

**ASSEMBLY, No. 2966**

**STATE OF NEW JERSEY**  
**215th LEGISLATURE**

INTRODUCED MAY 21, 2012

**Sponsored by:**

**Assemblyman UPENDRA J. CHIVUKULA**  
**District 17 (Middlesex and Somerset)**

**SYNOPSIS**

Revises certain solar renewable energy programs and requirements; provides for aggregated metering of electricity consumption related to properties owned by local government units and school districts.

**CURRENT VERSION OF TEXT**

As introduced.



A2966 CHIVUKULA

2

1 AN ACT concerning certain electric customer metering and solar  
2 renewable portfolio standards requirements and amending  
3 P.L.1999, c.23.

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

7  
8 1. Section 3 of P.L.1999, c.23 (C.48:3-51) is amended to read  
9 as follows:

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

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

18 "Base load electric power generation facility" means an electric  
19 power generation facility intended to be operated at a greater than  
20 50 percent capacity factor including, but not limited to, a combined  
21 cycle power facility and a combined heat and power facility;

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

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

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

41 "Basic generation service provider" or "provider" means a  
42 provider of basic generation service;

43 "Basic generation service transition costs" means the amount by  
44 which the payments by an electric public utility for the procurement  
45 of power for basic generation service and related ancillary and

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

19 "Board" means the New Jersey Board of Public Utilities or any  
20 successor agency;

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

44 "Bondable stranded costs rate order" means one or more  
45 irrevocable written orders issued by the board pursuant to P.L.1999,  
46 c.23 (C.48:3-49 et al.) which determines the amount of bondable  
47 stranded costs and the initial amount of transition bond charges  
48 authorized to be imposed to recover such bondable stranded costs,

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

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

21 "British thermal unit" or "Btu" means the amount of heat  
22 required to increase the temperature of one pound of water by one  
23 degree Fahrenheit;

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

31 "Brownfield" means any former or current commercial or  
32 industrial site that is currently vacant or underutilized and on which  
33 there has been, or there is suspected to have been, a discharge of  
34 contaminant, as included in the "Brownfields Redevelopment Task  
35 Force" inventory, developed pursuant to section 5 of P.L.1997,  
36 c.278 (C.58:10B-23);

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

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

1 "Class I renewable energy" means electric energy produced from  
2 solar technologies, photovoltaic technologies, wind energy, fuel  
3 cells, geothermal technologies, wave or tidal action, small scale  
4 hydropower facilities with a capacity of three megawatts or less and  
5 put into service after the effective date of P.L. , c. (C. )  
6 (pending before the Legislature as this bill), and methane gas from  
7 landfills or a biomass facility, provided that the biomass is  
8 cultivated and harvested in a sustainable manner;

9 "Class II renewable energy" means electric energy produced at a  
10 **[resource recovery facility or]** hydropower facility with a capacity  
11 of greater than three megawatts or a resource recovery facility,  
12 provided that such facility is located where retail competition is  
13 permitted and provided further that the Commissioner of  
14 Environmental Protection has determined that such facility meets  
15 the highest environmental standards and minimizes any impacts to  
16 the environment and local communities;

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

20 "Combined cycle power facility" means a generation facility that  
21 combines two or more thermodynamic cycles, by producing electric  
22 power via the combustion of fuel and then routing the resulting  
23 waste heat by-product to a conventional boiler or to a heat recovery  
24 steam generator for use by a steam turbine to produce electric  
25 power, thereby increasing the overall efficiency of the generating  
26 facility;

27 "Combined heat and power facility" or "co-generation facility"  
28 means a generation facility which produces electric energy~~[,] and~~  
29 steam~~[,] or~~ other forms of useful energy such as heat, which are  
30 used for industrial or commercial heating or cooling purposes. A  
31 combined heat and power facility or co-generation facility shall not  
32 be considered a public utility;

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

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

44 "Comprehensive resource analysis" means an analysis including,  
45 but not limited to, an assessment of existing market barriers to the  
46 implementation of energy efficiency and renewable technologies  
47 that are not or cannot be delivered to customers through a  
48 competitive marketplace;

1       "Connected to the distribution system" means, for a solar electric  
2 power generation facility, (1) connected to a net metering  
3 customer's side of a meter, regardless of the voltage at which that  
4 customer connects to the electric grid, or (2) directly connected to  
5 the electric grid at 69 kilovolts or less, regardless of how an electric  
6 public utility classifies that portion of its electric grid, except that  
7 notwithstanding that it meets the criterion set forth in paragraph (1)  
8 or (2) hereof, a solar electric power generation facility that is  
9 neither net metered nor an on-site generation facility shall not be  
10 considered "connected to the distribution system" unless it shall  
11 have been designated as such by the board pursuant to subsections  
12 q. through s. of section 38 of P.L.1999, c.23 (C.48:3-87). Any solar  
13 electric power generation facility, other than that of a net metering  
14 customer on the customer's side of the meter, connected above 69  
15 kilovolts, shall not be considered connected to the distribution  
16 system;

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

21       "Customer account service" means metering, billing, or such  
22 other administrative activity associated with maintaining a customer  
23 account;

24       "Delivery year" or "DY" means the 12-month period from June  
25 1st through May 31st, numbered according to the calendar year in  
26 which it ends;

27       "Demand side management" means the management of customer  
28 demand for energy service through the implementation of cost-  
29 effective energy efficiency technologies, including, but not limited  
30 to, installed conservation, load management and energy efficiency  
31 measures on and in the residential, commercial, industrial,  
32 institutional and governmental premises and facilities in this State;

33       "Electric generation service" means the provision of retail  
34 electric energy and capacity which is generated off-site from the  
35 location at which the consumption of such electric energy and  
36 capacity is metered for retail billing purposes, including agreements  
37 and arrangements related thereto;

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

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

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

13 "Electric related service" means a service that is directly related  
14 to the consumption of electricity by an end user, including, but not  
15 limited to, the installation of demand side management measures at  
16 the end user's premises, the maintenance, repair or replacement of  
17 appliances, lighting, motors or other energy-consuming devices at  
18 the end user's premises, and the provision of energy consumption  
19 measurement and billing services;

20 "Electronic signature" means an electronic sound, symbol or  
21 process, attached to, or logically associated with, a contract or other  
22 record, and executed or adopted by a person with the intent to sign  
23 the record;

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

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

35 "Energy consumer" means a business or residential consumer of  
36 electric generation service or gas supply service located within the  
37 territorial jurisdiction of a government aggregator;

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

41 "Farmland" means land actively devoted to agricultural or  
42 horticultural use that is valued, assessed, and taxed pursuant to the  
43 "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et  
44 seq.);

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

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

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

10 "Gas related service" means a service that is directly related to  
11 the consumption of gas by an end user, including, but not limited to,  
12 the installation of demand side management measures at the end  
13 user's premises, the maintenance, repair or replacement of  
14 appliances or other energy-consuming devices at the end user's  
15 premises, and the provision of energy consumption measurement  
16 and billing services;

17 "Gas supplier" means a person that is duly licensed pursuant to  
18 the provisions of P.L.1999, c.23 (C.48:3-49 et al.) to offer and  
19 assume the contractual and legal obligation to provide gas supply  
20 service to retail customers, and includes, but is not limited to,  
21 marketers and brokers. A non-public utility affiliate of a public  
22 utility holding company may be a gas supplier, but a gas public  
23 utility or any subsidiary of a gas utility is not a gas supplier. In the  
24 event that a gas public utility is not part of a holding company legal  
25 structure, a related competitive business segment of that gas public  
26 utility may be a gas supplier, provided that related competitive  
27 business segment is structurally separated from the gas public  
28 utility, and provided that the interactions between the gas public  
29 utility and the related competitive business segment are subject to  
30 the affiliate relations standards adopted by the board pursuant to  
31 subsection k. of section 10 of P.L.1999, c.23 (C.48:3-58);

32 "Gas supply service" means the provision to customers of the  
33 retail commodity of gas, but does not include any regulated  
34 distribution service;

35 "Government aggregator" means any government entity subject  
36 to the requirements of the "Local Public Contracts Law," P.L.1971,  
37 c.198 (C.40A:11-1 et seq.), the "Public School Contracts Law,"  
38 N.J.S.18A:18A-1 et seq., or the "County College Contracts Law,"  
39 P.L.1982, c.189 (C.18A:64A-25.1 et seq.), that enters into a written  
40 contract with a licensed electric power supplier or a licensed gas  
41 supplier for: (1) the provision of electric generation service, electric  
42 related service, gas supply service, or gas related service for its own  
43 use or the use of other government aggregators; or (2) if a  
44 municipal or county government, the provision of electric  
45 generation service or gas supply service on behalf of business or  
46 residential customers within its territorial jurisdiction;

47 "Government energy aggregation program" means a program and  
48 procedure pursuant to which a government aggregator enters into a



1 written contract for the provision of electric generation service or  
2 gas supply service on behalf of business or residential customers  
3 within its territorial jurisdiction;

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

7 "Greenhouse gas emissions portfolio standard" means a  
8 requirement that addresses or limits the amount of carbon dioxide  
9 emissions indirectly resulting from the use of electricity as applied  
10 to any electric power suppliers and basic generation service  
11 providers of electricity;

12 "Incremental auction" means an auction conducted by PJM, as  
13 part of PJM's reliability pricing model, prior to the start of the  
14 delivery year to secure electric capacity as necessary to satisfy the  
15 capacity requirements for that delivery year, that is not otherwise  
16 provided for in the base residual auction;

17 "Leakage" means an increase in greenhouse gas emissions  
18 related to generation sources located outside of the State that are not  
19 subject to a state, interstate or regional greenhouse gas emissions  
20 cap or standard that applies to generation sources located within the  
21 State;

22 "Locational deliverability area" or "LDA" means one or more of  
23 the zones within the PJM region which are used to evaluate area  
24 transmission constraints and reliability issues including electric  
25 public utility company zones, sub-zones, and combinations of  
26 zones;

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

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

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

1 "Mid-merit electric power generation facility" means a  
2 generation facility that operates at a capacity factor between  
3 baseload generation facilities and peaker generation facilities;

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

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

8 "Offshore wind energy" means electric energy produced by a  
9 qualified offshore wind project;

10 "Offshore wind renewable energy certificate" or "OREC" means  
11 a certificate, issued by the board or its designee, representing the  
12 environmental attributes of one megawatt hour of electric  
13 generation from a qualified offshore wind project;

14 "Off-site end use thermal energy services customer" means an  
15 end use customer that purchases thermal energy services from an  
16 on-site generation facility, combined heat and power facility, or co-  
17 generation facility, and that is located on property that is separated  
18 from the property on which the on-site generation facility,  
19 combined heat and power facility, or co-generation facility is  
20 located by more than one easement, public thoroughfare, or  
21 transportation or utility-owned right-of-way;

22 "On-site generation facility" means a generation facility,  
23 including, but not limited to, a generation facility that produces  
24 Class I or Class II renewable energy, and equipment and services  
25 appurtenant to electric sales by such facility to the end use customer  
26 located on the property or on property contiguous to the property on  
27 which the end user is located. An on-site generation facility shall  
28 not be considered a public utility. The property of the end use  
29 customer and the property on which the on-site generation facility is  
30 located shall be considered contiguous if they are geographically  
31 located next to each other, but may be otherwise separated by an  
32 easement, public thoroughfare, transportation or utility-owned  
33 right-of-way, or if the end use customer is purchasing thermal  
34 energy services produced by the on-site generation facility, for use  
35 for heating or cooling, or both, regardless of whether the customer  
36 is located on property that is separated from the property on which  
37 the on-site generation facility is located by more than one easement,  
38 public thoroughfare, or transportation or utility-owned right-of-  
39 way;

40 "Person" means an individual, partnership, corporation,  
41 association, trust, limited liability company, governmental entity or  
42 other legal entity;

43 "PJM Interconnection, L.L.C." or "PJM" means the privately-  
44 held, limited liability corporation that is a FERC-approved Regional  
45 Transmission Organization, or its successor, that manages the  
46 regional, high-voltage electricity grid serving all or parts of 13  
47 states including New Jersey and the District of Columbia, operates  
48 the regional competitive wholesale electric market, manages the

1 regional transmission planning process, and establishes systems and  
2 rules to ensure that the regional and in-State energy markets operate  
3 fairly and efficiently;

4 "Private aggregator" means a non-government aggregator that is  
5 a duly-organized business or non-profit organization authorized to  
6 do business in this State that enters into a contract with a duly  
7 licensed electric power supplier for the purchase of electric energy  
8 and capacity, or with a duly licensed gas supplier for the purchase  
9 of gas supply service, on behalf of multiple end-use customers by  
10 combining the loads of those customers;

11 "Properly closed sanitary landfill facility" means a sanitary  
12 landfill facility at which all activities associated with the design,  
13 purchase, or construction of all measures required by the  
14 Department of Environmental Protection, pursuant to law, in order  
15 to prevent, minimize, or monitor pollution or health hazards  
16 resulting from a sanitary landfill facility subsequent to the  
17 termination of operations at any portion thereof, including, but not  
18 necessarily limited to, the costs of placement of earthen or  
19 vegetative cover, and the installation of methane gas vents or  
20 monitors and leachate monitoring wells or collection systems at the  
21 site of any sanitary landfill facility;

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

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

47 "Registration program" means an administrative process  
48 developed by the board that requires all owners of solar electric

1 power generation facilities connected to the distribution system that  
2 intend to generate SRECs, to file with the board documents  
3 detailing the size, location, interconnection plan, land use, and other  
4 project information as required by the board;

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

10 "Related competitive business segment of an electric public  
11 utility or gas public utility" means any business venture of an  
12 electric public utility or gas public utility including, but not limited  
13 to, functionally separate business units, joint ventures, and  
14 partnerships, that offers to provide or provides competitive services;

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

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

28 "Renewable energy certificate" or "REC" means a certificate  
29 representing the environmental benefits or attributes of one  
30 megawatt-hour of generation from a generating facility that  
31 produces Class I or Class II renewable energy, but shall not include  
32 a solar renewable energy certificate or an offshore wind renewable  
33 energy certificate;

34 "Resource clearing price" or "RCP" means the clearing price  
35 established for the applicable locational deliverability area by the  
36 base residual auction or incremental auction, as determined by the  
37 optimization algorithm for each auction, conducted by PJM as part  
38 of PJM's reliability pricing model;

39 "Resource recovery facility" means a solid waste facility  
40 constructed and operated for the incineration of solid waste for  
41 energy production and the recovery of metals and other materials  
42 for reuse, which the Department of Environmental Protection has  
43 determined to be in compliance with current environmental  
44 standards, including, but not limited to, all applicable requirements  
45 of the federal "Clean Air Act" (42 U.S.C. s.7401 et seq.);

46 "Restructuring related costs" means reasonably incurred costs  
47 directly related to the restructuring of the electric power industry,  
48 including the closure, sale, functional separation and divestiture of

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

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

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

32 "Sanitary landfill facility" shall have the same meaning as  
33 provided in section 3 of P.L.1970, c.39 (C.13:1E-3);

34 "School district" means a local or regional school district  
35 established pursuant to chapter 8 or chapter 13 of Title 18A of the  
36 New Jersey Statutes, a county special services school district  
37 established pursuant to article 8 of chapter 46 of Title 18A of the  
38 New Jersey Statutes, a county vocational school district established  
39 pursuant to article 3 of chapter 54 of Title 18A of the New Jersey  
40 Statutes, and a district under full State intervention pursuant to  
41 P.L.1987, c.399 (C.18A:7A-34 et al.);

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

46 "Small scale hydropower facility" means a facility located within  
47 this State that is connected to the distribution system, and that  
48 meets the requirements of, and has been certified by, a nationally

1 recognized low-impact hydropower organization that has  
2 established low-impact hydropower certification criteria applicable  
3 to: (1) river flows; (2) water quality; (3) fish passage and  
4 protection; (4) watershed protection; (5) threatened and endangered  
5 species protection; (6) cultural resource protection; (7) recreation;  
6 and (8) facilities recommended for removal;

7 "Social program" means a program implemented with board  
8 approval to provide assistance to a group of disadvantaged  
9 customers, to provide protection to consumers, or to accomplish a  
10 particular societal goal, and includes, but is not limited to, the  
11 winter moratorium program, utility practices concerning "bad debt"  
12 customers, low income assistance, deferred payment plans,  
13 weatherization programs, and late payment and deposit policies, but  
14 does not include any demand side management program or any  
15 environmental requirements or controls;

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

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

24 "Solar renewable energy certificate" or "SREC" means a  
25 certificate issued by the board or its designee, representing one  
26 megawatt hour (MWh) of solar energy that is generated by a facility  
27 connected to the distribution system in this State and has value  
28 based upon, and driven by, the energy market;

29 "Standard offer capacity agreement" or "SOCA" means a  
30 financially-settled transaction agreement, approved by board order,  
31 that provides for eligible generators to receive payments from the  
32 electric public utilities for a defined amount of electric capacity for  
33 a term to be determined by the board but not to exceed 15 years,  
34 and for such payments to be a fully non-bypassable charge, with  
35 such an order, once issued, being irrevocable;

36 "Standard offer capacity price" or "SOCP" means the capacity  
37 price that is fixed for the term of the SOCA and which is the price  
38 to be received by eligible generators under a board-approved  
39 SOCA;

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

47 "Stranded costs recovery order" means each order issued by the  
48 board in accordance with subsection c. of section 13 of P.L.1999,

1 c.23 (C.48:3-61) which sets forth the amount of stranded costs, if  
2 any, the board has determined an electric public utility is eligible to  
3 recover and collect in accordance with the standards set forth in  
4 section 13 of P.L.1999, c.23 (C.48:3-61) and the recovery  
5 mechanisms therefor;

6 "Thermal efficiency" means the useful electric energy output of a  
7 facility, plus the useful thermal energy output of the facility,  
8 expressed as a percentage of the total energy input to the facility;

9 "Transition bond charge" means a charge, expressed as an  
10 amount per kilowatt hour, that is authorized by and imposed on  
11 electric public utility ratepayers pursuant to a bondable stranded  
12 costs rate order, as modified at any time pursuant to the provisions  
13 of P.L.1999, c.23 (C.48:3-49 et al.);

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

27 "Transition period" means the period from August 1, 1999  
28 through July 31, 2003;

29 "Transmission and distribution system" means, with respect to an  
30 electric public utility, any facility or equipment that is used for the  
31 transmission, distribution or delivery of electricity to the customers  
32 of the electric public utility including, but not limited to, the land,  
33 structures, meters, lines, switches and all other appurtenances  
34 thereof and thereto, owned or controlled by the electric public  
35 utility within this State; **[and]**

36 "Universal service" means any service approved by the board  
37 with the purpose of assisting low-income residential customers in  
38 obtaining or retaining electric generation or delivery service; and

39 "Virtual metering aggregation" means the combination of  
40 readings from instruments for determining the amount of, and  
41 billing for, all the electric power consumption of a single customer  
42 which is a school district, a county or any agency, authority, or  
43 other entity thereof, or a municipality, or any agency, authority, or  
44 other entity thereof, which owns or leases properties and which  
45 operates a solar electric power generation facility that is not an on-  
46 site generation facility, by means of the electric public utility's  
47 billing process, rather than through physical rewiring of the  
48 customer's property to provide a single point of contact, provided

1 that each such property, including the solar electric generation  
2 facility, is located no more than three miles from each of the others  
3 and within the service territory of a single electric public utility. A  
4 customer engaged in virtual metering aggregation shall not be  
5 considered a public utility. Any incremental cost to electric public  
6 utilities for virtual metering aggregation shall be fully and timely  
7 recovered in a manner determined by the board.

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

9

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

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

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

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

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

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

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

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

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

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



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

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

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

11 (2) By July 1, 2009, the board shall adopt, pursuant to the  
12 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
13 seq.), a greenhouse gas emissions portfolio standard to mitigate  
14 leakage or another regulatory mechanism to mitigate leakage  
15 applicable to all electric power suppliers and basic generation  
16 service providers that provide electricity to customers within the  
17 State. The greenhouse gas emissions portfolio standard or any other  
18 regulatory mechanism to mitigate leakage shall:

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

31 (b) Exempt the provision of basic generation service pursuant to  
32 a basic generation service purchase and sale agreement effective  
33 prior to the date of the regulation.

34 Unless the Attorney General or the Attorney General's designee  
35 determines that a greenhouse gas emissions portfolio standard  
36 would unconstitutionally burden interstate commerce or would be  
37 preempted by federal law, the adoption by the board of an electric  
38 energy efficiency portfolio standard pursuant to subsection g. of this  
39 section, a gas energy efficiency portfolio standard pursuant to  
40 subsection h. of this section, or any other enhanced energy  
41 efficiency policies to mitigate leakage shall not be considered  
42 sufficient to fulfill the requirement of this subsection for the  
43 adoption of a greenhouse gas emissions portfolio standard or any  
44 other regulatory mechanism to mitigate leakage.

45 d. Notwithstanding any provisions of the "Administrative  
46 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the  
47 contrary, the board shall initiate a proceeding and shall adopt, after

1 notice, provision of the opportunity for comment, and public  
2 hearing, renewable energy portfolio standards that shall require:

3 (1) that two and one-half percent of the kilowatt hours sold in  
4 this State by each electric power supplier and each basic generation  
5 service provider be from Class I or Class II renewable energy  
6 sources;

7 (2) beginning on January 1, 2001, that one-half of one percent  
8 of the kilowatt hours sold in this State by each electric power  
9 supplier and each basic generation service provider be from Class I  
10 renewable energy sources. The board shall increase the required  
11 percentage for Class I renewable energy sources so that by January  
12 1, 2006, one percent of the kilowatt hours sold in this State by each  
13 electric power supplier and each basic generation service provider  
14 shall be from Class I renewable energy sources and shall  
15 additionally increase the required percentage for Class I renewable  
16 energy sources by one-half of one percent each year until January 1,  
17 2012, when four percent of the kilowatt hours sold in this State by  
18 each electric power supplier and each basic generation service  
19 provider shall be from Class I renewable energy sources.

20 An electric power supplier or basic generation service provider  
21 may satisfy the requirements of this subsection by participating in a  
22 renewable energy trading program approved by the board in  
23 consultation with the Department of Environmental Protection;

24 (3) that the board establish a multi-year schedule, applicable to  
25 each electric power supplier or basic generation service provider in  
26 this State, beginning with the one-year period commencing on June  
27 1, 2010, and continuing for each subsequent one-year period up to  
28 and including, the one-year period commencing on **June 1, 2025**  
29 June 1, 2028, that requires **suppliers or providers to purchase at**  
30 **least** the following number or percentage, as the case may be, of  
31 kilowatt-hours sold in this State by each electric power supplier and  
32 each basic generation service provider to be from solar electric  
33 power generators connected to the distribution system in this State:

34 EY 2011	306 Gigawatthours (Gwhrs)
35 EY 2012	442 Gwhrs
36 EY 2013	596 Gwhrs
37 EY 2014	<b>772 Gwhrs</b> <u>1.99%</u>
38 EY 2015	<b>965 Gwhrs</b> <u>2.24%</u>
39 EY 2016	<b>1,150 Gwhrs</b> <u>2.54%</u>
40 EY 2017	<b>1,357 Gwhrs</b> <u>2.87%</u>
41 EY 2018	<b>1,591 Gwhrs</b> <u>3.25%</u>
42 EY 2019	<b>1,858 Gwhrs</b> <u>3.67%</u>
43 EY 2020	<b>2,164 Gwhrs</b> <u>3.90%</u>
44 EY 2021	<b>2,518 Gwhrs</b> <u>4.03%</u>
45 EY 2022	<b>2,928 Gwhrs</b> <u>4.13%</u>
46 EY 2023	<b>3,433 Gwhrs</b> <u>4.23%</u>
47 EY 2024	<b>3,989 Gwhrs</b> <u>4.31%</u>

1 EY 2025 **[4,610 Gwhrs]** 4.39%  
2 EY 2026 **[5,316 Gwhrs]** 4.47%  
3 EY 2027 4.55%  
4 EY 2028, 4.63%, and for every energy year thereafter, at least  
5 **[5,316 Gwhrs]** 4.63% per energy year to reflect an increasing  
6 number of kilowatt-hours to be purchased by suppliers or providers  
7 from solar electric power generators connected to the distribution  
8 system in this State, and to establish a framework within which, of  
9 the electricity that the generators sell in this State, suppliers and  
10 providers shall **[purchase]** each obtain at least **[2,518 Gwhrs]**  
11 4.03% in the energy year 2021 and **[5,316 Gwhrs]** 4.63% in the  
12 energy year **[2026]** 2028 from solar electric power generators  
13 connected to the distribution system in this State, provided,  
14 however, that

15 **[the number of solar kilowatt-hours required to be purchased by**  
16 **each supplier or provider, when expressed as a percentage of the**  
17 **total number of solar kilowatt-hours purchased in this State, shall be**  
18 **equivalent to each supplier's or provider's proportionate share of the**  
19 **total number of kilowatt-hours sold in this State by all suppliers and**  
20 **providers.] :**

21 (a) The board shall determine an appropriate period of no less  
22 than 120 days following the end of an energy year prior to which a  
23 provider or supplier must demonstrate compliance for that energy  
24 year with the annual renewable portfolio standard;

25 (b) No more than 24 months following the date of enactment of  
26 P.L. , c. (C. ) (pending before the Legislature as this bill),  
27 the board shall complete a proceeding to investigate approaches to  
28 mitigate solar development volatility and prepare and submit,  
29 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), a report to  
30 the Legislature, detailing its findings and recommendations. As  
31 part of the proceeding, the board shall evaluate other techniques  
32 used nationally and internationally;

33 (c) The solar renewable portfolio standards requirements in this  
34 paragraph shall exempt those existing supply contracts which are  
35 effective prior to the date of enactment of P.L. , c. (C. )  
36 (pending before the Legislature as this bill) from any increase  
37 beyond the number of SRECs that exceeds the number mandated by  
38 the solar renewable portfolio standards requirements that were in  
39 effect on the date that the providers executed their existing supply  
40 contracts. This limited exemption for providers' existing supply  
41 contracts shall not be construed to lower the Statewide solar  
42 sourcing requirements set forth in this paragraph. Such incremental  
43 new requirements shall be distributed over the electric power  
44 suppliers and providers not subject to the existing supply contract  
45 exemption until such time as existing supply contracts expire and  
46 all suppliers are subject to the new requirement in a manner that is  
47 competitively neutral among all providers and suppliers, such that

1 non-exempt providers are assigned the requirements that would  
2 have otherwise been assigned to the exempt providers.

3 (d) The solar renewable portfolio standards requirements in this  
4 paragraph **[(3) of this subsection]** shall automatically increase by  
5 20% for the remainder of the schedule in the event that the  
6 following two conditions are met: **[(a)]** (i) the number of SRECs  
7 generated meets or exceeds the requirement for three consecutive  
8 reporting years, starting with energy year **[2013] 2014**; and **[(b)]**  
9 (ii) the average current market SREC price for **[all]** SRECs  
10 purchased by entities with renewable energy portfolio standards  
11 obligations **[has decreased]** in each of the same three consecutive  
12 reporting years is less than the average current market SREC price  
13 in the year prior to the three consecutive reporting years; and

14 (e) The board shall exempt providers' **[existing]** supply  
15 contracts that are **[: (a)]** effective prior to the date of **[P.L.2009,**  
16 **c.289;** or (b) effective prior to any future increase in the solar  
17 renewable portfolio standard beyond the multi-year schedule  
18 established in paragraph (3) of this subsection **] any such increase**.  
19 This exemption shall apply to the number of SRECs that exceeds  
20 the number mandated by the solar renewable portfolio standards  
21 requirements that were in effect on the date that the suppliers or  
22 providers executed their existing supply contracts. This limited  
23 exemption for providers' existing supply contracts shall not be  
24 construed to lower the Statewide solar purchase requirements set  
25 forth in this paragraph **[(3) of this subsection]**. Such incremental  
26 new requirements shall be distributed over the electric power  
27 suppliers and providers not subject to the existing supply contract  
28 exemption until such time as existing supply contracts expire and  
29 all suppliers are subject to the new requirement in a manner that is  
30 competitively neutral among all suppliers and providers, such that  
31 non-exempt providers are assigned the requirements that would  
32 have otherwise been assigned to the exempt providers.

33 An electric power supplier or basic generation service provider  
34 may satisfy the requirements of this subsection by participating in a  
35 renewable energy trading program approved by the board in  
36 consultation with the Department of Environmental Protection, or  
37 compliance with the requirements of this subsection may be  
38 demonstrated to the board by suppliers or providers through the  
39 purchase of SRECs.

40 The renewable energy portfolio standards adopted by the board  
41 pursuant to paragraphs (1) and (2) of this subsection shall be  
42 effective as regulations immediately upon filing with the Office of  
43 Administrative Law and shall be effective for a period not to exceed  
44 18 months, and may, thereafter, be amended, adopted or readopted  
45 by the board in accordance with the provisions of the  
46 "Administrative Procedure Act."

1 The renewable energy portfolio standards adopted by the board  
2 pursuant to this paragraph [(3) of this subsection] shall be effective  
3 as regulations immediately upon filing with the Office of  
4 Administrative Law and shall be effective for a period not to exceed  
5 30 months after such filing, and shall, thereafter, be amended,  
6 adopted or readopted by the board in accordance with the  
7 "Administrative Procedure Act"; and

8 (4) within 180 days after the date of enactment of P.L.2010,  
9 c.57 (C.48:3-87.1 et al.), that the board establish an offshore wind  
10 renewable energy certificate program to require that a percentage of  
11 the kilowatt hours sold in this State by each electric power supplier  
12 and each basic generation service provider be from offshore wind  
13 energy in order to support at least 1,100 megawatts of generation  
14 from qualified offshore wind projects.

15 The percentage established by the board pursuant to this  
16 paragraph shall serve as an offset to the renewable energy portfolio  
17 standard established pursuant to paragraphs (1) and (2) of this  
18 subsection and shall reduce the corresponding Class I renewable  
19 energy requirement.

20 The percentage established by the board pursuant to this  
21 paragraph shall reflect the projected OREC production of each  
22 qualified offshore wind project, approved by the board pursuant to  
23 section 3 of P.L.2010, c.57 (C.48:3-87.1), for twenty years from the  
24 commercial operation start date of the qualified offshore wind  
25 project which production projection and OREC purchase  
26 requirement, once approved by the board, shall not be subject to  
27 reduction.

28 An electric power supplier or basic generation service provider  
29 shall comply with the OREC program established pursuant to this  
30 paragraph through the purchase of offshore wind renewable energy  
31 certificates at a price and for the time period required by the board.  
32 In the event there are insufficient offshore wind renewable energy  
33 certificates available, the electric power supplier or basic generation  
34 service provider shall pay an offshore wind alternative compliance  
35 payment established by the board. Any offshore wind alternative  
36 compliance payments collected shall be refunded directly to the  
37 ratepayers by the electric public utilities.

38 The rules established by the board pursuant to this paragraph  
39 shall be effective as regulations immediately upon filing with the  
40 Office of Administrative Law and shall be effective for a period not  
41 to exceed 18 months, and may, thereafter, be amended, adopted or  
42 readopted by the board in accordance with the provisions of the  
43 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
44 seq.).

45 e. Notwithstanding any provisions of the "Administrative  
46 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the  
47 contrary, the board shall initiate a proceeding and shall adopt, after

1 notice, provision of the opportunity for comment, and public  
2 hearing:

3 (1) net metering standards for electric power suppliers and basic  
4 generation service providers. The standards shall require electric  
5 power suppliers and basic generation service providers to offer net  
6 metering at non-discriminatory rates to industrial, large  
7 commercial, residential and small commercial customers, as those  
8 customers are classified or defined by the board, that generate  
9 electricity, on the customer's side of the meter, using a Class I  
10 renewable energy source, for the net amount of electricity supplied  
11 by the electric power supplier or basic generation service provider  
12 over an annualized period. Systems of any sized capacity, as  
13 measured in watts, are eligible for net metering. If the amount of  
14 electricity generated by the customer-generator, plus any kilowatt  
15 hour credits held over from the previous billing periods, exceeds the  
16 electricity supplied by the electric power supplier or basic  
17 generation service provider, then the electric power supplier or  
18 basic generation service provider, as the case may be, shall credit  
19 the customer-generator for the excess kilowatt hours until the end of  
20 the annualized period at which point the customer-generator will be  
21 compensated for any remaining credits or, if the customer-generator  
22 chooses, credit the customer-generator on a real-time basis, at the  
23 electric power supplier's or basic generation service provider's  
24 avoided cost of wholesale power or the PJM electric power pool's  
25 real-time locational marginal pricing rate, adjusted for losses, for  
26 the respective zone in the PJM electric power pool. Alternatively,  
27 the customer-generator may execute a bilateral agreement with an  
28 electric power supplier or basic generation service provider for the  
29 sale and purchase of the customer-generator's excess generation.  
30 The customer-generator may be credited on a real-time basis, so  
31 long as the customer-generator follows applicable rules prescribed  
32 by the PJM electric power pool for its capacity requirements for the  
33 net amount of electricity supplied by the electric power supplier or  
34 basic generation service provider. The board may authorize an  
35 electric power supplier or basic generation service provider to cease  
36 offering net metering whenever the total rated generating capacity  
37 owned and operated by net metering customer-generators Statewide  
38 equals 2.5 percent of the State's peak electricity demand;

39 (2) safety and power quality interconnection standards for Class  
40 I renewable energy source systems used by a customer-generator  
41 that shall be eligible for net metering.

42 Such standards or rules shall take into consideration the goals of  
43 the New Jersey Energy Master Plan, applicable industry standards,  
44 and the standards of other states and the Institute of Electrical and  
45 Electronic Engineers. The board shall allow electric public utilities  
46 to recover the costs of any new net meters, upgraded net meters,  
47 system reinforcements or upgrades, and interconnection costs

1 through either their regulated rates or from the net metering  
2 customer-generator; and

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

7 Such rules shall require the board or its designee to issue a credit  
8 or other incentive to those generators that do not use a net meter but  
9 otherwise generate electricity derived from a Class I renewable  
10 energy source and to issue an enhanced credit or other incentive,  
11 including, but not limited to, a solar renewable energy credit, to  
12 those generators that generate electricity derived from solar  
13 technologies.

14 Such standards or rules shall be effective as regulations  
15 immediately upon filing with the Office of Administrative Law and  
16 shall be effective for a period not to exceed 18 months, and may,  
17 thereafter, be amended, adopted or readopted by the board in  
18 accordance with the provisions of the "Administrative Procedure  
19 Act."

20 f. The board may assess, by written order and after notice and  
21 opportunity for comment, a separate fee to cover the cost of  
22 implementing and overseeing an emission disclosure system or  
23 emission portfolio standard, which fee shall be assessed based on an  
24 electric power supplier's or basic generation service provider's share  
25 of the retail electricity supply market. The board shall not impose a  
26 fee for the cost of implementing and overseeing a greenhouse gas  
27 emissions portfolio standard adopted pursuant to paragraph (2) of  
28 subsection c. of this section, the electric energy efficiency portfolio  
29 standard adopted pursuant to subsection g. of this section, or the gas  
30 energy efficiency portfolio standard adopted pursuant to subsection  
31 h. of this section.

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

42 h. The board may adopt, pursuant to the "Administrative  
43 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), a gas energy  
44 efficiency portfolio standard that may require each gas public utility  
45 to implement energy efficiency measures that reduce natural gas  
46 usage for heating in the State by 2020 to a level that is 20 percent  
47 below the usage projected by the board in the absence of such a  
48 standard. Nothing in this section shall be construed to prevent a gas

1 public utility from meeting the requirements of this section by  
 2 contracting with another entity for the performance of the  
 3 requirements.

4 i. After the board establishes a schedule of solar kilowatt-hour  
 5 sale or purchase requirements pursuant to paragraph (3) of  
 6 subsection d. of this section, the board may initiate subsequent  
 7 proceedings and adopt, after appropriate notice and opportunity for  
 8 public comment and public hearing, increased minimum solar  
 9 kilowatt-hour sale or purchase requirements, provided that the  
 10 board shall not reduce previously established minimum solar  
 11 kilowatt-hour sale or purchase requirements, or otherwise impose  
 12 constraints that reduce the requirements by any means.

13 j. The board shall determine an appropriate level of solar  
 14 alternative compliance payment, and ~~establish a 15-year solar~~  
 15 ~~alternative compliance payment schedule, that permits~~ permit each  
 16 supplier or provider to submit an SACP to comply with the solar  
 17 electric generation requirements of paragraph (3) of subsection d. of  
 18 this section. The value of the SACP for each Energy Year, for  
 19 Energy Years 2014 through 2028 per megawatt hour from solar  
 20 electric generation required pursuant to this section, shall be:

21	<u>EY 2014</u>	<u>\$400</u>
22	<u>EY 2015</u>	<u>\$390</u>
23	<u>EY 2016</u>	<u>\$380</u>
24	<u>EY 2017</u>	<u>\$371</u>
25	<u>EY 2018</u>	<u>\$362</u>
26	<u>EY 2019</u>	<u>\$353</u>
27	<u>EY 2020</u>	<u>\$344</u>
28	<u>EY 2021</u>	<u>\$335</u>
29	<u>EY 2022</u>	<u>\$327</u>
30	<u>EY 2023</u>	<u>\$319</u>
31	<u>EY 2024</u>	<u>\$311</u>
32	<u>EY 2025</u>	<u>\$303</u>
33	<u>EY 2026</u>	<u>\$293</u>
34	<u>EY 2027</u>	<u>\$259</u>
35	<u>EY 2028</u>	<u>\$252</u>

36 The board may initiate subsequent proceedings and adopt, after  
 37 appropriate notice and opportunity for public comment and public  
 38 hearing, an increase in solar alternative compliance payments,  
 39 provided that the board shall not reduce previously established  
 40 levels of solar alternative compliance payments, nor shall the board  
 41 provide relief from the obligation of payment of the SACP by the  
 42 electric power suppliers or basic generation service providers in any  
 43 form. Any SACP payments collected shall be refunded directly to  
 44 the ratepayers by the electric public utilities.

45 k. The board may allow electric public utilities to offer long-  
 46 term contracts through a competitive process, direct electric public  
 47 utility investment and other means of financing, including but not  
 48 limited to loans, for the purchase of SRECs and the resale of SRECs



1 to suppliers or providers or others, provided that after such  
2 contracts have been approved by the board, the board's approvals  
3 shall not be modified by subsequent board orders.

4 1. The board shall implement its responsibilities under the  
5 provisions of this section in such a manner as to:

6 (1) place greater reliance on competitive markets, with the  
7 explicit goal of encouraging and ensuring the emergence of new  
8 entrants that can foster innovations and price competition;

9 (2) maintain adequate regulatory authority over non-competitive  
10 public utility services;

11 (3) consider alternative forms of regulation in order to address  
12 changes in the technology and structure of electric public utilities;

13 (4) promote energy efficiency and Class I renewable energy  
14 market development, taking into consideration environmental  
15 benefits and market barriers;

16 (5) make energy services more affordable for low and moderate  
17 income customers;

18 (6) attempt to transform the renewable energy market into one  
19 that can move forward without subsidies from the State or public  
20 utilities;

21 (7) achieve the goals put forth under the renewable energy  
22 portfolio standards;

23 (8) promote the lowest cost to ratepayers; and

24 (9) allow all market segments to participate.

25 m. The board shall ensure the availability of financial incentives  
26 under its jurisdiction, including, but not limited to, long-term  
27 contracts, loans, SRECs, or other financial support, to ensure  
28 market diversity, competition, and appropriate coverage across all  
29 ratepayer segments, including, but not limited to, residential,  
30 commercial, industrial, non-profit, farms, schools, and public entity  
31 customers.

32 n. For projects which are owned, or directly invested in, by a  
33 public utility pursuant to section 13 of P.L.2007, c.340 (C.48:3-  
34 98.1), the board shall determine the number of SRECs with which  
35 such projects shall be credited; and in determining such number the  
36 board shall ensure that the market for SRECs does not detrimentally  
37 affect the development of non-utility solar projects and shall  
38 consider how its determination may impact the ratepayers.

39 o. The board, in consultation with the Department of  
40 Environmental Protection, electric public utilities, the Division of  
41 Rate Counsel in, but not of, the Department of the Treasury,  
42 affected members of the solar energy industry, and relevant  
43 stakeholders, shall periodically consider increasing the renewable  
44 energy portfolio standards beyond the minimum amounts set forth  
45 in subsection d. of this section, taking into account the cost impacts  
46 and public benefits of such increases including, but not limited to:

47 (1) reductions in air pollution, water pollution, land disturbance,  
48 and greenhouse gas emissions;

1 (2) reductions in peak demand for electricity and natural gas,  
2 and the overall impact on the costs to customers of electricity and  
3 natural gas;

4 (3) increases in renewable energy development, manufacturing,  
5 investment, and job creation opportunities in this State; and

6 (4) reductions in State and national dependence on the use of  
7 fossil fuels.

8 p. Class I RECs and ORECS shall be eligible for use in  
9 renewable energy portfolio standards compliance in the energy year  
10 in which they are generated, and for the following two energy years.  
11 SRECs **【and ORECs】** shall be eligible for use in renewable energy  
12 portfolio standards compliance in the energy year in which they are  
13 generated, and for the following **【two】** four energy years.

14 q. (1) During the energy years of 2014, 2015, and 2016, a solar  
15 electric power generation facility project which is not net metered,  
16 not an on-site generation facility, or not certified as being located  
17 on a brownfield or a properly closed sanitary landfill facility, as  
18 provided pursuant to subsection t. of this section, shall be  
19 considered "connected to the distribution system" if (a) the facility  
20 files a notice with the board indicating its intent to qualify under  
21 this subsection; and (b) the capacity of the facility, when added to  
22 the capacity of other facilities that have been approved for  
23 connection prior to the facility's filing under this subsection, does  
24 not exceed 100 megawatts in the aggregate for each year. The  
25 board shall act within 180 days of its receipt of a completed  
26 application for designation of a solar power electric generation  
27 facility as "connected to the distribution system," to either approve,  
28 conditionally approve, or disapprove the application. Filings made  
29 pursuant to this subsection shall include a notice escrow of \$40,000  
30 per megawatt of the proposed capacity of the facility. The notice  
31 escrow shall be reimbursed to the facility in full upon the facility  
32 entering commercial operation, or shall be forfeited to the State if  
33 the facility is determined to be "connected to the distribution  
34 system" pursuant to this paragraph but does not enter commercial  
35 operation pursuant to paragraph (2) of this subsection.

36 (2) If the proposed solar power electric generation facility does  
37 not commence commercial operations within two years following  
38 the date of the designation by the board pursuant to this subsection,  
39 the designation of the facility as "connected to the distribution  
40 system" shall be deemed to be null and void, and the facility shall  
41 thereafter be considered not "connected to the distribution system."

42 r. (1) For solar power electric generation facility projects  
43 proposed in addition to those approved pursuant to subsection q. of  
44 this section and for all projects proposed in each energy year  
45 following energy year 2016, a proposed solar power electric  
46 generation facility that is neither net metered nor an on-site  
47 generation facility, may be considered "connected to the  
48 distribution system" only upon designation as such by the board,

1 after notice to the public and opportunity for public comment or  
2 hearing. A proposed solar power electric generation facility  
3 seeking board designation as "connected to the distribution system"  
4 shall submit an application to the board that includes for the  
5 proposed facility: the nameplate capacity; the estimated energy and  
6 number of SRECs to be produced and sold per year; the estimated  
7 annual rate impact on ratepayers; the estimated capacity of the  
8 generator as defined by PJM for sale in the PJM capacity market;  
9 the point of interconnection; the total acreage and location; the  
10 current land use designation of the property; the type of solar  
11 technology to be used; and other such information as the board shall  
12 require.

13 (2) The board shall approve the designation of the proposed  
14 solar power electric generation facility as "connected to the  
15 distribution system" if the board determines that:

16 (a) the SRECs forecasted to be produced by the facility do not  
17 have a detrimental impact on the SREC market or on the  
18 appropriate development of solar power in the State;

19 (b) the loss of tillable acreage that would result from the  
20 approval of the designation of the proposed facility, together with  
21 the tillable acreage of all other facilities approved pursuant to this  
22 subsection, would cumulatively constitute a loss of less than one  
23 percent of the total tillable acres of farmland in the State on the date  
24 of enactment of P.L. , c. (C. ) (pending before the  
25 Legislature as this bill), pursuant to information provided by the  
26 New Jersey Department of Agriculture; and

27 (c) the impact of the designation on electric rates and economic  
28 development is beneficial.

29 (3) The board shall act within 180 days of its receipt of a  
30 completed application for designation of a solar power electric  
31 generation facility as "connected to the distribution system," to  
32 either approve, conditionally approve, or disapprove the  
33 application. If the proposed solar power electric generation facility  
34 does not commence commercial operations within two years  
35 following the date of the designation by the board pursuant to this  
36 subsection, the designation of the facility as "connected to the  
37 distribution system" shall be deemed to be null and void, and the  
38 facility shall thereafter be considered not "connected to the  
39 distribution system."

40 s. Notwithstanding the foregoing provisions of this section, a  
41 solar power electric generation facility located on farmland, and not  
42 heretofore approved pursuant to subsection q. of this section, shall  
43 not be considered "connected to the distribution system" unless the  
44 facility has been approved as such by the board and (1) PJM issued  
45 a System Impact Study for the facility prior to March 31, 2011; or  
46 (2) the facility files a notice with the board within 60 days of the  
47 effective date of P.L. , c. (C. ) (pending before the

1 Legislature as this bill), indicating its intent to qualify under this  
2 subsection.

3 t. No more than 180 days after the date of enactment of  
4 P.L. , c. (C. ) (pending before the Legislature as this bill),  
5 the board shall, in consultation with the Department of  
6 Environmental Protection and the New Jersey Economic  
7 Development Authority, and, after notice and opportunity for public  
8 comment and public hearing, complete a proceeding to establish a  
9 program to provide SRECs to owners of solar power electric  
10 generation facility projects certified by the board as being located  
11 on a brownfield or a properly closed sanitary landfill facility.  
12 Projects certified under this subsection (1) shall be considered  
13 “connected to the distribution system” and shall not require such  
14 designation by the board, and (2) shall not be subject to board  
15 review required pursuant to subsections q. and r. of this section.  
16 For projects certified under this subsection, the board shall credit  
17 additional incentives to be determined by the board for each  
18 megawatt hour (MWh) of solar energy that is generated by the  
19 project. The issuance of SRECs for all solar electric generation  
20 facility projects pursuant to this subsection shall be deemed “Board  
21 of Public Utilities financial assistance” as provided under section 1  
22 of P.L.2009, c.89 (C.48:2-29.47).

23 u. No more than 180 days after the date of enactment of  
24 P.L. , c. (C. ) (pending before the Legislature as this bill),  
25 the board shall complete a proceeding to establish a registration  
26 program. The registration program shall require the owners of solar  
27 power electric generation facility projects connected to the  
28 distribution system to make periodic milestone filings with the  
29 board in a manner and at such times as determined by the board to  
30 provide full disclosure and transparency regarding the overall level  
31 of development and construction activity of those projects  
32 Statewide.

33 v. The issuance of SRECs for all solar power electric  
34 generation facility projects pursuant to this section, for projects  
35 connected to the distribution system with a capacity of one  
36 megawatt or greater, shall be deemed “Board of Public Utilities  
37 financial assistance” as provided pursuant to under section 1 of  
38 P.L.2009, c.89 (C.48:2-29.47).

39 w. Electricity used for virtual metering aggregation shall be  
40 delivered to customers pursuant to the electric public utility  
41 transmission and distribution tariffs applicable to the customer class  
42 of the customer using the energy. A customer that is a school  
43 district, a county or any agency, authority, or other entity thereof, or  
44 a municipality, or any agency, authority, or other thereof, may  
45 purchase such electricity through virtual metering aggregation to  
46 meet its electricity requirements.

47 (cf: P.L.2010, c.57, s.2)

1       3. This act shall take effect immediately.

2

3

4

#### STATEMENT

5

6       The bill amends sections 3 and 38 of P.L.1999, c.23 (C.48:3-49  
7 et al.) (“EDECA”) concerning solar renewable energy programs,  
8 and purchase requirements. The bill would provide that a solar  
9 power electric generation facility shall be deemed by the Board of  
10 Public Utilities (“BPU”) as “connected to the distribution system”  
11 (“connected”) if it is: (1) connected to a metering customer’s side of  
12 a meter, regardless of the voltage at which that customer connects  
13 to the electric grid, or (2) directly connected to the electric grid at  
14 69 kilovolts or less, regardless of how an electric public utility  
15 classifies that portion of its electric grid, except that a solar facility  
16 that is neither net metered nor an on-site generation facility would  
17 not be considered “connected” unless it was designated as such by  
18 the BPU as provided pursuant to the bill’s provisions except that,  
19 during the energy years of 2014 through 2016, a solar electric  
20 generation facility project which is not net metered, not an on-site  
21 generation facility, and not certified as being located on a  
22 brownfield or a properly closed sanitary landfill facility shall be  
23 considered “connected” if the capacity of the facility, when added  
24 to the capacity of other facilities that have been approved for  
25 connection prior to the facility’s filing, does not exceed 100  
26 megawatts in the aggregate for each energy year. Such facilities  
27 would not be subject to BPU review. Failure to commence  
28 commercial operations within two years following the date of the  
29 “connected” designation would void the designation.

30       Notwithstanding the foregoing criteria, the BPU must approve  
31 the designation of the proposed facility as “connected” if it  
32 determines that: (1) the solar renewable energy certificates  
33 (“SREC”)s forecasted to be produced by the facility do not have a  
34 detrimental impact on the SREC market or on the appropriate  
35 development of solar power in the State; (2) the loss of tillable  
36 acreage that would result from the approval of the designation of  
37 the proposed facility, together with the tillable acreage of all other  
38 similar facilities, would cumulatively constitute a loss of less than  
39 one percent of the total tillable acres of farmland in the State on the  
40 date of the bill’s enactment, pursuant to information provided by  
41 the New Jersey Department of Agriculture; and (3) the impact of  
42 the designation on electric rates and economic development is  
43 beneficial provided, however, that a solar facility constructed on  
44 farmland would not be considered “connected” unless it is approved  
45 by the BPU as such and (a) it is approved as a facility not subject to  
46 BPU review for energy years 2014, 2015, or 2016, or (b) PJM  
47 issued a System Impact Study for the facility prior to March 31,  
48 2011 and the facility files a notice with the board within 60 days of

1 the bill's effective date indicating its intent to qualify as connected  
2 under the bill.

3 The bill directs the BPU to, within 180 days of the bill's  
4 enactment, and in consultation with the Department of  
5 Environmental Protection and the New Jersey Economic  
6 Development Authority, establish a program to provide SRECs to  
7 owners of solar power electric generation facility projects certified  
8 as being located on a brownfield or a properly closed sanitary  
9 landfill facility and provide that such projects shall (1) be  
10 considered "connected to the distribution system," (2) not be  
11 subject to board review, and (3) be credited additional incentives  
12 for each megawatt hour of solar energy that is generated by the  
13 project.

14 The bill provides that the issuance of SRECs for projects located  
15 on brownfields and landfills, and for projects greater than one  
16 megawatt are to be deemed "Board of Public Utilities financial  
17 assistance" as provided under section 1 of P.L.2009, c.89 (C.48:2-  
18 29.47), to provide that prevailing wage rates would apply to such  
19 projects.

20 The bill requires the BPU to establish a solar registration  
21 program, which would require that all owners of solar electric  
22 power generation facilities that are filing with the BPU for approval  
23 to generate SRECs, to file documents detailing the size, location,  
24 interconnection plan, land use, and other project information as  
25 required by the BPU.

26 The bill would extend the scope of "Class I renewable energy"  
27 producers to include small scale hydropower facilities with a  
28 capacity of three megawatts or less that are put into service after the  
29 effective date of the bill. "Small scale hydropower facility" is  
30 defined to mean a facility located within New Jersey that is  
31 connected to the distribution system, and that meets the  
32 requirements of, and has been certified by, a nationally recognized  
33 low-impact hydropower organization. Electricity from any  
34 hydropower facility with a capacity greater than three megawatts  
35 would be included in the category of "Class II renewable energy."

36 The bill would provide that for a resource recovery facility to be  
37 considered as generating Class II renewable energy, the facility  
38 must be in compliance with current environmental standards,  
39 including, but not limited to, all applicable requirements of the  
40 federal "Clean Air Act." The bill clarifies that a "combined heat  
41 and power facility" or "co-generation facility" means a generation  
42 facility which produces electric energy and steam. The bill also  
43 provides that an on-site generation facility shall include an on-site  
44 facility that produces Class I or Class II renewable energy.

45 The bill would change the solar alternative compliance payment  
46 ("SACP") schedule from a 15-year schedule with obligations set by  
47 the board to a statutorily established schedule with specifically  
48 prescribed SACP values for each energy year.

1 The bill revises the multi-year schedule of Statewide solar  
2 gigawatt hour requirements applicable to electric power suppliers  
3 and basic generation providers for Energy Years 2014 to 2028. The  
4 requirements are stated in percentages, instead of being enumerated  
5 in gigawatt hours, from 1.99% in 2014 to 4.63% in 2028 and every  
6 energy year thereafter. The bill also provides for the BPU to  
7 determine whether a provider or supplier is in compliance with  
8 annual renewable portfolio standards within a period of no less than  
9 120 days following the end of an energy year, and to provide for a  
10 future adjustment in annual Statewide gigawatt hour requirements  
11 based upon any shortfall that is determined by the BPU.

12 The bill requires the BPU to, within 24 months following  
13 enactment, complete a proceeding to investigate approaches to  
14 mitigate solar development volatility and prepare and submit a  
15 report to the Legislature, detailing its findings and  
16 recommendations. As part of the proceeding, the BPU must  
17 evaluate other techniques used nationally and internationally.

18 The bill would provide that the additional solar purchase  
19 requirements distributed over the electric power providers not  
20 subject to the existing supply contract exemption provided under  
21 section 38 of EDECA, shall be distributed in a manner that is  
22 competitively neutral among all providers, such that non-exempt  
23 providers are assigned the requirements that would have otherwise  
24 been assigned to the exempt providers.

25 The bill provides that long-term SREC purchase contracts  
26 offered by the BPU, shall be offered through a competitive process,  
27 including direct investment by electric utilities.

28 Finally, the bill permits a customer that is a school district,  
29 county or municipality, including any agency, authority, or other  
30 entity thereof to purchase electricity through virtual metering  
31 aggregation where the customer's properties are within three miles  
32 of each other and within the service territory of a single electric  
33 utility serving the customer. Virtual metering aggregation is a  
34 process for billing electric utility customers whereby all the electric  
35 power consumption of a customer which operates a solar electric  
36 power generation facility that is not an on-site generation, for all  
37 properties of that customer, is read and aggregated, according to the  
38 terms of the utility's tariff, provided that such properties, including  
39 the solar electric generation facility, are located three miles within  
40 the boundaries of each other and within the service territory of a  
41 single electric public utility. The bill provides that any incremental  
42 cost to electric public utilities related to virtual metering  
43 aggregation shall be recovered to the utility in a manner as  
44 determined by the BPU.