

P.L. 2007, CHAPTER 300, *approved January 13, 2008*
Senate Committee Substitute for
Senate, No. 2936

1 **AN ACT** concerning electric power net metering, safety and power
2 quality interconnection standards, and renewable energy credit
3 rules, and amending P.L.1999, c.23.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

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8 1. Section 38 of P.L.1999, c.23 (C.48:3-87) is amended to read
9 as follows:

10 38. a. The board shall require an electric power supplier or
11 basic generation service provider to disclose on a customer's bill or
12 on customer contracts or marketing materials, a uniform, common
13 set of information about the environmental characteristics of the
14 energy purchased by the customer, including, but not limited to:

15 (1) Its fuel mix, including categories for oil, gas, nuclear, coal,
16 solar, hydroelectric, wind and biomass, or a regional average
17 determined by the board;

18 (2) Its emissions, in pounds per megawatt hour, of sulfur
19 dioxide, carbon dioxide, oxides of nitrogen, and any other pollutant
20 that the board may determine to pose an environmental or health
21 hazard, or an emissions default to be determined by the board; and

22 (3) Any discrete emission reduction retired pursuant to rules and
23 regulations adopted pursuant to P.L.1995, c.188.

24 b. Notwithstanding any provisions of the "Administrative
25 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
26 contrary, the board shall initiate a proceeding and shall adopt, in
27 consultation with the Department of Environmental Protection, after
28 notice and opportunity for public comment and public hearing,
29 interim standards to implement this disclosure requirement,
30 including, but not limited to:

31 (1) A methodology for disclosure of emissions based on output
32 pounds per megawatt hour;

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

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

42 Such standards shall be effective as regulations immediately
43 upon filing with the Office of Administrative Law and shall be

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

Matter underlined thus is new matter.

1 effective for a period not to exceed 18 months, and may, thereafter,
2 be amended, adopted or readopted by the board in accordance with
3 the provisions of the "Administrative Procedure Act."

4 c. (1) The board may adopt, in consultation with the
5 Department of Environmental Protection, after notice and
6 opportunity for public comment, an emissions portfolio standard
7 applicable to all electric power suppliers and basic generation
8 service providers, upon a finding that:

9 (a) The standard is necessary as part of a plan to enable the
10 State to meet federal Clean Air Act or State ambient air quality
11 standards; and

12 (b) Actions at the regional or federal level cannot reasonably be
13 expected to achieve the compliance with the federal standards.

14 (2) If a State department or agency adopts regulations to
15 implement a State policy or an interstate or regional agreement to
16 reduce Statewide greenhouse gas emissions related to electricity
17 generation, then the board shall adopt, pursuant to the
18 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
19 seq.), a greenhouse gas emissions portfolio standard to mitigate
20 leakage or another regulatory mechanism to mitigate leakage
21 applicable to all electric power suppliers and basic generation
22 service providers that provide electricity to customers within the
23 State. Any regulation to mitigate leakage shall:

24 (a) Allow a transition period, either before or after the effective
25 date of the regulation to mitigate leakage, for a basic generation
26 service provider or electric power supplier to either meet the
27 emissions portfolio standard or other regulatory mechanism to
28 mitigate leakage, or to transfer any customer to a basic generation
29 service provider or electric power supplier that meets the emissions
30 portfolio standard or other regulatory mechanism to mitigate
31 leakage. If the transition period allowed pursuant to this
32 subparagraph occurs after the implementation of a emissions
33 portfolio standard or other regulatory mechanism to mitigate
34 leakage, the transition period shall be no longer than three years;
35 and

36 (b) Exempt the provision of basic generation service pursuant to
37 a basic generation service purchase and sale agreement effective
38 prior to the date of the regulation.

39 d. Notwithstanding any provisions of the "Administrative
40 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
41 contrary, the board shall initiate a proceeding and shall adopt, after
42 notice, provision of the opportunity for comment, and public
43 hearing, interim renewable energy portfolio standards that shall
44 require:

45 (1) that two and one-half percent of the kilowatt hours sold in
46 this State by each electric power supplier and each basic generation

1 service provider be from Class I or Class II renewable energy
2 sources; and

3 (2) beginning on January 1, 2001, that one-half of one percent
4 of the kilowatt hours sold in this State by each electric power
5 supplier and each basic generation service provider be from Class I
6 renewable energy sources. The board shall increase the required
7 percentage for Class I renewable energy sources so that by January
8 1, 2006, one percent of the kilowatt hours sold in this State by each
9 electric power supplier and each basic generation service provider
10 shall be from Class I renewable energy sources and shall
11 additionally increase the required percentage for Class I renewable
12 energy sources by one-half of one percent each year until January 1,
13 2012, when four percent of the kilowatt hours sold in this State by
14 each electric power supplier and each basic generation service
15 provider shall be from Class I renewable energy sources.

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

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

25 e. Notwithstanding any provisions of the "Administrative
26 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
27 contrary, the board shall initiate a proceeding and shall adopt, after
28 notice, provision of the opportunity for comment, and public
29 hearing:

30 (1) net metering standards for electric power suppliers and basic
31 generation service providers.

32 The standards shall require electric power suppliers and basic
33 generation service providers to offer net metering at non-
34 discriminatory rates to industrial, large commercial, residential and
35 small commercial customers, as those customers are classified or
36 defined by the board, that generate electricity, on the customer's
37 side of the meter, using **[wind or solar photovoltaic systems]** a
38 Class I renewable energy source, for the net amount of electricity
39 supplied by the electric power supplier or basic generation service
40 provider over an annualized period. **[Where]** If the amount of
41 electricity generated by the customer-generator, plus any kilowatt
42 hour credits held over from the previous billing periods **[exceed]** ,
43 exceeds the electricity supplied by the electric power supplier or
44 basic generation service provider, then the electric power supplier
45 or basic generation service provider, as the case may be, shall credit
46 the **[customer]** customer-generator for the excess kilowatt hours
47 until the end of the annualized period at which point the customer-

1 generator will be compensated for any remaining credits or, if the
2 customer-generator chooses, credit the customer-generator on a
3 real-time basis, at the electric power supplier's or basic generation
4 service provider's avoided cost of wholesale power or the PJM
5 electric power pool's real-time locational marginal pricing rate,
6 adjusted for losses, for the respective zone in the PJM electric
7 power pool. Alternatively, the customer-generator may execute a
8 bilateral agreement with an electric power supplier or basic
9 generation service provider for the sale and purchase of the
10 customer-generator's excess generation. The customer-generator
11 may be credited on a real-time basis, so long as the customer-
12 generator follows applicable rules prescribed by the PJM electric
13 power pool for its capacity requirements for the net amount of
14 electricity supplied by the electric power supplier or basic
15 generation service provider. The board may authorize an electric
16 power supplier or basic generation service provider to cease
17 offering net metering whenever the total rated generating capacity
18 owned and operated by net metering customer-generators Statewide
19 equals [0.1] 2.5 percent of the State's peak electricity demand [or
20 the annual aggregate financial impact to electric power suppliers
21 and basic generation service providers Statewide, as determined by
22 the board, exceeds \$2,000,000, whichever is less]; [and]

23 (2) safety and power quality interconnection standards for
24 [wind and solar photovoltaic systems that] Class I renewable
25 energy source systems used by a customer-generator that shall be
26 eligible for net metering.

27 Such standards shall take into consideration the goals of the New
28 Jersey Energy Master Plan, applicable industry standards, and the
29 standards of other states and the Institute of Electrical and
30 Electronic Engineers [and shall allow customers to use a single,
31 non-demand, non-time differentiated meter]. The board shall allow
32 electric public utilities to recover the costs of any new net meters,
33 upgraded net meters, system reinforcements or upgrades, and
34 interconnection costs through either their regulated rates or from the
35 net metering customer-generator; and

36 (3) credit or other incentive rules for generators using Class I
37 renewable energy generation systems that connect to New Jersey's
38 electric public utilities' distribution system but who do not net
39 meter.

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

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

7 f. The board may assess, by written order and after notice and
8 opportunity for comment, a separate fee to cover the cost of
9 implementing and overseeing an emission disclosure system or
10 emission portfolio standard, which fee shall be assessed based on an
11 electric power supplier's or basic generation service provider's share
12 of the retail electricity supply market. The board shall not impose a
13 fee for the cost of implementing and overseeing a greenhouse gas
14 emissions portfolio standard adopted pursuant to paragraph (2) of
15 subsection c. of this section, the electric energy efficiency portfolio
16 standard adopted pursuant to subsection g. of this section, or the gas
17 energy efficiency portfolio standard adopted pursuant to subsection
18 h. of this section.

19 g. The board may adopt, pursuant to the "Administrative
20 Procedure Act," P.L. 1968, c.410 (C. 52:14B-1 et seq.), an electric
21 energy efficiency portfolio standard that may require each electric
22 public utility to implement energy efficiency measures that reduce
23 electricity usage in the State by 2020 to a level that is 20 percent
24 below the usage projected by the board in the absence of such a
25 standard. Nothing in this section shall be construed to prevent an
26 electric public utility from meeting the requirements of this section
27 by contracting with another entity for the performance of the
28 requirements.

29 h. The board may adopt, pursuant to the "Administrative
30 Procedure Act," a gas energy efficiency portfolio standard that may
31 require each gas public utility to implement energy efficiency
32 measures that reduce natural gas usage for heating in the State by
33 2020 to a level that is 20 percent below the usage projected by the
34 board in the absence of such a standard. Nothing in this section
35 shall be construed to prevent a gas public utility from meeting the
36 requirements of this section by contracting with another entity for
37 the performance of the requirements.

38 i. As used in this section:

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

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

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

6 (cf: P.L.2007, c.112, s.8)

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8 2. This act shall take effect on the 180th day after the date of
9 enactment, but the Board of Public Utilities may take such
10 anticipatory administrative action in advance thereof as shall be
11 necessary for the implementation of this act.

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16 Revises law concerning electric power net metering, safety and
17 power quality interconnection standards; requires BPU to adopt
18 certain renewable energy credit rules.