

SENATE, No. 931

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JANUARY 27, 2020

Sponsored by:

Senator CHRISTOPHER J. CONNORS

District 9 (Atlantic, Burlington and Ocean)

SYNOPSIS

Requires BPU to provide funding for purchase and installation of photovoltaic technologies for age-restricted community clubhouse facilities from societal benefits charge.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT providing for certain energy assistance grants and loans
2 and amending P.L.1999, 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 "Age-restricted community" means a community that complies
11 with the definition of "housing for older persons," as provided in 42
12 U.S.C. s.3607, for that community, as set forth in section 100.301
13 of Title 24, Code of Federal Regulations.

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

21 "Base load electric power generation facility" means an electric
22 power generation facility intended to be operated at a greater than
23 50 percent capacity factor including, but not limited to, a combined
24 cycle power facility and a combined heat and power facility.

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

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

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

44 "Basic generation service provider" or "provider" means a
45 provider of basic generation service.

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

22 "Board" means the New Jersey Board of Public Utilities or any
23 successor agency.

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

1 "Bondable stranded costs rate order" means one or more
2 irrevocable written orders issued by the board pursuant to P.L.1999,
3 c.23 (C.48:3-49 et al.) which determines the amount of bondable
4 stranded costs and the initial amount of transition bond charges
5 authorized to be imposed to recover the bondable stranded costs,
6 including the costs to be financed from the proceeds of the
7 transition bonds, as well as on-going costs associated with servicing
8 and credit enhancing the transition bonds, and provides the electric
9 public utility specific authority to issue or cause to be issued,
10 directly or indirectly, transition bonds through a financing entity
11 and related matters as provided in P.L.1999, c.23 (C.48:3-49 et al.),
12 which order shall become effective immediately upon the written
13 consent of the related electric public utility to the order as provided
14 in P.L.1999, c.23 (C.48:3-49 et al.).

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

26 "British thermal unit" or "Btu" means the amount of heat
27 required to increase the temperature of one pound of water by one
28 degree Fahrenheit.

29 "Broker" means a duly licensed electric power supplier that
30 assumes the contractual and legal responsibility for the sale of
31 electric generation service, transmission, or other services to end-
32 use retail customers, but does not take title to any of the power sold,
33 or a duly licensed gas supplier that assumes the contractual and
34 legal obligation to provide gas supply service to end-use retail
35 customers, but does not take title to the gas.

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

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

47 "Buyout" means an arrangement or arrangements involving the
48 buyer and seller in a given power purchase contract and, in some

1 cases third parties, for consideration to be given by the buyer in
2 order to effectuate a termination of such power purchase contract.

3 "Class I renewable energy" means electric energy produced from
4 solar technologies, photovoltaic technologies, wind energy, fuel
5 cells, geothermal technologies, wave or tidal action, small scale
6 hydropower facilities with a capacity of three megawatts or less and
7 put into service after the effective date of P.L.2012, c.24, and
8 methane gas from landfills or a biomass facility, provided that the
9 biomass is cultivated and harvested in a sustainable manner.

10 "Class II renewable energy" means electric energy produced at a
11 hydropower facility with a capacity of greater than three megawatts,
12 but less than 30 megawatts, or a resource recovery facility, provided
13 that the facility is located where retail competition is permitted and
14 provided further that the Commissioner of Environmental
15 Protection has determined that the facility meets the highest
16 environmental standards and minimizes any impacts to the
17 environment and local communities. Class II renewable energy
18 shall not include electric energy produced at a hydropower facility
19 with a capacity of greater than 30 megawatts on or after the
20 effective date of P.L.2015, c.51.

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

24 "Combined cycle power facility" means a generation facility that
25 combines two or more thermodynamic cycles, by producing electric
26 power via the combustion of fuel and then routing the resulting
27 waste heat by-product to a conventional boiler or to a heat recovery
28 steam generator for use by a steam turbine to produce electric
29 power, thereby increasing the overall efficiency of the generating
30 facility.

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

37 "Community clubhouse" means an area devoted to facilities and
38 equipment for recreational purposes typically including, but not
39 limited to, swimming pools, tennis courts, resident recreational club
40 meetings, and other similar uses maintained and operated by an age-
41 restricted community whose membership is limited to residents
42 within the age-restricted community.

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

47 "Commercial and industrial energy pricing class customer" or
48 "CIEP class customer" means that group of non-residential

1 customers with high peak demand, as determined by periodic board
2 order, which either is eligible or which would be eligible, as
3 determined by periodic board order, to receive funds from the Retail
4 Margin Fund established pursuant to section 9 of P.L.1999,
5 c.23 (C.48:3-57) and for which basic generation service is hourly-
6 priced.

7 "Comprehensive resource analysis" means an analysis including,
8 but not limited to, an assessment of existing market barriers to the
9 implementation of energy efficiency and renewable technologies
10 that are not or cannot be delivered to customers through a
11 competitive marketplace.

12 "Connected to the distribution system" means, for a solar electric
13 power generation facility, that the facility is: (1) connected to a net
14 metering customer's side of a meter, regardless of the voltage at
15 which that customer connects to the electric grid; (2) an on-site
16 generation facility; (3) qualified for net metering aggregation as
17 provided pursuant to paragraph (4) of subsection e. of section 38 of
18 P.L.1999, c.23 (C.48:3-87); (4) owned or operated by an electric
19 public utility and approved by the board pursuant to section 13 of
20 P.L.2007, c.340 (C.48:3-98.1); (5) directly connected to the electric
21 grid at 69 kilovolts or less, regardless of how an electric public
22 utility classifies that portion of its electric grid, and is designated as
23 "connected to the distribution system" by the board pursuant to
24 subsections q. through s. of section 38 of P.L.1999, c.23 (C.48:3-
25 87); or (6) is certified by the board, in consultation with the
26 Department of Environmental Protection, as being located on a
27 brownfield, on an area of historic fill, or on a properly closed
28 sanitary landfill facility. Any solar electric power generation
29 facility, other than that of a net metering customer on the customer's
30 side of the meter, connected above 69 kilovolts shall not be
31 considered connected to the distribution system.

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

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

39 "Delivery year" or "DY" means the 12-month period from June
40 1st through May 31st, numbered according to the calendar year in
41 which it ends.

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

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

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

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

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

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

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

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

45 "Energy agent" means a person that is duly registered pursuant to
46 the provisions of P.L.1999, c.23 (C.48:3-49 et al.), that arranges the
47 sale of retail electricity or electric related services, or retail gas
48 supply or gas related services, between government aggregators or

1 private aggregators and electric power suppliers or gas suppliers,
2 but does not take title to the electric or gas sold.

3 "Energy consumer" means a business or residential consumer of
4 electric generation service or gas supply service located within the
5 territorial jurisdiction of a government aggregator.

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

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

13 "Existing business relationship" means a relationship formed by
14 a voluntary two-way communication between an electric power
15 supplier, gas supplier, broker, energy agent, marketer, private
16 aggregator, sales representative, or telemarketer and a customer,
17 regardless of an exchange of consideration, on the basis of an
18 inquiry, application, purchase, or transaction initiated by the
19 customer regarding products or services offered by the electric
20 power supplier, gas supplier, broker, energy agent, marketer,
21 private aggregator, sales representative, or telemarketer; however, a
22 consumer's use of electric generation service or gas supply service
23 through the consumer's electric public utility or gas public utility
24 shall not constitute or establish an existing business relationship for
25 the purpose of P.L.2013, c.263.

26 "Farmland" means land actively devoted to agricultural or
27 horticultural use that is valued, assessed, and taxed pursuant to the
28 "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-
29 23.1 et seq.).

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

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

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

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

45 "Gas related service" means a service that is directly related to
46 the consumption of gas by an end user, including, but not limited to,
47 the installation of demand side management measures at the end
48 user's premises, the maintenance, repair or replacement of

1 appliances or other energy-consuming devices at the end user's
2 premises, and the provision of energy consumption measurement
3 and billing services.

4 "Gas supplier" means a person that is duly licensed pursuant to
5 the provisions of P.L.1999, c.23 (C.48:3-49 et al.) to offer and
6 assume the contractual and legal obligation to provide gas supply
7 service to retail customers, and includes, but is not limited to,
8 marketers and brokers. A non-public utility affiliate of a public
9 utility holding company may be a gas supplier, but a gas public
10 utility or any subsidiary of a gas utility is not a gas supplier. In the
11 event that a gas public utility is not part of a holding company legal
12 structure, a related competitive business segment of that gas public
13 utility may be a gas supplier, provided that related competitive
14 business segment is structurally separated from the gas public
15 utility, and provided that the interactions between the gas public
16 utility and the related competitive business segment are subject to
17 the affiliate relations standards adopted by the board pursuant to
18 subsection k. of section 10 of P.L.1999, c.23 (C.48:3-58).

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

22 "Government aggregator" means any government entity subject
23 to the requirements of the "Local Public Contracts Law," P.L.1971,
24 c.198 (C.40A:11-1 et seq.), the "Public School Contracts Law,"
25 N.J.S.18A:18A-1 et seq., or the "County College Contracts Law,"
26 P.L.1982, c.189 (C.18A:64A-25.1 et seq.), that enters into a written
27 contract with a licensed electric power supplier or a licensed gas
28 supplier for: (1) the provision of electric generation service, electric
29 related service, gas supply service, or gas related service for its own
30 use or the use of other government aggregators; or (2) if a
31 municipal or county government, the provision of electric
32 generation service or gas supply service on behalf of business or
33 residential customers within its territorial jurisdiction.

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

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

42 "Greenhouse gas emissions portfolio standard" means a
43 requirement that addresses or limits the amount of carbon dioxide
44 emissions indirectly resulting from the use of electricity as applied
45 to any electric power suppliers and basic generation service
46 providers of electricity.

47 "Historic fill" means generally large volumes of non-indigenous
48 material, no matter what date they were emplaced on the site, used

1 to raise the topographic elevation of a site, which were
2 contaminated prior to emplacement and are in no way connected
3 with the operations at the location of emplacement and which
4 include, but are not limited to, construction debris, dredge spoils,
5 incinerator residue, demolition debris, fly ash, and non-hazardous
6 solid waste. "Historic fill" shall not include any material which is
7 substantially chromate chemical production waste or any other
8 chemical production waste or waste from processing of metal or
9 mineral ores, residues, slags, or tailings.

10 "Incremental auction" means an auction conducted by PJM, as
11 part of PJM's reliability pricing model, prior to the start of the
12 delivery year to secure electric capacity as necessary to satisfy the
13 capacity requirements for that delivery year, that is not otherwise
14 provided for in the base residual auction.

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

20 "Locational deliverability area" or "LDA" means one or more of
21 the zones within the PJM region which are used to evaluate area
22 transmission constraints and reliability issues including electric
23 public utility company zones, sub-zones, and combinations of
24 zones.

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

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

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

46 "Mid-merit electric power generation facility" means a
47 generation facility that operates at a capacity factor between
48 baseload generation facilities and peaker generation facilities.

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

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

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

13 "Offshore wind energy" means electric energy produced by a
14 qualified offshore wind project.

15 "Offshore wind renewable energy certificate" or "OREC" means
16 a certificate, issued by the board or its designee, representing the
17 environmental attributes of one megawatt hour of electric
18 generation from a qualified offshore wind project.

19 "Off-site end use thermal energy services customer" means an
20 end use customer that purchases thermal energy services from an
21 on-site generation facility, combined heat and power facility, or co-
22 generation facility, and that is located on property that is separated
23 from the property on which the on-site generation facility,
24 combined heat and power facility, or co-generation facility is
25 located by more than one easement, public thoroughfare, or
26 transportation or utility-owned right-of-way.

27 "On-site generation facility" means a generation facility,
28 including, but not limited to, a generation facility that produces
29 Class I or Class II renewable energy, and equipment and services
30 appurtenant to electric sales by such facility to the end use customer
31 located on the property or on property contiguous to the property on
32 which the end user is located. An on-site generation facility shall
33 not be considered a public utility. The property of the end use
34 customer and the property on which the on-site generation facility is
35 located shall be considered contiguous if they are geographically
36 located next to each other, but may be otherwise separated by an
37 easement, public thoroughfare, transportation or utility-owned
38 right-of-way, or if the end use customer is purchasing thermal
39 energy services produced by the on-site generation facility, for use
40 for heating or cooling, or both, regardless of whether the customer
41 is located on property that is separated from the property on which
42 the on-site generation facility is located by more than one easement,
43 public thoroughfare, or transportation or utility-owned right-of-way.

44 "Person" means an individual, partnership, corporation,
45 association, trust, limited liability company, governmental entity, or
46 other legal entity.

47 "PJM Interconnection, L.L.C." or "PJM" means the privately-
48 held, limited liability corporation that is a FERC-approved Regional

1 Transmission Organization, or its successor, that manages the
2 regional, high-voltage electricity grid serving all or parts of 13
3 states including New Jersey and the District of Columbia, operates
4 the regional competitive wholesale electric market, manages the
5 regional transmission planning process, and establishes systems and
6 rules to ensure that the regional and in-State energy markets operate
7 fairly and efficiently.

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

10 "Private aggregator" means a non-government aggregator that is
11 a duly-organized business or non-profit organization authorized to
12 do business in this State that enters into a contract with a duly
13 licensed electric power supplier for the purchase of electric energy
14 and capacity, or with a duly licensed gas supplier for the purchase
15 of gas supply service, on behalf of multiple end-use customers by
16 combining the loads of those customers.

17 "Properly closed sanitary landfill facility" means a sanitary
18 landfill facility, or a portion of a sanitary landfill facility, for which
19 performance is complete with respect to all activities associated
20 with the design, installation, purchase, or construction of all
21 measures, structures, or equipment required by the Department of
22 Environmental Protection, pursuant to law, in order to prevent,
23 minimize, or monitor pollution or health hazards resulting from a
24 sanitary landfill facility subsequent to the termination of operations
25 at any portion thereof, including, but not necessarily limited to, the
26 placement of earthen or vegetative cover, and the installation of
27 methane gas vents or monitors and leachate monitoring wells or
28 collection systems at the site of any sanitary landfill facility.

29 "Public utility holding company" means: (1) any company that,
30 directly or indirectly, owns, controls, or holds with power to vote,
31 10 percent or more of the outstanding voting securities of an
32 electric public utility or a gas public utility or of a company which
33 is a public utility holding company by virtue of this definition,
34 unless the Securities and Exchange Commission, or its successor,
35 by order declares such company not to be a public utility holding
36 company under the Public Utility Holding Company Act of 1935,
37 15 U.S.C. s.79 et seq., or its successor; or (2) any person that the
38 Securities and Exchange Commission, or its successor, determines,
39 after notice and opportunity for hearing, directly or indirectly, to
40 exercise, either alone or pursuant to an arrangement or
41 understanding with one or more other persons, such a controlling
42 influence over the management or policies of an electric public
43 utility or a gas public utility or public utility holding company as to
44 make it necessary or appropriate in the public interest or for the
45 protection of investors or consumers that such person be subject to
46 the obligations, duties, and liabilities imposed in the Public Utility
47 Holding Company Act of 1935, 15 U.S.C. s.79 et seq., or its
48 successor act.

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

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

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

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

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

31 "Reliability pricing model" or "RPM" means PJM's capacity-
32 market model, and its successors, that secures capacity on behalf of
33 electric load serving entities to satisfy load obligations not satisfied
34 through the output of electric generation facilities owned by those
35 entities, or otherwise secured by those entities through bilateral
36 contracts.

37 "Renewable energy certificate" or "REC" means a certificate
38 representing the environmental benefits or attributes of one
39 megawatt-hour of generation from a generating facility that
40 produces Class I or Class II renewable energy, but shall not include
41 a solar renewable energy certificate or an offshore wind renewable
42 energy certificate.

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

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

8 "Restructuring related costs" means reasonably incurred costs
9 directly related to the restructuring of the electric power industry,
10 including the closure, sale, functional separation, and divestiture of
11 generation and other competitive utility assets by a public utility, or
12 the provision of competitive services as those costs are determined
13 by the board, and which are not stranded costs as defined in
14 P.L.1999, c.23 (C.48:3-49 et al.) but may include, but not be limited
15 to, investments in management information systems, and which
16 shall include expenses related to employees affected by
17 restructuring which result in efficiencies and which result in
18 benefits to ratepayers, such as training or retraining at the level
19 equivalent to one year's training at a vocational or technical school
20 or county community college, the provision of severance pay of two
21 weeks of base pay for each year of full-time employment, and a
22 maximum of 24 months' continued health care coverage. Except as
23 to expenses related to employees affected by restructuring,
24 "restructuring related costs" shall not include going forward costs.

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

31 "Retail margin" means an amount, reflecting differences in
32 prices that electric power suppliers and electric public utilities may
33 charge in providing electric generation service and basic generation
34 service, respectively, to retail customers, excluding residential
35 customers, which the board may authorize to be charged to
36 categories of basic generation service customers of electric public
37 utilities in this State, other than residential customers, under the
38 board's continuing regulation of basic generation service pursuant to
39 sections 3 and 9 of P.L.1999, c.23 (C.48:3-51 and 48:3-57), for the
40 purpose of promoting a competitive retail market for the supply of
41 electricity.

42 "Sales representative" means a person employed by, acting on
43 behalf of, or as an independent contractor for, an electric power
44 supplier, gas supplier, broker, energy agent, marketer, or private
45 aggregator who, by any means, solicits a potential residential
46 customer for the provision of electric generation service or gas
47 supply service.

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

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

11 "Shopping credit" means an amount deducted from the bill of an
12 electric public utility customer to reflect the fact that the customer
13 has switched to an electric power supplier and no longer takes basic
14 generation service from the electric public utility.

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

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

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

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

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

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

1 "Standard offer capacity agreement" or "SOCA" means a
2 financially-settled transaction agreement, approved by board order,
3 that provides for eligible generators to receive payments from the
4 electric public utilities for a defined amount of electric capacity for
5 a term to be determined by the board but not to exceed 15 years,
6 and for such payments to be a fully non-bypassable charge, with
7 such an order, once issued, being irrevocable.

8 "Standard offer capacity price" or "SOCP" means the capacity
9 price that is fixed for the term of the SOCA and which is the price
10 to be received by eligible generators under a board-approved
11 SOCA.

12 "State entity" means a department, agency, or office of State
13 government, a State university or college, or an authority created by
14 the State.

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

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

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

31 "Telemarketing sales call" means a telephone call made by a
32 telemarketer to a potential residential customer as part of a plan,
33 program, or campaign to encourage the customer to change the
34 customer's electric power supplier or gas supplier. A telephone call
35 made to an existing customer of an electric power supplier, gas
36 supplier, broker, energy agent, marketer, private aggregator, or
37 sales representative, for the sole purpose of collecting on accounts
38 or following up on contractual obligations, shall not be deemed a
39 telemarketing sales call. A telephone call made in response to an
40 express written request of a customer shall not be deemed a
41 telemarketing sales call.

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

1 costs rate order, as modified at any time pursuant to the provisions
2 of P.L.1999, c.23 (C.48:3-49 et al.).

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

16 "Transition period" means the period from August 1, 1999
17 through July 31, 2003.

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

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

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

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

35
36 2. Section 12 of P.L.1999, c.23 (C.48:3-60) is amended to read
37 as follows:

38 12. a. Simultaneously with the starting date for the
39 implementation of retail choice as determined by the board pursuant
40 to subsection a. of section 5 of **[this act]** P.L.1999, c.23 (C.48:3-
41 53), the board shall permit each electric public utility and gas public
42 utility to recover some or all of the following costs through a
43 societal benefits charge that shall be collected as a non-bypassable
44 charge imposed on all electric public utility customers and gas
45 public utility customers, as appropriate:

46 (1) The costs for the social programs for which rate recovery
47 was approved by the board prior to April 30, 1997. For the purpose

1 of establishing initial unbundled rates pursuant to section 4 of **[this**
2 **act]** P.L.1999, c.23 (C.48:3-52), the societal benefits charge shall
3 be set to recover the same level of social program costs as is being
4 collected in the bundled rates of the electric public utility on the
5 effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.). The
6 board may subsequently order, pursuant to its rules and regulations,
7 an increase or decrease in the societal benefits charge to reflect
8 changes in the costs to the electric or gas public utility of
9 administering existing social programs. Nothing in **[this act]**
10 P.L.1999, c.23 (C.48:3-49 et al.) shall be construed to abolish or
11 change any social program required by statute or board order or rule
12 or regulation to be provided by an electric or gas public utility.
13 Any such social program shall continue to be provided by the
14 electric or gas public utility until otherwise provided by law, unless
15 the board determines that it is no longer appropriate for the electric
16 or gas public utility to provide the program, or the board chooses to
17 modify the program;

18 (2) Nuclear plant decommissioning costs;

19 (3) The costs of demand side management programs that were
20 approved by the board pursuant to its demand side management
21 regulations prior to April 30, 1997. For the purpose of establishing
22 initial unbundled rates pursuant to section 4 of **[this act]** P.L.1999,
23 c.23 (C.48:3-52), the societal benefits charge shall be set to recover
24 the same level of demand side management program costs as is
25 being collected in the bundled rates of the electric or gas public
26 utility on the effective date of **[this act]** P.L.1999, c.23 (C.48:3-
27 49 et al.). Within four months of the effective date of **[this act]**
28 P.L.1999, c.23 (C.48:3-49 et al.), and every four years thereafter,
29 the board shall initiate a proceeding and cause to be undertaken a
30 comprehensive resource analysis of energy programs, and within
31 eight months of initiating such proceeding and after notice,
32 provision of the opportunity for public comment, and public
33 hearing, the board, in consultation with the Department of
34 Environmental Protection, shall determine the appropriate level of
35 funding for energy efficiency and Class I renewable energy
36 programs that provide environmental benefits above and beyond
37 those provided by standard offer or similar programs in effect as of
38 the effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.);
39 provided that the funding for **[such]** demand side management
40 programs be no less than **[50%]** 50 percent of the total Statewide
41 amount being collected in **[public]** electric and gas public utility
42 rates for demand side management programs on the effective date
43 of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.) for an initial period of
44 four years from the issuance of the first comprehensive resource
45 analysis following the effective date of **[this act]** P.L.1999, c.23
46 (C.48:3-49 et al.), and provided that **[25%]** 25 percent of this
47 amount shall be used to provide funding for Class I renewable

1 energy projects in the State. In each of the following fifth through
2 eighth years, the Statewide funding for **such** demand side
3 management programs shall be no less than 50 percent of the total
4 Statewide amount being collected in **public** electric and gas
5 public utility rates for demand side management programs on the
6 effective date of **this act** P.L.1999, c.23 (C.48:3-49 et al.), except
7 that as additional funds are made available as a result of the
8 expiration of past standard offer or similar commitments, the
9 minimum amount of funding for **such** demand side management
10 programs shall increase by an additional amount equal to 50 percent
11 of the additional funds made available, until the minimum amount
12 of funding dedicated to **such** demand side management programs
13 reaches \$140,000,000 total. After the eighth year, the board shall
14 make a determination as to the appropriate level of funding for
15 these programs. **Such** The demand side management programs
16 shall include a program to provide financial incentives for the
17 installation of Class I renewable energy projects in the State, and
18 the board, in consultation with the Department of Environmental
19 Protection, shall determine the level and total amount of **such** the
20 incentives as well as the renewable technologies eligible for **such**
21 the incentives which shall include, at a minimum, photovoltaic,
22 wind, and fuel cells. The demand side management programs shall
23 also include a program to provide grants and low-interest loans to
24 age-restricted communities to cover costs of the purchase and
25 installation of photovoltaic technologies for use in age-restricted
26 community clubhouse facilities.

27 The board shall simultaneously determine, as a result of the
28 comprehensive resource analysis, the demand side management
29 programs to be funded by the societal benefits charge, the level of
30 cost recovery and performance incentives for old and new programs
31 and whether the recovery of demand side management programs'
32 costs currently approved by the board may be reduced or extended
33 over a longer period of time. The board shall make these
34 determinations taking into consideration existing market barriers
35 and environmental benefits, with the objective of transforming
36 markets, capturing lost opportunities, making energy services more
37 affordable for low income customers and eliminating subsidies for
38 programs that can be delivered in the marketplace without electric
39 public utility and gas public utility customer funding;

40 (4) Manufactured gas plant remediation costs, which shall be
41 determined initially in a manner consistent with mechanisms in the
42 remediation adjustment clauses for the electric public utility and gas
43 public utility adopted by the board; and

44 (5) The cost, of consumer education, as determined by the
45 board, which shall be in an amount that, together with the consumer
46 education surcharge imposed on electric power supplier license fees
47 pursuant to subsection h. of section 29 of **this act** P.L.1999,

1 c.23 (C.48:3-78) and the consumer education surcharge imposed on
2 gas supplier license fees pursuant to subsection g. of section 30 of
3 **【this act】** P.L.1999, c.23 (C.48:3-79), shall be sufficient to fund the
4 consumer education program established pursuant to section 36 of
5 **【this act】** P.L.1999, c.23 (C.48:3-85).

6 b. There is established in the **【Board of Public Utilities】** board
7 a nonlapsing fund to be known as the "Universal Service Fund."
8 The board shall determine: the level of funding and the appropriate
9 administration of the fund; the purposes and programs to be funded
10 with monies from the fund; which social programs shall be provided
11 by an electric or gas public utility as part of the provision of its
12 regulated services which provide a public benefit; whether the funds
13 appropriated to fund the "Lifeline Credit Program" established
14 pursuant to P.L.1979, c.197 (C.48:2-29.15 et seq.), the "Tenants'
15 Lifeline Assistance Program" established pursuant to P.L.1981,
16 c.210 **【(C.48:2-29.31 et seq.)】** (C.48:2-29.30 et seq.), the funds
17 received pursuant to the Low Income Home Energy Assistance
18 Program established pursuant to 42 U.S.C. s.8621 et seq., and funds
19 collected by electric and **【natural】** gas public utilities, as authorized
20 by the board, to offset uncollectible **【electricity and natural】**
21 electric and gas public utility bills should be deposited in the fund;
22 and whether new charges should be imposed to fund new or
23 expanded social programs.
24 (cf: P.L.1999, c.23, s.12)

25
26 3. This act shall take effect on the first day of the third month
27 following enactment, except that the board may take such
28 anticipatory administrative action in advance thereof as shall be
29 necessary for the implementation of this act.
30
31

32 STATEMENT

33
34 This bill would expand the demand side management programs
35 administered by the Board of Public Utilities (board) and funded
36 from the societal benefits charge to include grants and low-interest
37 loans to age-restricted communities to cover costs of the purchase
38 and installation of photovoltaic technologies for use in age-
39 restricted community clubhouse facilities.

40 The bill defines "age-restricted community" as a community that
41 complies with the definition of "housing for older persons," as
42 provided in 42 U.S.C. s.3607, for that community, as set forth in
43 section 100.301 of Title 24, Code of Federal Regulations.