

# SENATE ENVIRONMENT AND ENERGY COMMITTEE

## STATEMENT TO

### **SENATE, No. 2484**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JULY 20, 2020

The Senate Environment and Energy Committee favorably reports Senate Bill No. 2484, with committee amendments.

This bill, as amended, would establish the Office of Clean Energy Equity (“office”) in the Board of Public Utilities (“BPU”). The office would be charged with promoting, guiding, and overseeing the equitable deployment of clean energy, energy efficiency, and energy storage programs and technologies in overburdened communities, and the equitable provision of the tangible benefits of clean energy, increased energy efficiency, and energy storage 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 BPU to: (1) establish onsite solar or community solar 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 reducing these households’ average energy burden to below six percent of household income; and (2) require the establishment of a minimum of 400 megawatts of energy storage in overburdened communities by 2030.

In addition, the BPU, in cooperation with the office, would be required to: integrate workforce development training into all clean energy and energy storage programs established by the BPU; 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 (DCA) concerning their responsibilities pursuant to sections 2 and 3 of the bill.

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

The BPU would be authorized to allocate additional funding, staff, and resources to the office as it determines appropriate.

In addition, the bill would require the Department of Labor and Workforce Development, in consultation with the office and the New Jersey 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 programs to provide entrepreneurial training, mentoring, apprenticeships, investment capital, loans, or other training, capacity building, 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 DCA, in consultation with the office, would require all new construction located in an overburdened community to be solar ready, subject to any specific exemptions that the department and the BPU deem reasonable and necessary and that the department adopts as rules and regulations. The bill would also require the department to 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.

Lastly, the bill would amend the current law establishing the Community Solar Energy Pilot Program to require that the eventual permanent community solar program provide for access to solar energy projects for low and moderate income customers, in accordance with the requirement of the bill. The bill would also require that the permanent community solar energy program be established by rule or regulation no later than the date on which the BPU adopts rules and regulations establishing a permanent successor to the solar renewable energy credit program SREC program.

The committee amendments to the bill would:

(1) direct the office to promote, guide, and oversee the equitable deployment of energy storage programs in overburdened communities, in addition to clean energy and energy efficiency programs;

(2) specify that the BPU's onsite solar or community solar programs shall include, but not be limited to, programs using solar facilities installed, owned, and operated by independent, non-utility providers;

(3) specify that the BPU may implement the programs required under the bill in conjunction with existing renewable energy and energy efficiency programs and services;

(4) provide that the goal of the BPU's onsite solar and community solar programs shall be to reduce low income households' average energy burden to below six percent of household income;

(5) shift various responsibilities in subsections b. and c. of section 1 of the bill from the office to the BPU generally;

(6) provide that the BPU may allocate additional funding, staff, and resources to the office as it deems appropriate;

(7) provide that the office may contract with a third party administrator with experience deploying solar energy and energy storage in overburdened communities to implement the provisions of section 1 of the bill;

(8) change several definitions in the bill to make them identical to the definitions in Senate Bill No. 232 of 2020, which concerns environmental permits in overburdened communities;

(9) provide that the work programs established by the Department of Labor and Workforce Development would include training and capacity building programs, but not loan loss reserve funds or credit enhancement funds;

(10) allow the DCA and the BPU to adopt, through rule-making, exemptions to the requirement that all new construction located in overburdened communities be solar ready;

(11) require the DCA to make any necessary changes to the Residential Site Improvement Standards, State Uniform Construction Code, and other rules and regulations to effectuate the bill's solar-ready construction requirement;

(12) align the adoption of the permanent community solar program pursuant to subsection f. of section 5 of P.L.2018, c.17 (C.48:3-87.11) with the adoption of the permanent successor program to SREC pursuant to paragraph (3) of subsection d. of section 38 of P.L.1999, c.23 (48:3-87);

(13) require the BPU to conduct a study to examine whether customers living in multi-family housing are eligible to receive similar financial benefits from community solar participation as those customer residing in single-family residences; and

(14) make various technical changes.