

# SENATE ENVIRONMENT AND ENERGY COMMITTEE

## STATEMENT TO

### SENATE, No. 3909

# STATE OF NEW JERSEY

DATED: NOVEMBER 20, 2023

The Senate Environment and Energy Committee favorably reports Senate Bill No. 3909.

This bill would specify that authorized food waste recycling facilities are able to engage in net metering and would establish conditions and compensation for those facilities.

Under current law, specifically subsection e. of section 38 of P.L.1999, c.23 (C.48:3-87), electric power suppliers and basic generation providers are required to offer net-metering to industrial, commercial, and residential customers. This bill specifies that authorized food waste recycling facilities would be eligible to engage in net metering. “Net metering” refers to an accounting, or billing, process that allows a customer that generates electricity from a Class I renewable energy source to receive credit on their utility bill for the electricity produced. An authorized food waste recycling facility is defined in law to mean “a Class C recycling center within the State authorized to accept, store, process, or transfer food waste or compostable material, pursuant to subsection b. of section 41 of P.L.1987, c.102 (C.13:1E-99.34).”

Under the bill, if the amount of electricity generated by the authorized food waste recycling facility (facility), plus any kilowatt hour credits held over from previous billing periods, exceeds the electricity supplied by the electric power supplier (supplier) or basic generation service provider (provider), then the supplier or provider, as the case may be, would credit the facility for the excess kilowatt hours until the end of the annualized period. If any kilowatt hour credit remains at the end of the annualized period, the facility would be compensated by the supplier or provider for any remaining credits or, the facility may choose to have the supplier or provider credit the facility at the applicable published tariff rate for residential basic generation service, inclusive of sales and use tax, plus \$0.03 per kilowatt hour. Alternatively, if a facility chooses not to receive a credit, the facility would be able to: execute a bilateral agreement with a supplier or service provider for the sale and purchase of the excess generation; or enter into a contract to deliver or sell the power to end-use customers located within the same electric public utility’s service territory as the facility.