

# SENATE, No. 1336

## STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED FEBRUARY 1, 2018

**Sponsored by:**

**Senator JOSEPH PENNACCHIO**

**District 26 (Essex, Morris and Passaic)**

**SYNOPSIS**

Adds aneutronic fusion to types of Class I renewable energies as defined for purposes of “Electric Discount and Energy Competition Act.”

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning renewable energy, and amending P.L.1999,  
2 c.23.

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

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

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

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

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

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

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

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

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

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

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

Matter underlined thus is new matter.

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

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

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

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

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

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

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

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

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

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

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

45 "Class I renewable energy" means electric energy produced from  
46 solar technologies, photovoltaic technologies, wind energy, fuel  
47 cells, geothermal technologies, aneutronic fusion, wave or tidal  
48 action, small scale hydropower facilities with a capacity of three

1 megawatts or less and put into service after the effective date of  
2 P.L.2012, c.24, and methane gas from landfills or a biomass  
3 facility, provided that the biomass is cultivated and harvested in a  
4 sustainable manner;

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

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

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

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

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

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

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

44 "Connected to the distribution system" means, for a solar electric  
45 power generation facility, that the facility is: (1) connected to a net  
46 metering customer's side of a meter, regardless of the voltage at  
47 which that customer connects to the electric grid, (2) an on-site  
48 generation facility, (3) qualified for net metering aggregation as

1 provided pursuant to paragraph (4) of subsection e. of section 38 of  
2 P.L.1999, c.23 (C.48:3-87), (4) owned or operated by an electric  
3 public utility and approved by the board pursuant to section 13 of  
4 P.L.2007, c.340 (C.48:3-98.1), (5) directly connected to the electric  
5 grid at 69kilovolts or less, regardless of how an electric public  
6 utility classifies that portion of its electric grid, and is designated as  
7 "connected to the distribution system" by the board pursuant to  
8 subsections q. through s. of section 38 of P.L.1999, c.23 (C.48:3-  
9 87), or (6) is certified by the board, in consultation with the  
10 Department of Environmental Protection, as being located on a  
11 brownfield, on an area of historic fill, or on a properly closed  
12 sanitary landfill facility. Any solar electric power generation  
13 facility, other than that of a net metering customer on the customer's  
14 side of the meter, connected above 69 kilovolts shall not be  
15 considered connected to the distribution system;

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

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

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

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

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

37 "Electric power generator" means an entity that proposes to  
38 construct, own, lease or operate, or currently owns, leases or  
39 operates, an electric power production facility that will sell or does  
40 sell at least 90 percent of its output, either directly or through a  
41 marketer, to a customer or customers located at sites that are not on  
42 or contiguous to the site on which the facility will be located or is  
43 located. The designation of an entity as an electric power generator  
44 for the purposes of P.L.1999, c.23 (C.48:3-49 et al.) shall not, in  
45 and of itself, affect the entity's status as an exempt wholesale  
46 generator under the Public Utility Holding Company Act of 1935,  
47 15 U.S.C. s.79 et seq., or its successor;



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

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

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

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

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

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

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

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

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

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

1 "Federal Energy Regulatory Commission" or "FERC" means the  
2 federal agency established pursuant to 42 U.S.C. s.7171 et seq. to  
3 regulate the interstate transmission of electricity, natural gas, and  
4 oil;

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

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

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

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

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

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

41 "Government aggregator" means any government entity subject  
42 to the requirements of the "Local Public Contracts Law," P.L.1971,  
43 c.198 (C.40A:11-1 et seq.), the "Public School Contracts Law,"  
44 N.J.S.18A:18A-1 et seq., or the "County College Contracts Law,"  
45 P.L.1982, c.189 (C.18A:64A-25.1 et seq.), that enters into a written  
46 contract with a licensed electric power supplier or a licensed gas  
47 supplier for: (1) the provision of electric generation service, electric  
48 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 "Historic fill" means generally large volumes of non-indigenous  
19 material, no matter what date they were emplaced on the site, used  
20 to raise the topographic elevation of a site, which were  
21 contaminated prior to emplacement and are in no way connected  
22 with the operations at the location of emplacement and which  
23 include, but are not limited to, construction debris, dredge spoils,  
24 incinerator residue, demolition debris, fly ash, and non-hazardous  
25 solid waste. "Historic fill" shall not include any material which is  
26 substantially chromate chemical production waste or any other  
27 chemical production waste or waste from processing of metal or  
28 mineral ores, residues, slags, or tailings;

29 "Incremental auction" means an auction conducted by PJM, as  
30 part of PJM's reliability pricing model, prior to the start of the  
31 delivery year to secure electric capacity as necessary to satisfy the  
32 capacity requirements for that delivery year, that is not otherwise  
33 provided for in the base residual auction;

34 "Leakage" means an increase in greenhouse gas emissions  
35 related to generation sources located outside of the State that are not  
36 subject to a state, interstate or regional greenhouse gas emissions  
37 cap or standard that applies to generation sources located within the  
38 State;

39 "Locational deliverability area" or "LDA" means one or more of  
40 the zones within the PJM region which are used to evaluate area  
41 transmission constraints and reliability issues including electric  
42 public utility company zones, sub-zones, and combinations of  
43 zones;

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

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

8 "Marketer" means a duly licensed electric power supplier that  
9 takes title to electric energy and capacity, transmission and other  
10 services from electric power generators and other wholesale  
11 suppliers and then assumes the contractual and legal obligation to  
12 provide electric generation service, and may include transmission  
13 and other services, to an end-use retail customer or customers, or a  
14 duly licensed gas supplier that takes title to gas and then assumes  
15 the contractual and legal obligation to provide gas supply service to  
16 an end-use customer or customers;

17 "Mid-merit electric power generation facility" means a  
18 generation facility that operates at a capacity factor between  
19 baseload generation facilities and peaker generation facilities;

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

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

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

32 "Offshore wind energy" means electric energy produced by a  
33 qualified offshore wind project;

34 "Offshore wind renewable energy certificate" or "OREC" means  
35 a certificate, issued by the board or its designee, representing the  
36 environmental attributes of one megawatt hour of electric  
37 generation from a qualified offshore wind project;

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

46 "On-site generation facility" means a generation facility,  
47 including, but not limited to, a generation facility that produces  
48 Class I or Class II renewable energy, and equipment and services

1 appurtenant to electric sales by such facility to the end use customer  
2 located on the property or on property contiguous to the property on  
3 which the end user is located. An on-site generation facility shall  
4 not be considered a public utility. The property of the end use  
5 customer and the property on which the on-site generation facility is  
6 located shall be considered contiguous if they are geographically  
7 located next to each other, but may be otherwise separated by an  
8 easement, public thoroughfare, transportation or utility-owned  
9 right-of-way, or if the end use customer is purchasing thermal  
10 energy services produced by the on-site generation facility, for use  
11 for heating or cooling, or both, regardless of whether the customer  
12 is located on property that is separated from the property on which  
13 the on-site generation facility is located by more than one easement,  
14 public thoroughfare, or transportation or utility-owned right-of-  
15 way;

16 "Person" means an individual, partnership, corporation,  
17 association, trust, limited liability company, governmental entity or  
18 other legal entity;

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

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

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

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

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

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

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

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

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

43 "Related competitive business segment of a public utility holding  
44 company" means any business venture of a public utility holding  
45 company, including, but not limited to, functionally separate  
46 business units, joint ventures, and partnerships and subsidiaries, that  
47 offers to provide or provides competitive services, but does not

1 include any related competitive business segments of an electric  
2 public utility or gas public utility;

3 "Reliability pricing model" or "RPM" means PJM's capacity-  
4 market model, and its successors, that secures capacity on behalf of  
5 electric load serving entities to satisfy load obligations not satisfied  
6 through the output of electric generation facilities owned by those  
7 entities, or otherwise secured by those entities through bilateral  
8 contracts;

9 "Renewable energy certificate" or "REC" means a certificate  
10 representing the environmental benefits or attributes of one  
11 megawatt-hour of generation from a generating facility that  
12 produces Class I or Class II renewable energy, but shall not include  
13 a solar renewable energy certificate or an offshore wind renewable  
14 energy certificate;

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

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

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

44 "Retail choice" means the ability of retail customers to shop for  
45 electric generation or gas supply service from electric power or gas  
46 suppliers, or opt to receive basic generation service or basic gas  
47 service, and the ability of an electric power or gas supplier to offer



1 electric generation service or gas supply service to retail customers,  
2 consistent with the provisions of P.L.1999, c.23 (C.48:3-49 et al.);

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

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

16 "School district" means a local or regional school district  
17 established pursuant to chapter 8 or chapter 13 of Title 18A of the  
18 New Jersey Statutes, a county special services school district  
19 established pursuant to article 8 of chapter 46 of Title 18A of the  
20 New Jersey Statutes, a county vocational school district established  
21 pursuant to article 3 of chapter 54 of Title 18A of the New Jersey  
22 Statutes, and a district under full State intervention pursuant to  
23 P.L.1987, c.399 (C.18A:7A-34 et al.);

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

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

30 "Small scale hydropower facility" means a facility located within  
31 this State that is connected to the distribution system, and that  
32 meets the requirements of, and has been certified by, a nationally  
33 recognized low-impact hydropower organization that has  
34 established low-impact hydropower certification criteria applicable  
35 to: (1) river flows; (2) water quality; (3) fish passage and  
36 protection; (4) watershed protection; (5) threatened and endangered  
37 species protection; (6) cultural resource protection; (7) recreation;  
38 and (8) facilities recommended for removal;

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



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

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

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

14 "Standard offer capacity agreement" or "SOCA" means a  
15 financially-settled transaction agreement, approved by board order,  
16 that provides for eligible generators to receive payments from the  
17 electric public utilities for a defined amount of electric capacity for  
18 a term to be determined by the board but not to exceed 15 years,  
19 and for such payments to be a fully non-bypassable charge, with  
20 such an order, once issued, being irrevocable;

21 "Standard offer capacity price" or "SOCP" means the capacity  
22 price that is fixed for the term of the SOCA and which is the price  
23 to be received by eligible generators under a board-approved  
24 SOCA;

25 "State entity" means a department, agency, or office of State  
26 government, a State university or college, or an authority created by  
27 the State;

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

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

42 "Thermal efficiency" means the useful electric energy output of a  
43 facility, plus the useful thermal energy output of the facility,  
44 expressed as a percentage of the total energy input to the facility;

45 "Transition bond charge" means a charge, expressed as an  
46 amount per kilowatt hour, that is authorized by and imposed on  
47 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.);

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

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

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

"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.

(cf: P.L.2012, c.24, s.1)

2. This act shall take effect immediately.

## STATEMENT

This bill revises the provisions of the "Electric Discount and Energy Competition Act," P.L.1999, c.23 (C.48:3-51) to include aneutronic fusion within the definition of Class I Renewable Energy. Aneutronic fusion is a form of fusion power where no more than 1 percent of total energy fusion released is carried by neutrons, resulting in essentially neutron-free reactions.