

CHAPTER 190

AN ACT concerning remote net metering and amending P.L.2018, c.17.

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

1. Section 6 of P.L.2018, c.17 (C.48:3-87.12) is amended to read as follows:

C.48:3-87.12 Application, approval process.

6. a. No later than 120 days after the date of enactment of P.L.2023, c.190, the board shall establish an application and approval process for remote net metered solar energy projects serving public entities as receiving customers.

A remote net metered solar energy project shall:

- (1) have a capacity up to five megawatts, as measured in direct current;
 - (2) exclusively serve public entities certified by the board to act as receiving customers and located within the same electric distribution company service territory as the project;
 - (3) be located on any property owned, licensed, or leased by any public entity or on any suitable private property, including, but not limited to, rooftops of commercial buildings, parking lots, brownfields for which a final remediation document has been issued, or properly closed sanitary landfill facilities;
 - (4) not be sited on:
 - (a) land preserved under the Green Acres Program;
 - (b) 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.);
 - (c) forested lands, as defined by the board in consultation with the Department of Environmental Protection; or
 - (d) prime agricultural soils and soils of Statewide importance, as identified by the United States Department of Agriculture's Natural Resources Conservation Service, which are located in Agricultural Development Areas certified by the State Agricultural Development Committee;
 - (5) have a facility size calculated based upon the total aggregate electricity usage of the receiving public entity customer utility accounts to be served by the project, based on the total usage of each proposed customer account over the previous twelve months; and
 - (6) be metered separately.
- b. The board shall establish a remote net metering application process to approve remote net metered solar energy projects and certify public entities to act as receiving customers for remote net metering generating capacity. The process shall be modeled after the relevant rules and regulations adopted by the board for the community solar energy program pursuant to section 5 of P.L.2018, c.17 (C.48:3-87.11), including, but not limited to, the calculation of the value of the net metering credit. An electric public utility shall be entitled to full and timely cost recovery, including the full value of public remote net metering credits provided to customers and billing system investments, associated with public remote net metering consistent with the Community Solar provisions pursuant to subsection e. of section 5 of P.L.2018, c.17 (C.48:3-87.11).
- c. (Deleted by amendment, P.L.2023, c.190)
- d. The electric distribution company that serves the location of a solar energy project approved pursuant to this section shall be responsible for reviewing and approving the interconnection of the solar energy project.

2. Section 3 of P.L.2021, c.169 (C.48:3-116) is amended to read as follows:

C.48:3-116 Development of small solar facilities incentive program.

3. a. The board shall develop, as part of the SREC-II program, a small solar facilities incentive program to award SREC-IIs to the owners of community solar facilities, solar facilities up to five megawatts in size that participate in the remote net metering program established pursuant to section 6 of P.L.2018, c.17 (C.48:3-87.12), and net metered solar facilities less than five megawatts in size, as measured in direct current, or another size specified by the board. The small solar facilities incentive program shall aim to provide SREC-IIs for the generation of at least 300 megawatts of net-metered solar facilities per year and 150 megawatts of community solar facilities per year, and 50 megawatts of solar facilities in the remote net metering program, for each of the five years after the establishment of the SREC-II program.

b. The board shall establish eligibility criteria and an application process by which an owner of a solar electric power generation facility may apply to receive SREC-IIs pursuant to this section, until the program reaches the energy generation target established by subsection a. of this section, as determined by the board. Only solar electric power generation facilities that receive permission to operate from the appropriate regional grid operator after the effective date of P.L.2021, c.169 (C.48:3-114 et al.), shall be eligible to receive SREC-IIs pursuant to this section, unless otherwise specified by the board. A facility shall be eligible to receive SREC-IIs pursuant to this section for a duration established by the board if it is connected to the distribution or transmission system owned or operated by a New Jersey public utility or local government unit.

c. The small solar facilities incentive program shall include criteria by which to assign an SREC-II value per megawatt-hour to a solar electric power generation facility. The criteria shall be designed by the board to incentivize the development of new solar power projects sufficiently so that the goals for solar power development in the State's Energy Master Plan are met, to further other State goals, and to incentivize projects that are especially in the public interest. The SREC-II value per megawatt-hour may include the value of the environmental and other benefits to the State provided by the facility, as determined by the board. The criteria may include, but is not limited to, consideration of the following factors:

- (1) the size of the facility;
- (2) the costs and revenues associated with representative facilities;
- (3) for community solar facilities, the economic and demographic characteristics of the area served by the facility, including whether it is located in an overburdened community, as that term is defined in section 2 of P.L.2020, c.92 (C.13:1D-158);
- (4) whether the facility is located on already developed land or the built environment;
- (5) the facility's eligibility for net metering pursuant to subsection e. of section 38 of P.L.1999, c.23 (C.48:3-87) or participation in the community solar program established pursuant to subsection f. of section 5 of P.L.2018, c.17 (C.48:3-87.11); and
- (6) the rate class of the facility, as determined by the appropriate New Jersey electric public utility or local government unit.

3. This act shall take effect immediately.

Approved December 21, 2023.