

[First Reprint]

ASSEMBLY, No. 2966

STATE OF NEW JERSEY
215th LEGISLATURE

INTRODUCED MAY 21, 2012

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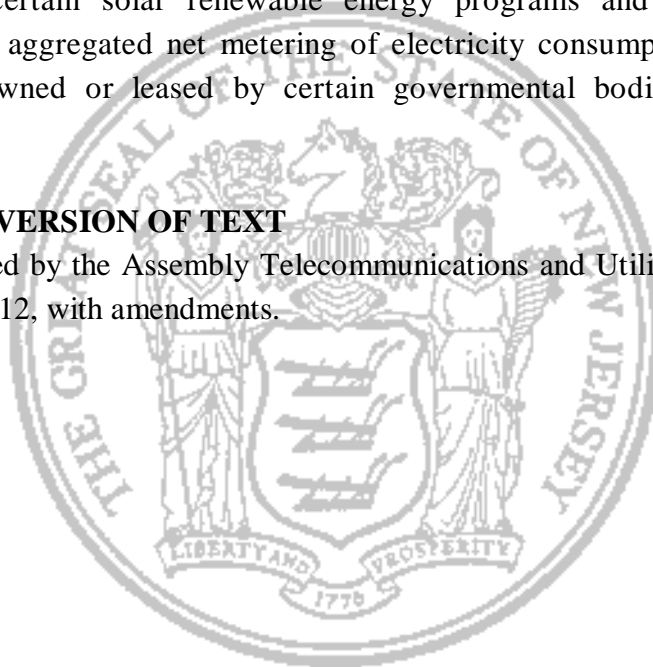
Assemblyman Singleton

SYNOPSIS

Revises certain solar renewable energy programs and requirements; provides for aggregated net metering of electricity consumption related to properties owned or leased by certain governmental bodies and school districts.

CURRENT VERSION OF TEXT

As reported by the Assembly Telecommunications and Utilities Committee on June 7, 2012, with amendments.



(Sponsorship Updated As Of: 6/15/2012)

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

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ATU committee amendments adopted June 7, 2012.

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

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

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

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

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

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

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

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

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

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

45 "Buyout" means an arrangement or arrangements involving the
46 buyer and seller in a given power purchase contract and, in some
47 cases third parties, for consideration to be given by the buyer in
48 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, 'that the facility is' (1) connected to a net
3 metering customer's side of a meter, regardless of the voltage at
4 which that customer connects to the electric grid, '[or]' (2) 'an on-
5 site generation facility; (3) qualified for net metering aggregation as
6 provided pursuant to paragraph (4) of subsection e. of section 38 of
7 P.L.1999, c.23 (C.48:3-87); (4) owned or operated by an electric
8 public utility and approved by the board pursuant to section 13 of
9 P.L.2007, c.340 (C.48:3-98.1); or (5)' directly connected to the
10 electric grid at 69 kilovolts or less, regardless of how an electric
11 public utility classifies that portion of its electric grid, '[except that
12 notwithstanding that it meets the criterion set forth in paragraph (1)
13 or (2) hereof, a solar electric power generation facility that is
14 neither net metered nor an on-site generation facility shall not be
15 considered]' and is designated as' "connected to the distribution
16 system" '[unless it shall have been designated as such]' by the
17 board pursuant to subsections q. through s. of section 38 of
18 P.L.1999, c.23 (C.48:3-87) ', or is certified by the board as being
19 located on a brownfield, an existing or proposed commercial, retail,
20 industrial, municipal, professional, recreational, transit, commuter,
21 entertainment complex, multi-use, or mixed-use parking lot with a
22 capacity to park 350 or more vehicles where the area to be utilized
23 for the facility is paved, or is an impervious surface, or a properly
24 closed sanitary landfill facility' . Any solar electric power
25 generation facility, other than that of a net metering customer on the
26 customer's side of the meter, connected above 69 kilovolts '[,]'
27 shall not be considered connected to the distribution system;

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

32 "Customer account service" means metering, billing, or such
33 other administrative activity associated with maintaining a customer
34 account;

35 "Delivery year" or "DY" means the 12-month period from June
36 1st through May 31st, numbered according to the calendar year in
37 which it ends;

38 "Demand side management" means the management of customer
39 demand for energy service through the implementation of cost-
40 effective energy efficiency technologies, including, but not limited
41 to, installed conservation, load management and energy efficiency
42 measures on and in the residential, commercial, industrial,
43 institutional and governmental premises and facilities in this State;

44 "Electric generation service" means the provision of retail
45 electric energy and capacity which is generated off-site from the
46 location at which the consumption of such electric energy and

1 capacity is metered for retail billing purposes, including agreements
2 and arrangements related thereto;

3 "Electric power generator" means an entity that proposes to
4 construct, own, lease or operate, or currently owns, leases or
5 operates, an electric power production facility that will sell or does
6 sell at least 90 percent of its output, either directly or through a
7 marketer, to a customer or customers located at sites that are not on
8 or contiguous to the site on which the facility will be located or is
9 located. The designation of an entity as an electric power generator
10 for the purposes of P.L.1999, c.23 (C.48:3-49 et al.) shall not, in
11 and of itself, affect the entity's status as an exempt wholesale
12 generator under the Public Utility Holding Company Act of 1935,
13 15 U.S.C. s.79 et seq., or its successor;

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

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

26 "Electric related service" means a service that is directly related
27 to the consumption of electricity by an end user, including, but not
28 limited to, the installation of demand side management measures at
29 the end user's premises, the maintenance, repair or replacement of
30 appliances, lighting, motors or other energy-consuming devices at
31 the end user's premises, and the provision of energy consumption
32 measurement and billing services;

33 "Electronic signature" means an electronic sound, symbol or
34 process, attached to, or logically associated with, a contract or other
35 record, and executed or adopted by a person with the intent to sign
36 the record;

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

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

1 "Energy consumer" means a business or residential consumer of
2 electric generation service or gas supply service located within the
3 territorial jurisdiction of a government aggregator;

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

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

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

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

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

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

31 "Gas supplier" means a person that is duly licensed pursuant to
32 the provisions of P.L.1999, c.23 (C.48:3-49 et al.) to offer and
33 assume the contractual and legal obligation to provide gas supply
34 service to retail customers, and includes, but is not limited to,
35 marketers and brokers. A non-public utility affiliate of a public
36 utility holding company may be a gas supplier, but a gas public
37 utility or any subsidiary of a gas utility is not a gas supplier. In the
38 event that a gas public utility is not part of a holding company legal
39 structure, a related competitive business segment of that gas public
40 utility may be a gas supplier, provided that related competitive
41 business segment is structurally separated from the gas public
42 utility, and provided that the interactions between the gas public
43 utility and the related competitive business segment are subject to
44 the affiliate relations standards adopted by the board pursuant to
45 subsection k. of section 10 of P.L.1999, c.23 (C.48:3-58);

46 "Gas supply service" means the provision to customers of the
47 retail commodity of gas, but does not include any regulated
48 distribution service;

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

13 "Government energy aggregation program" means a program and
14 procedure pursuant to which a government aggregator enters into a
15 written contract for the provision of electric generation service or
16 gas supply service on behalf of business or residential customers
17 within its territorial jurisdiction;

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

21 "Greenhouse gas emissions portfolio standard" means a
22 requirement that addresses or limits the amount of carbon dioxide
23 emissions indirectly resulting from the use of electricity as applied
24 to any electric power suppliers and basic generation service
25 providers of electricity;

26 "Incremental auction" means an auction conducted by PJM, as
27 part of PJM's reliability pricing model, prior to the start of the
28 delivery year to secure electric capacity as necessary to satisfy the
29 capacity requirements for that delivery year, that is not otherwise
30 provided for in the base residual auction;

31 "Leakage" means an increase in greenhouse gas emissions
32 related to generation sources located outside of the State that are not
33 subject to a state, interstate or regional greenhouse gas emissions
34 cap or standard that applies to generation sources located within the
35 State;

36 "Locational deliverability area" or "LDA" means one or more of
37 the zones within the PJM region which are used to evaluate area
38 transmission constraints and reliability issues including electric
39 public utility company zones, sub-zones, and combinations of
40 zones;

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

46 "Market transition charge" means a charge imposed pursuant to
47 section 13 of P.L.1999, c.23 (C.48:3-61) by an electric public
48 utility, at a level determined by the board, on the electric public

1 utility customers for a limited duration transition period to recover
2 stranded costs created as a result of the introduction of electric
3 power supply competition pursuant to the provisions of P.L.1999,
4 c.23 (C.48:3-49 et al.);

5 "Marketer" means a duly licensed electric power supplier that
6 takes title to electric energy and capacity, transmission and other
7 services from electric power generators and other wholesale
8 suppliers and then assumes the contractual and legal obligation to
9 provide electric generation service, and may include transmission
10 and other services, to an end-use retail customer or customers, or a
11 duly licensed gas supplier that takes title to gas and then assumes
12 the contractual and legal obligation to provide gas supply service to
13 an end-use customer or customers;

14 "Mid-merit electric power generation facility" means a
15 generation facility that operates at a capacity factor between
16 baseload generation facilities and peaker generation facilities;

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

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

21 "Net metering aggregation" means a procedure for calculating
22 the combination of the annual energy usage for all solar electric
23 power generating facilities owned by a single customer where such
24 customer is a State entity, school district, county, county agency,
25 county authority, municipality, municipal agency, or municipal
26 authority, as provided pursuant to paragraph (4) of subsection e. of
27 section 38 of P.L.1999, c.23 (C.48:3-87)¹.

28 "Offshore wind energy" means electric energy produced by a
29 qualified offshore wind project;

30 "Offshore wind renewable energy certificate" or "OREC" means
31 a certificate, issued by the board or its designee, representing the
32 environmental attributes of one megawatt hour of electric
33 generation from a qualified offshore wind project;

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

42 "On-site generation facility" means a generation facility,
43 including, but not limited to, a generation facility that produces
44 Class I or Class II renewable energy, and equipment and services
45 appurtenant to electric sales by such facility to the end use customer
46 located on the property or on property contiguous to the property on
47 which the end user is located. An on-site generation facility shall
48 not be considered a public utility. The property of the end use

1 customer and the property on which the on-site generation facility is
2 located shall be considered contiguous if they are geographically
3 located next to each other, but may be otherwise separated by an
4 easement, public thoroughfare, transportation or utility-owned
5 right-of-way, or if the end use customer is purchasing thermal
6 energy services produced by the on-site generation facility, for use
7 for heating or cooling, or both, regardless of whether the customer
8 is located on property that is separated from the property on which
9 the on-site generation facility is located by more than one easement,
10 public thoroughfare, or transportation or utility-owned right-of-
11 way;

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

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

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

31 "Properly closed sanitary landfill facility" means a sanitary
32 landfill facility '[at] or a portion of a sanitary landfill facility, for'
33 which all 'performance is complete with respect to all' activities
34 associated with the design, 'installation,' purchase, or construction
35 of all measures', structures, or equipment' required by the
36 Department of Environmental Protection, pursuant to law, in order
37 to prevent, minimize, or monitor pollution or health hazards
38 resulting from a sanitary landfill facility subsequent to the
39 termination of operations at any portion thereof, including, but not
40 necessarily limited to, the '[costs of]' placement of earthen or
41 vegetative cover, and the installation of methane gas vents or
42 monitors and leachate monitoring wells or collection systems at the
43 site of any sanitary landfill facility;

44 "Public utility holding company" means: (1) any company that,
45 directly or indirectly, owns, controls, or holds with power to vote,
46 ten percent or more of the outstanding voting securities of an
47 electric public utility or a gas public utility or of a company which

1 is a public utility holding company by virtue of this definition,
2 unless the Securities and Exchange Commission, or its successor,
3 by order declares such company not to be a public utility holding
4 company under the Public Utility Holding Company Act of 1935,
5 15 U.S.C. s.79 et seq., or its successor; or (2) any person that the
6 Securities and Exchange Commission, or its successor, determines,
7 after notice and opportunity for hearing, directly or indirectly, to
8 exercise, either alone or pursuant to an arrangement or
9 understanding with one or more other persons, such a controlling
10 influence over the management or policies of an electric public
11 utility or a gas public utility or public utility holding company as to
12 make it necessary or appropriate in the public interest or for the
13 protection of investors or consumers that such person be subject to
14 the obligations, duties, and liabilities imposed in the Public Utility
15 Holding Company Act of 1935 or its successor;

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

22 "Registration program" means an administrative process
23 developed by the board pursuant to subsection u. of section 38 of
24 P.L.1999, c.23 (C.48:3-87) that requires all owners of solar electric
25 power generation facilities connected to the distribution system that
26 intend to generate SRECs, to file with the board documents
27 detailing the size, location, interconnection plan, land use, and other
28 project information as required by the board;

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

34 "Related competitive business segment of an electric public
35 utility or gas public utility" means any business venture of an
36 electric public utility or gas public utility including, but not limited
37 to, functionally separate business units, joint ventures, and
38 partnerships, that offers to provide or provides competitive services;

39 "Related competitive business segment of a public utility holding
40 company" means any business venture of a public utility holding
41 company, including, but not limited to, functionally separate
42 business units, joint ventures, and partnerships and subsidiaries, that
43 offers to provide or provides competitive services, but does not
44 include any related competitive business segments of an electric
45 public utility or gas public utility;

46 "Reliability pricing model" or "RPM" means PJM's capacity-
47 market model, and its successors, that secures capacity on behalf of
48 electric load serving entities to satisfy load obligations not satisfied

1 through the output of electric generation facilities owned by those
2 entities, or otherwise secured by those entities through bilateral
3 contracts;

4 "Renewable energy certificate" or "REC" means a certificate
5 representing the environmental benefits or attributes of one
6 megawatt-hour of generation from a generating facility that
7 produces Class I or Class II renewable energy, but shall not include
8 a solar renewable energy certificate or an offshore wind renewable
9 energy certificate;

10 "Resource clearing price" or "RCP" means the clearing price
11 established for the applicable locational deliverability area by the
12 base residual auction or incremental auction, as determined by the
13 optimization algorithm for each auction, conducted by PJM as part
14 of PJM's reliability pricing model;

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

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

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

45 "Retail margin" means an amount, reflecting differences in
46 prices that electric power suppliers and electric public utilities may
47 charge in providing electric generation service and basic generation
48 service, respectively, to retail customers, excluding residential

1 customers, which the board may authorize to be charged to
2 categories of basic generation service customers of electric public
3 utilities in this State, other than residential customers, under the
4 board's continuing regulation of basic generation service pursuant to
5 sections 3 and 9 of P.L.1999, c.23 (C.48:3-51 and 48:3-57), for the
6 purpose of promoting a competitive retail market for the supply of
7 electricity;

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

10 "School district" means a local or regional school district
11 established pursuant to chapter 8 or chapter 13 of Title 18A of the
12 New Jersey Statutes, a county special services school district
13 established pursuant to article 8 of chapter 46 of Title 18A of the
14 New Jersey Statutes, a county vocational school district established
15 pursuant to article 3 of chapter 54 of Title 18A of the New Jersey
16 Statutes, and a district under full State intervention pursuant to
17 P.L.1987, c.399 (C.18A:7A-34 et al.);

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

22 "Small scale hydropower facility" means a facility located within
23 this State that is connected to the distribution system, and that
24 meets the requirements of, and has been certified by, a nationally
25 recognized low-impact hydropower organization that has
26 established low-impact hydropower certification criteria applicable
27 to: (1) river flows; (2) water quality; (3) fish passage and
28 protection; (4) watershed protection; (5) threatened and endangered
29 species protection; (6) cultural resource protection; (7) recreation;
30 and (8) facilities recommended for removal;

31 "Social program" means a program implemented with board
32 approval to provide assistance to a group of disadvantaged
33 customers, to provide protection to consumers, or to accomplish a
34 particular societal goal, and includes, but is not limited to, the
35 winter moratorium program, utility practices concerning "bad debt"
36 customers, low income assistance, deferred payment plans,
37 weatherization programs, and late payment and deposit policies, but
38 does not include any demand side management program or any
39 environmental requirements or controls;

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

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

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

6 "Standard offer capacity agreement" or "SOCA" means a
7 financially-settled transaction agreement, approved by board order,
8 that provides for eligible generators to receive payments from the
9 electric public utilities for a defined amount of electric capacity for
10 a term to be determined by the board but not to exceed 15 years,
11 and for such payments to be a fully non-bypassable charge, with
12 such an order, once issued, being irrevocable;

13 "Standard offer capacity price" or "SOCP" means the capacity
14 price that is fixed for the term of the SOCA and which is the price
15 to be received by eligible generators under a board-approved
16 SOCA;

17 "State entity" means a department, agency, or office of State
18 government, a State university or college, or an authority created by
19 the State;¹

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

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

34 "Thermal efficiency" means the useful electric energy output of a
35 facility, plus the useful thermal energy output of the facility,
36 expressed as a percentage of the total energy input to the facility;

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

42 "Transition bonds" means bonds, notes, certificates of
43 participation or beneficial interest or other evidences of
44 indebtedness or ownership issued pursuant to an indenture, contract
45 or other agreement of an electric public utility or a financing entity,
46 the proceeds of which are used, directly or indirectly, to recover,
47 finance or refinance bondable stranded costs and which are, directly
48 or indirectly, secured by or payable from bondable transition

1 property. References in P.L.1999, c.23 (C.48:3-49 et al.) to
2 principal, interest, and acquisition or redemption premium with
3 respect to transition bonds which are issued in the form of
4 certificates of participation or beneficial interest or other evidences
5 of ownership shall refer to the comparable payments on such
6 securities;

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

9 "Transmission and distribution system" means, with respect to an
10 electric public utility, any facility or equipment that is used for the
11 transmission, distribution or delivery of electricity to the customers
12 of the electric public utility including, but not limited to, the land,
13 structures, meters, lines, switches and all other appurtenances
14 thereof and thereto, owned or controlled by the electric public
15 utility within this State; and

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

19 ["Virtual metering aggregation" means the combination of
20 readings from instruments for determining the amount of, and
21 billing for, all the electric power consumption of a single customer
22 which is a school district, a county or any agency, authority, or
23 other entity thereof, or a municipality, or any agency, authority, or
24 other entity thereof, which owns or leases properties and which
25 operates a solar electric power generation facility that is not an on-
26 site generation facility, by means of the electric public utility's
27 billing process, rather than through physical rewiring of the
28 customer's property to provide a single point of contact, provided
29 that each such property, including the solar electric generation
30 facility, is located no more than three miles from each of the others
31 and within the service territory of a single electric public utility. A
32 customer engaged in virtual metering aggregation shall not be
33 considered a public utility. Any incremental cost to electric public
34 utilities for virtual metering aggregation shall be fully and timely
35 recovered in a manner determined by the board.]"¹

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

37

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

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

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

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

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

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

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

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

20 (3) A uniform emissions disclosure format that is graphic in
21 nature and easily understandable by consumers. The board shall
22 periodically review the disclosure requirements to determine if
23 revisions to the environmental disclosure system as implemented
24 are necessary.

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

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

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

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

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

1 (a) Allow a transition period, either before or after the effective
2 date of the regulation to mitigate leakage, for a basic generation
3 service provider or electric power supplier to either meet the
4 emissions portfolio standard or other regulatory mechanism to
5 mitigate leakage, or to transfer any customer to a basic generation
6 service provider or electric power supplier that meets the emissions
7 portfolio standard or other regulatory mechanism to mitigate
8 leakage. If the transition period allowed pursuant to this
9 subparagraph occurs after the implementation of an emissions
10 portfolio standard or other regulatory mechanism to mitigate
11 leakage, the transition period shall be no longer than three years;
12 and

13 (b) Exempt the provision of basic generation service pursuant to
14 a basic generation service purchase and sale agreement effective
15 prior to the date of the regulation.

16 Unless the Attorney General or the Attorney General's designee
17 determines that a greenhouse gas emissions portfolio standard
18 would unconstitutionally burden interstate commerce or would be
19 preempted by federal law, the adoption by the board of an electric
20 energy efficiency portfolio standard pursuant to subsection g. of this
21 section, a gas energy efficiency portfolio standard pursuant to
22 subsection h. of this section, or any other enhanced energy
23 efficiency policies to mitigate leakage shall not be considered
24 sufficient to fulfill the requirement of this subsection for the
25 adoption of a greenhouse gas emissions portfolio standard or any
26 other regulatory mechanism to mitigate leakage.

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

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

36 (2) beginning on January 1, 2001, that one-half of one percent
37 of the kilowatt hours sold in this State by each electric power
38 supplier and each basic generation service provider be from Class I
39 renewable energy sources. The board shall increase the required
40 percentage for Class I renewable energy sources so that by January
41 1, 2006, one percent of the kilowatt hours sold in this State by each
42 electric power supplier and each basic generation service provider
43 shall be from Class I renewable energy sources and shall
44 additionally increase the required percentage for Class I renewable
45 energy sources by one-half of one percent each year until January 1,
46 2012, when four percent of the kilowatt hours sold in this State by
47 each electric power supplier and each basic generation service
48 provider shall be from Class I renewable energy sources.

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

5 (3) that the board establish a multi-year schedule, applicable to
 6 each electric power supplier or basic generation service provider in
 7 this State, beginning with the one-year period commencing on June
 8 1, 2010, and continuing for each subsequent one-year period up to
 9 and including, the one-year period commencing on **[June 1, 2025]**
 10 June 1, 2028, that requires **[suppliers or providers to purchase at**
 11 **least]** the following number or percentage, as the case may be, of
 12 kilowatt-hours sold in this State by each electric power supplier and
 13 each basic generation service provider to be from solar electric
 14 power generators connected to the distribution system in this State:

15 EY 2011	306 Gigawatthours (Gwhrs)
16 EY 2012	442 Gwhrs
17 EY 2013	¹[596 Gwhrs] <u>0.752%</u> ¹
18 EY 2014	[772 Gwhrs] ¹[1.99%] <u>2.050%</u> ¹
19 EY 2015	[965 Gwhrs] ¹[2.24%] <u>2.450%</u> ¹
20 EY 2016	[1,150 Gwhrs] ¹[2.54%] <u>2.750%</u> ¹
21 EY 2017	[1,357 Gwhrs] ¹[2.87%] <u>3.000%</u> ¹
22 EY 2018	[1,591 Gwhrs] ¹[3.25%] <u>3.200%</u> ¹
23 EY 2019	[1,858 Gwhrs] ¹[3.67%] <u>3.290%</u> ¹
24 EY 2020	[2,164 Gwhrs] ¹[3.90%] <u>3.380%</u> ¹
25 EY 2021	[2,518 Gwhrs] ¹[4.03%] <u>3.470%</u> ¹
26 EY 2022	[2,928 Gwhrs] ¹[4.13%] <u>3.560%</u> ¹
27 EY 2023	[3,433 Gwhrs] ¹[4.23%] <u>3.650%</u> ¹
28 EY 2024	[3,989 Gwhrs] ¹[4.31%] <u>3.740%</u> ¹
29 EY 2025	[4,610 Gwhrs] ¹[4.39%] <u>3.830%</u> ¹
30 EY 2026	[5,316 Gwhrs] ¹[4.47%] <u>3.920%</u> ¹
31 EY 2027	¹[4.55%] <u>4.010%</u> ¹
32 EY 2028,	¹[4.63%] <u>4.100%</u> ¹ , and for every energy year thereafter,

33 at least **[5,316 Gwhrs]** **¹[4.63%]** 4.100%¹ per energy year to reflect
 34 an increasing number of kilowatt-hours to be purchased by
 35 suppliers or providers from solar electric power generators
 36 connected to the distribution system in this State, and to establish a
 37 framework within which, of the electricity that the generators sell in
 38 this State, suppliers and providers shall **[purchase]** each obtain at
 39 least **[2,518 Gwhrs]** **¹[4.03%]** 3.470%¹ in the energy year 2021
 40 and **[5,316 Gwhrs]** **¹[4.63%]** 4.100%¹ in the energy year **[2026]**
 41 2028 from solar electric power generators connected to the
 42 distribution system in this State, provided, however, that

43 **[the number of solar kilowatt-hours required to be purchased by**
 44 **each supplier or provider, when expressed as a percentage of the**
 45 **total number of solar kilowatt-hours purchased in this State, shall be**
 46 **equivalent to each supplier's or provider's proportionate share of the**

1 total number of kilowatt-hours sold in this State by all suppliers and
2 providers.] :

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

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

15 (c) The solar renewable portfolio standards requirements in this
16 paragraph shall exempt those existing supply contracts which are
17 effective prior to the date of enactment of P.L. , c. (C.)
18 (pending before the Legislature as this bill) from any increase
19 beyond the number of SRECs that exceeds the number mandated by
20 the solar renewable portfolio standards requirements that were in
21 effect on the date that the providers executed their existing supply
22 contracts. This limited exemption for providers' existing supply
23 contracts shall not be construed to lower the Statewide solar
24 sourcing requirements set forth in this paragraph. Such incremental
25 new requirements shall be distributed over the electric power
26 suppliers and providers not subject to the existing supply contract
27 exemption until such time as existing supply contracts expire and
28 all suppliers are subject to the new requirement in a manner that is
29 competitively neutral among all providers and suppliers, such that
30 non-exempt providers are assigned the requirements that would
31 have otherwise been assigned to the exempt providers.

32 (d) The solar renewable portfolio standards requirements in this
33 paragraph [(3) of this subsection] shall automatically increase by
34 20% for the remainder of the schedule in the event that the
35 following two conditions are met: [(a)] (i) the number of SRECs
36 generated meets or exceeds the requirement for three consecutive
37 reporting years, starting with energy year [2013] 2014; and [(b)]
38 (ii) the average current market SREC price for [all] SRECs
39 purchased by entities with renewable energy portfolio standards
40 obligations [has decreased] in each of the same three consecutive
41 reporting years is less than the average current market SREC price
42 in the year prior to the three consecutive reporting years; and

43 (e) The board shall exempt providers' [existing] supply
44 contracts that are [:(a)] effective prior to the date of [P.L.2009,
45 c.289; or (b) effective prior to any future increase in the solar
46 renewable portfolio standard beyond the multi-year schedule
47 established in paragraph (3) of this subsection] any such increase.

1 This exemption shall apply to the number of SRECs that exceeds
2 the number mandated by the solar renewable portfolio standards
3 requirements that were in effect on the date that the suppliers or
4 providers executed their existing supply contracts. This limited
5 exemption for providers' existing supply contracts shall not be
6 construed to lower the Statewide solar purchase requirements set
7 forth in this paragraph [(3) of this subsection]. Such incremental
8 new requirements shall be distributed over the electric power
9 suppliers and providers not subject to the existing supply contract
10 exemption until such time as existing supply contracts expire and
11 all suppliers are subject to the new requirement in a manner that is
12 competitively neutral among all suppliers and providers, such that
13 non-exempt providers are assigned the requirements that would
14 have otherwise been assigned to the exempt providers.

15 An electric power supplier or basic generation service provider
16 may satisfy the requirements of this subsection by participating in a
17 renewable energy trading program approved by the board in
18 consultation with the Department of Environmental Protection, or
19 compliance with the requirements of this subsection may be
20 demonstrated to the board by suppliers or providers through the
21 purchase of SRECs.

22 The renewable energy portfolio standards adopted by the board
23 pursuant to paragraphs (1) and (2) of this subsection shall be
24 effective as regulations immediately upon filing with the Office of
25 Administrative Law and shall be effective for a period not to exceed
26 18 months, and may, thereafter, be amended, adopted or readopted
27 by the board in accordance with the provisions of the
28 "Administrative Procedure Act."

29 The renewable energy portfolio standards adopted by the board
30 pursuant to this paragraph [(3) of this subsection] shall be effective
31 as regulations immediately upon filing with the Office of
32 Administrative Law and shall be effective for a period not to exceed
33 30 months after such filing, and shall, thereafter, be amended,
34 adopted or readopted by the board in accordance with the
35 "Administrative Procedure Act"; and

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

43 The percentage established by the board pursuant to this
44 paragraph shall serve as an offset to the renewable energy portfolio
45 standard established pursuant to paragraphs (1) and (2) of this
46 subsection and shall reduce the corresponding Class I renewable
47 energy requirement.

1 The percentage established by the board pursuant to this
2 paragraph shall reflect the projected OREC production of each
3 qualified offshore wind project, approved by the board pursuant to
4 section 3 of P.L.2010, c.57 (C.48:3-87.1), for twenty years from the
5 commercial operation start date of the qualified offshore wind
6 project which production projection and OREC purchase
7 requirement, once approved by the board, shall not be subject to
8 reduction.

9 An electric power supplier or basic generation service provider
10 shall comply with the OREC program established pursuant to this
11 paragraph through the purchase of offshore wind renewable energy
12 certificates at a price and for the time period required by the board.
13 In the event there are insufficient offshore wind renewable energy
14 certificates available, the electric power supplier or basic generation
15 service provider shall pay an offshore wind alternative compliance
16 payment established by the board. Any offshore wind alternative
17 compliance payments collected shall be refunded directly to the
18 ratepayers by the electric public utilities.

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

26 e. 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, after
29 notice, provision of the opportunity for comment, and public
30 hearing:

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

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

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

22 Such standards or rules shall take into consideration the goals of
23 the New Jersey Energy Master Plan, applicable industry standards,
24 and the standards of other states and the Institute of Electrical and
25 Electronic Engineers. The board shall allow electric public utilities
26 to recover the costs of any new net meters, upgraded net meters,
27 system reinforcements or upgrades, and interconnection costs
28 through either their regulated rates or from the net metering
29 customer-generator; '[and]'

30 (3) credit or other incentive rules for generators using Class I
31 renewable energy generation systems that connect to New Jersey's
32 electric public utilities' distribution system but who do not net
33 meter '[.]';

34 (4) net metering aggregation standards to require electric public
35 utilities to provide net metering aggregation to single electric public
36 utility customers that operate a solar electric power generation
37 system installed at one of the customer's facilities, provided that
38 any such customer is a school district, county, county agency,
39 county authority, municipality, municipal agency, or municipal
40 authority. The standards shall provide that, in order to qualify for
41 net metering aggregation, the customer must operate a solar electric
42 power generation system using a net metering billing account,
43 which system is located on property owned by the customer,
44 provided that: (a) the property is not land that has been actively
45 devoted to agricultural or horticultural use and that is valued,
46 assessed, and taxed pursuant to the "Farmland Assessment Act of
47 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.) at any time within the
48 10 year period prior to the effective date of P.L. , c. (C.)

1 (pending before the Legislature as this bill), (b) the system is not an
2 on-site generation facility, (c) all of the facilities of the single
3 customer combined for the purpose of net metering aggregation are
4 facilities owned or operated by the single customer and are located
5 within its territorial jurisdiction, except that all of the facilities of a
6 State entity engaged in net metering aggregation shall be located
7 within five miles of one another, and (d) all of those facilities are
8 within the service territory of a single electric public utility and are
9 all served by the same basic generation service provider or by the
10 same electric power supplier. The standards shall provide that in
11 order to qualify for net metering aggregation, the customer's solar
12 electric power generation system shall be sized so that its annual
13 generation does not exceed the combined metered annual energy
14 usage of the qualified customer facilities, and the qualified
15 customer facilities shall all be in the same customer class under the
16 applicable electric public utility tariff. For the customer's facility
17 on which the solar electric generation system is installed, the
18 electricity generated from the customer's solar electric generation
19 system shall be accounted for pursuant to the provisions of
20 paragraph (l) of this subsection to provide that the electricity
21 generated in excess of the electricity supplied by the electric power
22 supplier or the basic generation service provider, as the case may
23 be, for the customer's facility on which the solar electric generation
24 system is installed, over the annualized period, is credited to the
25 electric power supplier's or the basic generation service provider's
26 avoided cost of wholesale power or the PJM electric power pool
27 real-time locational marginal pricing rate. All electricity used by
28 the customer's qualified facilities, with the exception of the facility
29 on which the solar electric power generation system is installed,
30 shall be billed at the full retail rate pursuant to the electric public
31 utility transmission and distribution tariff applicable to the
32 customer class of the customer using the electricity. A customer
33 may contract with a third party to operate a solar electric power
34 generation system, for the purpose of net metering aggregation.
35 Any contractual relationship entered into for operation of a solar
36 electric power generation system related to net metering
37 aggregation shall include contractual protections that provide for
38 adequate performance and provision for construction and operation
39 for the term of the contract, including any appropriate bonding or
40 escrow requirements. Any incremental cost to an electric public
41 utility for net metering aggregation shall be fully and timely
42 recovered in a manner to be determined by the board. The board
43 shall adopt net metering aggregation standards within 270 days after
44 the effective date of P.L. , c. (C.) (pending before the
45 Legislature as this bill).¹

46 Such rules shall require the board or its designee to issue a credit
47 or other incentive to those generators that do not use a net meter but
48 otherwise generate electricity derived from a Class I renewable

1 energy source and to issue an enhanced credit or other incentive,
2 including, but not limited to, a solar renewable energy credit, to
3 those generators that generate electricity derived from solar
4 technologies.

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

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

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

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

43 i. After the board establishes a schedule of solar kilowatt-hour
44 sale or purchase requirements pursuant to paragraph (3) of
45 subsection d. of this section, the board may initiate subsequent
46 proceedings and adopt, after appropriate notice and opportunity for
47 public comment and public hearing, increased minimum solar
48 kilowatt-hour sale or purchase requirements, provided that the

1 board shall not reduce previously established minimum solar
2 kilowatt-hour sale or purchase requirements, or otherwise impose
3 constraints that reduce the requirements by any means.

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

12	<u>EY 2014</u>	['\$400] <u>\$339</u> ¹
13	<u>EY 2015</u>	['\$390] <u>\$331</u> ¹
14	<u>EY 2016</u>	['\$380] <u>\$323</u> ¹
15	<u>EY 2017</u>	['\$371] <u>\$315</u> ¹
16	<u>EY 2018</u>	['\$362] <u>\$308</u> ¹
17	<u>EY 2019</u>	['\$353] <u>\$300</u> ¹
18	<u>EY 2020</u>	['\$344] <u>\$293</u> ¹
19	<u>EY 2021</u>	['\$335] <u>\$286</u> ¹
20	<u>EY 2022</u>	['\$327] <u>\$279</u> ¹
21	<u>EY 2023</u>	['\$319] <u>\$272</u> ¹
22	<u>EY 2024</u>	['\$311] <u>\$266</u> ¹
23	<u>EY 2025</u>	['\$303] <u>\$260</u> ¹
24	<u>EY 2026</u>	['\$293] <u>\$253</u> ¹
25	<u>EY 2027</u>	['\$259] <u>\$250</u> ¹
26	<u>EY 2028</u>	['\$252] <u>\$239</u> ¹

27 The board may initiate subsequent proceedings and adopt, after
28 appropriate notice and opportunity for public comment and public
29 hearing, an increase in solar alternative compliance payments,
30 provided that the board shall not reduce previously established
31 levels of solar alternative compliance payments, nor shall the board
32 provide relief from the obligation of payment of the SACP by the
33 electric power suppliers or basic generation service providers in any
34 form. Any SACP payments collected shall be refunded directly to
35 the ratepayers by the electric public utilities.

36 k. The board may allow electric public utilities to offer long-
37 term contracts through a competitive process, direct electric public
38 utility investment and other means of financing, including but not
39 limited to loans, for the purchase of SRECs and the resale of SRECs
40 to suppliers or providers or others, provided that after such
41 contracts have been approved by the board, the board's approvals
42 shall not be modified by subsequent board orders. If the board
43 allows the offering of contracts pursuant to this subsection, the
44 board shall establish a process, after hearing, and opportunity for
45 public comment, to provide that a designated segment of the
46 contracts approved pursuant to this subsection shall be contracts

- 1 involving solar electric power generation facility projects with a
2 capacity of up to 250 kilowatts.¹
- 3 1. The board shall implement its responsibilities under the
4 provisions of this section in such a manner as to:
- 5 (1) place greater reliance on competitive markets, with the
6 explicit goal of encouraging and ensuring the emergence of new
7 entrants that can foster innovations and price competition;
- 8 (2) maintain adequate regulatory authority over non-competitive
9 public utility services;
- 10 (3) consider alternative forms of regulation in order to address
11 changes in the technology and structure of electric public utilities;
- 12 (4) promote energy efficiency and Class I renewable energy
13 market development, taking into consideration environmental
14 benefits and market barriers;
- 15 (5) make energy services more affordable for low and moderate
16 income customers;
- 17 (6) attempt to transform the renewable energy market into one
18 that can move forward without subsidies from the State or public
19 utilities;
- 20 (7) achieve the goals put forth under the renewable energy
21 portfolio standards;
- 22 (8) promote the lowest cost to ratepayers; and
- 23 (9) allow all market segments to participate.
- 24 m. The board shall ensure the availability of financial incentives
25 under its jurisdiction, including, but not limited to, long-term
26 contracts, loans, SRECs, or other financial support, to ensure
27 market diversity, competition, and appropriate coverage across all
28 ratepayer segments, including, but not limited to, residential,
29 commercial, industrial, non-profit, farms, schools, and public entity
30 customers.
- 31 n. For projects which are owned, or directly invested in, by a
32 public utility pursuant to section 13 of P.L.2007, c.340 (C.48:3-
33 98.1), the board shall determine the number of SRECs with which
34 such projects shall be credited; and in determining such number the
35 board shall ensure that the market for SRECs does not detrimentally
36 affect the development of non-utility solar projects and shall
37 consider how its determination may impact the ratepayers.
- 38 o. The board, in consultation with the Department of
39 Environmental Protection, electric public utilities, the Division of
40 Rate Counsel in, but not of, the Department of the Treasury,
41 affected members of the solar energy industry, and relevant
42 stakeholders, shall periodically consider increasing the renewable
43 energy portfolio standards beyond the minimum amounts set forth
44 in subsection d. of this section, taking into account the cost impacts
45 and public benefits of such increases including, but not limited to:
- 46 (1) reductions in air pollution, water pollution, land disturbance,
47 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] that'** is not ¹;
16 (a) net metered **'[, not]'** ; (b) an on-site generation facility **'[, or**
17 not]' ; (c) qualified for net metering aggregation; (d) certified as
18 being located on a brownfield, or a properly closed sanitary landfill
19 facility, as provided pursuant to subsection t. of this section, **'[shall**
20 be considered "connected to the distribution system" if (a) the
21 facility files a notice with the board indicating its intent to qualify
22 under this subsection; and (b) the capacity of the facility, when
23 added to the capacity of other facilities that have been approved for
24 connection prior to the facility's filing under this subsection, does
25 not exceed 100 megawatts in the aggregate for each year. The
26 board shall act within 180 days of its receipt of a completed
27 application for designation of a solar power electric generation
28 facility as "connected to the distribution system," to either approve,
29 conditionally approve, or disapprove the application. Filings made]
30 or (e) certified as being located on an existing or proposed
31 commercial, retail, industrial, municipal, professional, recreational,
32 transit, commuter, entertainment complex, multi-use, or mixed-use
33 parking lot with a capacity to park 350 or more vehicles where the
34 area to be utilized for the facility is paved or is an impervious
35 surface, pursuant to subsection x. of this section may file an
36 application with the board for approval of a designation pursuant to
37 this subsection that the facility is connected to the distribution
38 system. An application filed¹ pursuant to this subsection shall
39 include a notice escrow of \$40,000 per megawatt of the proposed
40 capacity of the facility. The board shall approve the designation if:
41 the facility has filed notice in writing with the board applying for
42 designation pursuant to this subsection, together with the notice
43 escrow; and the capacity of the facility, when added to the capacity
44 of other facilities that have been previously approved for
45 designation prior to the facility's filing under this subsection, does
46 not exceed 80 megawatts in the aggregate for each year. The
47 capacity of any one solar electric power supply project approved

1 pursuant to this subsection shall not exceed 10 megawatts. No more
2 than 90 days after its receipt of a completed application for
3 designation pursuant to this subsection, the board shall approve,
4 conditionally approve, or disapprove the application.¹ The notice
5 escrow shall be reimbursed to the facility in full upon the facility
6 entering commercial operation, or shall be forfeited to the State if
7 the facility is ¹ [determined to be “connected to the distribution
8 system”] designated¹ pursuant to this ¹ [paragraph] subsection¹ but
9 does not enter commercial operation pursuant to paragraph (2) of
10 this subsection.

11 (2) If the proposed solar power electric generation facility does
12 not commence commercial operations within two years following
13 the date of the designation by the board pursuant to this subsection,
14 the designation of the facility ¹ [as “connected to the distribution
15 system”] ¹ shall be deemed to be null and void, and the facility shall
16 ¹ not be considered connected to the distribution system¹ thereafter
17 ¹ [be considered not “connected to the distribution system.”].¹

18 r. (1) For ¹ all proposed solar electric power generation facility
19 projects except for those¹ solar power electric generation facility
20 projects ¹ [proposed in addition to those] ¹ approved pursuant to
21 subsection q. of this section and for all projects proposed in each
22 energy year following energy year 2016, a proposed solar
23 ¹ [power] ¹ electric ¹ power¹ generation facility that is neither net
24 metered nor an on-site generation facility, may be considered
25 “connected to the distribution system” only upon designation as
26 such by the board, after notice to the public and opportunity for
27 public comment or hearing. A proposed solar power electric
28 generation facility seeking board designation as “connected to the
29 distribution system” shall submit an application to the board that
30 includes for the proposed facility: the nameplate capacity; the
31 estimated energy and number of SRECs to be produced and sold per
32 year; the estimated annual rate impact on ratepayers; the estimated
33 capacity of the generator as defined by PJM for sale in the PJM
34 capacity market; the point of interconnection; the total acreage and
35 location; the current land use designation of the property; the type
36 of solar technology to be used; and other such information as the
37 board shall require.

38 (2) The board shall approve the designation of the proposed
39 solar power electric generation facility as “connected to the
40 distribution system” if the board determines that:

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

44 (b) ¹ [the loss of tillable acreage that would result from the
45 approval of the designation of the proposed facility, together with
46 the tillable acreage of all other facilities approved pursuant to this
47 subsection, would cumulatively constitute a loss of less than one

1 percent of the total tillable acres of farmland in the State on the date
2 of enactment of P.L. _____, c. _____ (C. _____) (pending before the
3 Legislature as this bill), pursuant to information provided by the
4 New Jersey Department of Agriculture; and] the approval of the
5 designation of the proposed facility would not significantly impact
6 the preservation of open space in this State;¹

7 (c) the impact of the designation on electric rates and economic
8 development is beneficial¹; and

9 (d) there will be no impact on the ability of an electric public
10 utility to maintain its property and equipment in such a condition as
11 to enable it to provide safe, adequate, and proper service to each of
12 its customers¹.

13 (3) The board shall act within¹ **[180]** ¹ 90¹ days of its receipt of a
14 completed application for designation of a solar power electric
15 generation facility as "connected to the distribution system," to
16 either approve, conditionally approve, or disapprove the
17 application. If the proposed solar power electric generation facility
18 does not commence commercial operations within two years
19 following the date of the designation by the board pursuant to this
20 subsection, the designation of the facility as "connected to the
21 distribution system" shall be deemed to be null and void, and the
22 facility shall thereafter be considered not "connected to the
23 distribution system."

24 s. ¹ [Notwithstanding the foregoing provisions of this section]
25 In addition to any other requirements of P.L.1999, c.23 or any other
26 law, rule, regulation or order¹, a solar power electric generation
27 facility located¹ **[on farmland, and not heretofore approved**
28 **pursuant to subsection q. of this section, shall not]** on land that has
29 been actively devoted to agricultural or horticultural use that is
30 valued, assessed, and taxed pursuant to the "Farmland Assessment
31 Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.) at any time
32 within the 10 year period prior to the effective date of P.L. _____,
33 c. _____ (C. _____) (pending before the Legislature as this bill), shall only¹
34 be considered "connected to the distribution system" ¹ [unless] if
35 (1) ¹ the ¹ [facility has been approved as such by the] ¹ board ¹ [and
36 (1)] approves the facility's designation pursuant to subsection q. of
37 this section; or (2) ¹ (a) ¹ PJM issued a System Impact Study for the
38 facility on or before March 31, 2011 ¹ [; or (2)] and (b) the facility
39 is not (i) net metered, or (ii) an on-site generation facility, and (c) ¹
40 the facility files a notice with the board within 60 days of the
41 effective date of P.L. _____, c. _____ (C. _____) (pending before the
42 Legislature as this bill), indicating its intent to qualify under this
43 subsection¹, and (d) the facility has been approved as connected to
44 the distribution system by the board. Nothing in this subsection
45 shall affect the board's authority concerning the review and
46 oversight of facilities, unless such facilities are exempt from such

1 review as a result of having been approved pursuant to subsection q.
2 of this section.¹

3 t. ¹(1)¹ 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 ¹, or
12 an existing or proposed commercial, retail, industrial, municipal,
13 professional, recreational, transit, commuter, entertainment
14 complex, multi-use, or mixed-use parking lot with a capacity to
15 park 350 or more vehicles where the area to be utilized for the
16 facility is paved or is an impervious surface which shall include, but
17 not be limited to projects located on a brownfield or a properly
18 closed sanitary landfill facility or an existing or proposed
19 commercial, retail, industrial, municipal, professional, recreational,
20 transit, commuter, entertainment complex, multi-use, or mixed-use
21 parking lot with a capacity to park 350 or more vehicles where the
22 area to be utilized for the facility is paved or is an impervious
23 surface and owned or operated by an electric public utility and
24 approved pursuant to section 13 of P.L.2007, c.340 (C.48:3-98.1)¹ .
25 Projects certified under this subsection ¹[(1)]¹ shall be considered
26 “connected to the distribution system” ¹[and],¹ shall not require
27 such designation by the board , and ¹[(2)]¹ shall not be subject to
28 board review required pursuant to subsections q. and r. of this
29 section. ¹[For] Notwithstanding the provisions of section 3 of
30 P.L.1999, c.23 (C.48:3-51) or any other law, rule, regulation, or
31 order to the contrary, for¹ projects certified under this subsection
32 ¹except for those projects involving a facility that is certified as
33 being located on an existing or proposed commercial, retail,
34 industrial, municipal, professional, recreational, transit, commuter,
35 entertainment complex, multi-use, or mixed-use parking lot with a
36 capacity to park 350 or more vehicles where the area to be utilized
37 for the facility is paved, or is an impervious surface¹ , the board
38 shall ¹[(credit additional incentives to be determined by the board
39 for each megawatt hour (MWh) of solar energy that is generated by
40 the project,)] establish a financial incentive that is designed to
41 supplement the SRECs generated by the facility in order to cover
42 the additional cost of constructing and operating a solar electric
43 power generation facility on a brownfield or properly closed
44 sanitary landfill facility. Notwithstanding the provisions of section
45 3 of P.L.1999, c.23 (C.48:3-51) or any other law, rule, regulation,
46 or order to the contrary, for projects certified under this subsection,
47 the board shall establish a financial incentive that is designed to

1 supplement the SRECs generated by the facility in order to cover
2 the additional cost of constructing and operating a solar electric
3 power generation facility on a brownfield or properly closed
4 sanitary landfill. Any financial benefit realized in relation to a
5 project owned or operated by an electric public utility and approved
6 by the board pursuant to section 13 of P.L.2007, c.340 (C.48:3-
7 98.1), as a result of the provision of a financial incentive established
8 by the board pursuant to this subsection, shall be credited to
9 ratepayers.¹ The issuance of SRECs for all solar electric generation
10 facility projects pursuant to this subsection shall be deemed "Board
11 of Public Utilities financial assistance" as provided under section 1
12 of P.L.2009, c.89 (C.48:2-29.47).

13 ¹(2) Notwithstanding the provisions of the "Spill Compensation
14 and Control Act," P.L.1976, c. 141 (C. 58:10-23.11 et seq.) or any
15 other law, rule, regulation, or order to the contrary, the board may
16 find that a person who owns real property, where there is
17 constructed a solar electric power generation facility project
18 certified by the board, pursuant to paragraph (1) of this subsection,
19 as being located on a brownfield or a properly closed sanitary
20 landfill facility, which shall include, but not be limited to projects
21 located on a brownfield or a properly closed sanitary landfill
22 facility and owned or operated by an electric public utility and
23 approved pursuant to section 13 of P.L.2007, c.340 (C.48:3-98.1),
24 that is acquired on or after the effective date of P.L. , c. (C.)
25 (pending in the Legislature as this bill), or who operates a solar
26 electric power generation facility project certified by the board,
27 pursuant to paragraph (1) of this subsection, as being located on a
28 brownfield or a properly closed sanitary landfill facility, which
29 shall include, but not be limited to projects located on a brownfield
30 or a properly closed sanitary landfill facility and owned or operated
31 by an electric public utility and approved pursuant to section 13 of
32 P.L.2007, c.340 (C.48:3-98.1), after the effective date of P.L. ,
33 c. (C:) (pending in the Legislature as this bill), shall not be
34 liable for cleanup and removal costs or for any other costs or
35 damages to the State or to any other person for the discharge of a
36 hazardous substance provided that:

37 (a) the person acquired or leased the real property after the
38 discharge of that hazardous substance at the real property;

39 (b) the person did not discharge the hazardous substance, is not
40 in any way responsible for the hazardous substance, and is not a
41 successor to the discharger or to any person in any way responsible
42 for the hazardous substance or to anyone liable for cleanup and
43 removal costs pursuant to section 8 of P.L. 1976, c. 141 (C. 58:10-
44 23.11g);

45 (c) the person, within 30 days after acquisition of the property,
46 gave notice of the discharge to the department in a manner the
47 department prescribes;

48 (d) the person does not disrupt or change, without the

1 department's prior written permission, any engineering or
2 institutional control that is part of a remedial action for the
3 contaminated site;

4 (e) the person does not exacerbate the contamination at the
5 property;

6 (f) the person cooperates with any necessary remediation of the
7 property; and

8 (g) the person complies with any regulations and any permit the
9 department issues pursuant to section 19 of P.L.2009, c.60 (C.
10 58:10C-19).

11 Only the person who is liable to clean up and remove the
12 contamination pursuant to section 8 of P.L.1976, c.

13 141 (C. 58:10-23.11g) and who does not have a defense to liability
14 pursuant to subsection d. of that section shall be liable for cleanup
15 and removal costs or for any other costs or damages.¹

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

26 v. The issuance of SRECs for all solar power electric generation
27 facility projects pursuant to this section, for projects connected to
28 the distribution system with a capacity of one megawatt or greater,
29 shall be deemed "Board of Public Utilities financial assistance" as
30 provided pursuant to under section 1 of P.L.2009, c.89 (C.48:2-
31 29.47).

32 w. ¹[Electricity used for virtual metering aggregation shall be
33 delivered to customers pursuant to the electric public utility
34 transmission and distribution tariffs applicable to the customer class
35 of the customer using the energy. A customer that is a school
36 district, a county or any agency, authority, or other entity thereof, or
37 a municipality, or any agency, authority, or other thereof, may
38 purchase such electricity through virtual metering aggregation to
39 meet its electricity requirements.] No more than 270 days after the
40 date of enactment of P.L. , c. (C.) (pending before the
41 Legislature as this bill), the board shall, after notice and opportunity
42 for public comment and public hearing, complete a proceeding to
43 establish a program to provide SRECs to owners of solar power
44 electric generation facility projects certified by the board as being
45 three megawatts or greater in capacity and being net metered,
46 including facilities which are owned or operated by an electric
47 public utility and approved by the board pursuant to section 13 of
48 P.L.2007, c.340 (C.48:3-98.1), to further the goal of improving the

1 economic competitiveness of commercial and industrial customers
2 taking power from such projects. Projects certified under this
3 subsection (1) shall be considered “connected to the distribution
4 system” and shall not require such designation by the board, and (2)
5 shall not be subject to board review required pursuant to
6 subsections q. and r. of this section. For projects approved pursuant
7 to this subsection, the board may establish a financial incentive to
8 provide that the board shall issue for every 750 kilowatts of solar
9 energy generated by the certified projects. Any financial benefit
10 realized in relation to a project owned or operated by an electric
11 public utility and approved by the board pursuant to section 13 of
12 P.L.2007, c.340 (C.48:3-98.1), as a result of the provisions of a
13 financial incentive established by the board pursuant to this
14 subsection, shall be credited to ratepayers.

15 x. No more than 180 days after the date of enactment of P.L. ,
16 c. (C.) (pending before the Legislature as this bill), the board
17 shall, in consultation with the Department of Environmental
18 Protection and the New Jersey Economic Development Authority,
19 and, after notice and opportunity for public comment and public
20 hearing, complete a proceeding to establish a program to provide
21 SRECs to owners of solar electric power generation facility
22 projects, including facility projects which are owned or operated by
23 an electric public utility and approved by the board pursuant to
24 section 13 of P.L.2007, c.340 (C.48:3-98.1), certified by the board
25 as being located on an existing or proposed commercial, retail,
26 industrial, municipal, professional, recreational, transit, commuter,
27 entertainment complex, multi-use, or mixed-use parking lot with a
28 capacity to park 350 or more vehicles where the area to be utilized
29 for the facility is paved, or an impervious surface. Projects certified
30 under this subsection (1) shall be considered “connected to the
31 distribution system” and shall not require such designation by the
32 board, and (2) shall not be subject to board review required
33 pursuant to subsections q. and r. of this section.¹

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

35

36 3. This act shall take effect immediately.