renewable energy" means electric energy produced at a
47 resource recovery facility or hydropower facility, provided that

1 such facility is located where retail competition is permitted and
2 provided further that the Commissioner of Environmental
3 Protection has determined that such facility meets the highest
4 environmental standards and minimizes any impacts to the
5 environment and local communities;

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

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

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

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

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

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

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

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

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

1 capacity is metered for retail billing purposes, including agreements
2 and arrangements related thereto;

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

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

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

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

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

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

43 "Energy consumer" means a business or residential consumer of
44 electric generation service or gas supply service located within the
45 territorial jurisdiction of a government aggregator;

46 "Energy efficiency portfolio standard" means a requirement to
47 procure a specified amount of energy efficiency or demand side

1 management resources as a means of managing and reducing energy
2 usage and demand by customers;

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

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

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

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

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

37 "Gas supply service" means the provision to customers of the
38 retail commodity of gas, but does not include any regulated
39 distribution service;

40 "Government aggregator" means any government entity subject
41 to the requirements of the "Local Public Contracts Law," P.L.1971,
42 c.198 (C.40A:11-1 et seq.), the "Public School Contracts Law,"
43 N.J.S.18A:18A-1 et seq., or the "County College Contracts Law,"
44 P.L.1982, c.189 (C.18A:64A-25.1 et seq.), that enters into a written
45 contract with a licensed electric power supplier or a licensed gas
46 supplier for: (1) the provision of electric generation service, electric
47 related service, gas supply service, or gas related service for its own

1 use or the use of other government aggregators; or (2) if a
2 municipal or county government, the provision of electric
3 generation service or gas supply service on behalf of business or
4 residential customers within its territorial jurisdiction;

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

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

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

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

23 "Local renewable energy collaborative" or "LREC" means a
24 limited liability corporation or other legal entity which consists of a
25 group of customers who share the benefits of a Class I renewable
26 energy generation system, and which is registered with the board
27 pursuant to P.L.1999, c.23 (C.48:3-49 et al.);

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

35 "Marketer" means a duly licensed electric power supplier that
36 takes title to electric energy and capacity, transmission and other
37 services from electric power generators and other wholesale
38 suppliers and then assumes the contractual and legal obligation to
39 provide electric generation service, and may include transmission
40 and other services, to an end-use retail customer or customers, or a
41 duly licensed gas supplier that takes title to gas and then assumes
42 the contractual and legal obligation to provide gas supply service to
43 an end-use customer or customers;

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

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

1 "Off-site end use thermal energy services customer" means an
2 end use customer that purchases thermal energy services from an
3 on-site generation facility, combined heat and power facility, or co-
4 generation facility, and that is located on property that is separated
5 from the property on which the on-site generation facility,
6 combined heat and power facility, or co-generation facility is
7 located by more than one easement, public thoroughfare, or
8 transportation or utility-owned right-of-way;

9 "On-site generation facility" means a generation facility, and
10 equipment and services appurtenant to electric **[sales]** output by
11 such facility **[to]** for sale to or use by the end use customer located
12 on the property or on property contiguous to the property on which
13 the end user is located. An on-site generation facility shall not be
14 considered a public utility. The property of the end use customer
15 and the property on which the on-site generation facility is located
16 shall be considered contiguous if they are geographically located
17 next to each other, but may be otherwise separated by an easement,
18 public thoroughfare, transportation or utility-owned right-of-way, or
19 if the end use customer is purchasing thermal energy services
20 produced by the on-site generation facility, for use for heating or
21 cooling, or both, regardless of whether the customer is located on
22 property that is separated from the property on which the on-site
23 generation facility is located by more than one easement, public
24 thoroughfare, or transportation or utility-owned right-of-way;

25 "Person" means an individual, partnership, corporation,
26 association, trust, limited liability company, governmental entity or
27 other legal entity;

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

35 "Public utility holding company" means: (1) any company that,
36 directly or indirectly, owns, controls, or holds with power to vote,
37 ten percent or more of the outstanding voting securities of an
38 electric public utility or a gas public utility or of a company which
39 is a public utility holding company by virtue of this definition,
40 unless the Securities and Exchange Commission, or its successor,
41 by order declares such company not to be a public utility holding
42 company under the Public Utility Holding Company Act of 1935,
43 15 U.S.C.s.79 et seq., or its successor; or (2) any person that the
44 Securities and Exchange Commission, or its successor, determines,
45 after notice and opportunity for hearing, directly or indirectly, to
46 exercise, either alone or pursuant to an arrangement or
47 understanding with one or more other persons, such a controlling

1 influence over the management or policies of an electric public
2 utility or a gas public utility or public utility holding company as to
3 make it necessary or appropriate in the public interest or for the
4 protection of investors or consumers that such person be subject to
5 the obligations, duties, and liabilities imposed in the Public Utility
6 Holding Company Act of 1935 or its successor;

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

12 "Related competitive business segment of an electric public
13 utility or gas public utility" means any business venture of an
14 electric public utility or gas public utility including, but not limited
15 to, functionally separate business units, joint ventures, and
16 partnerships, that offers to provide or provides competitive services;

17 "Related competitive business segment of a public utility holding
18 company" means any business venture of a public utility holding
19 company, including, but not limited to, functionally separate
20 business units, joint ventures, and partnerships and subsidiaries, that
21 offers to provide or provides competitive services, but does not
22 include any related competitive business segments of an electric
23 public utility or gas public utility;

24 "Renewable energy certificate" or "REC" means a certificate
25 representing the environmental benefits or attributes of one
26 megawatt-hour of generation from a generating facility that
27 produces Class I or Class II renewable energy, but shall not include
28 a solar renewable energy certificate;

29 "Resource recovery facility" means a solid waste facility
30 constructed and operated for the incineration of solid waste for
31 energy production and the recovery of metals and other materials
32 for reuse;

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

1 to expenses related to employees affected by restructuring,
2 "restructuring related costs" shall not include going forward costs;

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

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

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

24 "Social program" means a program implemented with board
25 approval to provide assistance to a group of disadvantaged
26 customers, to provide protection to consumers, or to accomplish a
27 particular societal goal, and includes, but is not limited to, the
28 winter moratorium program, utility practices concerning "bad debt"
29 customers, low income assistance, deferred payment plans,
30 weatherization programs, and late payment and deposit policies, but
31 does not include any demand side management program or any
32 environmental requirements or controls;

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

36 "Solar alternative compliance payment" or "SACP" means a
37 payment of a certain dollar amount per megawatt hour (MWh)
38 which an electric power supplier or provider may submit to the
39 board in order to comply with the solar electric generation
40 requirements under section 38 of P.L.1999, c.23 (C.48:3-87);

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

46 "Stranded cost" means the amount by which the net cost of an
47 electric public utility's electric generating assets or electric power

1 purchase commitments, as determined by the board consistent with
2 the provisions of P.L.1999, c.23 (C.48:3-49 et al.), exceeds the
3 market value of those assets or contractual commitments in a
4 competitive supply marketplace and the costs of buydowns or
5 buyouts of power purchase contracts;

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

13 "Thermal efficiency" means the useful electric energy output of a
14 facility, plus the useful thermal energy output of the facility,
15 expressed as a percentage of the total energy input to the facility;

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

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

34 "Transition period" means the period from August 1, 1999
35 through July 31, 2003;

36 "Transmission and distribution system" means, with respect to an
37 electric public utility, any facility or equipment that is used for the
38 transmission, distribution or delivery of electricity to the customers
39 of the electric public utility including, but not limited to, the land,
40 structures, meters, lines, switches and all other appurtenances
41 thereof and thereto, owned or controlled by the electric public
42 utility within this State; and

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

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

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

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

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

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

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

17 b. 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, in
20 consultation with the Department of Environmental Protection, after
21 notice and opportunity for public comment and public hearing,
22 interim standards to implement this disclosure requirement,
23 including, but not limited to:

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

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

30 (3) A uniform emissions disclosure format that is graphic in
31 nature and easily understandable by consumers. The board shall
32 periodically review the disclosure requirements to determine if
33 revisions to the environmental disclosure system as implemented
34 are necessary.

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

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

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

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

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

11 (a) Allow a transition period, either before or after the effective
12 date of the regulation to mitigate leakage, for a basic generation
13 service provider or electric power supplier to either meet the
14 emissions portfolio standard or other regulatory mechanism to
15 mitigate leakage, or to transfer any customer to a basic generation
16 service provider or electric power supplier that meets the emissions
17 portfolio standard or other regulatory mechanism to mitigate
18 leakage. If the transition period allowed pursuant to this
19 subparagraph occurs after the implementation of an emissions
20 portfolio standard or other regulatory mechanism to mitigate
21 leakage, the transition period shall be no longer than three years;
22 and

23 (b) Exempt the provision of basic generation service pursuant to
24 a basic generation service purchase and sale agreement effective
25 prior to the date of the regulation.

26 Unless the Attorney General or the Attorney General's designee
27 determines that a greenhouse gas emissions portfolio standard
28 would unconstitutionally burden interstate commerce or would be
29 preempted by federal law, the adoption by the board of an electric
30 energy efficiency portfolio standard pursuant to subsection **[g.] h.**
31 of this section, a gas energy efficiency portfolio standard pursuant
32 to subsection **[h.] i.** of this section, or any other enhanced energy
33 efficiency policies to mitigate leakage shall not be considered
34 sufficient to fulfill the requirement of this subsection for the
35 adoption of a greenhouse gas emissions portfolio standard or any
36 other regulatory mechanism to mitigate leakage.

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

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

46 (2) beginning on January 1, 2001, that one-half of one percent
47 of the kilowatt hours sold in this State by each electric power

1 supplier and each basic generation service provider be from Class I
 2 renewable energy sources. The board shall increase the required
 3 percentage for Class I renewable energy sources so that by January
 4 1, 2006, one percent of the kilowatt hours sold in this State by each
 5 electric power supplier and each basic generation service provider
 6 shall be from Class I renewable energy sources and shall
 7 additionally increase the required percentage for Class I renewable
 8 energy sources by one-half of one percent each year until January 1,
 9 2012, when four percent of the kilowatt hours sold in this State by
 10 each electric power supplier and each basic generation service
 11 provider shall be from Class I renewable energy sources[.

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.];
 16 and

17 (3) that the board establish a multi-year schedule, applicable to
 18 each electric power supplier or basic generation service provider in
 19 this State, beginning with the one-year period commencing on June
 20 1, 2010, and continuing for each subsequent one-year period up to
 21 and including, the one-year period commencing on June 1, 2025,
 22 that requires suppliers or providers to purchase at least the
 23 following number of kilowatt-hours from solar electric power
 24 generators in this State:

25 EY 2011	306 Gigawatthours (Gwhrs)
26 EY 2012	442 Gwhrs
27 EY 2013	596 Gwhrs
28 EY 2014	772 Gwhrs
29 EY 2015	965 Gwhrs
30 EY 2016	1,150 Gwhrs
31 EY 2017	1,357 Gwhrs
32 EY 2018	1,591 Gwhrs
33 EY 2019	1,858 Gwhrs
34 EY 2020	2,164 Gwhrs
35 EY 2021	2,518 Gwhrs
36 EY 2022	2,928 Gwhrs
37 EY 2023	3,433 Gwhrs
38 EY 2024	3,989 Gwhrs
39 EY 2025	4,610 Gwhrs
40 EY 2026	5,316 Gwhrs

41 EY 2027, and for every energy year thereafter, at least 5,316 Gwhrs
 42 per energy year to reflect an increasing number of kilowatt-hours to
 43 be purchased by suppliers or providers from solar electric power
 44 generators in this State, and to establish a framework within which
 45 suppliers and providers shall purchase at least 2,518 Gwhrs in the
 46 energy year 2021 and 5,316 Gwhrs in the energy year 2026 from
 47 solar electric power generators in this State, provided, however, that

1 the number of solar kilowatt-hours required to be purchased by each
2 supplier or provider, when expressed as a percentage of the total
3 number of solar kilowatt-hours purchased in this State, shall be
4 equivalent to each supplier's or provider's proportionate share of the
5 total number of kilowatt-hours sold in this State by all suppliers and
6 providers.

7 The solar renewable portfolio standards requirements in this
8 paragraph [(3) of this subsection] shall automatically increase by
9 20% for the remainder of the schedule in the event that the
10 following two conditions are met: (a) the number of SRECs
11 generated meets or exceeds the requirement for three consecutive
12 reporting years, starting with energy year 2013; and (b) the average
13 SREC price for all SRECs purchased by entities with renewable
14 energy portfolio standards obligations has decreased in the same
15 three consecutive reporting years. The board shall exempt
16 providers' existing supply contracts that are: (a) effective prior to
17 the date of P.L.2009, c.289; or (b) effective prior to any future
18 increase in the solar renewable portfolio standard beyond the multi-
19 year schedule established in this paragraph [(3) of this subsection].
20 This exemption shall apply to the number of SRECs that exceeds
21 the number mandated by the solar renewable portfolio standards
22 requirements that were in effect on the date that the providers
23 executed their existing supply contracts. This limited exemption for
24 providers' existing supply contracts shall not be construed to lower
25 the Statewide solar purchase requirements set forth in this
26 paragraph [(3) of this subsection]. Such incremental new
27 requirements shall be distributed over the electric power suppliers
28 and providers not subject to the existing supply contract exemption
29 until such time as existing supply contracts expire and all suppliers
30 are subject to the new requirement.

31 An electric power supplier or basic generation service provider
32 may satisfy the requirements of this subsection by participating in a
33 renewable energy trading program approved by the board in
34 consultation with the Department of Environmental Protection, or
35 compliance with the requirements of this subsection may be
36 demonstrated to the board by suppliers or providers through the
37 purchase of SRECs.

38 The renewable energy portfolio standards adopted by the board
39 pursuant to paragraphs (1) and (2) of this subsection shall be
40 effective as regulations immediately upon filing with the Office of
41 Administrative Law and shall be effective for a period not to exceed
42 18 months, and may, thereafter, be amended, adopted or readopted
43 by the board in accordance with the provisions of the
44 "Administrative Procedure Act."

45 The renewable energy portfolio standards adopted by the board
46 pursuant to paragraph (3) of this subsection shall be effective as
47 regulations immediately upon filing with the Office of

1 Administrative Law and shall be effective for a period not to exceed
2 30 months after such filing, and shall, thereafter, be amended,
3 adopted or readopted by the board in accordance with the
4 "Administrative Procedure Act."

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

10 (1) net metering standards for electric power suppliers and basic
11 generation service providers. The standards shall require electric
12 power suppliers and basic generation service providers to offer net
13 metering at non-discriminatory rates to industrial, large
14 commercial, residential and small commercial customers, as those
15 customers are classified or defined by the board, that generate
16 electricity, on the customer's side of the meter, using a Class I
17 renewable energy source, for the net amount of electricity supplied
18 by the electric power supplier or basic generation service provider
19 over an annualized period. Systems of any sized capacity, as
20 measured in watts, are eligible for net metering. If the amount of
21 electricity generated by the customer-generator, plus any kilowatt
22 hour credits held over from the previous billing periods, exceeds the
23 electricity supplied by the electric power supplier or basic
24 generation service provider, then the electric power supplier or
25 basic generation service provider, as the case may be, shall credit
26 the customer-generator for the excess kilowatt hours until the end of
27 the annualized period at which point the customer-generator will be
28 compensated for any remaining credits or, if the customer-generator
29 chooses, credit the customer-generator on a real-time basis, at the
30 electric power supplier's or basic generation service provider's
31 avoided cost of wholesale power or the PJM electric power pool's
32 real-time locational marginal pricing rate, adjusted for losses, for
33 the respective zone in the PJM electric power pool. Alternatively,
34 the customer-generator may execute a bilateral agreement with an
35 electric power supplier or basic generation service provider for the
36 sale and purchase of the customer-generator's excess generation.
37 The customer-generator may be credited on a real-time basis, so
38 long as the customer-generator follows applicable rules prescribed
39 by the PJM electric power pool for its capacity requirements for the
40 net amount of electricity supplied by the electric power supplier or
41 basic generation service provider. The board may authorize an
42 electric power supplier or basic generation service provider to cease
43 offering net metering whenever the total rated generating capacity
44 owned and operated by net metering customer-generators Statewide
45 equals 2.5 percent of the State's peak electricity demand;

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

4 Such standards or rules shall take into consideration the goals of
5 the New Jersey Energy Master Plan, applicable industry standards,
6 and the standards of other states and the Institute of Electrical and
7 Electronic Engineers. The board shall allow electric public utilities
8 to recover the costs of any new net meters, upgraded net meters,
9 system reinforcements or upgrades, and interconnection costs
10 through either their regulated rates or from the net metering
11 customer-generator; and

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

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

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

29 f. Notwithstanding any provisions of the "Administrative
30 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
31 contrary, the board shall initiate a proceeding and, after notice,
32 provision of the opportunity for comment, and public hearing, may
33 adopt standards which require electric public utilities to offer non-
34 discriminatory rates to an LREC. Customers who are members of
35 an LREC may act as host for the installation of a CREG system.
36 The electric public utility shall be responsible for reading the utility
37 meter of each of the LREC's members and shall render a bill to each
38 member at the standard prevailing tariff rates for electric generation
39 service and electric delivery service that are normally applicable to
40 each such member and otherwise in accordance with the applicable
41 regulations, including any applicable net metering regulations to the
42 extent a customer meets the requirements of the net metering
43 regulations. Subject to compliance by each registered CREG
44 system with applicable requirements of the PJM electric power pool
45 for generators, including without limitation, PJM metering
46 requirements, the CREG system operator shall take title to the
47 energy generated by each such CREG system and shall sell such

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

39 LRECs may include all classes of customers as members, but all
40 LREC members shall be within the same electric public utility
41 territory. The total capacity of all CREG systems associated with a
42 particular LREC may not exceed the projected annual consumption
43 of the LREC members. CREG systems within an LREC that are
44 connected to the distribution system may earn eligible energy
45 credits, SRECs, or other applicable incentives. An LREC shall not
46 be considered an electric public utility. All LRECs and CREG

1 systems shall be registered with the board. The board's registration
2 requirements shall ensure sound and uniform business practices.

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

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

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

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

44 **[j] k.** The board shall determine an appropriate level of solar
45 alternative compliance payment, and establish a 15-year solar
46 alternative compliance payment schedule, that permits each supplier
47 or provider to submit an SACP to comply with the solar electric

1 generation requirements of paragraph (3) of subsection d. of this
2 section. The board may initiate subsequent proceedings and adopt,
3 after appropriate notice and opportunity for public comment and
4 public hearing, an increase in solar alternative compliance
5 payments, provided that the board shall not reduce previously
6 established levels of solar alternative compliance payments, nor
7 shall the board provide relief from the obligation of payment of the
8 SACP by the electric power suppliers or basic generation service
9 providers in any form. Any SACP payments collected shall be
10 refunded directly to the ratepayers by the electric public utilities.

11 **[k.] l.** The board may allow electric public utilities to offer
12 long-term contracts and other means of financing, including but not
13 limited to loans, for the purchase of SRECs and the resale of SRECs
14 to suppliers or providers or others, provided that after such
15 contracts have been approved by the board, the board's approvals
16 shall not be modified by subsequent board orders.

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

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

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

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

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

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

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

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

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

37 (9) allow all market segments to participate.

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

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

1 such projects shall be credited; and in determining such number the
2 board shall ensure that the market for SRECs does not detrimentally
3 affect the development of non-utility solar projects and shall
4 consider how its determination may impact the ratepayers.

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

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

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

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

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

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

28 r. The board shall convene a proceeding and invite
29 participation from the public, representatives of electric public
30 utilities, electric power suppliers, commercial and industrial
31 customers, and metering system, equipment manufacturers and
32 statutory parties, if any, concerning the advisability of adopting
33 advanced metering infrastructure, including system capability,
34 security, and interoperability standards for advanced metering
35 infrastructure, and safety and power quality interconnection
36 standards. The board shall consider: (1) the feasibility of deploying
37 advanced metering infrastructure; (2) potential system capability,
38 security, and interoperability standards for advanced metering
39 infrastructure; and (3) safety and power quality interconnection
40 standards. The potential standards shall address the following
41 advanced meter infrastructure capabilities: monitoring, diagnostic,
42 and control information and services that improve the efficiency
43 and reliability of the transmission and distribution system; the use
44 of electricity, including automated load control or demand response
45 programs; voltage fluctuation detection and prevention; remote
46 outage and restoration detection; reporting of customer usage and
47 demand; performance monitoring of electrical distribution network

1 equipment; and predictive maintenance and diagnostics. Any
2 standards shall take into consideration the goals of the New Jersey
3 Energy Master Plan, applicable industry standards, the standards of
4 other states, and the standards of the Institute of Electrical and
5 Electronics Engineers. The adoption of any standards shall be
6 pursuant to the provisions of the "Administrative Procedure Act,"
7 P.L.1968, c.410 (C.52:14B-1 et seq.)
8 (cf: P.L.2009, c.289, s.2)

9
10 3. This act shall take effect on the 90th day after the date of
11 enactment, but the Board of Public Utilities may take such
12 anticipatory administrative action in advance thereof as shall be
13 necessary for the implementation of this act.