

SENATE ENVIRONMENT AND ENERGY COMMITTEE

STATEMENT TO

SENATE, No. 2732

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 9, 2022

The Senate Environment and Energy Committee favorably reports Senate Bill No. 2732, with committee amendments.

This bill, as amended by the committee, provides that deadlines for the completion or commercial operation of certain solar electric power generation facilities pursuant to subsection t. of section 38 of P.L.1999, c.23 (C.48:3-87) may be extended as a result of delays in the approval and contracting process by the PJM Interconnection, L.L.C., an electric public utility, or a local government unit.

Specifically, the bill would automatically extend the project completion or commercial operation deadline dates established for a "qualified solar electric power generation facility" when the facility fails, or is projected to fail, to achieve project completion or commercial operation by the deadline date established by law, rule, regulation, board order, incentive program registration acceptance letter, or other approval or authorization for that facility, as a result of a "tolling event." As defined by the bill, "qualified solar electric power generation facility" means "a solar electric power generation facility for which a project sponsor has submitted, on or before August 28, 2021, an application for conditional approval to participate in a solar incentive program pursuant to subsection t. of section 38 of P.L.1999, c.23 (C.48:3-87), and includes a facility that has received conditional approval from the board to participate in the solar incentive program pursuant to subsection t. of section 38 of P.L.1999, c.23 (C.48:3-87) for which application was made." The bill defines "tolling event" as "any action or inaction of the PJM Interconnection, L.L.C., or an applicable electric public utility, any moratorium in new applications declared by the PJM Interconnection, L.L.C., or an applicable electric public utility, any deferral in processing of existing applications by the PJM Interconnection, L.L.C., or an applicable electric public utility, any new application process, study, report, or analysis established by the PJM Interconnection, L.L.C., or an applicable electric public utility, to approve and contract a project, or the deferral to negotiate, execute, and deliver any other engineering or other studies, agreements, or approvals required by the PJM Interconnection, L.L.C., or an applicable electric public utility, as a prerequisite to project interconnection or commercial operation of a

qualified solar electric power generation facility, or any undue delay in the provision of a permit or approval required by a local government unit, including a local land use board, caused by the action or inaction of the local government unit, which delays the timely completion or commercial operation of a qualified solar electric power generation facility."

To receive the extension provided by the bill, a project sponsor would be required to certify in writing, and provide supporting documentation, to the Board of Public Utilities (board) describing the tolling event and anticipated duration of the delay associated with the tolling event. Within 45 days after receipt of this certification, the bill would require the board to issue an unconditional order approving an automatic extension of the project deadline date or commercial operation deadline date established for that facility. The order would be issued by the board on a non-discretionary basis, and no factual investigation or hearing by the board would be conducted. The order would extend the previously established project completion or commercial operation deadline date for the facility by an amount of time coextensive with the duration of the tolling event, and may provide such other and further relief as the board may deem appropriate.

Under the bill, a project sponsor would have a continuing obligation to apprise the board, on at least a quarterly basis, regarding the nature and extent of the tolling event and its anticipated duration. Upon conclusion of the tolling event, the project sponsor would be required to complete the facility and commence commercial operation within the timeframe permitted by the Interconnection Service Agreement executed between the project sponsor, PJM Interconnection, L.L.C., and the public electric utility.

The committee amendments to the bill:

(1) restrict the applicability of the bill to solar projects that submitted an application for conditional approval to participate in a solar incentive program pursuant to subsection t. of section 38 of P.L.1999, c.23 (C.48:3-87) prior to August 28, 2021, rather than any solar project that submitted an application pursuant to that law;

(2) delete the definitions of "solar incentive program" and "transition renewable energy certificate;" and

(3) expand the definition of "tolling event" to include certain delays related to permits and approvals required by local government units.