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STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JUNE 25, 2020

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator CHRISTOPHER "KIP" BATEMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Co-Sponsored by:

Senators Diegnan and Lagana

SYNOPSIS

Directs BPU to establish utility-scale solar energy development program; modifies State's renewable energy portfolio standards.

CURRENT VERSION OF TEXT

As reported by the Senate Environment and Energy Committee on August 25, 2020, with amendments.



(Sponsorship Updated As Of: 3/4/2021)

AN ACT concerning utility-scale solar energy development ¹and the State's renewable energy portfolio standards ¹, supplementing and amending P.L.1999, c.23, and amending P.L.2016, c.12.

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

- 1. (New section) a. The Legislature hereby finds and declares that:
- (1) In order to achieve the State's goal of securing 50 percent of its electricity supply from renewable energy by 2030 with the least cost and the greatest benefit to consumers, it is critical (a) to continually reexamine the State's renewable energy programs and consider creating new programs, and (b) for all solar electric energy generated by a facility connected to an electric public utility or to transmission facilities operated by the PJM Interconnection, L.L.C. to be considered Class I renewable energy and for the facility to be eligible to generate renewable energy certificates for the solar energy it generates provided that it is not simultaneously generating solar renewable energy certificates;
- (2) The 2019 Energy Master Plan ("EMP") found that: (a) the State can achieve its 100 percent clean energy and 80 percent greenhouse gas reduction goals with little added cost, and likely net savings when health benefits and climate change mitigation benefits are taken into account, in part by maximizing the development of in-State renewable energy generation, including 17 gigawatts of solar power by 2035 and 32 gigawatts by 2050; (b) under the least cost path identified by the EMP, solar energy could meet 34 percent of the State's clean energy needs by 2050; and (c) to embark on this least cost path, the EMP determined that the State should add at least 400 megawatts of in-State solar power each year through 2030;
- (3) Utility-scale solar energy is the least-cost renewable energy resource in both the State and the Mid-Atlantic region, and New Jersey has the market potential for at least 3,000 megawatts of utility-scale solar energy by 2030;
- (4) Fostering and incentivizing the development of new utility-scale solar facilities within the State will: (a) mitigate price and delivery risks while ensuring an adequate, efficient, and reliable supply of renewable energy; (b) enhance the continued diversification of the energy resources used in this State, resulting in environmental and health benefits to New Jersey residents and a more resilient energy supply; and (c) encourage lower financing rates and enable the development of more affordable renewable energy resources;
- (5) A utility-scale solar energy development program that establishes a competitive solicitation process for long-term contracts to

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

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- provide Class I renewable energy will help achieve the State's goal of securing 50 percent of its electricity supply from renewable energy by 2030 at a cost to customers that is equal to or less than the costs that would be borne by customers without the creation of such a program, thus causing no conflict with the renewable energy portfolio standard cost caps established by section 38 of P.L.1999, c.23 (C.48:3-87); and
- (6) It is in the public interest to create a utility-scale solar energy development program that includes an annual competitive solicitation process to identify cost-effective utility-scale solar facility projects capable of supplying clean and reliable solar energy to New Jersey consumers.
- 12 b. (1) No later than one year after the effective date of P.L. , c. (C. 13) (pending before the Legislature as this bill), the board, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 14 15 (C.52:14B-1 et seq.), shall adopt rules and regulations establishing an 16 annual competitive procurement program to develop utility-scale solar 17 facilities capable of producing at least ¹[3,000] <u>1,500</u>¹ megawatts of power by ¹[2030] 2026¹. This program shall include a transparent, 18 19 competitive, and fair annual solicitation process that is open on a non-20 discriminatory basis to any entity seeking to construct a utility-scale 21 solar facility that can achieve commercial operation within two years 22 after the date of execution of a power purchase agreement, and 23 standardized evaluation criteria to be applied equally to all bids and 24
 - (2) The evaluation criteria shall include the ability of the utilitysale solar facility and any power purchase agreement entered into pursuant to this section to:
 - (a) provide enhanced electricity reliability;
 - (b) contribute to reducing seasonal electricity price spikes;
 - (c) be cost effective to ratepayers over the term of the contract, taking into consideration potential economic and environmental benefits to the ratepayers;
 - (d) avoid line loss and mitigate transmission costs to the extent possible and ensure that transmission cost overruns, if any, are not borne by ratepayers;
 - (e) be paired with energy storage systems;
 - (f) mitigate any environmental impacts associated with the construction of the facility ¹and, pursuant to subsection i. of this section, utilize pollinator-friendly habitat¹; ¹[and]¹
- 40 (g) create and foster employment and economic development in 41 the State ¹; and
- 42 (h) avoid excessive concentration of procurement awards to any single developer¹.
- c. ¹[(1)]¹ No later than ¹[18] <u>12</u>¹ months after the effective date of ¹P.L. , ¹ c. (C.) (pending before the Legislature as this bill), the board shall establish the competitive procurement process, in accordance with subparagraphs (a) ¹[and (b)] through (d)¹ of

paragraph (1) of subsection d. of this section, and conduct a competitive solicitation for utility-scale solar facility projects, in accordance with subparagraphs (a) ¹[, (b), and (c)] through (d) ¹ of paragraph (2) of subsection d. of this section.

- d. (1) By December 31 of each year after the competitive solicitation conducted pursuant to subsection c. of this section, the board, after notice and opportunity for public comment, shall establish for the competitive procurement to take place in the following year:
- (a) ¹[a] an annual ¹ procurement target of at least 375 megawatts, measured as alternating current, ¹[which target may be increased by the board to qualify for federal incentives or if the board otherwise finds doing so is in the public interest; and] for the first four years of the program; ¹
- (b) a cost cap based on the board's forecast of the 20-year market price of energy, capacity, and Class I RECs, and including the total cost of remunerations paid pursuant to subsection d. of this section and a just and reasonable value for capacity ¹;
- (c) a requirement that not more than 35 percent of each annual procurement shall be awarded to any one developer; and
- (d) a requirement that at least 15 percent of each annual procurement shall be from combined solar and energy storage facilities¹.
- (2) By June 30 of each year after the establishment of the competitive procurement process pursuant to paragraph (1) of this subsection, the board shall conduct a competitive solicitation for utility-scale solar facility projects, which shall:
 - (a) rank all bids received based on price;
- (b) consider all bids that are equal to or lower than the cost cap and which meet or exceed the procurement target established by the board; ¹ [and]¹
- (c) require bidders to submit fees in an amount determined by the board to cover the costs incurred by the board in administering the competitive procurement process established pursuant to this section ¹; and
- (d) require bidders to execute a PJM facilities study agreement prior to bid submission to demonstrate that the project has been sufficiently developed¹.
- e. (1) Within 90 days after a winning bid for a solicitation conducted pursuant to paragraph (2) of subsection c. of this section is chosen, each electric public utility shall negotiate a power purchase agreement with the winning bidder to purchase energy, capacity, and Class I RECs, or any combination thereof, for a term of 20 years.

 1 The power purchase agreement shall require that the project achieve commercial operation no later than 24 months after execution of the agreement, unless that timeframe is extended by the board due to an
- 46 <u>extenuating circumstance.</u> A power purchase agreement entered into
- 47 pursuant to this subsection that is subject to review by the Federal

- 1 Energy Regulatory Commission shall be filed with the Federal Energy 2 Regulatory Commission pursuant to 16 U.S.C. s.824d.
- 3 (2) Each power purchase agreement developed pursuant to this 4 section shall include (a) an annual remuneration of one percent of the 5 annual payments under the agreement to be submitted to the State 6 Treasurer for deposit into the "Preserve New Jersey Fund Account," 7 established pursuant to section 4 of P.L.2016, c.12 (C.13:8C-46), to be 8 allocated as set forth pursuant to section 1 of P.L.2019, c.136 9 (C.13:8C-47.1), and (b) an annual remuneration of up to two and one-10 half percent of the annual payment under the agreement to compensate 11 the electric public utility for accepting the financial obligation of the 12 long-term agreement. The net costs of a power purchase agreement 13 shall be recovered through a non-bypassable charge incorporated into the rates of ¹[the] <u>each</u> ¹ electric public utility ¹ <u>based on the electric</u> 14 public utility's proportionate share of the Statewide load, as approved 15 16 by the board.
 - f. Energy produced from a utility-scale solar facility shall not simultaneously receive Class I RECs and SRECs or any other comparable credits issued under the SREC successor program developed by the board pursuant to P.L.2018, c.17 (C.48:3-87.8 et al.).

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- g. An electric public utility shall sell all Class I RECs generated by a utility-scale solar facility pursuant to this section to third-party energy suppliers, and any financial benefit realized by an electric public utility shall be credited to ratepayers.
- h. The issuance of Class I RECs for an eligible utility-scale solar facility developed pursuant to this section shall be deemed "Board of Public Utilities financial assistance," as defined pursuant to section 1 of P.L.2009, c.89 (C.48:2-29.47).
- ¹i. In order to provide native perennial vegetation and foraging habitat beneficial to gamebirds, songbirds, and pollinators, and to reduce stormwater runoff and erosion at a solar energy generation site, a utility-scale solar facility project shall utilize native plant species and seed mixes in accordance with standards established by the Department of Environmental Protection. No later than one year after the effective date of P.L. , c. (C.)(pending before the Legislature as this bill, the Department of Environmental Protection, in consultation with the Board of Public Utilities, shall establish standards for the use of pollinator-friendly native plant species and seed mixes in utility-scale solar facility projects.
 - j. A utility-scale solar facility project shall not be constructed on:
- 40 41 (1) preserved farmland. For the purposes of this paragraph, 42 "preserved farmland" means land on which a development easement 43 was conveyed to, or retained by, the State Agriculture Development 44 Committee, a county agriculture development board, or a qualifying 45 tax exempt nonprofit organization pursuant to the provisions of section 46 24 of P.L.1983, c.32 (C.4:1C-31), section 5 of P.L.1988, c.4 (C.4:1C-47 31.1), section 1 of P.L.1989, c.28 (C.4:1C-38), section 1 of P.L.1999,
- 48 c.180 (C.4:1C-43.1), sections 37 through 40 of P.L.1999, c.152

- 1 (C.13:8C-37 through C.13:8C-40), or any other State law enacted for farmland preservation purposes;
- (2) land preserved under the Green Acres Program. For the
 purposes of this paragraph, "Green Acres program" means the program
- 5 for the acquisition of lands for recreation and conservation purposes
- 6 pursuant to P.L.1961, c.45 (C.13:8A-1 et seq.), P.L.1971, c.419
- 7 (C.13:8A-19 et seq.), P.L.1975, c.155 (C.13:8A-35 et seq.), any Green
- 8 Acres bond act, P.L.1999, c.152 (C.13:8C-1 et seq.), and P.L.2016,
- 9 <u>c.12 (C.13:8C-43 et seq.);</u> 10 (3) land located within the preserva

- 10 (3) land located within the preservation area of the pinelands area, 11 as designated in subsection b. of section 10 of P.L.1979, c. 111 12 (C.13:18A-11);
 - (4) land designated as forest area in the pinelands comprehensive management plan adopted pursuant to P.L.1979, c.111 (C.13:18A-1 et seq.);
 - (5) land designated as freshwater wetlands as defined pursuant to P.L.1987, c.156 (C.13:9B-1 et seq.), or coastal wetlands as defined pursuant to P.L.1970, c.272 (C.13:9A-1 et seq.); and
 - (6) lands located within the Highlands preservation area as designated in subsection b. of section 7 of P.L.2004, c.120 (C.13:20-7).
 - k. Each worker employed in the construction of a utility-scale solar facility project undertaken pursuant to this section shall be paid not less than the prevailing wage rate for the worker's craft or trade, as determined by the Commissioner of Labor and Workforce Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.).
 - l. A developer that undertakes a utility-scale solar facility project pursuant to this section shall obtain all necessary permits and other approvals as may be required pursuant to State or local law, rule, regulation, or ordinance.¹
 - 2. Section 3 of P.L.1999, c.23 (C.48:3-51) is amended to read as follows:
 - 3. As used in P.L.1999, c.23 (C.48:3-49 et al.): "Assignee" means a person to which an electric public utility or another assignee assigns, sells, or transfers, other than as security, all or a portion of its right to or interest in bondable transition property. Except as specifically provided in P.L.1999, c.23 (C.48:3-49 et al.), an assignee shall not be subject to the public utility requirements of Title 48 or any rules or regulations adopted pursuant thereto.

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

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

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

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

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

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

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

"Bondable stranded costs" means any stranded costs or basic generation service transition costs of an electric public utility approved by the board for recovery pursuant to the provisions of P.L.1999, c.23 (C.48:3-49 et al.), together with, as approved by the board: (1) the cost of retiring existing debt or equity capital of the electric public utility, including accrued interest, premium and other fees, costs, and charges relating thereto, with the proceeds of the financing of bondable transition property; (2) if requested by an electric public utility in its application for a bondable stranded costs rate order,

federal, State and local tax liabilities associated with stranded costs recovery, basic generation service transition cost recovery, or the transfer or financing of the property, or both, including taxes, whose recovery period is modified by the effect of a stranded costs recovery order, a bondable stranded costs rate order, or both; and (3) the costs incurred to issue, service or refinance transition bonds, including interest, acquisition or redemption premium, and other financing costs, whether paid upon issuance or over the life of the transition bonds, including, but not limited to, credit enhancements, service charges, overcollateralization, interest rate cap, swap or collar, yield maintenance, maturity guarantee or other hedging agreements, equity investments, operating costs, and other related fees, costs, and charges, or to assign, sell, or otherwise transfer bondable transition property.

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

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

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

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

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

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

"Buyout" means an arrangement or arrangements involving the buyer and seller in a given power purchase contract and, in some cases third parties, for consideration to be given by the buyer in order to effectuate a termination of such power purchase contract.

"Class I renewable energy" means electric energy produced from solar technologies, photovoltaic technologies, wind energy, fuel cells, geothermal technologies, wave or tidal action, small scale hydropower facilities with a capacity of three megawatts or less and put into service after the effective date of P.L.2012, c.24, methane gas from landfills or methane gas from a biomass facility provided that the biomass is cultivated and harvested in a sustainable manner, or methane gas from a composting or anaerobic or aerobic digestion facility that converts food waste or other organic waste to energy.

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

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

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

"Combined heat and power facility" or "co-generation facility" means a generation facility which produces electric energy and steam or other forms of useful energy such as heat, which are used for industrial or commercial heating or cooling purposes. A combined

heat and power facility or co-generation facility shall not be considered a public utility.

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

"CIEP class customer" means that group of non-residential customers with high peak demand, as determined by periodic board order, which either is eligible or which would be eligible, as determined by periodic board order, to receive funds from the Retail Margin Fund established pursuant to section 9 of P.L.1999, c.23 (C.48:3-57) and for which basic generation service is hourly-priced.

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

"Connected to the distribution system" means, for a solar electric power generation facility, that the facility is: (1) connected to a net metering customer's side of a meter, regardless of the voltage at which that customer connects to the electric grid; (2) an on-site generation facility; (3) qualified for net metering aggregation as provided pursuant to paragraph (4) of subsection e. of section 38 of P.L.1999, c.23 (C.48:3-87); (4) owned or operated by an electric public utility and approved by the board pursuant to section 13 of P.L.2007, c.340 (C.48:3-98.1); (5) directly connected to the electric grid at 69 kilovolts or less, regardless of how an electric public utility classifies that portion of its electric grid, and is designated as "connected to the distribution system" by the board pursuant to subsections q. through s. of section 38 of P.L.1999, c.23 (C.48:3-87); ¹[or]¹ (6) is certified by the board, in consultation with the Department of Environmental Protection, as being located on a brownfield, on an area of historic fill, or on a properly closed sanitary landfill facility ¹; or (7) located on a rooftop or floating on a body of water (floating photovoltaics)¹. Any solar electric power generation facility, other than that of a net metering customer on the customer's side of the meter, connected above 69 kilovolts shall not be considered connected to the distribution system.

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

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

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

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

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

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

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

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

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

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

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

"Energy agent" means a person that is duly registered pursuant to the provisions of P.L.1999, c.23 (C.48:3-49 et al.), that arranges the sale of retail electricity or electric related services, or retail gas supply or gas related services, between government aggregators or private aggregators and electric power suppliers or gas suppliers, but does not take title to the electric or gas sold.

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

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

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

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

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

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

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

"Financing entity" means an electric public utility, a special purpose entity, or any other assignee of bondable transition property, which issues transition bonds. Except as specifically provided in P.L.1999, c.23 (C.48:3-49 et al.), a financing entity which is not itself an electric public utility shall not be subject to the public utility

requirements of Title 48 of the Revised Statutes or any rules or regulations adopted pursuant thereto.

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

"Gas related service" means a service that is directly related to the consumption of gas by an end user, including, but not limited to, the installation of demand side management measures at the end user's premises, the maintenance, repair or replacement of appliances or other energy-consuming devices at the end user's premises, and the provision of energy consumption measurement and billing services.

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

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

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

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

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

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

"Historic fill" means generally large volumes of non-indigenous material, no matter what date they were emplaced on the site, used to raise the topographic elevation of a site, which were contaminated prior to emplacement and are in no way connected with the operations at the location of emplacement and which include, but are not limited to, construction debris, dredge spoils, incinerator residue, demolition debris, fly ash, and non-hazardous solid waste. "Historic fill" shall not include any material which is substantially chromate chemical production waste or any other chemical production waste or waste from processing of metal or mineral ores, residues, slags, or tailings.

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

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

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

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

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

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

legal obligation to provide gas supply service to an end-use customer or customers.

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

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

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

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

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

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

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

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

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"Open access offshore wind transmission facility" means an open access transmission facility, located either in the Atlantic Ocean or onshore, used to facilitate the collection of offshore wind energy or its delivery to the electric transmission system in this State.

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

"PJM Interconnection, L.L.C." or "PJM" means the privately-held, limited liability corporation that serves as a FERC-approved Regional Transmission Organization, or its successor, that manages the regional, high-voltage electricity grid serving all or parts of 13 states including New Jersey and the District of Columbia, operates the regional competitive wholesale electric market, manages the regional transmission planning process, and establishes systems and rules to ensure that the regional and in-State energy markets operate fairly and efficiently.

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

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

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

"Public utility holding company" means: (1) any company that, directly or indirectly, owns, controls, or holds with power to vote, 10 percent or more of the outstanding voting securities of an electric public utility or a gas public utility or of a company which is a public utility holding company by virtue of this definition, unless the Securities and Exchange Commission, or its successor, by order declares such company not to be a public utility holding company under the Public Utility Holding Company Act of 1935, 15 U.S.C. s.79 et seq., or its successor; or (2) any person that the Securities and Exchange Commission, or its successor, determines, after notice and opportunity for hearing, directly or indirectly, to exercise, either alone

or pursuant to an arrangement or understanding with one or more other persons, such a controlling influence over the management or policies of an electric public utility or a gas public utility or public utility holding company as to make it necessary or appropriate in the public interest or for the protection of investors or consumers that such person be subject to the obligations, duties, and liabilities imposed in the Public Utility Holding Company Act of 1935, 15 U.S.C. s.79 et seq., or its successor act.

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

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

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

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

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

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

"Renewable energy certificate" or "REC" means a certificate representing the environmental benefits or attributes of one megawatthour of generation from a generating facility that produces Class I or

Class II renewable energy, but shall not include a solar renewable energy certificate or an offshore wind renewable energy certificate.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Thermal efficiency" means the useful electric energy output of a facility, plus the useful thermal energy output of the facility, expressed as a percentage of the total energy input to the facility.

"Transition bond charge" means a charge, expressed as an amount per kilowatt hour, that is authorized by and imposed on electric public utility ratepayers pursuant to a bondable stranded costs rate order, as modified at any time pursuant to the provisions of P.L.1999, c.23 (C.48:3-49 et al.).

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

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

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

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

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

"Utility-scale solar facility" means a solar electric power generation facility that is capable of producing at least 10 megawatts of electric power, measured as alternating current, and is connected to the electric transmission system at a location that is within the service territory of an electric public utility or to the distribution system operated by an electric public utility. Any such facility shall qualify as Class I renewable energy for the purposes of receiving Class I renewable energy certificates for compliance with the State's renewable energy portfolio standards.

45 (cf: P.L.2020, c.24, s.7)

3. Section 4 of P.L.2016, c.12 (C.13:8C-46) is amended to read as follows:

- 4. There is established in the General Fund a special account to be known as the "Preserve New Jersey Fund Account."
 - a. The State Treasurer shall credit to this account:

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- (1) (a) (i) For State fiscal year 2016, an amount equal to 71 percent of the four percent of the revenue annually derived from the tax imposed pursuant to the "Corporation Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as amended and supplemented, or any other State law of similar effect, dedicated for recreation and conservation, farmland preservation, and historic preservation purposes pursuant to subparagraph (a) of Article VIII, Section II, paragraph 6 of the State Constitution, less \$19,972,000 already appropriated and expended for parks management in P.L.2015, c.63; and
- (ii) in each State fiscal year 2017 through and including State fiscal year 2019 an amount equal to 71 percent of the four percent of the revenue annually derived from the tax imposed pursuant to the "Corporation Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as amended and supplemented, or any other State law of similar effect, dedicated to recreation and conservation, farmland preservation, and historic preservation purposes pursuant to subparagraph (a) of Article VIII, Section II, paragraph 6 of the State Constitution; and
- (b) (i) in each State fiscal year commencing in State fiscal year 2020 and annually thereafter, an amount equal to 78 percent of the six percent of the revenue annually derived from the tax imposed "Corporation Business pursuant to the Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1)seq.), amended et as supplemented, or any other State law of similar effect, dedicated to recreation and conservation, farmland preservation, and historic preservation purposes pursuant to subparagraph (a) of Article VIII, Section II, paragraph 6 of the State Constitution; and
- 32 (ii) any amount received from an electric public utility pursuant 33 to section 1 of P.L., c. (C.) (pending before the Legislature 34 as this bill); and
 - (2) in each State fiscal year, an amount equal to the amount dedicated pursuant to subparagraph (b) of Article VIII, Section II, paragraph 6 of the State Constitution.
 - b. In each State fiscal year, the amount credited to the Preserve New Jersey Fund Account shall be appropriated from time to time by the Legislature only for the applicable purposes set forth in Article VIII, Section II, paragraph 6 of the State Constitution and [this act] P.L.2016, c.12 (C.13:8C-43 et seq.) for:
- (1) providing funding, including loans or grants, for the preservation, including acquisition, development, and stewardship, of lands for recreation and conservation purposes, including lands that protect water supplies and lands that have incurred flood or storm damage or are likely to do so, or that may buffer or protect other properties from flood or storm damage;

- 1 (2) providing funding, including loans or grants, for the 2 preservation and stewardship of land for agricultural or horticultural 3 use and production;
 - (3) providing funding, including loans or grants, for historic preservation; and
 - (4) paying administrative costs associated with (1) through (3) of this subsection.
 - c. Nothing in this act shall authorize any State entity to use constitutionally dedicated CBT moneys for the purpose of making any payments relating to any bonds, notes, or other debt obligations, other than those relating to obligations arising from land purchase agreements made with landowners.
- d. In each State fiscal year after the enactment of
 P.L., c. (C.) (pending before the Legislature as this bill), the
 State Treasurer shall notify, in writing, the chairperson of the
 Garden State Preservation Trust of the amount received from an
 electric public utility pursuant to section 1 of P.L., c. (C.)
 (pending before the Legislature as this bill) and credited to the
 Preserve New Jersey Fund Account pursuant to subsubparagraph
 (ii) of subparagraph (b) of paragraph (1) of subsection a of this
- 20 (ii) of subparagraph (b) of paragraph (1) of subsection a. of this section to be used for the purposes of subsection b. of this section.
- 22 (cf: P.L.2016, c.12, s.4)

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- ¹4. Section 38 of P.L.1999, c23 (C.48:3-87) is amended to read as follows:
- 38. a. The board shall require an electric power supplier or basic generation service provider to disclose on a customer's bill or on customer contracts or marketing materials, a uniform, common set of information about the environmental characteristics of the energy purchased by the customer, including, but not limited to:
- (1) Its fuel mix, including categories for oil, gas, nuclear, coal, solar, hydroelectric, wind and biomass, or a regional average determined by the board;
- (2) Its emissions, in pounds per megawatt hour, of sulfur dioxide, carbon dioxide, oxides of nitrogen, and any other pollutant that the board may determine to pose an environmental or health hazard, or an emissions default to be determined by the board; and
- (3) Any discrete emission reduction retired pursuant to rules and regulations adopted pursuant to P.L.1995, c.188.
- b. Notwithstanding any provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the board shall initiate a proceeding and shall adopt, in consultation with the Department of Environmental Protection, after notice and opportunity for public comment and public hearing, interim standards to implement this disclosure requirement, including, but not limited to:
- 47 (1) A methodology for disclosure of emissions based on output 48 pounds per megawatt hour;

(2) Benchmarks for all suppliers and basic generation service providers to use in disclosing emissions that will enable consumers to perform a meaningful comparison with a supplier's or basic generation service provider's emission levels; and

(3) A uniform emissions disclosure format that is graphic in nature and easily understandable by consumers. The board shall periodically review the disclosure requirements to determine if revisions to the environmental disclosure system as implemented are necessary.

Such standards shall be effective as regulations immediately upon filing with the Office of Administrative Law and shall be effective for a period not to exceed 18 months, and may, thereafter, be amended, adopted or readopted by the board in accordance with the provisions of the "Administrative Procedure Act."

- c. (1) The board may adopt, in consultation with the Department of Environmental Protection, after notice and opportunity for public comment, an emissions portfolio standard applicable to all electric power suppliers and basic generation service providers, upon a finding that:
- (a) The standard is necessary as part of a plan to enable the State to meet federal Clean Air Act or State ambient air quality standards; and
- (b) Actions at the regional or federal level cannot reasonably be expected to achieve the compliance with the federal standards.
- (2) By July 1, 2009, the board shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), a greenhouse gas emissions portfolio standard to mitigate leakage or another regulatory mechanism to mitigate leakage applicable to all electric power suppliers and basic generation service providers that provide electricity to customers within the State. The greenhouse gas emissions portfolio standard or any other regulatory mechanism to mitigate leakage shall:
- (a) Allow a transition period, either before or after the effective date of the regulation to mitigate leakage, for a basic generation service provider or electric power supplier to either meet the emissions portfolio standard or other regulatory mechanism to mitigate leakage, or to transfer any customer to a basic generation service provider or electric power supplier that meets the emissions portfolio standard or other regulatory mechanism to mitigate leakage. If the transition period allowed pursuant to this subparagraph occurs after the implementation of an emissions portfolio standard or other regulatory mechanism to mitigate leakage, the transition period shall be no longer than three years; and
- (b) Exempt the provision of basic generation service pursuant to a basic generation service purchase and sale agreement effective prior to the date of the regulation.

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Unless the Attorney General or the Attorney General's designee determines that a greenhouse gas emissions portfolio standard would unconstitutionally burden interstate commerce or would be preempted by federal law, the adoption by the board of an electric energy efficiency portfolio standard pursuant to subsection g. of this section, a gas energy efficiency portfolio standard pursuant to subsection h. of this section, or any other enhanced energy efficiency policies to mitigate leakage shall not be considered sufficient to fulfill the requirement of this subsection for the adoption of a greenhouse gas emissions portfolio standard or any other regulatory mechanism to mitigate leakage.

- d. Notwithstanding any provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the board shall initiate a proceeding and shall adopt, after notice, provision of the opportunity for comment, and public hearing, renewable energy portfolio standards that shall require:
- (1) that two and one-half percent of the kilowatt hours sold in this State by each electric power supplier and each basic generation service provider be from Class II renewable energy sources;
- (2) beginning on January 1, 2020, that 21 percent of the kilowatt hours sold in this State by each electric power supplier and each basic generation service provider be from Class I renewable energy sources. The board shall increase the required percentage for Class I renewable energy sources so that by January 1, 2025, [35] 39 percent of the kilowatt hours sold in this State by each electric power supplier and each basic generation service provider shall be from Class I renewable energy sources, and by January 1, 2030, [50] 54 percent of the kilowatt hours sold in this State by each electric power supplier and each basic generation service provider shall be from Class I renewable energy sources. Notwithstanding the requirements of this subsection, the board shall ensure that the cost to customers of the Class I renewable energy requirement imposed pursuant to this subsection shall not exceed nine percent of the total paid for electricity by all customers in the State for energy year 2019, energy year 2020, and energy year 2021, respectively, and shall not exceed seven percent of the total paid for electricity by all customers in the State in any energy year thereafter; provided that, if in energy years 2019 through 2021 the cost to customers of the Class I renewable energy requirement is less than nine percent of the total paid for electricity by all customers in the State, the board may increase the cost to customers of the Class I renewable energy requirement in energy years 2022 through 2024 to a rate greater than seven percent, as long as the total costs to customers for energy years 2019 through 2024 does not exceed the sum of nine percent of the total paid for electricity by all customers in the State in energy years 2019 through 2021 and seven percent of the total paid for electricity by all customers in the State in energy years 2022 through 2024. In calculating the cost to customers of

the Class I renewable energy requirement imposed pursuant to this subsection, the board shall not include the costs of the offshore wind energy certificate program established pursuant to paragraph (4) of this subsection. The board shall take any steps necessary to prevent the exceedance of the cap on the cost to customers including, but not limited to, adjusting the Class I renewable energy requirement.

An electric power supplier or basic generation service provider may satisfy the requirements of this subsection by participating in a renewable energy trading program approved by the board in consultation with the Department of Environmental Protection;

(3) that the board establish a multi-year schedule, applicable to each electric power supplier or basic generation service provider in this State, beginning with the one-year period commencing on June 1, 2010, and continuing for each subsequent one-year period up to and including, the one-year period commencing on June 1, 2033, that requires the following number or percentage, as the case may be, of kilowatt-hours sold in this State by each electric power supplier and each basic generation service provider to be from solar electric power generators connected to the distribution system in this State:

23	EY 2011	306 Gigawatthours (Gwhrs)
24	EY 2012	442 Gwhrs
25	EY 2013	596 Gwhrs
26	EY 2014	2.050%
27	EY 2015	2.450%
28	EY 2016	2.750%
29	EY 2017	3.000%
30	EY 2018	3.200%
31	EY 2019	4.300%
32	EY 2020	4.900%
33	EY 2021	5.100%
34	EY 2022	5.100%
35	EY 2023	5.100%
36	EY 2024	4.900%
37	EY 2025	4.800%
38	EY 2026	4.500%
39	EY 2027	4.350%
40	EY 2028	3.740%
41	EY 2029	3.070%
42	EY 2030	2.210%
43	EY 2031	1.580%
44	EY 2032	1.400%
45	EY 2033	1.100%
46	No later than 180	days after the date of enactr

No later than 180 days after the date of enactment of P.L.2018, c.17 (C.48:3-87.8 et al.), the board shall adopt rules and regulations to close the SREC program to new applications upon the attainment

- of 5.1 percent of the kilowatt-hours sold in the State by each electric power supplier and each basic generation provider from solar electric power generators connected to the distribution system. The board shall continue to consider any application filed before the date of enactment of P.L.2018, c.17 (C.48:3-87.8 et al.). The board
- shall provide for an orderly and transparent mechanism that will result in the closing of the existing SREC program on a date certain

8 but no later than June 1, 2021.

No later than 24 months after the date of enactment of P.L.2018, c.17 (C.48:3-87.8 et al.), the board shall complete a study that evaluates how to modify or replace the SREC program to encourage the continued efficient and orderly development of solar renewable energy generating sources throughout the State. The board shall submit the written report thereon to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature. The board shall consult with public utilities, industry experts, regional grid operators, solar power providers and financiers, and other State agencies to determine whether the board can modify the SREC program such that the program will:

- continually reduce, where feasible, the cost of achieving the solar energy goals set forth in this subsection;
- provide an orderly transition from the SREC program to a new or modified program;
- develop megawatt targets for grid connected and distribution systems, including residential and small commercial rooftop systems, community solar systems, and large scale behind the meter systems, as a share of the overall solar energy requirement, which targets the board may modify periodically based on the cost, feasibility, or social impacts of different types of projects;
- establish and update market-based maximum incentive payment caps periodically for each of the above categories of solar electric power generation facilities;
- encourage and facilitate market-based cost recovery through long-term contracts and energy market sales; and
- where cost recovery is needed for any portion of an efficient solar electric power generation facility when costs are not recoverable through wholesale market sales and direct payments from customers, utilize competitive processes such as competitive procurement and long-term contracts where possible to ensure such recovery, without exceeding the maximum incentive payment cap for that category of facility.

The board shall approve, conditionally approve, or disapprove any application for designation as connected to the distribution system of a solar electric power generation facility filed with the board after the date of enactment of P.L.2018, c.17 (C.48:3-87.8 et al.), no more than 90 days after receipt by the board of a completed application. For any such application for a project greater than 25 kilowatts, the board shall require the applicant to post a notice

1 escrow with the board in an amount of \$40 per kilowatt of DC 2 nameplate capacity of the facility, not to exceed \$40,000. The 3 notice escrow amount shall be reimbursed to the applicant in full 4 upon either denial of the application by the board or upon 5 commencement of commercial operation of the solar electric power 6 generation facility. The escrow amount shall be forfeited to the 7 State if the facility is designated as connected to the distribution 8 system pursuant to this subsection but does not commence 9 commercial operation within two years following the date of the 10 designation by the board.

For all applications for designation as connected to the distribution system of a solar electric power generation facility filed with the board after the date of enactment of P.L.2018, c.17 (C.48:3-87.8 et al.), the SREC term shall be 10 years.

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- (a) The board shall determine an appropriate period of no less than 120 days following the end of an energy year prior to which a provider or supplier must demonstrate compliance for that energy year with the annual renewable portfolio standard;
- (b) No more than 24 months following the date of enactment of P.L.2012, c.24, the board shall complete a proceeding to investigate approaches to mitigate solar development volatility and prepare and submit, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), a report to the Legislature, detailing its findings and recommendations. As part of the proceeding, the board shall evaluate other techniques used nationally and internationally;
- (c) The solar renewable portfolio standards requirements in this paragraph shall exempt those existing supply contracts which are effective prior to the date of enactment of P.L.2018, c.17 (C.48:3-87.8 et al.) from any increase beyond the number of SRECs mandated by the solar renewable energy portfolio standards requirements that were in effect on the date that the providers executed their existing supply contracts. This limited exemption for providers' existing supply contracts shall not be construed to lower the Statewide solar sourcing requirements set forth in this paragraph. Such incremental requirements that would have otherwise been imposed on exempt providers shall be distributed over the providers not subject to the existing supply contract exemption until such time as existing supply contracts expire and all providers are subject to the new requirement in a manner that is competitively neutral among all providers and suppliers. Notwithstanding any rule or regulation to the contrary, the board shall recognize these new solar purchase obligations as a change required by operation of law and implement the provisions of this subsection in a manner so as to prevent any subsidies between suppliers and providers and to promote competition in the electricity supply industry.

An electric power supplier or basic generation service provider may satisfy the requirements of this subsection by participating in a renewable energy trading program approved by the board in consultation with the Department of Environmental Protection, or compliance with the requirements of this subsection may be demonstrated to the board by suppliers or providers through the purchase of SRECs.

The renewable energy portfolio standards adopted by the board pursuant to paragraphs (1) and (2) of this subsection shall be effective as regulations immediately upon filing with the Office of Administrative Law and shall be effective for a period not to exceed 18 months, and may, thereafter, be amended, adopted or readopted by the board in accordance with the provisions of the "Administrative Procedure Act."

The renewable energy portfolio standards adopted by the board pursuant to this paragraph shall be effective as regulations immediately upon filing with the Office of Administrative Law and shall be effective for a period not to exceed 30 months after such filing, and shall, thereafter, be amended, adopted or readopted by the board in accordance with the "Administrative Procedure Act"; and

(4) within 180 days after the date of enactment of P.L.2010, c.57 (C.48:3-87.1 et al.), that the board establish an offshore wind renewable energy certificate program to require that a percentage of the kilowatt hours sold in this State by each electric power supplier and each basic generation service provider be from offshore wind energy in order to support at least 3,500 megawatts of generation from qualified offshore wind projects.

The percentage established by the board pursuant to this paragraph shall serve as an offset to the renewable energy portfolio standard established pursuant to paragraph (2) of this subsection and shall reduce the corresponding Class I renewable energy requirement.

The percentage established by the board pursuant to this paragraph shall reflect the projected OREC production of each qualified offshore wind project, approved by the board pursuant to section 3 of P.L.2010, c.57 (C.48:3-87.1), for 20 years from the commercial operation start date of the qualified offshore wind project which production projection and OREC purchase requirement, once approved by the board, shall not be subject to reduction

reduction.

An electric power supplier or basic generation service provider shall comply with the OREC program established pursuant to this paragraph through the purchase of offshore wind renewable energy certificates at a price and for the time period required by the board. In the event there are insufficient offshore wind renewable energy certificates available, the electric power supplier or basic generation service provider shall pay an offshore wind alternative compliance payment established by the board. Any offshore wind alternative

compliance payments collected shall be refunded directly to the ratepayers by the electric public utilities.

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The rules established by the board pursuant to this paragraph shall be effective as regulations immediately upon filing with the Office of Administrative Law and shall be effective for a period not to exceed 18 months, and may, thereafter, be amended, adopted or readopted by the board in accordance with the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

- e. Notwithstanding any provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the board shall initiate a proceeding and shall adopt, after notice, provision of the opportunity for comment, and public hearing:
- 15 (1) net metering standards for electric power suppliers and basic 16 generation service providers. The standards shall require electric 17 power suppliers and basic generation service providers to offer net 18 at non-discriminatory rates to industrial, 19 commercial, residential and small commercial customers, as those 20 customers are classified or defined by the board, that generate 21 electricity, on the customer's side of the meter, using a Class I 22 renewable energy source, for the net amount of electricity supplied 23 by the electric power supplier or basic generation service provider 24 over an annualized period. Systems of any sized capacity, as 25 measured in watts, are eligible for net metering. If the amount of 26 electricity generated by the customer-generator, plus any kilowatt 27 hour credits held over from the previous billing periods, exceeds the 28 electricity supplied by the electric power supplier or basic 29 generation service provider, then the electric power supplier or 30 basic generation service provider, as the case may be, shall credit 31 the customer-generator for the excess kilowatt hours until the end of the annualized period at which point the customer-generator will be 32 33 compensated for any remaining credits or, if the customer-generator 34 chooses, credit the customer-generator on a real-time basis, at the 35 electric power supplier's or basic generation service provider's 36 avoided cost of wholesale power or the PJM electric power pool's 37 real-time locational marginal pricing rate, adjusted for losses, for 38 the respective zone in the PJM electric power pool. Alternatively, 39 the customer-generator may execute a bilateral agreement with an 40 electric power supplier or basic generation service provider for the 41 sale and purchase of the customer-generator's excess generation. 42 The customer-generator may be credited on a real-time basis, so 43 long as the customer-generator follows applicable rules prescribed 44 by the PJM electric power pool for its capacity requirements for the 45 net amount of electricity supplied by the electric power supplier or 46 basic generation service provider. The board may authorize an 47 electric power supplier or basic generation service provider to cease 48 offering net metering to customers that are not already net metered

whenever the total rated generating capacity owned and operated by net metering customer-generators Statewide equals 5.8 percent of the total annual kilowatt-hours sold in this State by each electric power supplier and each basic generation service provider during the prior one-year period;

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(2) safety and power quality interconnection standards for Class I renewable energy source systems used by a customer-generator that shall be eligible for net metering.

Such standards or rules shall take into consideration the goals of the New Jersey Energy Master Plan, applicable industry standards, and the standards of other states and the Institute of Electrical and Electronics Engineers. The board shall allow electric public utilities to recover the costs of any new net meters, upgraded net meters, system reinforcements or upgrades, and interconnection costs through either their regulated rates or from the net metering customer-generator;

- (3) credit or other incentive rules for generators using Class I renewable energy generation systems that connect to New Jersey's electric public utilities' distribution system but who do not net meter; and
- 21 (4) net metering aggregation standards to require electric public 22 utilities to provide net metering aggregation to single electric public 23 utility customers that operate a solar electric power generation 24 system installed at one of the customer's facilities or on property 25 owned by the customer, provided that any such customer is a State 26 entity, school district, county, county agency, county authority, 27 municipality, municipal agency, or municipal authority. 28 standards shall provide that, in order to qualify for net metering 29 aggregation, the customer must operate a solar electric power generation system using a net metering billing account, which 30 31 system is located on property owned by the customer, provided that: 32 (a) the property is not land that has been actively devoted to 33 agricultural or horticultural use and that is valued, assessed, and 34 taxed pursuant to the "Farmland Assessment Act of 1964," 35 P.L.1964, c.48 (C.54:4-23.1 et seq.) at any time within the 10-year period prior to the effective date of P.L.2012, c.24, provided, 36 37 however, that the municipal planning board of a municipality in 38 which a solar electric power generation system is located may 39 waive the requirement of this subparagraph (a), (b) the system is not 40 an on-site generation facility, (c) all of the facilities of the single 41 customer combined for the purpose of net metering aggregation are 42 facilities owned or operated by the single customer and are located 43 within its territorial jurisdiction except that all of the facilities of a 44 State entity engaged in net metering aggregation shall be located 45 within five miles of one another, and (d) all of those facilities are 46 within the service territory of a single electric public utility and are 47 all served by the same basic generation service provider or by the 48 same electric power supplier. The standards shall provide that in

1 order to qualify for net metering aggregation, the customer's solar 2 electric power generation system shall be sized so that its annual 3 generation does not exceed the combined metered annual energy 4 usage of the qualified customer facilities, and the qualified 5 customer facilities shall all be in the same customer rate class under 6 the applicable electric public utility tariff. For the customer's 7 facility or property on which the solar electric generation system is 8 installed, the electricity generated from the customer's solar electric 9 generation system shall be accounted for pursuant to the provisions 10 of paragraph (1) of this subsection to provide that the electricity 11 generated in excess of the electricity supplied by the electric power 12 supplier or the basic generation service provider, as the case may 13 be, for the customer's facility on which the solar electric generation 14 system is installed, over the annualized period, is credited at the 15 electric power supplier's or the basic generation service provider's 16 avoided cost of wholesale power or the PJM electric power pool 17 real-time locational marginal pricing rate. All electricity used by 18 the customer's qualified facilities, with the exception of the facility 19 or property on which the solar electric power generation system is 20 installed, shall be billed at the full retail rate pursuant to the electric 21 public utility tariff applicable to the customer class of the customer 22 using the electricity. A customer may contract with a third party to 23 operate a solar electric power generation system, for the purpose of 24 net metering aggregation. Any contractual relationship entered into 25 for operation of a solar electric power generation system related to 26 net metering aggregation shall include contractual protections that 27 provide for adequate performance and provision for construction 28 and operation for the term of the contract, including any appropriate 29 bonding or escrow requirements. Any incremental cost to an electric public utility for net metering aggregation shall be fully and 30 31 timely recovered in a manner to be determined by the board. The 32 board shall adopt net metering aggregation standards within 270 33 days after the effective date of P.L.2012, c.24. 34

Such rules shall require the board or its designee to issue a credit or other incentive to those generators that do not use a net meter but otherwise generate electricity derived from a Class I renewable energy source and to issue an enhanced credit or other incentive, including, but not limited to, a solar renewable energy credit, to those generators that generate electricity derived from solar technologies.

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Such standards or rules shall be effective as regulations immediately upon filing with the Office of Administrative Law and shall be effective for a period not to exceed 18 months, and may, thereafter, be amended, adopted or readopted by the board in accordance with the provisions of the "Administrative Procedure Act."

f. The board may assess, by written order and after notice and opportunity for comment, a separate fee to cover the cost of

implementing and overseeing an emission disclosure system or emission portfolio standard, which fee shall be assessed based on an electric power supplier's or basic generation service provider's share of the retail electricity supply market. The board shall not impose a fee for the cost of implementing and overseeing a greenhouse gas emissions portfolio standard adopted pursuant to paragraph (2) of subsection c. of this section.

- g. The board shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), an electric energy efficiency program in order to ensure investment in cost-effective energy efficiency measures, ensure universal access to energy efficiency measures, and serve the needs of low-income communities that shall require each electric public utility to implement energy efficiency measures that reduce electricity usage in the State pursuant to section 3 of P.L.2018, c.17 (C.48:3-87.9). Nothing in this subsection shall be construed to prevent an electric public utility from meeting the requirements of this subsection by contracting with another entity for the performance of the requirements.
- h. The board shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), a gas energy efficiency program in order to ensure investment in cost-effective energy efficiency measures, ensure universal access to energy efficiency measures, and serve the needs of low-income communities that shall require each gas public utility to implement energy efficiency measures that reduce natural gas usage in the State pursuant to section 3 of P.L.2018, c.17 (C.48:3-87.9). Nothing in this subsection shall be construed to prevent a gas public utility from meeting the requirements of this subsection by contracting with another entity for the performance of the requirements.
- i. After the board establishes a schedule of solar kilowatt-hour sale or purchase requirements pursuant to paragraph (3) of subsection d. of this section, the board may initiate subsequent proceedings and adopt, after appropriate notice and opportunity for public comment and public hearing, increased minimum solar kilowatt-hour sale or purchase requirements, provided that the board shall not reduce previously established minimum solar kilowatt-hour sale or purchase requirements, or otherwise impose constraints that reduce the requirements by any means.
- j. The board shall determine an appropriate level of solar alternative compliance payment, and permit each supplier or provider to submit an SACP to comply with the solar electric generation requirements of paragraph (3) of subsection d. of this section. The value of the SACP for each Energy Year, for Energy Years 2014 through 2033 per megawatt hour from solar electric generation required pursuant to this section, shall be:

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       EY 2014
                 $339
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       EY 2015
                 $331
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       EY 2016
                 $323
 4
       EY 2017
                 $315
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       EY 2018
                 $308
 6
       EY 2019
                 $268
 7
       EY 2020
                 $258
 8
       EY 2021
                 $248
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       EY 2022
                 $238
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       EY 2023
                 $228
       EY 2024
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                 $218
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       EY 2025
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                 $198
       EY 2027
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                 $168
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       EY 2033
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The board may initiate subsequent proceedings and adopt, after appropriate notice and opportunity for public comment and public hearing, an increase in solar alternative compliance payments, provided that the board shall not reduce previously established levels of solar alternative compliance payments, nor shall the board provide relief from the obligation of payment of the SACP by the electric power suppliers or basic generation service providers in any form. Any SACP payments collected shall be refunded directly to the ratepayers by the electric public utilities.

- k. The board may allow electric public utilities to offer long-term contracts through a competitive process, direct electric public utility investment and other means of financing, including but not limited to loans, for the purchase of SRECs and the resale of SRECs to suppliers or providers or others, provided that after such contracts have been approved by the board, the board's approvals shall not be modified by subsequent board orders. If the board allows the offering of contracts pursuant to this subsection, the board may establish a process, after hearing, and opportunity for public comment, to provide that a designated segment of the contracts approved pursuant to this subsection shall be contracts involving solar electric power generation facility projects with a capacity of up to 250 kilowatts.
- l. The board shall implement its responsibilities under the provisions of this section in such a manner as to:
- (1) place greater reliance on competitive markets, with the explicit goal of encouraging and ensuring the emergence of new entrants that can foster innovations and price competition;

(2) maintain adequate regulatory authority over non-competitive public utility services;

- (3) consider alternative forms of regulation in order to address changes in the technology and structure of electric public utilities;
- (4) promote energy efficiency and Class I renewable energy market development, taking into consideration environmental benefits and market barriers;
- (5) make energy services more affordable for low and moderate income customers;
 - (6) attempt to transform the renewable energy market into one that can move forward without subsidies from the State or public utilities;
- (7) achieve the goals put forth under the renewable energy portfolio standards;
 - (8) promote the lowest cost to ratepayers; and
 - (9) allow all market segments to participate.
 - m. The board shall ensure the availability of financial incentives under its jurisdiction, including, but not limited to, long-term contracts, loans, SRECs, or other financial support, to ensure market diversity, competition, and appropriate coverage across all ratepayer segments, including, but not limited to, residential, commercial, industrial, non-profit, farms, schools, and public entity customers.
 - n. For projects which are owned, or directly invested in, by a public utility pursuant to section 13 of P.L.2007, c.340 (C.48:3-98.1), the board shall determine the number of SRECs with which such projects shall be credited; and in determining such number the board shall ensure that the market for SRECs does not detrimentally affect the development of non-utility solar projects and shall consider how its determination may impact the ratepayers.
- o. The board, in consultation with the Department of Environmental Protection, electric public utilities, the Division of Rate Counsel in, but not of, the Department of the Treasury, affected members of the solar energy industry, and relevant stakeholders, shall periodically consider increasing the renewable energy portfolio standards beyond the minimum amounts set forth in subsection d. of this section, taking into account the cost impacts and public benefits of such increases including, but not limited to:
- (1) reductions in air pollution, water pollution, land disturbance,
 and greenhouse gas emissions;
 - (2) reductions in peak demand for electricity and natural gas, and the overall impact on the costs to customers of electricity and natural gas;
 - (3) increases in renewable energy development, manufacturing, investment, and job creation opportunities in this State; and
- 46 (4) reductions in State and national dependence on the use of fossil fuels.

p. Class I RECs and ORECs shall be eligible for use in renewable energy portfolio standards compliance in the energy year in which they are generated, and for the following two energy years. SRECs shall be eligible for use in renewable energy portfolio standards compliance in the energy year in which they are generated, and for the following four energy years.

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- 7 q. (1) During the energy years of 2014, 2015, and 2016, a solar 8 electric power generation facility project that is not: (a) net 9 metered; (b) an on-site generation facility; (c) qualified for net 10 metering aggregation; or (d) certified as being located on a 11 brownfield, on an area of historic fill or on a properly closed 12 sanitary landfill facility, as provided pursuant to subsection t. of this 13 section may file an application with the board for approval of a 14 designation pursuant to this subsection that the facility is connected 15 to the distribution system. An application filed pursuant to this 16 subsection shall include a notice escrow of \$40,000 per megawatt of 17 the proposed capacity of the facility. The board shall approve the 18 designation if: the facility has filed a notice in writing with the 19 board applying for designation pursuant to this subsection, together 20 with the notice escrow; and the capacity of the facility, when added 21 to the capacity of other facilities that have been previously 22 approved for designation prior to the facility's filing under this 23 subsection, does not exceed 80 megawatts in the aggregate for each 24 year. The capacity of any one solar electric power supply project 25 approved pursuant to this subsection shall not exceed 10 megawatts. 26 No more than 90 days after its receipt of a completed application 27 for designation pursuant to this subsection, the board shall approve, 28 conditionally approve, or disapprove the application. The notice 29 escrow shall be reimbursed to the facility in full upon either 30 rejection by the board or the facility entering commercial operation, 31 or shall be forfeited to the State if the facility is designated pursuant 32 to this subsection but does not enter commercial operation pursuant 33 to paragraph (2) of this subsection.
 - (2) If the proposed solar electric power generation facility does not commence commercial operations within two years following the date of the designation by the board pursuant to this subsection, the designation of the facility shall be deemed to be null and void, and the facility shall not be considered connected to the distribution system thereafter.
 - (3) Notwithstanding the provisions of paragraph (2) of this subsection, a solar electric power generation facility project that as of May 31, 2017 was designated as "connected to the distribution system," but failed to commence commercial operations as of that date, shall maintain that designation if it commences commercial operations by May 31, 2018.
 - r. (1) For all proposed solar electric power generation facility projects except for those solar electric power generation facility projects approved pursuant to subsection q. of this section, and for

all projects proposed in energy year 2019 and energy year 2020, the board may approve projects for up to 50 megawatts annually in auctioned capacity in two auctions per year as long as the board is accepting applications. If the board approves projects for less than 50 megawatts in energy year 2019 or less than 50 megawatts in energy year 2020, the difference in each year shall be carried over into the successive energy year until 100 megawatts of auctioned capacity has been approved by the board pursuant to this subsection. A proposed solar electric power generation facility that is neither net metered nor an on-site generation facility, may be considered "connected to the distribution system" only upon designation as such by the board, after notice to the public and opportunity for public comment or hearing. A proposed solar [power] electric <u>power</u> generation facility seeking board designation as "connected to the distribution system" shall submit an application to the board that includes for the proposed facility: the nameplate capacity; the estimated energy and number of SRECs to be produced and sold per year; the estimated annual rate impact on ratepayers; the estimated capacity of the generator as defined by PJM for sale in the PJM capacity market; the point of interconnection; the total project acreage and location; the current land use designation of the property; the type of solar technology to be used; and such other information as the board shall require.

(2) The board shall approve the designation of the proposed solar **[**power**]** electric <u>power</u> generation facility as "connected to the distribution system" if the board determines that:

- (a) the SRECs forecasted to be produced by the facility do not have a detrimental impact on the SREC market or on the appropriate development of solar power in the State;
- (b) the approval of the designation of the proposed facility would not significantly impact the preservation of open space in this State;
- (c) the impact of the designation on electric rates and economic development is beneficial; and
- (d) there will be no impingement on the ability of an electric public utility to maintain its property and equipment in such a condition as to enable it to provide safe, adequate, and proper service to each of its customers.
- (3) The board shall act within 90 days of its receipt of a completed application for designation of a solar **[power]** electric <u>power</u> generation facility as "connected to the distribution system," to either approve, conditionally approve, or disapprove the application. If the proposed solar electric power generation facility does not commence commercial operations within two years following the date of the designation by the board pursuant to this subsection, the designation of the facility as "connected to the distribution system" shall be deemed to be null and void, and the

facility shall thereafter be considered not "connected to the distribution system."

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s. In addition to any other requirements of P.L.1999, c.23 or any other law, rule, regulation or order, a solar electric power generation facility that is not net metered or an on-site generation facility and which is located on land that has been actively devoted to agricultural or horticultural use that is valued, assessed, and taxed pursuant to the "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.) at any time within the 10-year period prior to the effective date of P.L.2012, c.24, shall only be considered "connected to the distribution system" if (1) the board approves the facility's designation pursuant to subsection q. of this section; or (2) (a) PJM issued a System Impact Study for the facility on or before June 30, 2011, (b) the facility files a notice with the board within 60 days of the effective date of P.L.2012, c.24, indicating its intent to qualify under this subsection, and (c) the facility has been approved as "connected to the distribution system" by the board. Nothing in this subsection shall limit the board's authority concerning the review and oversight of facilities, unless such facilities are exempt from such review as a result of having been approved pursuant to subsection q. of this section.

t. (1) No more than 180 days after the date of enactment of P.L.2012, c.24, the board shall, in consultation with the Department of Environmental Protection and the New Jersey Economic Development Authority, and, after notice and opportunity for public comment and public hearing, complete a proceeding to establish a program to provide SRECs to owners of solar electric power generation facility projects certified by the board, in consultation with the Department of Environmental Protection, as being located on a brownfield, on an area of historic fill or on a properly closed sanitary landfill facility, including those owned or operated by an electric public utility and approved pursuant to section 13 of P.L.2007, c.340 (C.48:3-98.1). Projects certified under this subsection shall be considered "connected to the distribution system", shall not require such designation by the board, and shall not be subject to board review required pursuant to subsections q. and r. of this section. Notwithstanding the provisions of section 3 of P.L.1999, c.23 (C.48:3-51) or any other law, rule, regulation, or order to the contrary, for projects certified under this subsection, the board shall establish a financial incentive that is designed to supplement the SRECs generated by the facility in order to cover the additional cost of constructing and operating a solar electric power generation facility on a brownfield, on an area of historic fill or on a properly closed sanitary landfill facility. Any financial benefit realized in relation to a project owned or operated by an electric public utility and approved by the board pursuant to section 13 of P.L.2007, c.340 (C.48:3-98.1), as a result of the provision of a financial incentive established by the board pursuant to this

subsection, shall be credited to ratepayers. The issuance of SRECs for all solar electric power generation facility projects pursuant to this subsection shall be deemed "Board of Public Utilities financial assistance" as provided under section 1 of P.L.2009, c.89 (C.48:2-29.47).

- 6 (2) Notwithstanding the provisions of the "Spill Compensation 7 and Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.) or any 8 other law, rule, regulation, or order to the contrary, the board, in 9 consultation with the Department of Environmental Protection, may 10 find that a person who operates a solar electric power generation facility project that has commenced operation on or after the 11 12 effective date of P.L.2012, c.24, which project is certified by the 13 board, in consultation with the Department of Environmental 14 Protection pursuant to paragraph (1) of this subsection, as being 15 located on a brownfield for which a final remediation document has 16 been issued, on an area of historic fill or on a properly closed 17 sanitary landfill facility, which projects shall include, but not be 18 limited to projects located on a brownfield for which a final 19 remediation document has been issued, on an area of historic fill or 20 on a properly closed sanitary landfill facility owned or operated by 21 an electric public utility and approved pursuant to section 13 of 22 P.L.2007, c.340 (C.48:3-98.1), or a person who owns property 23 acquired on or after the effective date of P.L.2012, c.24 on which 24 such a solar electric power generation facility project is constructed 25 and operated, shall not be liable for cleanup and removal costs to 26 the Department of Environmental Protection or to any other person 27 for the discharge of a hazardous substance provided that:
 - (a) the person acquired or leased the real property after the discharge of that hazardous substance at the real property;

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- (b) the person did not discharge the hazardous substance, is not in any way responsible for the hazardous substance, and is not a successor to the discharger or to any person in any way responsible for the hazardous substance or to anyone liable for cleanup and removal costs pursuant to section 8 of P.L.1976, c.141 (C.58:10-23.11g);
- (c) the person, within 30 days after acquisition of the property, gave notice of the discharge to the Department of Environmental Protection in a manner the Department of Environmental Protection prescribes;
- (d) the person does not disrupt or change, without prior written permission from the Department of Environmental Protection, any engineering or institutional control that is part of a remedial action for the contaminated site or any landfill closure or post-closure requirement;
- 45 (e) the person does not exacerbate the contamination at the 46 property;
- 47 (f) the person does not interfere with any necessary remediation 48 of the property;

(g) the person complies with any regulations and any permit the Department of Environmental Protection issues pursuant to section 19 of P.L.2009, c.60 (C.58:10C-19) or paragraph (2) of subsection a. of section 6 of P.L.1970, c.39 (C.13:1E-6);

- (h) with respect to an area of historic fill, the person has demonstrated pursuant to a preliminary assessment and site investigation, that hazardous substances have not been discharged; and
- (i) with respect to a properly closed sanitary landfill facility, no person who owns or controls the facility receives, has received, or will receive, with respect to such facility, any funds from any post-closure escrow account established pursuant to section 10 of P.L.1981, c.306 (C.13:1E-109) for the closure and monitoring of the facility.

Only the person who is liable to clean up and remove the contamination pursuant to section 8 of P.L.1976, c.141 (C.58:10-23.11g) and who does not have a defense to liability pursuant to subsection d. of that section shall be liable for cleanup and removal costs.

- u. No more than 180 days after the date of enactment of P.L.2012, c.24, the board shall complete a proceeding to establish a registration program. The registration program shall require the owners of solar electric power generation facility projects connected to the distribution system to make periodic milestone filings with the board in a manner and at such times as determined by the board to provide full disclosure and transparency regarding the overall level of development and construction activity of those projects Statewide.
- v. The issuance of SRECs for all solar electric power generation facility projects pursuant to this section, for projects connected to the distribution system with a capacity of one megawatt or greater, shall be deemed "Board of Public Utilities financial assistance" as provided pursuant to section 1 of P.L.2009, c.89 (C.48:2-29.47).
- w. No more than 270 days after the date of enactment of P.L.2012, c.24, the board shall, after notice and opportunity for public comment and public hearing, complete a proceeding to consider whether to establish a program to provide, to owners of solar electric power generation facility projects certified by the board as being three megawatts or greater in capacity and being net metered, including facilities which are owned or operated by an electric public utility and approved by the board pursuant to section 13 of P.L.2007, c.340 (C.48:3-98.1), a financial incentive that is designed to supplement the SRECs generated by the facility to further the goal of improving the economic competitiveness of commercial and industrial customers taking power from such projects. If the board determines to establish such a program pursuant to this subsection, the board may establish a financial

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1	incentive to provide that the board shall issue one SREC for no less
2	than every 750 kilowatt-hours of solar energy generated by the
3	certified projects. Any financial benefit realized in relation to a
4	project owned or operated by an electric public utility and approved
5	by the board pursuant to section 13 of P.L.2007, c.340 (C.48:3-
6	98.1), as a result of the provisions of a financial incentive
7	established by the board pursuant to this subsection, shall be
8	credited to ratepayers.
9	x. Solar electric power generation facility projects that are

x. Solar electric power generation facility projects that are located on an existing or proposed commercial, retail, industrial, municipal, professional, recreational, transit, commuter, entertainment complex, multi-use, or mixed-use parking lot with a capacity to park 350 or more vehicles where the area to be utilized for the facility is paved, or an impervious surface may be owned or operated by an electric public utility and may be approved by the board pursuant to section 13 of P.L.2007, c.340 (C.48:3-98.1).

17 (cf: P.L.2019, c.448, s.1)

¹[4.]5.¹ This act shall take effect immediately.