SENATE, No. 2484

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED MAY 14, 2020

Sponsored by:
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District 7 (Burlington)
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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.
AN ACT concerning clean energy and energy efficiency programs for overburdened communities, supplementing and amending P.L.2018, c.17, and supplementing Title 34 of the Revised Statutes and P.L.1975, c.217 (C.52:27D-119 et seq.).

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

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

   b. The Office of Clean Energy Equity shall:

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

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

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

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

      (2) provide outreach and recruitment campaign grants to community-based organizations to increase participation by residents of overburdened communities in clean energy and energy efficiency programs by the hiring residents to conduct outreach and 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.
(3) develop, in coordination with community-based organizations, outreach materials concerning the provisions of this act in multiple languages that are easy to deliver through multiple media;

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

and

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

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

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

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

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

e. No later than September 1 of each year, the board shall prepare and submit to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), the Legislature a written report of
the activities of the Office of Clean Energy Equity. The report shall describe, at a minimum, the activities of the office during the immediately preceding fiscal year, the amounts budgeted and expended for each program activity, the amount of funding remaining unexpended at the end of the fiscal year, a summary of the collaborations with other State departments and agencies and the activities that are planned or were carried out by those entities pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill), and a summary of the progress towards achieving the requirements of subsection b. of this section.

f. As used in this section:

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

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

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

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

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

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

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

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

2. a. (1) The Department of Labor and Workforce Development, in consultation with the Office of Clean Energy Equity established pursuant to section 1 of P.L. , c. (C. ) (pending before the Legislature as this bill) and the New Jersey Economic Development Authority, shall establish a program to provide grants to community-based, diversity-focused nonprofit
organizations to develop solar energy or clean energy paid workforce training programs that provide training to at least 2,500 individuals from overburdened communities by 2025. The department shall require, as a condition of a grant award, that the programs be updated every two years to ensure that they prepare participants adequately for the current job market in the solar energy or clean energy industry.

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

b. As used in this section:

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

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

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

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

c. As used in this section:

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

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

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

“Solar panel” means an elevated panel or plate, or a canopy or array thereof, that captures and converts solar radiation to produce
power, and includes flat plate, focusing solar collectors, or
photovoltaic solar cells and includes the base or foundation of the
panel, plate, canopy, or array.
“Solar ready” means the incorporation of design elements in a
structure or building that allow for the installation of rooftop solar
panels and, if the structure or building is intended to use hot water,
a solar water heating system.
“Solar water heating system” means a system which uses solar
energy as the primary means of heating water.
4. Section 5 of P.L.2018, c.17 (C.48:3-87.11) is amended to
read as follows:
5. a. No later than 210 days after the date of enactment of
P.L.2018, c.17 (C.48:3-87.8 et al.), the Board of Public Utilities
shall adopt, pursuant to the "Administrative Procedure Act,"
P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations
establishing a “Community Solar Energy Pilot Program” to permit
customers of an electric public utility to participate in a solar energy
project that is remotely located from their properties but is within
their electric public utility service territory to allow for a credit to
the customer's utility bill equal to the electricity generated that is
attributed to the customer's participation in the solar energy project.
b. The rules and regulations developed by the board shall
establish:
(1) a capacity limit for individual solar energy projects to a
maximum of five megawatts per project;
(2) an annual capacity limit for all solar energy projects under
the pilot program;
(3) geographic limitations for solar energy projects and
participating customers;
(4) a minimum number of participating customers for each solar
energy project;
(5) the value of the credit on each participating customer's bill;
(6) standards to limit the land use impact of a solar energy
project as required in subsection r. of section 38 of P.L.1999, c.23
(C.48:3-87);
(7) the provision of access to solar energy projects for low and
moderate income customers;
(8) standards to ensure the ability of residential and commercial
customers to participate in solar energy projects, including
residential customers in multifamily housing;
(9) standards for connection to the distribution system of an
electric public utility; and
(10) provisions to minimize impacts to the distribution system
of an electric public utility.
c. The board shall make available on its Internet website
information on solar energy projects whose owners are seeking
participants.
The board shall establish standards and an application process for owners of solar energy projects who wish to be included in the Community Solar Energy Pilot Program. The standards for the Community Solar Energy Pilot Program shall include, but need not be limited to, a verification process to ensure that the solar energy projects are producing an amount of energy that is greater than or equal to the amount of energy that is being credited to its participating customer's electric utility bills pursuant to subsection b. of this section, and consumer protection measures. Projects approved by the board shall have at least two participating customers.

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

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

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

1. Limit the capacity of each solar energy project to a maximum of five megawatts;
2. Establish a goal for the development of at least 50 megawatts of solar energy projects per year, taking into account any changes to the SREC program;
3. Set geographic limitations for solar energy projects and participating customers;
4. Provide for a minimum number of participating customers for each solar energy project;
5. Require the provision of access to solar energy projects for low and moderate income customers in accordance with the requirements of section 1 of P.L. , c. (C. ) (pending before the Legislature as this bill);
6. Establish standards to ensure the ability of residential and commercial customers to participate in solar energy projects, including residential customers in multifamily housing;
7. Establish a method for determining the value of the credit on each participating customer's bill;
8. Establish timeframes for the credit available to the customer;
9. Establish standards and methods to verify solar electric energy generation on a monthly basis for a solar energy project;
(10) establish standards consistent with the land use provisions for solar energy projects as provided in subsections r., s., and t. of section 38 of P.L.1999, c.23 (C.48:3-87);
(11) establish standards, fees, and uniform procedures for solar energy projects to be connected to the distribution system of an electric public utility;
(12) minimize impacts to the distribution system of an electric public utility;
(13) require monthly reporting requirements for the operators of solar energy projects to the electric public utility, project customers, and the board;
(14) require reporting by the electric public utility to the operator of a solar energy project on the value of credits to the participating customer's bills; and
(15) require transferability, portability, and buy-out provisions for customers who participate in community solar energy projects.

As used in this section:
"Solar energy project" means a system containing one or more solar panels and associated equipment.
"Solar panel" means an elevated panel or plate, or a canopy or array thereof, that captures and converts solar radiation to produce electric power, and is approved by the board to be included in the Community Solar Energy Pilot Program.
"Solar power" includes flat plate, focusing solar collectors, or photovoltaic solar cells and excludes the base or foundation of the panel, plate, canopy, or array.

5. This act shall take effect immediately.

STATEMENT

This bill would establish an Office of Clean Energy Equity (office) in the Board of Public Utilities (board). The office is charged with overseeing the equitable deployment of clean energy and energy efficiency programs and technologies in overburdened communities, and the equitable provision of the tangible benefits of clean energy and increased energy efficiency at the household and community level, including clean energy asset ownership, energy cost savings, and employment and economic opportunities, to overburdened communities. The bill would require the office to:
(1) establish onsite solar or community solar and energy efficiency programs, which benefit 250,000 low income households or 35 percent of the low income households in the State, whichever is larger, by 2030, with the goal of bringing these households within or below an average energy burden for the State, as defined by the
United States Department of Energy Low Income Energy Affordability Data Tool; and (2) require the establishment of a minimum of 400 megawatts of energy storage in overburdened communities by 2030.

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

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

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

Under the bill, the Department of Community Affairs, in consultation with the office, would require all new construction located in an overburdened community to be solar ready, and provide preference to applications for onsite, community solar, energy storage, or other clean energy projects that are sited in overburdened communities or include minority or women-owned businesses.
Lastly, the bill would amend the current law establishing the Community Solar Energy Pilot Program to require the rules and regulations establishing the pilot program as a permanent program to require the provision of access to solar energy projects for low and moderate income customers in comply with the provisions of this bill.