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STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JANUARY 25, 2018

Sponsored by: Senator BOB SMITH District 17 (Middlesex and Somerset) Senator CHRISTOPHER ''KIP'' BATEMAN District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Co-Sponsored by: Senator Greenstein

SYNOPSIS

Requires large food waste generators to separate and recycle food waste and amends definition of "Class I renewable energy."

CURRENT VERSION OF TEXT

As reported by the Senate Environment and Energy Committee on February 15, 2018, with amendments.



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1 AN ACT concerning food waste recycling and food waste-to-energy 2 production, supplementing Titles 13 and 52 of the Revised 3 Statutes, 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. (New section) As used in this act: 9 "Alternative authorized food waste recycling method" means (1) 10 recycling food waste at the site at which it is generated as authorized by the Department of Environmental Protection, (2) 11 12 treating food waste at the site at which it is generated pursuant to a permit issued by the department, (3) sending food waste for offsite 13 14 use for agricultural purposes, including as animal feed, (4) sending 15 food waste offsite for treatment with sewage sludge in an anaerobic 16 digester for biogas recovery as authorized by the department, or (5) 17 any other method of recycling or reuse of food waste, as authorized 18 by the department. 19 "Authorized food waste recycling facility" means a recycling 20 center within the State authorized to accept, store, process, or 21 transfer food waste or compostable material, pursuant to subsection 22 b. of section 41 of P.L.1987, c.102 (C.13:1E-99.34). 23 "Department" means the Department of Environmental 24 Protection. 25 "Food waste" means food processing vegetative waste, food 26 processing residue generated from processing and packaging 27 operations, overripe produce, trimmings from food, food product 28 over-runs, soiled and unrecyclable paper, and used cooking fats, oil, 29 and grease, but shall not include food donated by the generator for 30 human consumption. "Large food waste generator" means any commercial food 31 32 wholesaler, distributor, industrial food processor, supermarket, 33 resort, conference center, banquet hall, restaurant, educational or 34 religious institution, military installation, prison, hospital, medical 35 facility, or casino that produces at least 52 tons per year of food 36 waste. 37 "Source separate" or "source separated" means the process by 38 which food waste is separated at the point of generation by the 39 generator thereof from other solid waste for the purpose of 40 recycling. 41 42 2. (New section) a. Beginning January 1, 2020, each large food 43 waste generator that is located within 25 road miles of an authorized 44 food waste recycling facility and that generates an average projected 45 volume of 104 or more tons per year of food waste shall: (1) source

Matter underlined <u>thus</u> is new matter.

Matter enclosed in superscript numerals has been adopted as follows: ¹Senate SEN committee amendments adopted February 15, 2018.

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

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separate its food waste from other solid waste; and (2) send the source
 separated food waste to an authorized food waste recycling facility that
 has available capacity and will accept it.

4 b. Beginning January 1, 2023, each large food waste generator 5 that is located within 25 road miles of an authorized food waste 6 recycling facility and that generates an average projected volume of 52 7 or more tons per year of food waste, and which is not already subject 8 to the provisions of subsection a. of this section, shall: (1) source 9 separate its food waste from other solid waste; and (2) send the source 10 separated food waste to an authorized food waste recycling facility that 11 has available capacity and will accept it.

c. Notwithstanding the provisions of subsections a. and b. of thissection:

(1) If a large food waste generator is not located within 25 road
miles of an authorized food waste recycling facility, or the authorized
food waste recycling facility will not accept the generator's food
waste, the large food waste generator may send the food waste for
final disposal at a solid waste facility as provided in the approved
district solid waste management plan for the solid waste management
district in which the generator is located;

21 (2) Any large food waste generator that is obligated to source 22 separate and recycle its food waste pursuant to subsection a. or b. of 23 this section, and which (a) performs enclosed on-site composting, or 24 anaerobic or aerobic digestion of its source separated food waste in 25 accordance with standards adopted by the department pursuant to 26 subsection e. of this section, or (b) recycles food waste using an 27 alternative authorized food waste recycling method, shall be deemed to 28 be in compliance with the provisions of this section;

29 (3) A large food waste generator may petition the Department of 30 Environmental Protection for a waiver of the requirements in 31 subsection a. or b. of this section if the cost of transporting the food 32 waste plus the fee charged by an authorized food waste recycling 33 facility located within 25 road miles of the large food waste generator 34 is at least 10 percent more than the cost of transporting the food waste 35 for disposal as solid waste plus the disposal fee charged for solid waste 36 disposal in the State for noncontract commercial waste by a properly 37 licensed transfer station, sanitary landfill facility, incinerator, or 38 resource recovery facility located within 25 road miles of the large 39 food waste generator; and

40 (4) A large food waste generator shall be deemed in compliance 41 with the provisions of this section if 1 [: (a) the large food waste generator sends its food waste for final disposal to a sanitary landfill 42 43 facility that has a landfill gas recovery system that was financed by the 44 New Jersey Environmental Infrastructure Trust, the Department of 45 Environmental Protection, or both; and (b) the food waste is sent to 46 the sanitary landfill facility no later than 15 years after receipt of that 47 financing by the sanitary landfill facility <u>it sends its food waste for</u>

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1 final disposal to a sanitary landfill facility that delivers the landfill gas 2 to a gas-to-energy facility as fuel for the generation of electricity¹. 3 d. Any person who violates this act, or any rule or regulation 4 adopted pursuant thereto, shall be subject to a civil penalty of \$250 for 5 the first offense, \$500 for the second offense, and \$1,000 for the third and each subsequent offense, to be collected in a civil action by a 6 summary proceeding under the "Penalty Enforcement Law of 1999," 7 8 P.L.1999, c.274 (C.2A:58-10 et seq.). If the violation is of a 9 continuing nature, each day during which it continues shall constitute 10 an additional, separate, and distinct offense. The Superior Court and 11 the municipal court shall have jurisdiction to enforce the provisions of 12 the "Penalty Enforcement Law of 1999" in connection with this 13 subsection. 14 e. Within 180 days after the date of enactment of this act, the 15 Department of Environmental Protection shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), 16 17 rules and regulations necessary to implement this section, including, but not limited to: 18 19 (1) record keeping and reporting requirements for large food waste 20 generators and authorized food waste recycling facilities, as 21 determined necessary by the department; 22 (2) guidelines and procedures for businesses to follow to determine 23 whether they are subject to the requirements of subsection a. or b. of 24 this section, including food waste generation estimates and food waste 25 audits or assessments; 26 (3) a list of food waste products that must be source separated and 27 recycled pursuant to subsection a. or b. of this section; 28 (4) standards for the enclosed on-site composting, or anaerobic or aerobic digestion of source separated food waste, including 29 30 requirements for energy production and other sustainable uses of the 31 byproducts of recycled food waste; and 32 (5) a list of actions businesses may take to reduce the amount of 33 food waste they generate to a level below the threshold amounts 34 established in subsection a. and b. of this section. f. The department shall publish on its Internet website the name, 35 36 location, and contact information for each authorized food waste 37 recycling facility in the State. 38 39 3. (New section) a. Any municipality within which an 40 authorized food waste recycling facility is located, pursuant to an 41 adopted and approved district solid waste management plan, shall 42 be entitled to an economic benefit of not less than the equivalent of 43 \$0.50 per ton, to be paid and adjusted quarterly, of all food waste 44 accepted for processing at the authorized food waste recycling 45 facility during the 2019 calendar year and each year thereafter. The 46 owner or operator of the authorized food waste recycling facility 47 shall pay quarterly to the municipality the full amount due under

1 this subsection. The municipality is authorized to anticipate this 2 amount for the purposes of preparing its annual budget. 3 b. For the purposes of calculating the payments, the owner or 4 operator of the authorized food waste recycling facility may, subject 5 to the prior agreement of the municipality and approval of the 6 Department of Environmental Protection, provide the municipality 7 with any of the following benefits in consideration for the use of 8 land within the municipality's boundaries as the location of the 9 authorized food waste recycling facility: 10 (1) quarterly payments of money in lieu of taxes on the land 11 used for the authorized food waste recycling center or other 12 authorized facility; (2) exemption from all fees and charges for the acceptance of 13 14 food waste for composting, anaerobic or aerobic digestion, or other 15 processing, as approved by the department, of food waste generated 16 within the municipality's boundaries; 17 (3) quarterly lump sum cash payments; or 18 (4) any combination thereof. 19 20 4. (New section) a. There is established in the Department of Environmental Protection a Food Waste Recycling Market 21 Development Council, which shall consist of 12 members. The 22 23 members shall include the Commissioner of Environmental 24 Protection, the President of the Board of Public Utilities, the 25 Commissioner of Transportation, the Secretary of Agriculture, the 26 State Treasurer, and the Attorney General, or their designees, who 27 shall serve ex officio; and six citizens of the State appointed by the Commissioner of Environmental Protection. 28 Of the appointed 29 two shall be actively engaged in the composting members: 30 industry, of whom one shall be a representative of the National 31 Waste and Recycling Association and one shall be a representative 32 of the National Biosolids Partnership or equivalent entities; two 33 shall be actively engaged in the recycling or solid waste collection 34 industry, of whom one shall be a representative of the Association 35 of New Jersey Recyclers or equivalent entities; and two shall 36 represent the general public. The Commissioner of Environmental 37 Protection shall appoint the chairperson and the vice-chairperson of the council from the citizen members. 38 39 b. Members of the council shall serve without compensation, 40 but shall be reimbursed for expenses incurred in attending meetings and performing their duties to the extent funds are available 41

42 therefor.

c. Within 18 months after the date of enactment of this act, the
Food Waste Recycling Market Development Council shall prepare a
report on the existing markets for any products and energy produced
from food recycling facilities, food waste composting facilities, and
anaerobic and aerobic digestion facilities that accept food waste
material. The council shall investigate the feasibility of providing

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1 preferences for products or energy produced from food recycling 2 facilities, food waste composting facilities, and anaerobic and 3 aerobic digestion facilities in the State procurement process, 4 including how to stimulate the use in public projects of compost or 5 soil amendment products derived from these facilities. The council 6 shall provide recommendations on changes needed to State laws or 7 rules or regulations to stimulate the market for products and energy 8 produced from food recycling facilities, food waste composting 9 facilities, and anaerobic and aerobic digestion facilities that accept 10 The report shall be transmitted to the food waste material. 11 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-12 19.1), to the Legislature.

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14 (New section) a. Every State department or agency that 5. 15 engages in landscaping or construction activities on State land, or 16 for State projects or facilities, shall use, where technically feasible, 17 environmentally sound, and competitively priced, compost, mulch, 18 or other soil amendments produced from municipal solid waste, 19 food waste, sludge, yard waste, clean wood waste, or other organic 20 materials. Such compost, mulch, or soil amendments shall be used 21 in place of chemical fertilizers or soil amendments.

22 b. In purchasing compost, mulch, or other soil amendments for 23 use by the various departments or agencies of State government, the 24 Director of the Division of Purchase and Property in the Department 25 of the Treasury, whenever the price is competitive and the quality 26 satisfactory for the purpose intended, shall make contracts available 27 for compost, mulch, or other soil amendments produced from 28 municipal solid waste, food waste, sludge, yard waste, clean wood 29 waste, or other organic materials.

30 c. As used in this section:

"Competitive" or "competitively priced" means a price of no 31 more than 10% above the price of products which are manufactured 32 33 or produced from virgin materials; except that the Director of the 34 Division of Purchase and Property, upon consultation with the 35 Department of Environmental Protection, may make contracts 36 available for compost, mulch, or other soil amendments produced 37 from municipal solid waste, food waste, sludge, yard waste, clean 38 wood waste, or other organic materials at a price no more than 15% 39 above the price of products manufactured or produced from virgin 40 materials whenever the director determines that a 15% price 41 differential is in the best interest of the State.

42 "Food waste" shall have the same meaning as provided in section
43 1 of P.L., c. (C.) (pending before the Legislature as this
44 bill).

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46 6. Section 3 of P.L.1999, c.23 (C.48:3-51) is amended to read 47 as follows:

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

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

8 "Base load electric power generation facility" means an electric 9 power generation facility intended to be operated at a greater than 10 50 percent capacity factor including, but not limited to, a combined 11 cycle power facility and a combined heat and power facility.

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

16 "Basic gas supply service" means gas supply service that is 17 provided to any customer that has not chosen an alternative gas 18 supplier, whether or not the customer has received offers as to 19 competitive supply options, including, but not limited to, any 20 customer that cannot obtain such service for any reason, including 21 non-payment for services. Basic gas supply service is not a 22 competitive service and shall be fully regulated by the board.

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

31 "Basic generation service provider" or "provider" means a32 provider of basic generation service.

33 "Basic generation service transition costs" means the amount by 34 which the payments by an electric public utility for the procurement 35 of power for basic generation service and related ancillary and 36 administrative costs exceeds the net revenues from the basic 37 generation service charge established by the board pursuant to 38 section 9 of P.L.1999, c.23 (C.48:3-57) during the transition period, 39 together with interest on the balance at the board-approved rate, that 40 is reflected in a deferred balance account approved by the board in 41 an order addressing the electric public utility's unbundled rates, 42 stranded costs, and restructuring filings pursuant to P.L.1999, 43 c.23 (C.48:3-49 et al.). Basic generation service transition costs 44 shall include, but are not limited to, costs of purchases from the 45 spot market, bilateral contracts, contracts with non-utility 46 generators, parting contracts with the purchaser of the electric 47 public utility's divested generation assets, short-term advance 48 purchases, and financial instruments such as hedging, forward

contracts, and options. Basic generation service transition costs
 shall also include the payments by an electric public utility pursuant
 to a competitive procurement process for basic generation service
 supply during the transition period, and costs of any such process
 used to procure the basic generation service supply.

Board" means the New Jersey Board of Public Utilities or anysuccessor agency.

8 "Bondable stranded costs" means any stranded costs or basic 9 generation service transition costs of an electric public utility 10 approved by the board for recovery pursuant to the provisions of 11 P.L.1999, c.23 (C.48:3-49 et al.), together with, as approved by the 12 board: (1) the cost of retiring existing debt or equity capital of the 13 electric public utility, including accrued interest, premium and other 14 fees, costs, and charges relating thereto, with the proceeds of the 15 financing of bondable transition property; (2) if requested by an 16 electric public utility in its application for a bondable stranded costs 17 rate order, federal, State and local tax liabilities associated with 18 stranded costs recovery, basic generation service transition cost 19 recovery, or the transfer or financing of the property, or both, 20 including taxes, whose recovery period is modified by the effect of 21 a stranded costs recovery order, a bondable stranded costs rate 22 order, or both; and (3) the costs incurred to issue, service or 23 refinance transition bonds, including interest, acquisition or 24 redemption premium, and other financing costs, whether paid upon 25 issuance or over the life of the transition bonds, including, but not 26 limited credit enhancements, to service charges, 27 overcollateralization, interest rate cap, swap or collar, yield 28 maintenance, maturity guarantee or other hedging agreements, 29 equity investments, operating costs, and other related fees, costs, 30 and charges, or to assign, sell, or otherwise transfer bondable 31 transition property.

32 "Bondable stranded costs rate order" means one or more 33 irrevocable written orders issued by the board pursuant to P.L.1999, 34 c.23 (C.48:3-49 et al.) which determines the amount of bondable 35 stranded costs and the initial amount of transition bond charges 36 authorized to be imposed to recover the bondable stranded costs, 37 including the costs to be financed from the proceeds of the 38 transition bonds, as well as on-going costs associated with servicing 39 and credit enhancing the transition bonds, and provides the electric 40 public utility specific authority to issue or cause to be issued, 41 directly or indirectly, transition bonds through a financing entity 42 and related matters as provided in P.L.1999, c.23 (C.48:3-49 et al.), 43 which order shall become effective immediately upon the written 44 consent of the related electric public utility to the order as provided 45 in P.L.1999, c.23 (C.48:3-49 et al.).

"Bondable transition property" means the property consisting of
the irrevocable right to charge, collect, and receive, and be paid
from collections of, transition bond charges in the amount necessary

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1 to provide for the full recovery of bondable stranded costs which 2 are determined to be recoverable in a bondable stranded costs rate 3 order, all rights of the related electric public utility under the bondable stranded costs rate order including, without limitation, all 4 5 rights to obtain periodic adjustments of the related transition bond charges pursuant to subsection b. of section 15 of P.L.1999, 6 7 c.23 (C.48:3-64), and all revenues, collections, payments, money, 8 and proceeds arising under, or with respect to, all of the foregoing.

9 "British thermal unit" or "Btu" means the amount of heat 10 required to increase the temperature of one pound of water by one 11 degree Fahrenheit.

12 "Broker" means a duly licensed electric power supplier that 13 assumes the contractual and legal responsibility for the sale of 14 electric generation service, transmission, or other services to end-15 use retail customers, but does not take title to any of the power sold, 16 or a duly licensed gas supplier that assumes the contractual and 17 legal obligation to provide gas supply service to end-use retail 18 customers, but does not take title to the gas.

"Brownfield" means any former or current commercial or
industrial site that is currently vacant or underutilized and on which
there has been, or there is suspected to have been, a discharge of a
contaminant.

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

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

34 "Class I renewable energy" means electric energy produced from 35 solar technologies, photovoltaic technologies, wind energy, fuel 36 cells, geothermal technologies, wave or tidal action, small scale 37 hydropower facilities with a capacity of three megawatts or less and 38 put into service after the effective date of P.L.2012, c.24, [and] 39 methane gas from landfills [or], methane gas from a biomass 40 facility**[**,**]** provided that the biomass is cultivated and harvested in a 41 sustainable manner, or methane gas from a composting or 42 anaerobic or aerobic digestion facility that converts food waste or 43 other organic waste to energy.

"Class II renewable energy" means electric energy produced at a
hydropower facility with a capacity of greater than three megawatts,
but less than 30 megawatts, or a resource recovery facility, provided
that the facility is located where retail competition is permitted and
provided further that the Commissioner of Environmental

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1 Protection has determined that the facility meets the highest 2 environmental standards and minimizes any impacts to the 3 environment and local communities. Class II renewable energy 4 shall not include electric energy produced at a hydropower facility 5 with a capacity of greater than 30 megawatts on or after the 6 effective date of P.L.2015, c.51.

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

10 "Combined cycle power facility" means a generation facility that 11 combines two or more thermodynamic cycles, by producing electric 12 power via the combustion of fuel and then routing the resulting 13 waste heat by-product to a conventional boiler or to a heat recovery 14 steam generator for use by a steam turbine to produce electric 15 power, thereby increasing the overall efficiency of the generating 16 facility.

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

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

27 "Commercial and industrial energy pricing class customer" or 28 "CIEP class customer" means that group of non-residential 29 customers with high peak demand, as determined by periodic board 30 order, which either is eligible or which would be eligible, as 31 determined by periodic board order, to receive funds from the Retail 32 Margin Fund established pursuant to section 9 of P.L.1999, 33 c.23 (C.48:3-57) and for which basic generation service is hourly-34 priced.

35 "Comprehensive resource analysis" means an analysis including,
36 but not limited to, an assessment of existing market barriers to the
37 implementation of energy efficiency and renewable technologies
38 that are not or cannot be delivered to customers through a
39 competitive marketplace.

40 "Connected to the distribution system" means, for a solar electric 41 power generation facility, that the facility is: (1) connected to a net 42 metering customer's side of a meter, regardless of the voltage at 43 which that customer connects to the electric grid; (2) an on-site 44 generation facility; (3) qualified for net metering aggregation as 45 provided pursuant to paragraph (4) of subsection e. of section 38 of 46 P.L.1999, c.23 (C.48:3-87); (4) owned or operated by an electric 47 public utility and approved by the board pursuant to section 13 of 48 P.L.2007, c.340 (C.48:3-98.1); (5) directly connected to the electric

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1 grid at 69 kilovolts or less, regardless of how an electric public 2 utility classifies that portion of its electric grid, and is designated as "connected to the distribution system" by the board pursuant to 3 subsections q. through s. of section 38 of P.L.1999, c.23 (C.48:3-4 87); or (6) is certified by the board, in consultation with the 5 Department of Environmental Protection, as being located on a 6 brownfield, on an area of historic fill, or on a properly closed 7 8 sanitary landfill facility. Any solar electric power generation 9 facility, other than that of a net metering customer on the customer's 10 side of the meter, connected above 69 kilovolts shall not be 11 considered connected to the distribution system.

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

16 "Customer account service" means metering, billing, or such
17 other administrative activity associated with maintaining a customer
18 account.

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

"Demand side management" means the management of customer demand for energy service through the implementation of costeffective energy efficiency technologies, including, but not limited to, installed conservation, load management, and energy efficiency measures on and in the residential, commercial, industrial, institutional, and governmental premises and facilities in this State.

28 "Electric generation service" means the provision of retail 29 electric energy and capacity which is generated off-site from the 30 location at which the consumption of such electric energy and 31 capacity is metered for retail billing purposes, including agreements 32 and arrangements related thereto.

33 "Electric power generator" means an entity that proposes to 34 construct, own, lease, or operate, or currently owns, leases, or 35 operates, an electric power production facility that will sell or does 36 sell at least 90 percent of its output, either directly or through a 37 marketer, to a customer or customers located at sites that are not on 38 or contiguous to the site on which the facility will be located or is 39 located. The designation of an entity as an electric power generator 40 for the purposes of P.L.1999, c.23 (C.48:3-49 et al.) shall not, in 41 and of itself, affect the entity's status as an exempt wholesale 42 generator under the Public Utility Holding Company Act of 1935, 43 15 U.S.C. s.79 et seq., or its successor act.

"Electric power supplier" means a person or entity that is duly
licensed pursuant to the provisions of P.L.1999, c.23 (C.48:3-49 et
al.) to offer and to assume the contractual and legal responsibility to
provide electric generation service to retail customers, and includes
load serving entities, marketers, and brokers that offer or provide

S1206 [1R] B.SMITH, BATEMAN 12 1 electric generation service to retail customers. The term excludes an 2 electric public utility that provides electric generation service only 3 as a basic generation service pursuant to section 9 of P.L.1999, 4 c.23 (C.48:3-57). 5 "Electric public utility" means a public utility, as that term is 6 defined in R.S.48:2-13, that transmits and distributes electricity to 7 end users within this State. 8 "Electric related service" means a service that is directly related 9 to the consumption of electricity by an end user, including, but not 10 limited to, the installation of demand side management measures at 11 the end user's premises, the maintenance, repair, or replacement of 12 appliances, lighting, motors, or other energy-consuming devices at the end user's premises, and the provision of energy consumption 13 14 measurement and billing services. 15 "Electronic signature" means an electronic sound, symbol, or 16 process, attached to, or logically associated with, a contract or other 17 record, and executed or adopted by a person with the intent to sign 18 the record. 19 "Eligible generator" means a developer of a base load or mid-20 merit electric power generation facility including, but not limited to, 21 an on-site generation facility that qualifies as a capacity resource 22 under PJM criteria and that commences construction after the 23 effective date of P.L.2011, c.9 (C.48:3-98.2 et al.). 24 "Energy agent" means a person that is duly registered pursuant to 25 the provisions of P.L.1999, c.23 (C.48:3-49 et al.), that arranges the 26 sale of retail electricity or electric related services, or retail gas 27 supply or gas related services, between government aggregators or 28 private aggregators and electric power suppliers or gas suppliers, 29 but does not take title to the electric or gas sold. 30 "Energy consumer" means a business or residential consumer of 31 electric generation service or gas supply service located within the territorial jurisdiction of a government aggregator. 32 33 "Energy efficiency portfolio standard" means a requirement to 34 procure a specified amount of energy efficiency or demand side 35 management resources as a means of managing and reducing energy 36 usage and demand by customers. 37 "Energy year" or "EY" means the 12-month period from June 1st through May 31st, numbered according to the calendar year in 38 39 which it ends.

40 "Existing business relationship" means a relationship formed by 41 a voluntary two-way communication between an electric power 42 supplier, gas supplier, broker, energy agent, marketer, private 43 aggregator, sales representative, or telemarketer and a customer, 44 regardless of an exchange of consideration, on the basis of an 45 inquiry, application, purchase, or transaction initiated by the 46 customer regarding products or services offered by the electric 47 power supplier, gas supplier, broker, energy agent, marketer, 48 private aggregator, sales representative, or telemarketer; however, a

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consumer's use of electric generation service or gas supply service
 through the consumer's electric public utility or gas public utility
 shall not constitute or establish an existing business relationship for
 the purpose of P.L.2013, c.263.

5 "Farmland" means land actively devoted to agricultural or 6 horticultural use that is valued, assessed, and taxed pursuant to the 7 "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et 8 seq.).

9 "Federal Energy Regulatory Commission" or "FERC" means the 10 federal agency established pursuant to 42 U.S.C. s.7171 et seq. to 11 regulate the interstate transmission of electricity, natural gas, and 12 oil.

"Final remediation document" shall have the same meaning as
provided in section 3 of P.L.1976, c.141 (C.58:10-23.11b).

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

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

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

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

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

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

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

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

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

26 "Historic fill" means generally large volumes of non-indigenous 27 material, no matter what date they were emplaced on the site, used to raise the topographic elevation of a site, which were 28 29 contaminated prior to emplacement and are in no way connected 30 with the operations at the location of emplacement and which 31 include, but are not limited to, construction debris, dredge spoils, incinerator residue, demolition debris, fly ash, and non-hazardous 32 33 solid waste. "Historic fill" shall not include any material which is 34 substantially chromate chemical production waste or any other 35 chemical production waste or waste from processing of metal or 36 mineral ores, residues, slags, or tailings.

37 "Incremental auction" means an auction conducted by PJM, as
38 part of PJM's reliability pricing model, prior to the start of the
39 delivery year to secure electric capacity as necessary to satisfy the
40 capacity requirements for that delivery year, that is not otherwise
41 provided for in the base residual auction.

42 "Leakage" means an increase in greenhouse gas emissions
43 related to generation sources located outside of the State that are not
44 subject to a state, interstate, or regional greenhouse gas emissions
45 cap or standard that applies to generation sources located within the
46 State.

47 "Locational deliverability area" or "LDA" means one or more of48 the zones within the PJM region which are used to evaluate area

1 transmission constraints and reliability issues including electric 2 public utility company zones, sub-zones, and combinations of 3 zones.

"Long-term capacity agreement pilot program" or "LCAPP" 4 5 means a pilot program established by the board that includes 6 participation by eligible generators, to seek offers for financially-7 settled standard offer capacity agreements with eligible generators 8 pursuant to the provisions of P.L.2011, c.9 (C.48:3-98.2 et al.).

9 "Market transition charge" means a charge imposed pursuant to 10 section 13 of P.L.1999, c.23 (C.48:3-61) by an electric public 11 utility, at a level determined by the board, on the electric public 12 utility customers for a limited duration transition period to recover 13 stranded costs created as a result of the introduction of electric 14 power supply competition pursuant to the provisions of P.L.1999, 15 c.23 (C.48:3-49 et al.).

16 "Marketer" means a duly licensed electric power supplier that 17 takes title to electric energy and capacity, transmission and other services from electric power generators and other wholesale 18 19 suppliers and then assumes the contractual and legal obligation to 20 provide electric generation service, and may include transmission 21 and other services, to an end-use retail customer or customers, or a 22 duly licensed gas supplier that takes title to gas and then assumes 23 the contractual and legal obligation to provide gas supply service to 24 an end-use customer or customers.

25 "Mid-merit electric power generation facility" means a 26 generation facility that operates at a capacity factor between 27 baseload generation facilities and peaker generation facilities.

"Net metering aggregation" means a procedure for calculating 28 29 the combination of the annual energy usage for all facilities owned 30 by a single customer where such customer is a State entity, school 31 district, county, county agency, county authority, municipality, 32 municipal agency, or municipal authority, and which are served by 33 a solar electric power generating facility as provided pursuant to 34 paragraph (4) of subsection e. of section 38 of P.L.1999, 35 c.23 (C.48:3-87).

36 "Net proceeds" means proceeds less transaction and other related 37 costs as determined by the board.

38 "Net revenues" means revenues less related expenses, including 39 applicable taxes, as determined by the board.

40 "Offshore wind energy" means electric energy produced by a 41 qualified offshore wind project.

42 "Offshore wind renewable energy certificate" or "OREC" means 43 a certificate, issued by the board or its designee, representing the 44 environmental attributes of one megawatt hour of electric 45 generation from a qualified offshore wind project.

46 "Off-site end use thermal energy services customer" means an 47 end use customer that purchases thermal energy services from an 48 on-site generation facility, combined heat and power facility, or cogeneration facility, and that is located on property that is separated from the property on which the on-site generation facility, combined heat and power facility, or co-generation facility is located by more than one easement, public thoroughfare, or transportation or utility-owned right-of-way.

6 "On-site generation facility" means a generation facility, 7 including, but not limited to, a generation facility that produces 8 Class I or Class II renewable energy, and equipment and services 9 appurtenant to electric sales by such facility to the end use customer 10 located on the property or on property contiguous to the property on 11 which the end user is located. An on-site generation facility shall 12 not be considered a public utility. The property of the end use 13 customer and the property on which the on-site generation facility is 14 located shall be considered contiguous if they are geographically 15 located next to each other, but may be otherwise separated by an 16 easement, public thoroughfare, transportation or utility-owned 17 right-of-way, or if the end use customer is purchasing thermal 18 energy services produced by the on-site generation facility, for use 19 for heating or cooling, or both, regardless of whether the customer 20 is located on property that is separated from the property on which 21 the on-site generation facility is located by more than one easement, 22 public thoroughfare, or transportation or utility-owned right-of-way. 23 "Person" means an individual, partnership, corporation, 24 association, trust, limited liability company, governmental entity, or 25 other legal entity.

26 "PJM Interconnection, L.L.C." or "PJM" means the privately-27 held, limited liability corporation that is a FERC-approved Regional 28 Transmission Organization, or its successor, that manages the 29 regional, high-voltage electricity grid serving all or parts of 13 30 states including New Jersey and the District of Columbia, operates 31 the regional competitive wholesale electric market, manages the 32 regional transmission planning process, and establishes systems and 33 rules to ensure that the regional and in-State energy markets operate 34 fairly and efficiently.

35 "Preliminary assessment" shall have the same meaning as
36 provided in section 3 of P.L.1976, c.141 (C.58:10-23.11b).

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.

"Properly closed sanitary landfill facility" means a sanitary
landfill facility, or a portion of a sanitary landfill facility, for which
performance is complete with respect to all activities associated
with the design, installation, purchase, or construction of all
measures, structures, or equipment required by the Department of

1 Environmental Protection, pursuant to law, in order to prevent, 2 minimize, or monitor pollution or health hazards resulting from a 3 sanitary landfill facility subsequent to the termination of operations 4 at any portion thereof, including, but not necessarily limited to, the 5 placement of earthen or vegetative cover, and the installation of 6 methane gas vents or monitors and leachate monitoring wells or 7 collection systems at the site of any sanitary landfill facility.

8 "Public utility holding company" means: (1) any company that, 9 directly or indirectly, owns, controls, or holds with power to vote, 10 10 percent or more of the outstanding voting securities of an 11 electric public utility or a gas public utility or of a company which 12 is a public utility holding company by virtue of this definition, 13 unless the Securities and Exchange Commission, or its successor, 14 by order declares such company not to be a public utility holding 15 company under the Public Utility Holding Company Act of 1935, 16 15 U.S.C. s.79 et seq., or its successor; or (2) any person that the 17 Securities and Exchange Commission, or its successor, determines, 18 after notice and opportunity for hearing, directly or indirectly, to 19 exercise, either alone or pursuant to an arrangement or 20 understanding with one or more other persons, such a controlling 21 influence over the management or policies of an electric public 22 utility or a gas public utility or public utility holding company as to 23 make it necessary or appropriate in the public interest or for the 24 protection of investors or consumers that such person be subject to 25 the obligations, duties, and liabilities imposed in the Public Utility 26 Holding Company Act of 1935, 15 U.S.C. s.79 et seq., or its 27 successor act.

28 "Qualified offshore wind project" means a wind turbine 29 electricity generation facility in the Atlantic Ocean and connected 30 to the electric transmission system in this State, and includes the 31 associated transmission-related interconnection facilities and 32 equipment, and approved by the board pursuant to section 3 of 33 P.L.2010, c.57 (C.48:3-87.1).

34 "Registration program" means an administrative process 35 developed by the board pursuant to subsection u. of section 38 of 36 P.L.1999, c.23 (C.48:3-87) that requires all owners of solar electric 37 power generation facilities connected to the distribution system that 38 intend to generate SRECs, to file with the board documents 39 detailing the size, location, interconnection plan, land use, and other 40 project information as required by the board.

41 "Regulatory asset" means an asset recorded on the books of an 42 electric public utility or gas public utility pursuant to the Statement 43 of Financial Accounting Standards, No. 71, entitled "Accounting for 44 the Effects of Certain Types of Regulation," or any successor 45 standard and as deemed recoverable by the board.

46 "Related competitive business segment of an electric public 47 utility or gas public utility" means any business venture of an 48 electric public utility or gas public utility including, but not limited

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1 to, functionally separate business units, joint ventures, and 2 partnerships, that offers to provide or provides competitive services. 3 "Related competitive business segment of a public utility holding 4 company" means any business venture of a public utility holding 5 company, including, but not limited to, functionally separate 6 business units, joint ventures, and partnerships and subsidiaries, that 7 offers to provide or provides competitive services, but does not 8 include any related competitive business segments of an electric 9 public utility or gas public utility.

10 "Reliability pricing model" or "RPM" means PJM's capacity-11 market model, and its successors, that secures capacity on behalf of 12 electric load serving entities to satisfy load obligations not satisfied 13 through the output of electric generation facilities owned by those 14 entities, or otherwise secured by those entities through bilateral 15 contracts.

16 "Renewable energy certificate" or "REC" means a certificate 17 representing the environmental benefits or attributes of one 18 megawatt-hour of generation from a generating facility that 19 produces Class I or Class II renewable energy, but shall not include 20 a solar renewable energy certificate or an offshore wind renewable 21 energy certificate.

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

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

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

to expenses related to employees affected by restructuring,
 "restructuring related costs" shall not include going forward costs.

"Retail choice" means the ability of retail customers to shop for
electric generation or gas supply service from electric power or gas
suppliers, or opt to receive basic generation service or basic gas
service, and the ability of an electric power or gas supplier to offer
electric generation service or gas supply service to retail customers,
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 customers, which the board may authorize to be charged to 13 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 "Sales representative" means a person employed by, acting on 21 behalf of, or as an independent contractor for, an electric power 22 supplier, gas supplier, broker, energy agent, marketer, or private 23 aggregator who, by any means, solicits a potential residential 24 customer for the provision of electric generation service or gas 25 supply service.

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

"School district" means a local or regional school district 28 29 established pursuant to chapter 8 or chapter 13 of Title 18A of the 30 New Jersey Statutes, a county special services school district 31 established pursuant to article 8 of chapter 46 of Title 18A of the 32 New Jersey Statutes, a county vocational school district established 33 pursuant to article 3 of chapter 54 of Title 18A of the New Jersey 34 Statutes, and a district under full State intervention pursuant to 35 P.L.1987, c.399 (C.18A:7A-34 et al.).

36 "Shopping credit" means an amount deducted from the bill of an
37 electric public utility customer to reflect the fact that the customer
38 has switched to an electric power supplier and no longer takes basic
39 generation service from the electric public utility.

40 "Site investigation" shall have the same meaning as provided in
41 section 3 of P.L.1976, c.141 (C.58:10-23.11b).

42 "Small scale hydropower facility" means a facility located within 43 this State that is connected to the distribution system, and that 44 meets the requirements of, and has been certified by, a nationally 45 low-impact hydropower organization recognized that has 46 established low-impact hydropower certification criteria applicable 47 to: (1) river flows; (2) water quality; (3) fish passage and 48 protection; (4) watershed protection; (5) threatened and endangered species protection; (6) cultural resource protection; (7) recreation;
 and (8) facilities recommended for removal.

"Social program" means a program implemented with board 3 approval to provide assistance to a group of disadvantaged 4 5 customers, to provide protection to consumers, or to accomplish a 6 particular societal goal, and includes, but is not limited to, the 7 winter moratorium program, utility practices concerning "bad debt" 8 customers, low income assistance, deferred payment plans, 9 weatherization programs, and late payment and deposit policies, but 10 does not include any demand side management program or any 11 environmental requirements or controls.

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

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

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

25 "Standard offer capacity agreement" or "SOCA" means a 26 financially-settled transaction agreement, approved by board order, 27 that provides for eligible generators to receive payments from the 28 electric public utilities for a defined amount of electric capacity for 29 a term to be determined by the board but not to exceed 15 years, 30 and for such payments to be a fully non-bypassable charge, with 31 such an order, once issued, being irrevocable.

32 "Standard offer capacity price" or "SOCP" means the capacity
33 price that is fixed for the term of the SOCA and which is the price
34 to be received by eligible generators under a board-approved
35 SOCA.

36 "State entity" means a department, agency, or office of State
37 government, a State university or college, or an authority created by
38 the State.

39 "Stranded cost" means the amount by which the net cost of an 40 electric public utility's electric generating assets or electric power 41 purchase commitments, as determined by the board consistent with 42 the provisions of P.L.1999, c.23 (C.48:3-49 et al.), exceeds the 43 market value of those assets or contractual commitments in a 44 competitive supply marketplace and the costs of buydowns or 45 buyouts of power purchase contracts.

46 "Stranded costs recovery order" means each order issued by the
47 board in accordance with subsection c. of section 13 of P.L.1999,
48 c.23 (C.48:3-61) which sets forth the amount of stranded costs, if

any, the board has determined an electric public utility is eligible to
recover and collect in accordance with the standards set forth in
section 13 of P.L.1999, c.23 (C.48:3-61) and the recovery
mechanisms therefor.

5 "Telemarketer" shall have the same meaning as set forth in 6 section 2 of P.L.2003, c.76 (C.56:8-120).

7 "Telemarketing sales call" means a telephone call made by a 8 telemarketer to a potential residential customer as part of a plan, 9 program, or campaign to encourage the customer to change the 10 customer's electric power supplier or gas supplier. A telephone call 11 made to an existing customer of an electric power supplier, gas 12 supplier, broker, energy agent, marketer, private aggregator, or 13 sales representative, for the sole purpose of collecting on accounts 14 or following up on contractual obligations, shall not be deemed a 15 telemarketing sales call. A telephone call made in response to an 16 express written request of a customer shall not be deemed a 17 telemarketing sales call.

18 "Thermal efficiency" means the useful electric energy output of a
19 facility, plus the useful thermal energy output of the facility,
20 expressed as a percentage of the total energy input to the facility.

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

26 "Transition bonds" means bonds, notes, certificates of 27 participation, beneficial interest, or other evidences of indebtedness or ownership issued pursuant to an indenture, contract, or other 28 29 agreement of an electric public utility or a financing entity, the 30 proceeds of which are used, directly or indirectly, to recover, 31 finance or refinance bondable stranded costs and which are, directly 32 or indirectly, secured by or payable from bondable transition 33 References in P.L.1999, c.23 (C.48:3-49 et al.) to property. 34 principal, interest, and acquisition or redemption premium with 35 respect to transition bonds which are issued in the form of 36 certificates of participation or beneficial interest or other evidences 37 of ownership shall refer to the comparable payments on such 38 securities.

39 "Transition period" means the period from August 1, 199940 through July 31, 2003.

41 "Transmission and distribution system" means, with respect to an 42 electric public utility, any facility or equipment that is used for the 43 transmission, distribution, or delivery of electricity to the customers 44 of the electric public utility including, but not limited to, the land, 45 structures, meters, lines, switches, and all other appurtenances 46 thereof and thereto, owned or controlled by the electric public 47 utility within this State.

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

"Unsolicited advertisement" means any advertising claims of the
commercial availability or quality of services provided by an
electric power supplier, gas supplier, broker, energy agent,
marketer, private aggregator, sales representative, or telemarketer
which is transmitted to a potential customer without that customer's
prior express invitation or permission.

10 (cf: P.L.2015, c.51, s.1)

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12 7. This act shall take effect immediately.