

[First Reprint]

## **ASSEMBLY, No. 2042**

# **STATE OF NEW JERSEY**

## **214th LEGISLATURE**

INTRODUCED FEBRUARY 8, 2010

**Sponsored by:**

**Assemblyman WAYNE P. DEANGELO**

**District 14 (Mercer and Middlesex)**

**Assemblyman MATTHEW W. MILAM**

**District 1 (Cape May, Atlantic and Cumberland)**

**Assemblyman NELSON T. ALBANO**

**District 1 (Cape May, Atlantic and Cumberland)**

**Co-Sponsored by:**

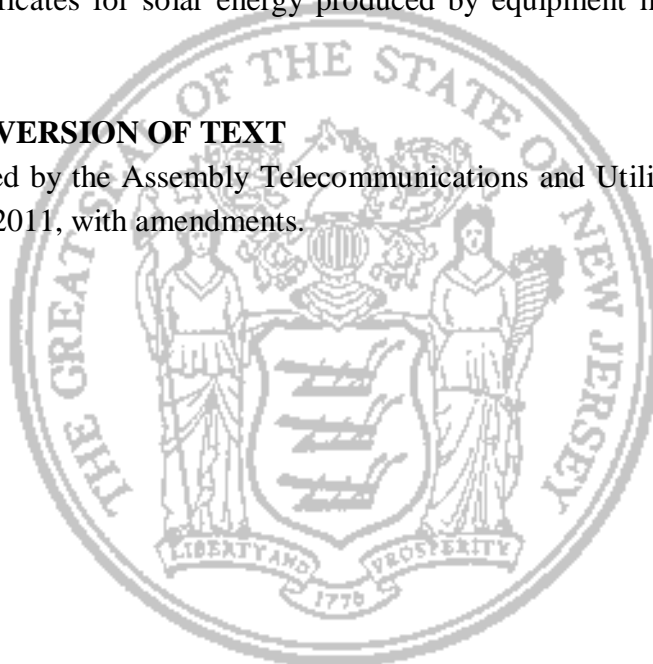
**Assemblymen Egan, Diegnan, Assemblywoman Lampitt, Assemblymen Johnson, Schaer and Assemblywoman Wagner**

### **SYNOPSIS**

Requires BPU to increase credit provided when issuing Solar Renewable Energy Certificates for solar energy produced by equipment manufactured in NJ.

### **CURRENT VERSION OF TEXT**

As reported by the Assembly Telecommunications and Utilities Committee on March 7, 2011, with amendments.



**(Sponsorship Updated As Of: 5/6/2011)**

1 AN ACT concerning solar renewable energy and amending <sup>1</sup>["and  
2 supplementing"]<sup>1</sup> P.L.1999, c.23.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 <sup>1</sup>["1.Section 3 of P.L.1999, c.23 (C.48:3-51) is amended to read  
8 as follows:

9 3. As used in this act:

10 "Assignee" means a person to which an electric public utility or  
11 another assignee assigns, sells or transfers, other than as security,  
12 all or a portion of its right to or interest in bondable transition  
13 property. Except as specifically provided in **[this act]** P.L.1999,  
14 c.23 (C.48:3-49 et al.), an assignee shall not be subject to the public  
15 utility requirements of Title 48 or any rules or regulations adopted  
16 pursuant thereto;

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

24 "Basic generation service" means electric generation service that  
25 is provided, pursuant to section 9 of **[this act]** P.L.1999, c.23  
26 (C.48:3-57), to any customer that has not chosen an alternative  
27 electric power supplier, whether or not the customer has received  
28 offers as to competitive supply options, including, but not limited  
29 to, any customer that cannot obtain such service from an electric  
30 power supplier for any reason, including non-payment for services.  
31 Basic generation service is not a competitive service and shall be  
32 fully regulated by the board;

33 "Basic generation service transition costs" means the amount by  
34 which the payments by an electric public utility for the procurement  
35 of power for basic generation service and related ancillary and  
36 administrative costs exceeds the net revenues from the basic  
37 generation service charge established by the board pursuant to  
38 section 9 of P.L.1999, c.23 (C.48:3-57) during the transition period,  
39 together with interest on the balance at the board-approved rate, that  
40 is reflected in a deferred balance account approved by the board in  
41 an order addressing the electric public utility's unbundled rates,  
42 stranded costs, and restructuring filings pursuant to P.L.1999, c.23  
43 (C.48:3-49 et al.). Basic generation service transition costs shall  
44 include, but are not limited to, costs of purchases from the spot

**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.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly ATU committee amendments adopted March 7, 2011.

1 market, bilateral contracts, contracts with non-utility generators,  
2 parting contracts with the purchaser of the electric public utility's  
3 divested generation assets, short-term advance purchases, and  
4 financial instruments such as hedging, forward contracts, and  
5 options. Basic generation service transition costs shall also include  
6 the payments by an electric public utility pursuant to a competitive  
7 procurement process for basic generation service supply during the  
8 transition period, and costs of any such process used to procure the  
9 basic generation service supply;

10 "Board" means the New Jersey Board of Public Utilities or any  
11 successor agency;

12 "Bondable stranded costs" means any stranded costs or basic  
13 generation service transition costs of an electric public utility  
14 approved by the board for recovery pursuant to the provisions of  
15 **[this act]** P.L.1999, c.23 (C.48:3-49 et al.), together with, as  
16 approved by the board: (1) the cost of retiring existing debt or  
17 equity capital of the electric public utility, including accrued  
18 interest, premium and other fees, costs and charges relating thereto,  
19 with the proceeds of the financing of bondable transition property;  
20 (2) if requested by an electric public utility in its application for a  
21 bondable stranded costs rate order, federal, State and local tax  
22 liabilities associated with stranded costs recovery or basic  
23 generation service transition cost recovery or the transfer or  
24 financing of such property or both, including taxes, whose recovery  
25 period is modified by the effect of a stranded costs recovery order, a  
26 bondable stranded costs rate order or both; and (3) the costs  
27 incurred to issue, service or refinance transition bonds, including  
28 interest, acquisition or redemption premium, and other financing  
29 costs, whether paid upon issuance or over the life of the transition  
30 bonds, including, but not limited to, credit enhancements, service  
31 charges, overcollateralization, interest rate cap, swap or collar, yield  
32 maintenance, maturity guarantee or other hedging agreements,  
33 equity investments, operating costs and other related fees, costs and  
34 charges, or to assign, sell or otherwise transfer bondable transition  
35 property;

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

1 of the related electric public utility to such order as provided in  
2 **[this act]** P.L.1999, c.23;

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

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

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

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

33 "Class I renewable energy" means electric energy produced from  
34 solar technologies, photovoltaic technologies, wind energy, fuel  
35 cells, geothermal technologies, wave or tidal action, and methane  
36 gas from landfills or a biomass facility, provided that the biomass is  
37 cultivated and harvested in a sustainable manner;

38 "Class II renewable energy" means electric energy produced at a  
39 resource recovery facility or hydropower facility, provided that  
40 such facility is located where retail competition is permitted and  
41 provided further that the Commissioner of Environmental  
42 Protection has determined that such facility meets the highest  
43 environmental standards and minimizes any impacts to the  
44 environment and local communities;

45 "Competitive service" means any service offered by an electric  
46 public utility or a gas public utility that the board determines to be  
47 competitive pursuant to section 8 or section 10 of **[this act]**

1 P.L.1999, c.23 (C.48:3-56 or C.48:3-58) or that is not regulated by  
2 the board;

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

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

12 "Customer account service" means metering, billing, or such  
13 other administrative activity associated with maintaining a customer  
14 account;

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

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

26 "Electric power generator" means an entity that proposes to  
27 construct, own, lease or operate, or currently owns, leases or  
28 operates, an electric power production facility that will sell or does  
29 sell at least 90 percent of its output, either directly or through a  
30 marketer, to a customer or customers located at sites that are not on  
31 or contiguous to the site on which the facility will be located or is  
32 located. The designation of an entity as an electric power generator  
33 for the purposes of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.) shall  
34 not, in and of itself, affect the entity's status as an exempt wholesale  
35 generator under the Public Utility Holding Company Act of 1935,  
36 15 U.S.C. s.79 et seq.;

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

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

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

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

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

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

21 "Financing entity" means an electric public utility, a special  
22 purpose entity, or any other assignee of bondable transition  
23 property, which issues transition bonds. Except as specifically  
24 provided in **[this act]** P.L.1999, c.23 (C.48:3-49 et al.), a financing  
25 entity which is not itself an electric public utility shall not be  
26 subject to the public utility requirements of Title 48 or any rules or  
27 regulations adopted pursuant thereto;

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

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

37 "Gas supplier" means a person that is duly licensed pursuant to  
38 the provisions of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.) to offer  
39 and assume the contractual and legal obligation to provide gas  
40 supply service to retail customers, and includes, but is not limited  
41 to, marketers and brokers. A non-public utility affiliate of a public  
42 utility holding company may be a gas supplier, but a gas public  
43 utility or any subsidiary of a gas utility is not a gas supplier. In the  
44 event that a gas public utility is not part of a holding company legal  
45 structure, a related competitive business segment of that gas public  
46 utility may be a gas supplier, provided that related competitive  
47 business segment is structurally separated from the gas public  
48 utility, and provided that the interactions between the gas public

1 utility and the related competitive business segment are subject to  
2 the affiliate relations standards adopted by the board pursuant to  
3 subsection k. of section 10 of **[this act]** P.L.1999, c.23 (C.48:3-58);

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

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

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

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

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

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

43 "Net proceeds" means proceeds less transaction and other related  
44 costs as determined by the board;

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

47 "On-site generation facility" means a generation facility, and  
48 equipment and services appurtenant to electric sales by such facility

1 to the end use customer located on the property or on property  
2 contiguous to the property on which the end user is located. An on-  
3 site generation facility shall not be considered a public utility. The  
4 property of the end use customer and the property on which the on-  
5 site generation facility is located shall be considered contiguous if  
6 they are geographically located next to each other, but may be  
7 otherwise separated by an easement, public thoroughfare,  
8 transportation or utility-owned right-of-way;

9 "Person" means an individual, partnership, corporation,  
10 association, trust, limited liability company, governmental entity or  
11 other legal entity;

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

19 "Public utility holding company" means: (1) any company that,  
20 directly or indirectly, owns, controls, or holds with power to vote,  
21 ten percent or more of the outstanding voting securities of an  
22 electric public utility or a gas public utility or of a company which  
23 is a public utility holding company by virtue of this definition,  
24 unless the Securities and Exchange Commission, or its successor,  
25 by order declares such company not to be a public utility holding  
26 company under the Public Utility Holding Company Act of 1935,  
27 15 U.S.C. s.79 et seq., or its successor; or (2) any person that the  
28 Securities and Exchange Commission, or its successor, determines,  
29 after notice and opportunity for hearing, directly or indirectly, to  
30 exercise, either alone or pursuant to an arrangement or  
31 understanding with one or more other persons, such a controlling  
32 influence over the management or policies of an electric public  
33 utility or a gas public utility or public utility holding company as to  
34 make it necessary or appropriate in the public interest or for the  
35 protection of investors or consumers that such person be subject to  
36 the obligations, duties, and liabilities imposed in the Public Utility  
37 Holding Company Act of 1935 or its successor;

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

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



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

8 "Resource recovery facility" means a solid waste facility  
9 constructed and operated for the incineration of solid waste for  
10 energy production and the recovery of metals and other materials  
11 for reuse;

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

29 "Retail choice" means the ability of retail customers to shop for  
30 electric generation or gas supply service from electric power or gas  
31 suppliers, or opt to receive basic generation service or basic gas  
32 service, and the ability of an electric power or gas supplier to offer  
33 electric generation service or gas supply service to retail customers,  
34 consistent with the provisions of [this act] P.L.1999, c.23 (C.48:3-  
35 49 et al.);

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

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

1 "Societal benefits charge" means a charge imposed by an electric  
2 public utility, at a level determined by the board, pursuant to, and in  
3 accordance with, section 12 of **[this act]** P.L.1999, c.23 (C.48:3-  
4 60);

5 "Solar electric generation" means the creation of electricity using  
6 a system that employs solar radiation to produce energy that powers  
7 an electric generator. Solar electric generation includes  
8 technologies that utilize the photovoltaic effect. Solar electric  
9 generation is a type of Class I renewable energy;

10 "Solar renewable energy certificate" or "SREC" means a  
11 tradable certificate representing the environmental attributes of a  
12 particular amount of solar electric generation generated in this  
13 State;

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

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

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

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

46 "Transmission and distribution system" means, with respect to an  
47 electric public utility, any facility or equipment that is used for the

1 transmission, distribution or delivery of electricity to the customers  
2 of the electric public utility including, but not limited to, the land,  
3 structures, meters, lines, switches and all other appurtenances  
4 thereof and thereto, owned or controlled by the electric public  
5 utility within this State;

6 "Transition period" means the period from August 1, 1999  
7 through July 31, 2003; and

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

11 (cf: P.L. 2002, c.84, s.1)]<sup>1</sup>

12  
13 <sup>1</sup>1. Section 3 of P.L.1999, c.23 (C.48:3-51) is amended to read  
14 as follows:

15 3. As used in P.L.1999, c.23 (C.48:3-49 et al.):

16 "Assignee" means a person to which an electric public utility or  
17 another assignee assigns, sells or transfers, other than as security,  
18 all or a portion of its right to or interest in bondable transition  
19 property. Except as specifically provided in P.L.1999, c.23  
20 (C.48:3-49 et al.), an assignee shall not be subject to the public  
21 utility requirements of Title 48 or any rules or regulations adopted  
22 pursuant thereto;

23 "Base load electric power generation facility" means an electric  
24 power generation facility intended to be operated at a greater than  
25 50 percent capacity factor including, but not limited to, a combined  
26 cycle power facility and a combined heat and power facility;

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

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

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

46 "Basic generation service provider" or "provider" means a  
47 provider of basic generation service;

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

22 "Board" means the New Jersey Board of Public Utilities or any  
23 successor agency;

24 "Bondable stranded costs" means any stranded costs or basic  
25 generation service transition costs of an electric public utility  
26 approved by the board for recovery pursuant to the provisions of  
27 P.L.1999, c.23 (C.48:3-49 et al.), together with, as approved by the  
28 board: (1) the cost of retiring existing debt or equity capital of the  
29 electric public utility, including accrued interest, premium and other  
30 fees, costs and charges relating thereto, with the proceeds of the  
31 financing of bondable transition property; (2) if requested by an  
32 electric public utility in its application for a bondable stranded costs  
33 rate order, federal, State and local tax liabilities associated with  
34 stranded costs recovery or basic generation service transition cost  
35 recovery or the transfer or financing of such property or both,  
36 including taxes, whose recovery period is modified by the effect of  
37 a stranded costs recovery order, a bondable stranded costs rate order  
38 or both; and (3) the costs incurred to issue, service or refinance  
39 transition bonds, including interest, acquisition or redemption  
40 premium, and other financing costs, whether paid upon issuance or  
41 over the life of the transition bonds, including, but not limited to,  
42 credit enhancements, service charges, overcollateralization, interest  
43 rate cap, swap or collar, yield maintenance, maturity guarantee or  
44 other hedging agreements, equity investments, operating costs and  
45 other related fees, costs and charges, or to assign, sell or otherwise  
46 transfer bondable transition property;

47 "Bondable stranded costs rate order" means one or more  
48 irrevocable written orders issued by the board pursuant to P.L.1999,

1 c.23 (C.48:3-49 et al.) which determines the amount of bondable  
2 stranded costs and the initial amount of transition bond charges  
3 authorized to be imposed to recover such bondable stranded costs,  
4 including the costs to be financed from the proceeds of the  
5 transition bonds, as well as on-going costs associated with servicing  
6 and credit enhancing the transition bonds, and provides the electric  
7 public utility specific authority to issue or cause to be issued,  
8 directly or indirectly, transition bonds through a financing entity  
9 and related matters as provided in P.L.1999, c.23, which order shall  
10 become effective immediately upon the written consent of the  
11 related electric public utility to such order as provided in P.L.1999,  
12 c.23;

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

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

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

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

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

45 "Class I renewable energy" means electric energy produced from  
46 solar technologies, photovoltaic technologies, wind energy, fuel  
47 cells, geothermal technologies, wave or tidal action, and methane

1 gas from landfills or a biomass facility, provided that the biomass is  
2 cultivated and harvested in a sustainable manner;

3 "Class II renewable energy" means electric energy produced at a  
4 resource recovery facility or hydropower facility, provided that  
5 such facility is located where retail competition is permitted and  
6 provided further that the Commissioner of Environmental  
7 Protection has determined that such facility meets the highest  
8 environmental standards and minimizes any impacts to the  
9 environment and local communities;

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

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

20 "Combined heat and power facility" or "co-generation facility"  
21 means a generation facility which produces electric energy, steam,  
22 or other forms of useful energy such as heat, which are used for  
23 industrial or commercial heating or cooling purposes. A combined  
24 heat and power facility or co-generation facility shall not be  
25 considered a public utility;

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

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

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

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

46 "Customer account service" means metering, billing, or such  
47 other administrative activity associated with maintaining a customer  
48 account;

1 "Delivery year" or "DY" means the 12-month period from June  
2 1st through May 31st, numbered according to the calendar year in  
3 which it ends;

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

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

15 "Electric power generator" means an entity that proposes to  
16 construct, own, lease or operate, or currently owns, leases or  
17 operates, an electric power production facility that will sell or does  
18 sell at least 90 percent of its output, either directly or through a  
19 marketer, to a customer or customers located at sites that are not on  
20 or contiguous to the site on which the facility will be located or is  
21 located. The designation of an entity as an electric power generator  
22 for the purposes of P.L.1999, c.23 (C.48:3-49 et al.) shall not, in  
23 and of itself, affect the entity's status as an exempt wholesale  
24 generator under the Public Utility Holding Company Act of 1935,  
25 15 U.S.C. s.79 et seq.;

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

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

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

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

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

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

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

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

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

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

26 "Financing entity" means an electric public utility, a special  
27 purpose entity, or any other assignee of bondable transition  
28 property, which issues transition bonds. Except as specifically  
29 provided in P.L.1999, c.23 (C.48:3-49 et al.), a financing entity  
30 which is not itself an electric public utility shall not be subject to  
31 the public utility requirements of Title 48 or any rules or regulations  
32 adopted pursuant thereto;

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

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

42 "Gas supplier" means a person that is duly licensed pursuant to  
43 the provisions of P.L.1999, c.23 (C.48:3-49 et al.) to offer and  
44 assume the contractual and legal obligation to provide gas supply  
45 service to retail customers, and includes, but is not limited to,  
46 marketers and brokers. A non-public utility affiliate of a public  
47 utility holding company may be a gas supplier, but a gas public  
48 utility or any subsidiary of a gas utility is not a gas supplier. In the



1 event that a gas public utility is not part of a holding company legal  
2 structure, a related competitive business segment of that gas public  
3 utility may be a gas supplier, provided that related competitive  
4 business segment is structurally separated from the gas public  
5 utility, and provided that the interactions between the gas public  
6 utility and the related competitive business segment are subject to  
7 the affiliate relations standards adopted by the board pursuant to  
8 subsection k. of section 10 of P.L.1999, c.23 (C.48:3-58);

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

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

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

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

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

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

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

47 "Locational deliverability area" or "LDA" means one or more of  
48 the zones within the PJM region which are used to evaluate area

1 transmission constraints and reliability issues including electric  
2 public utility company zones, sub-zones, and combinations of  
3 zones;

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

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

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

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

28 "Net proceeds" means proceeds less transaction and other related  
29 costs as determined by the board;

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

32 "Offshore wind energy" means electric energy produced by a  
33 qualified offshore wind project;

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

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

46 "On-site generation facility" means a generation facility, and  
47 equipment and services appurtenant to electric sales by such facility  
48 to the end use customer located on the property or on property

1 contiguous to the property on which the end user is located. An on-  
2 site generation facility shall not be considered a public utility. The  
3 property of the end use customer and the property on which the on-  
4 site generation facility is located shall be considered contiguous if  
5 they are geographically located next to each other, but may be  
6 otherwise separated by an easement, public thoroughfare,  
7 transportation or utility-owned right-of-way, or if the end use  
8 customer is purchasing thermal energy services produced by the on-  
9 site generation facility, for use for heating or cooling, or both,  
10 regardless of whether the customer is located on property that is  
11 separated from the property on which the on-site generation facility  
12 is located by more than one easement, public thoroughfare, or  
13 transportation or utility-owned right-of-way;

14 "Person" means an individual, partnership, corporation,  
15 association, trust, limited liability company, governmental entity or  
16 other legal entity;

17 "PJM Interconnection, L.L.C." or "PJM" means the privately-  
18 held, limited liability corporation that is a FERC-approved Regional  
19 Transmission Organization 2, or its successor,<sup>2</sup> that manages the  
20 regional, high-voltage electricity grid serving all or parts of 13  
21 states including New Jersey and the District of Columbia, operates  
22 the regional competitive wholesale electric market, manages the  
23 regional transmission planning process, and establishes systems and  
24 rules to ensure that the regional and in-State energy markets operate  
25 fairly and efficiently;

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

33 "Public utility holding company" means: (1) any company that,  
34 directly or indirectly, owns, controls, or holds with power to vote,  
35 ten percent or more of the outstanding voting securities of an  
36 electric public utility or a gas public utility or of a company which  
37 is a public utility holding company by virtue of this definition,  
38 unless the Securities and Exchange Commission, or its successor,  
39 by order declares such company not to be a public utility holding  
40 company under the Public Utility Holding Company Act of 1935,  
41 15 U.S.C. s.79 et seq., or its successor; or (2) any person that the  
42 Securities and Exchange Commission, or its successor, determines,  
43 after notice and opportunity for hearing, directly or indirectly, to  
44 exercise, either alone or pursuant to an arrangement or  
45 understanding with one or more other persons, such a controlling  
46 influence over the management or policies of an electric public  
47 utility or a gas public utility or public utility holding company as to  
48 make it necessary or appropriate in the public interest or for the

1 protection of investors or consumers that such person be subject to  
2 the obligations, duties, and liabilities imposed in the Public Utility  
3 Holding Company Act of 1935 or its successor;

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

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

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

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

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

33 "Renewable energy certificate" or "REC" means a certificate  
34 representing the environmental benefits or attributes of one  
35 megawatt-hour of generation from a generating facility that  
36 produces Class I or Class II renewable energy, but shall not include  
37 a solar renewable energy certificate or an offshore wind renewable  
38 energy certificate;

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

44 "Resource recovery facility" means a solid waste facility  
45 constructed and operated for the incineration of solid waste for  
46 energy production and the recovery of metals and other materials  
47 for reuse;

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

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

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

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

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

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

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

9 "Solar renewable energy certificate" or "SREC" means a  
10 certificate issued by the board or its designee, representing one  
11 megawatt hour (MWh) of solar energy that is generated by a facility  
12 connected to the distribution system in this State and has value  
13 based upon, and driven by, the energy market; provided, however,  
14 that in the case of solar energy produced by equipment  
15 manufactured in New Jersey, each SREC issued by the board or its  
16 designee shall represent 850 kilowatt hours (KWh) of solar energy;

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

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

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

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

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

45 "Transition bond charge" means a charge, expressed as an  
46 amount per kilowatt hour, that is authorized by and imposed on  
47 electric public utility ratepayers pursuant to a bondable stranded

1 costs rate order, as modified at any time pursuant to the provisions  
2 of P.L.1999, c.23 (C.48:3-49 et al.);

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

16 "Transition period" means the period from August 1, 1999  
17 through July 31, 2003;

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

25 "Universal service" means any service approved by the board  
26 with the purpose of assisting low-income residential customers in  
27 obtaining or retaining electric generation or delivery service.<sup>1</sup>

28 (cf: P.L.2011, c.9, s.2)

29  
30 <sup>1</sup>[2.(New section) Notwithstanding any law, rule, regulation or  
31 order to the contrary, whenever the board issues SRECs to owners  
32 of solar electric generation systems under a board instituted solar  
33 renewable energy certificate program, the board shall issue one  
34 SREC for every one megawatt hour of solar electric generation  
35 generated in this State, provided, however, that the board shall issue  
36 one SREC for every 850 kilowatt hours of solar electric generation  
37 generated in this State if the equipment used to produce the solar  
38 electric generation is manufactured in New Jersey.]<sup>1</sup>

39  
40 <sup>1</sup>[3.] 2.<sup>1</sup> This act shall take effect on the 60th date after the  
41 date of enactment, but the Board of Public Utilities may take such  
42 anticipatory action in advance thereof as shall be necessary for the  
43 implementation of the act.