

[Second Reprint]

SENATE, No. 2484

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED MAY 14, 2020

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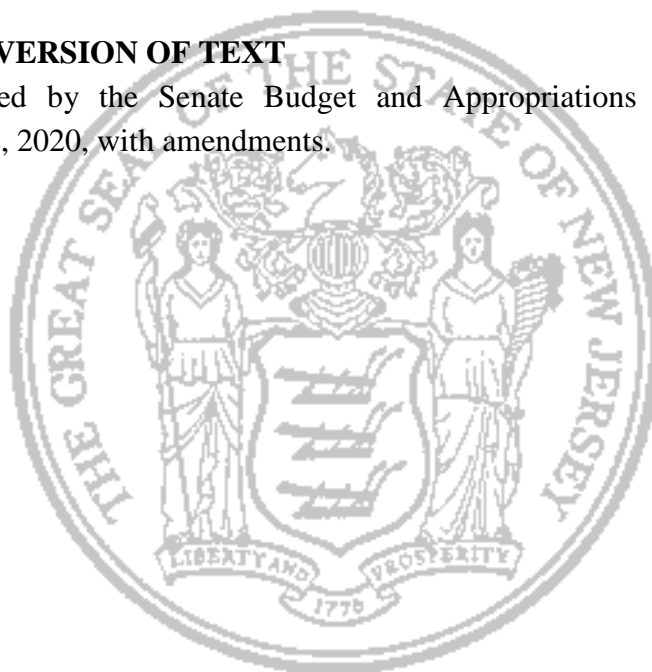
**Senators Addiego, Pou, Ruiz, Gopal, Greenstein, Cunningham, Beach,
B.Smith, Turner and Diegnan**

SYNOPSIS

Establishes Office of Clean Energy Equity in BPU; directs establishment of certain clean energy, energy efficiency, and energy storage programs for overburdened communities; makes change to community solar program.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on November 12, 2020, with amendments.



(Sponsorship Updated As Of: 10/22/2020)

1 AN ACT concerning clean energy ¹**[and]** ¹energy efficiency ¹, and
 2 energy storage¹ programs for overburdened communities,
 3 supplementing and amending ¹**[P.L.2018, c.17]** ²**[P.L.1999,**
 4 c.23¹ P.L.2018, c.17², and supplementing Title 34 of the
 5 Revised Statutes and P.L.1975, c.217 (C.52:27D-119 et seq.).

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

9
 10 1. ¹(New section)¹ a. There is established in the Board of
 11 Public Utilities an Office of Clean Energy Equity. The office shall
 12 ¹promote, guide, and¹ oversee the equitable deployment of clean
 13 energy ¹**[and]** ¹energy efficiency ¹, and energy storage¹ programs
 14 and technologies in overburdened communities, and the equitable
 15 provision of the tangible benefits of clean energy ¹**[and]** ¹
 16 increased energy efficiency ¹, and energy storage¹ at the household
 17 and community level, including clean energy asset ownership,
 18 energy cost savings, and employment and economic opportunities,
 19 to overburdened communities.

20 b. The ¹**[Office of Clean Energy Equity]** board¹ shall:

21 (1) establish onsite solar or community solar ¹**[and energy**
 22 **efficiency]**¹ programs, ¹including, but not limited to, programs
 23 using solar facilities installed, owned, and operated by independent,
 24 non-utility providers,¹ which benefit 250,000 low income
 25 households or 35 percent of the low income households in the State,
 26 whichever is larger, by 2030, with the goal of ¹**[bringing]**
 27 reducing¹ these ¹**[households within or below an]** households'¹
 28 average energy burden ¹**[for the State]** to below six percent of
 29 household income¹, as defined by the United States Department of
 30 Energy Low Income Energy Affordability Data Tool ¹. The board
 31 may implement the programs required pursuant to this paragraph in
 32 conjunction with existing renewable energy and energy efficiency
 33 programs or services¹; and

34 (2) require the establishment of a minimum of ²**[400**
 35 **megawatts]** 1,600 megawatt hours² of energy storage in
 36 overburdened communities ², capable of delivering 400 megawatts
 37 of power,² by 2030, which shall be sited in public facilities ²**[or]** ²
 38 as part of a microgrid connected to a public facility serving as a
 39 community energy resiliency hub, ²**[or]**² be directly sited in low
 40 income households ², or be sited so as to otherwise increase the
 41 resiliency and reduce the energy burden of overburdened
 42 communities². In establishing the energy storage required pursuant
 43 to this paragraph, the office shall ensure that a community energy
 44 resilience hub is powered by clean energy, is community-based and

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SEN committee amendments adopted July 22, 2020.

²Senate SBA committee amendments adopted November 12, 2020.

1 community-centric, is inclusive of community-based organizations,
2 and prioritizes the deployment of energy services to local residents
3 during natural disasters.

4 c. The ¹board, in cooperation with the¹ Office of Clean Energy
5 Equity ¹], in conjunction with the board]¹, shall:

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

8 (2) provide outreach and recruitment campaign grants to
9 community-based organizations to increase participation by
10 residents of overburdened communities in clean energy and energy
11 efficiency programs by ²[the]² hiring residents to conduct outreach
12 and public education in those communities;

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

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

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

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

42 ¹The board may allocate additional funding, staff, and resources to
43 the Office of Clean Energy Equity as the board determines
44 appropriate.¹

45 Of the funds annually directed by the board to the Office of
46 Clean Energy Equity pursuant to this paragraph, an amount not to
47 exceed ²[10] five² percent may be used each year for costs

1 associated with program administration, including costs incurred
2 related to marketing, outreach, reporting, and evaluation activities
3 to implement the provisions of this section. ¹The Office of Clean
4 Energy Equity may contract with a third party administrator with
5 experience deploying solar energy and energy storage in
6 overburdened communities to implement the provisions of this
7 section.¹

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

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

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

31 f. As used in this section:

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

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

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

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

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

1 ¹“Limited English proficiency” means that a household does not
2 have an adult that speaks English “very well” according to the
3 United States Census Bureau.¹

4 “Low income household” means a household ¹**【with adjusted**
5 **gross income at or below 200 percent of the federal poverty level】**
6 **that is at or below twice the poverty threshold as that threshold is**
7 **determined annually by the United States Census Bureau¹ .**

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

10 “Overburdened community” means any census block group, as
11 determined in accordance with the most recent United States
12 Census, in which ¹**【at least one half of the households qualify as**
13 **low income households, and either: (1) at least 40 percent of the**
14 **residents of the census block group identify as Black, African**
15 **American, Hispanic or Latino, Asian, Pacific Islander, or as**
16 **members of a State-recognized tribal community; or (2) at least 40**
17 **percent of the households in the census block group have limited**
18 **English proficiency】** : (1) at least 35 percent of the households
19 qualify as low-income households; (2) at least 40 percent of the
20 residents identify as minority or as members of a State recognized
21 tribal community; or (3) at least 40 percent of the households have
22 limited English proficiency¹ .

23
24 2. ¹(New section)¹ a. (1) The Department of Labor and
25 Workforce Development, in consultation with the Office of Clean
26 Energy Equity established pursuant to section 1 of P.L. ,
27 c. (C.) (pending before the Legislature as this bill) ¹and any
28 other staff or resources designated by the Board of Public Utilities,¹
29 and the New Jersey Economic Development Authority, shall
30 establish a program to provide grants to community-based,
31 diversity-focused nonprofit organizations ², community colleges,
32 and vocational-technical schools² to develop solar energy or clean
33 energy paid workforce training programs that provide training to at
34 least 2,500 individuals from overburdened communities by 2025.
35 The department shall require, as a condition of a grant award, that
36 the programs be updated every two years to ensure that they prepare
37 participants adequately for the current job market in the solar
38 energy or clean energy industry.

39 (2) The Department of Labor and Workforce Development shall
40 develop, in coordination with community-based organizations, ¹**【a**
41 **program】** programs¹ to provide entrepreneurial training, mentoring,
42 apprenticeships, investment capital, loans, ¹**【loan loss reserve**
43 **funds, credit enhancement funds,】¹** or other ¹training, capacity
44 building,¹ technical ^{1,1} and financial support to residents of
45 overburdened communities to help launch new clean energy
46 enterprises or establish careers in the clean energy workforce.

1 b. As used in this section:

2 “Clean energy” means the same as the term is defined ¹ [pursuant
3 to] in¹ section 1 of P.L. , c. (C.) (pending before the
4 Legislature as this bill).

5 “Overburdened community” means the same as the term is
6 defined ¹ [pursuant to] in¹ section 1 of P.L. , c. (C.)
7 (pending before the Legislature as this bill).

8
9 3. ¹(New section)¹ a. The Department of Community Affairs,
10 in consultation with the Office of Clean Energy Equity established
11 pursuant to section 1 of P.L. , c. (C.) (pending before the
12 Legislature as this bill) ¹and any other staff or resources designated
13 by the Board of Public Utilities¹, shall require all new construction
14 located in an overburdened community to be solar ready ¹, subject
15 to any specific exemptions that the department and the board deem
16 reasonable and necessary and that the department adopts pursuant to
17 the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1
18 et seq.)¹. The department shall give preference to applications for
19 onsite, community solar, energy storage, or other clean energy
20 projects that are sited in overburdened communities or include
21 minority or women-owned businesses.

22 b. The commissioner shall adopt rules and regulations,
23 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
24 (C.52:14B-1 et seq.), in order to effectuate the purposes of this
25 section. ¹The commissioner shall, pursuant to the “Administrative
26 Procedure Act,” make any necessary changes to the Residential Site
27 Improvement Standards adopted pursuant to P.L.1993, c.32
28 (C.40:55D-40.1 et seq.), the State Uniform Construction Code
29 adopted pursuant to P.L.1975, c.217 (C.52:27D-119 et seq.), any
30 building subcode, or any other existing rule and regulation to
31 effectuate the purposes of this section.¹

32 c. As used in this section:

33 “Clean energy” means the same as the term is defined ¹ [pursuant
34 to] in¹ section 1 of P.L. , c. (C.) (pending before the
35 Legislature as this bill).

36 “Energy storage” means the same as the term is defined
37 ¹ [pursuant to] in¹ section 1 of P.L. , c. (C.) (pending before
38 the Legislature as this bill).

39 “Overburdened community” means the same as the term is
40 defined ¹ [pursuant to] in¹ section 1 of P.L. , c. (C.)
41 (pending before the Legislature as this bill).

42 “Solar panel” means an elevated panel or plate, or a canopy or
43 array thereof, that captures and converts solar radiation to produce
44 power, and includes flat plate, focusing solar collectors, or
45 photovoltaic solar cells and includes the base or foundation of the
46 panel, plate, canopy, or array.

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

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

7

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

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

20 b. The rules and regulations developed by the board shall
21 establish:

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

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

26 (3) geographic limitations for solar energy projects and
27 participating customers;

28 (4) a minimum number of participating customers for each solar
29 energy project;

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

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

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

36 (8) standards to ensure the ability of residential and commercial
37 customers to participate in solar energy projects, including
38 residential customers in multifamily housing;

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

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

43 c. The board shall make available on its Internet website
44 information on solar energy projects whose owners are seeking
45 participants.

46 d. The board shall establish standards and an application
47 process for owners of solar energy projects who wish to be included
48 in the Community Solar Energy Pilot Program. The standards for

1 the Community Solar Energy Pilot Program shall include, but need
2 not be limited to, a verification process to ensure that the solar
3 energy projects are producing an amount of energy that is greater
4 than or equal to the amount of energy that is being credited to its
5 participating customer's electric utility bills pursuant to subsection
6 b. of this section, and consumer protection measures. Projects
7 approved by the board shall have at least two participating
8 customers.

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

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

16 f. No later than 36 months after adoption of the rules and
17 regulations required pursuant to subsection b. of this section, ¹or no
18 later than the date on which the board adopts rules and regulations
19 establishing a permanent successor to the SREC program pursuant
20 to paragraph (3) of subsection d. of section 38 of P.L.1999, c.23
21 ²[(48:3-87)] (C.48:3-87)², whichever date is earlier,¹ the board
22 shall adopt rules and regulations, pursuant to the "Administrative
23 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to convert
24 the Community Solar Energy Pilot Program to a permanent
25 program. The board shall adopt rules and regulations for the
26 permanent program that set forth standards for projects owned by
27 electric public utilities, special purpose entities, and nonprofit
28 entities. The rules and regulations shall also:

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

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

34 (3) set geographic limitations for solar energy projects and
35 participating customers;

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

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

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

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

47 (8) establish timeframes for the credit available to the customer;

1 (9) establish standards and methods to verify solar electric
2 energy generation on a monthly basis for a solar energy project;

3 (10) establish standards consistent with the land use provisions
4 for solar energy projects as provided in subsections r., s., and t. of
5 section 38 of P.L.1999, c.23 (C.48:3-87) ²and any land use
6 provisions of the permanent successor to the SREC program
7 established by the board pursuant to paragraph (3) of subsection d.
8 of section 38 of P.L.1999, c.23 (C.48:3-87)² ;

9 (11) establish standards, fees, and uniform procedures for solar
10 energy projects to be connected to the distribution system of an
11 electric public utility;

12 (12) minimize impacts to the distribution system of an electric
13 public utility;

14 (13) require monthly reporting requirements for the operators of
15 solar energy projects to the electric public utility, project customers,
16 and the board;

17 (14) require reporting by the electric public utility to the
18 operator of a solar energy project on the value of credits to the
19 participating customer's bills; and

20 (15) require transferability, portability, and buy-out provisions
21 for customers who participate in community solar energy projects.

22 g. As used in this section:

23 "Solar energy project" means a system containing one or more
24 solar panels and associated equipment.

25 "Solar panel" means an elevated panel or plate, or a canopy or
26 array thereof, that captures and converts solar radiation to produce
27 electric power, and is approved by the board to be included in the
28 Community Solar Energy Pilot Program.

29 "Solar power" includes flat plate, focusing solar collectors, or
30 photovoltaic solar cells and excludes the base or foundation of the
31 panel, plate, canopy, or array.

32 (cf: P.L.2018, c.17, s.5)

33

34 ¹⁵. (New section) The board shall conduct a study to examine
35 utility rate schedules applied to customers living in multi-family
36 housing served by a single meter, and the community solar bill
37 credits and effective savings available to those customers. The
38 study shall assess whether customers living in multi-family housing
39 are eligible to receive similar financial benefits from community
40 solar participation as those customers residing in single-family
41 residences, and make suggestions for legislative or regulatory
42 action to ensure the equitable distribution of the benefits and cost-
43 savings of community solar. In conducting the study, the board
44 shall solicit comments from utilities, public interest groups, and
45 other interested parties. The board shall report its findings to the
46 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
47 19.1), the Legislature no later than ²~~180~~ 270² days after the

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1 effective date of P.L. , c. (C.) (pending before the
2 Legislature as this bill).¹

3

4 ¹**[5.]** 6.¹ This act shall take effect immediately.