

ASSEMBLY, No. 4185

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JUNE 1, 2020

Sponsored by:

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Assemblywoman BRITNEE N. TIMBERLAKE

District 34 (Essex and Passaic)

Co-Sponsored by:

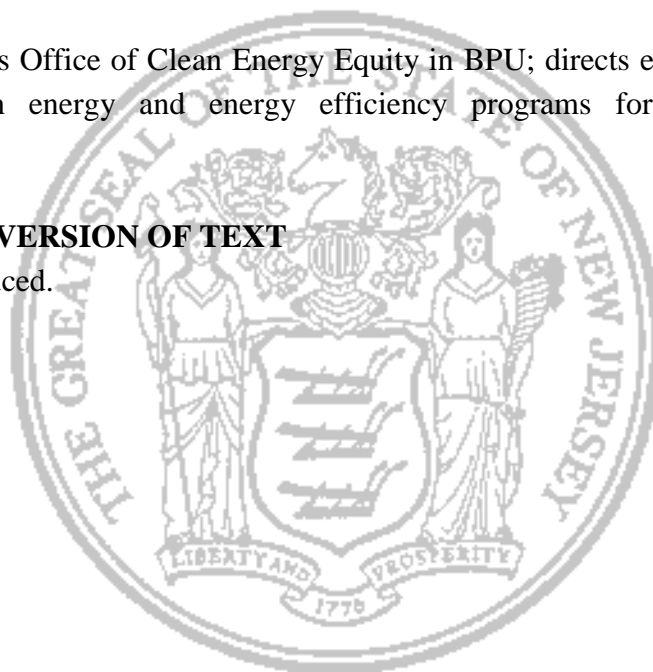
Assemblyman Wimberly, Assemblywoman Murphy, Assemblymen Conaway, McKeon, Armato, Mazzeo, Assemblywomen McKnight, Downey, Assemblymen Spearman, Chiaravalloti, Assemblywoman Jasey, Assemblymen Holley, Giblin, Johnson, Assemblywoman Chaparro, Assemblymen Karabinchak, Mukherji, Calabrese and Assemblywoman Vainieri Huttle

SYNOPSIS

Establishes Office of Clean Energy Equity in BPU; directs establishment of certain clean energy and energy efficiency programs for overburdened communities.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/5/2021)

1 AN ACT concerning clean energy and energy efficiency programs
2 for overburdened communities, supplementing and amending
3 P.L.2018, c.17, and supplementing Title 34 of the Revised
4 Statutes and P.L.1975, c.217 (C.52:27D-119 et seq.).
5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:
8

9 1. a. There is established in the Board of Public Utilities an
10 Office of Clean Energy Equity. The office shall oversee the
11 equitable deployment of clean energy and energy efficiency
12 programs and technologies in overburdened communities, and the
13 equitable provision of the tangible benefits of clean energy and
14 increased energy efficiency at the household and community level,
15 including clean energy asset ownership, energy cost savings, and
16 employment and economic opportunities, to overburdened
17 communities.

18 b. The Office of Clean Energy Equity shall:

19 (1) establish onsite solar or community solar and energy
20 efficiency programs, which benefit 250,000 low income households
21 or 35 percent of the low income households in the State, whichever
22 is larger, by 2030, with the goal of bringing these households within
23 or below an average energy burden for the State, as defined by the
24 United States Department of Energy Low Income Energy
25 Affordability Data Tool; and

26 (2) require the establishment of a minimum of 400 megawatts of
27 energy storage in overburdened communities by 2030, which shall
28 be sited in public facilities or as part of a microgrid connected to a
29 public facility serving as a community energy resiliency hub, or be
30 directly sited in low income households. In establishing the energy
31 storage required pursuant to this paragraph, the office shall ensure
32 that a community energy resilience hub is powered by clean energy,
33 is community-based and community-centric, is inclusive of
34 community-based organizations, and prioritizes the deployment of
35 energy services to local residents during natural disasters.

36 c. The Office of Clean Energy Equity, in conjunction with the
37 board, shall:

38 (1) integrate workforce development training into all clean
39 energy and energy storage programs established by the board;

40 (2) provide outreach and recruitment campaign grants to
41 community-based organizations to increase participation by
42 residents of overburdened communities in clean energy and energy
43 efficiency programs by the hiring residents to conduct outreach and
44 public education in those communities;

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 (3) develop, in coordination with community-based
2 organizations, outreach materials concerning the provisions of this
3 act in multiple languages that are easy to deliver through multiple
4 media;

5 (4) appoint a community liaison and establish an advisory board
6 consisting of representatives of overburdened communities
7 responsible for conducting an internal and external review and
8 evaluation of all clean energy and energy storage programs
9 available to overburdened communities and provide annual
10 recommendations to the board on unmet needs in overburdened
11 communities and suggestions for improvements to those programs;
12 and

13 (5) coordinate with the Department of Labor and Workforce
14 Development concerning the requirements of section 2 of
15 P.L. , c. (C.) (pending before the Legislature as this bill) and
16 with the Department of Community Affairs concerning the
17 requirements of section 3 of P.L. , c. (C.) (pending before the
18 Legislature as this bill).

19 d. (1) The board shall direct no less than 10 percent of the
20 board's annual total clean energy budget, or at least \$50 million
21 annually, whichever is greater, to the Office of Clean Energy Equity
22 to implement the provisions of this section. All programs,
23 incentives, and other financing shall be appropriately structured to
24 address the unique barriers faced by low income households and
25 overburdened communities. Funding directed pursuant to this
26 subsection shall be supplemental to, and not replace, any funds
27 allocated to energy efficiency services for low income households
28 managed or required by the board on the effective date of
29 P.L. , c. (C.) (pending before the Legislature as this bill).

30 Of the funds annually directed by the board to the Office of
31 Clean Energy Equity pursuant to this paragraph, an amount not to
32 exceed 10 percent may be used each year for costs associated with
33 program administration, including costs incurred related to
34 marketing, outreach, reporting, and evaluation activities to
35 implement the provisions of this section.

36 (2) The board shall consult with other State departments and
37 agencies to identify additional sources of funding and leveraged
38 financing that may be available to meet the requirements of
39 P.L. , c. (C.) (pending before the Legislature as this bill).

40 (3) No later than January 15 of each year, the board shall
41 provide public notice on its Internet website and in the New Jersey
42 Register of the proposed budget for the Office of Clean Energy
43 Equity for the forthcoming fiscal year and provide an opportunity
44 for interested stakeholders to provide oral and written comments on
45 the proposed budget.

46 e. No later than September 1 of each year, the board shall
47 prepare and submit to the Governor and, pursuant to section 2 of
48 P.L.1991, c.164 (C.52:14-19.1), the Legislature a written report of

1 the activities of the Office of Clean Energy Equity. The report shall
2 describe, at a minimum, the activities of the office during the
3 immediately preceding fiscal year, the amounts budgeted and
4 expended for each program activity, the amount of funding
5 remaining unexpended at the end of the fiscal year, a summary of
6 the collaborations with other State departments and agencies and
7 the activities that are planned or were carried out by those entities
8 pursuant to P.L. , c. (C.) (pending before the Legislature as
9 this bill), and a summary of the progress towards achieving the
10 requirements of subsection b. of this section.

11 f. As used in this section:

12 “Clean energy” means energy that is produced through means
13 that does not release into the atmosphere any criteria pollutant,
14 toxic substance, hazardous air pollutant, or other air pollutant and
15 does not create undue environmental burden, and includes Class I
16 renewable energy and energy saved through energy efficiency
17 measures.

18 “Community energy resiliency hub” means a community-serving
19 facility enhanced to support residents, enhance community
20 connectivity, and coordinate energy resource distribution and
21 services before, during, or after a natural hazard event.

22 “Community solar program” means the program established by
23 the board pursuant to section 5 of P.L.2018, c.17 (C.48:3-87.11).

24 “Energy burden” means the percentage of gross household
25 income spent on energy costs.

26 “Energy storage” means technologies used to store electricity
27 that can provide grid and energy resilience services.

28 “Low income household” means a household with adjusted gross
29 income at or below 200 percent of the federal poverty level.

30 “Office” means the Office of Clean Energy Equity established
31 pursuant to subsection a. of this section.

32 “Overburdened community” means any census block group, as
33 determined in accordance with the most recent United States
34 Census, in which at least one half of the households qualify as low
35 income households, and either: (1) at least 40 percent of the
36 residents of the census block group identify as Black, African
37 American, Hispanic or Latino, Asian, Pacific Islander, or as
38 members of a State-recognized tribal community; or (2) at least 40
39 percent of the households in the census block group have limited
40 English proficiency.

41

42 2. a. (1) The Department of Labor and Workforce
43 Development, in consultation with the Office of Clean Energy
44 Equity established pursuant to section 1 of P.L. , c. (C.)
45 (pending before the Legislature as this bill) and the New Jersey
46 Economic Development Authority, shall establish a program to

1 provide grants to community-based, diversity-focused nonprofit
2 organizations to develop solar energy or clean energy paid
3 workforce training programs that provide training to at least 2,500
4 individuals from overburdened communities by 2025. The
5 department shall require, as a condition of a grant award, that the
6 programs be updated every two years to ensure that they prepare
7 participants adequately for the current job market in the solar
8 energy or clean energy industry.

9 (2) The Department of Labor and Workforce Development shall
10 develop, in coordination with community-based organizations, a
11 program to provide entrepreneurial training, mentoring,
12 apprenticeships, investment capital, loans, loan loss reserve funds,
13 credit enhancement funds, or other technical and financial support
14 to residents of overburdened communities to help launch new clean
15 energy enterprises or establish careers in the clean energy
16 workforce.

17 b. As used in this section:

18 “Clean energy” means the same as the term is defined pursuant
19 to section 1 of P.L. , c. (C.) (pending before the Legislature
20 as this bill).

21 “Overburdened community” means the same as the term is
22 defined pursuant to section 1 of P.L. , c. (C.) (pending
23 before the Legislature as this bill).

24

25 3. a. The Department of Community Affairs, in consultation
26 with the Office of Clean Energy Equity established pursuant to
27 section 1 of P.L. , c. (C.) (pending before the Legislature as
28 this bill), shall require all new construction located in an
29 overburdened community to be solar ready. The department shall
30 give preference to applications for onsite, community solar, energy
31 storage, or other clean energy projects that are sited in
32 overburdened communities or include minority or women-owned
33 businesses.

34 b. The commissioner shall adopt rules and regulations,
35 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
36 (C.52:14B-1 et seq.), in order to effectuate the purposes of this
37 section.

38 c. As used in this section:

39 “Clean energy” means the same as the term is defined pursuant
40 to section 1 of P.L. , c. (C.) (pending before the Legislature
41 as this bill).

42 “Energy storage” means the same as the term is defined pursuant
43 to section 1 of P.L. , c. (C.) (pending before the Legislature
44 as this bill).

45 “Overburdened community” means the same as the term is
46 defined pursuant to section 1 of P.L. , c. (C.) (pending
47 before the Legislature as this bill).

1 “Solar panel” means an elevated panel or plate, or a canopy or
2 array thereof, that captures and converts solar radiation to produce
3 power, and includes flat plate, focusing solar collectors, or
4 photovoltaic solar cells and includes the base or foundation of the
5 panel, plate, canopy, or array.

6 “Solar ready” means the incorporation of design elements in a
7 structure or building that allow for the installation of rooftop solar
8 panels and, if the structure or building is intended to use hot water,
9 a solar water heating system.

10 “Solar water heating system” means a system which uses solar
11 energy as the primary means of heating water.

12

13 4. Section 5 of P.L.2018, c.17 (C.48:3-87.11) is amended to
14 read as follows:

15 5. a. No later than 210 days after the date of enactment of
16 P.L.2018, c.17 (C.48:3-87.8 et al.), the Board of Public Utilities
17 shall adopt, pursuant to the "Administrative Procedure Act,"
18 P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations
19 establishing a "Community Solar Energy Pilot Program" to permit
20 customers of an electric public utility to participate in a solar energy
21 project that is remotely located from their properties but is within
22 their electric public utility service territory to allow for a credit to
23 the customer's utility bill equal to the electricity generated that is
24 attributed to the customer's participation in the solar energy project.

25 b. The rules and regulations developed by the board shall
26 establish:

27 (1) a capacity limit for individual solar energy projects to a
28 maximum of five megawatts per project;

29 (2) an annual capacity limit for all solar energy projects under
30 the pilot program;

31 (3) geographic limitations for solar energy projects and
32 participating customers;

33 (4) a minimum number of participating customers for each solar
34 energy project;

35 (5) the value of the credit on each participating customer's bill;

36 (6) standards to limit the land use impact of a solar energy
37 project as required in subsection r. of section 38 of P.L.1999, c.23
38 (C.48:3-87);

39 (7) the provision of access to solar energy projects for low and
40 moderate income customers;

41 (8) standards to ensure the ability of residential and commercial
42 customers to participate in solar energy projects, including
43 residential customers in multifamily housing;

44 (9) standards for connection to the distribution system of an
45 electric public utility; and

46 (10) provisions to minimize impacts to the distribution system
47 of an electric public utility.

1 c. The board shall make available on its Internet website
2 information on solar energy projects whose owners are seeking
3 participants.

4 d. The board shall establish standards and an application
5 process for owners of solar energy projects who wish to be included
6 in the Community Solar Energy Pilot Program. The standards for
7 the Community Solar Energy Pilot Program shall include, but need
8 not be limited to, a verification process to ensure that the solar
9 energy projects are producing an amount of energy that is greater
10 than or equal to the amount of energy that is being credited to its
11 participating customer's electric utility bills pursuant to subsection
12 b. of this section, and consumer protection measures. Projects
13 approved by the board shall have at least two participating
14 customers.

15 The board may restrict qualified solar energy projects to those
16 located on brownfields, landfills, areas designated in need of
17 redevelopment, in underserved communities, or on commercial
18 rooftops.

19 e. Subject to review by the board, an electric public utility shall
20 be entitled to full and timely cost recovery for all costs incurred in
21 implementation and compliance with this section.

22 f. No later than 36 months after adoption of the rules and
23 regulations required pursuant to subsection b. of this section, the
24 board shall adopt rules and regulations, pursuant to the
25 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
26 seq.), to convert the Community Solar Energy Pilot Program to a
27 permanent program. The board shall adopt rules and regulations for
28 the permanent program that set forth standards for projects owned
29 by electric public utilities, special purpose entities, and nonprofit
30 entities. The rules and regulations shall also:

31 (1) limit the capacity of each solar energy project to a maximum
32 of five megawatts;

33 (2) establish a goal for the development of at least 50 megawatts
34 of solar energy projects per year, taking into account any changes to
35 the SREC program;

36 (3) set geographic limitations for solar energy projects and
37 participating customers;

38 (4) provide for a minimum number of participating customers
39 for each solar energy project;

40 (5) require the provision of access to solar energy projects for
41 low and moderate income customers in accordance with the
42 requirements of section 1 of P.L. , c. (C.) (pending before
43 the Legislature as this bill) ;

44 (6) establish standards to ensure the ability of residential and
45 commercial customers to participate in solar energy projects,
46 including residential customers in multifamily housing;

47 (7) establish a method for determining the value of the credit on
48 each participating customer's bill;

- 1 (8) establish timeframes for the credit available to the customer;
2 (9) establish standards and methods to verify solar electric
3 energy generation on a monthly basis for a solar energy project;
4 (10) establish standards consistent with the land use provisions
5 for solar energy projects as provided in subsections r., s., and t. of
6 section 38 of P.L.1999, c.23 (C.48:3-87);
7 (11) establish standards, fees, and uniform procedures for solar
8 energy projects to be connected to the distribution system of an
9 electric public utility;
10 (12) minimize impacts to the distribution system of an electric
11 public utility;
12 (13) require monthly reporting requirements for the operators of
13 solar energy projects to the electric public utility, project customers,
14 and the board;
15 (14) require reporting by the electric public utility to the
16 operator of a solar energy project on the value of credits to the
17 participating customer's bills; and
18 (15) require transferability, portability, and buy-out provisions
19 for customers who participate in community solar energy projects.
20 g. As used in this section:
21 "Solar energy project" means a system containing one or more
22 solar panels and associated equipment.
23 "Solar panel" means an elevated panel or plate, or a canopy or
24 array thereof, that captures and converts solar radiation to produce
25 electric power, and is approved by the board to be included in the
26 Community Solar Energy Pilot Program.
27 "Solar power" includes flat plate, focusing solar collectors, or
28 photovoltaic solar cells and excludes the base or foundation of the
29 panel, plate, canopy, or array.
30 (cf: P.L.2018, c.17, s.5)

31

32 5. This act shall take effect immediately.

33

34

35

STATEMENT

36

37 This bill would establish an Office of Clean Energy Equity
38 (office) in the Board of Public Utilities (board). The office is
39 charged with overseeing the equitable deployment of clean energy
40 and energy efficiency programs and technologies in overburdened
41 communities, and the equitable provision of the tangible benefits of
42 clean energy and increased energy efficiency at the household and
43 community level, including clean energy asset ownership, energy
44 cost savings, and employment and economic opportunities, to
45 overburdened communities. The bill would require the office to:
46 (1) establish onsite solar or community solar and energy efficiency
47 programs, which benefit 250,000 low income households or 35

1 percent of the low income households in the State, whichever is
2 larger, by 2030, with the goal of bringing these households within
3 or below an average energy burden for the State, as defined by the
4 United States Department of Energy Low Income Energy
5 Affordability Data Tool; and (2) require the establishment of a
6 minimum of 400 megawatts of energy storage in overburdened
7 communities by 2030.

8 In addition, the office would be required to: integrate workforce
9 development training into all clean energy and energy storage
10 programs established by the board; provide outreach and
11 recruitment campaign grants to community-based organizations to
12 increase participation in clean energy and energy efficiency
13 programs; develop, in coordination with community-based
14 organizations, outreach materials in multiple languages; appoint a
15 community liaison and establish an advisory board consisting of
16 representatives of overburdened communities to review and
17 evaluate the clean energy and energy storage programs available to
18 overburdened communities; and coordinate with the Department of
19 Labor and Workforce Development and the Department of
20 Community Affairs concerning their responsibilities pursuant to
21 sections 2 and 3 of the bill.

22 The bill would require the board to direct no less than 10 percent
23 of the board's annual total clean energy budget, or at least \$50
24 million annually, whichever is greater, to the office for the purposes
25 of the bill.

26 In addition, the bill would require the Department of Labor and
27 Workforce Development, in consultation with the office and the
28 Economic Development Authority, to establish a program to
29 provide grants to community-based, diversity-focused nonprofit
30 organizations to develop solar energy or clean energy paid
31 workforce training programs that provide training to at least 2,500
32 individuals from overburdened communities by 2025. The
33 department shall require, as a condition of a grant award, that the
34 programs be updated every two years to ensure that they prepare
35 participants adequately for the current job market in the solar
36 energy or clean energy industry. The bill would also direct the
37 Department of Labor and Workforce Development, in coordination
38 with community-based organizations, to develop a program to
39 provide entrepreneurial training, mentoring, apprenticeships,
40 investment capital, loans, loan loss reserve funds, credit
41 enhancement funds, or other technical and financial support to
42 residents of overburdened communities to help launch new clean
43 energy enterprises or establish careers in the clean energy
44 workforce.

45 Under the bill, the Department of Community Affairs, in
46 consultation with the office, would require all new construction
47 located in an overburdened community to be solar ready, and

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1 provide preference to applications for onsite, community solar,
2 energy storage, or other clean energy projects that are sited in
3 overburdened communities or include minority or women-owned
4 businesses.

5 Lastly, the bill would amend the current law establishing the
6 Community Solar Energy Pilot Program to require the rules and
7 regulations establishing the pilot program as a permanent program
8 to require the provision of access to solar energy projects for low
9 and moderate income customers in comply with the provisions of
10 this bill.