

ASSEMBLY, No. 4552

STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED DECEMBER 16, 2013

Sponsored by:

Assemblyman UPENDRA J. CHIVUKULA

District 17 (Middlesex and Somerset)

Assemblyman TIMOTHY J. EUSTACE

District 38 (Bergen and Passaic)

SYNOPSIS

Enhances retail competition in electric power and gas supply industries.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/10/2014)

1 AN ACT concerning retail competition in the electric power and gas
2 supply industries and amending P.L.1999, c.23.

3

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

6

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

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

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

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

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

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

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

40 "Basic generation service auction" or "BGS auction" means the
41 auction during which the State's electric load requirements for BGS
42 are procured.

43 "Basic generation service provider" or "provider" means a
44 provider of basic generation service **;**.

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

Matter underlined thus is new matter.

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

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

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

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

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

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

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

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

34 "Brownfield" means any former or current commercial or
35 industrial site that is currently vacant or underutilized and on which
36 there has been, or there is suspected to have been, a discharge of a
37 contaminant **【;】**.

38 "Budget billing" means an equal payment arrangement between a
39 customer and an electric public utility or gas public utility, whereby
40 the customer makes equal monthly payments for the provision of
41 electric generation or gas supply service over an annual period.

42 "Buydown" means an arrangement or arrangements involving the
43 buyer and seller in a given power purchase contract and, in some
44 cases third parties, for consideration to be given by the buyer in
45 order to effectuate a reduction in the pricing, or the restructuring of
46 other terms to reduce the overall cost of the power contract, for the

1 remaining succeeding period of the purchased power arrangement
2 or arrangements [;].

3 "Buyout" means an arrangement or arrangements involving the
4 buyer and seller in a given power purchase contract and, in some
5 cases third parties, for consideration to be given by the buyer in
6 order to effectuate a termination of such power purchase contract
7 [;].

8 "Class I renewable energy" means electric energy produced from
9 solar technologies, photovoltaic technologies, wind energy, fuel
10 cells, geothermal technologies, wave or tidal action, small scale
11 hydropower facilities with a capacity of three megawatts or less and
12 put into service after the effective date of P.L.2012, c.24, and
13 methane gas from landfills or a biomass facility, provided that the
14 biomass is cultivated and harvested in a sustainable manner [;].

15 "Class II renewable energy" means electric energy produced at a
16 hydropower facility with a capacity of greater than three megawatts
17 or a resource recovery facility, provided that such facility is located
18 where retail competition is permitted and provided further that the
19 Commissioner of Environmental Protection has determined that
20 such facility meets the highest environmental standards and
21 minimizes any impacts to the environment and local communities
22 [;].

23 "Co-generation" means the sequential production of electricity
24 and steam or other forms of useful energy used for industrial or
25 commercial heating and cooling purposes [;].

26 "Combined cycle power facility" means a generation facility that
27 combines two or more thermodynamic cycles, by producing electric
28 power via the combustion of fuel and then routing the resulting
29 waste heat by-product to a conventional boiler or to a heat recovery
30 steam generator for use by a steam turbine to produce electric
31 power, thereby increasing the overall efficiency of the generating
32 facility [;].

33 "Combined heat and power facility" or "co-generation facility"
34 means a generation facility which produces electric energy and
35 steam or other forms of useful energy such as heat, which are used
36 for industrial or commercial heating or cooling purposes. A
37 combined heat and power facility or co-generation facility shall not
38 be considered a public utility [;].

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

43 "Commercial and industrial energy pricing class customer" or
44 "CIEP class customer" means that group of non-residential
45 customers with [high] peak demand at or above the CIEP
46 threshold, as determined by periodic board order, which either is
47 eligible or which would be eligible, as determined by periodic board

1 order, to receive funds from the Retail Margin Fund established
2 pursuant to section 9 of P.L.1999, c.23 (C.48:3-57) and for which
3 basic generation service is hourly-priced [;].

4 “Commercial and industrial energy pricing threshold” or “CIEP
5 threshold” means the peak demand kilowatt hour point as
6 determined by periodic board order at which a customer shall
7 procure electric power utilizing hourly pricing.

8 "Comprehensive resource analysis" means an analysis including,
9 but not limited to, an assessment of existing market barriers to the
10 implementation of energy efficiency and renewable technologies
11 that are not or cannot be delivered to customers through a
12 competitive marketplace [;].

13 "Connected to the distribution system" means, for a solar electric
14 power generation facility, that the facility is: (1) connected to a net
15 metering customer's side of a meter, regardless of the voltage at
16 which that customer connects to the electric grid [;]; (2) an on-site
17 generation facility [;]; (3) qualified for net metering aggregation as
18 provided pursuant to paragraph (4) of subsection e. of section 38 of
19 P.L.1999, c.23 (C.48:3-87) [;]; (4) owned or operated by an electric
20 public utility and approved by the board pursuant to section 13 of
21 P.L.2007, c.340 (C.48:3-98.1) [;]; (5) directly connected to the
22 electric grid at [69kilovolts] 69 kilovolts or less, regardless of how
23 an electric public utility classifies that portion of its electric grid,
24 and is designated as "connected to the distribution system" by the
25 board pursuant to subsections q. through s. of section 38 of
26 P.L.1999, c.23 (C.48:3-87) [;]; or (6) is certified by the board, in
27 consultation with the Department of Environmental Protection, as
28 being located on a brownfield, on an area of historic fill, or on a
29 properly closed sanitary landfill facility. Any solar electric power
30 generation facility, other than that of a net metering customer on the
31 customer's side of the meter, connected above 69 kilovolts shall not
32 be considered connected to the distribution system [;].

33 "Customer" means any person that is an end user and is
34 connected to any part of the transmission and distribution system
35 within an electric public utility's service territory or a gas public
36 utility's service territory within this State [;].

37 "Customer account service" means metering, billing, or such
38 other administrative activity associated with maintaining a customer
39 account [;].

40 “Customer class” means: (1) one of the following customer
41 classes receiving electric generation service: residential FP
42 customer class, non-residential FP customer class, or BGS-CIEP
43 customer class; or (2) one of the following customer classes
44 receiving gas supply service: residential customers, commercial
45 customers, or industrial customers.

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

4 "Demand side management" means the management of customer
5 demand for energy service through the implementation of cost-
6 effective energy efficiency technologies, including, but not limited
7 to, installed conservation, load management and energy efficiency
8 measures on and in the residential, commercial, industrial,
9 institutional and governmental premises and facilities in this State
10 **[;]**.

11 "Discount rate" means the customer-class specific amount
12 deducted from the payments to an electric power supplier or gas
13 supplier provided by an electric public utility or gas public utility
14 for purchase of a supplier's accounts receivable through a POR
15 program.

16 "Electric generation service" means the provision of retail
17 electric energy and capacity which is generated off-site from the
18 location at which the consumption of such electric energy and
19 capacity is metered for retail billing purposes, including agreements
20 and arrangements related thereto **[;]**.

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

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

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

44 "Electric related service" means a service that is directly related
45 to the consumption of electricity by an end user, including, but not
46 limited to, the installation of demand side management measures at
47 the end user's premises, the maintenance, repair or replacement of

1 appliances, lighting, motors or other energy-consuming devices at
2 the end user's premises, and the provision of energy consumption
3 measurement and billing services **[;]**.

4 "Electronic database interchange" or "EDI" means the structured
5 electronic transmission of data between an electric public utility and
6 an electric power supplier or a gas public utility and a gas supplier.

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

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

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

22 "Energy consumer" means a business or residential consumer of
23 electric generation service or gas supply service located within the
24 territorial jurisdiction of a government aggregator **[;]**.

25 "Energy efficiency portfolio standard" means a requirement to
26 procure a specified amount of energy efficiency or demand side
27 management resources as a means of managing and reducing energy
28 usage and demand by customers **[;]**.

29 "Energy year" or "EY" means the 12-month period from June 1st
30 through May 31st, numbered according to the calendar year in
31 which it ends **[;]**.

32 "Farmland" means land actively devoted to agricultural or
33 horticultural use that is valued, assessed, and taxed pursuant to the
34 "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et
35 seq.) **[;]**.

36 "Federal Energy Regulatory Commission" or "FERC" means the
37 federal agency established pursuant to 42 U.S.C. s.7171 et seq. to
38 regulate the interstate transmission of electricity, natural gas, and
39 oil **[;]**.

40 "Final remediation document" shall have the same meaning as
41 provided in section 3 of P.L.1976, c.141 (C.58:10-23.11b) **[;]**.

42 "Financing entity" means an electric public utility, a special
43 purpose entity, or any other assignee of bondable transition
44 property, which issues transition bonds. Except as specifically
45 provided in P.L.1999, c.23 (C.48:3-49 et al.), a financing entity
46 which is not itself an electric public utility shall not be subject to

1 the public utility requirements of Title 48 or any rules or regulations
2 adopted pursuant thereto [;].

3 “Fixed price customer class” or “FP customer class” means the
4 group of residential and non-residential customers with a peak
5 demand lower than the CIEP threshold determined by board order,
6 and for which basic generation service is not hourly priced.

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

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

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

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

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

1 "Government energy aggregation program" means a program and
2 procedure pursuant to which a government aggregator enters into a
3 written contract for the provision of electric generation service or
4 gas supply service on behalf of business or residential customers
5 within its territorial jurisdiction [;].

6 "Governmental entity" means any federal, state, municipal, local
7 or other governmental department, commission, board, agency,
8 court, authority or instrumentality having competent jurisdiction
9 [;].

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

15 "Historic fill" means generally large volumes of non-indigenous
16 material, no matter what date they were emplaced on the site, used
17 to raise the topographic elevation of a site, which were
18 contaminated prior to emplacement and are in no way connected
19 with the operations at the location of emplacement and which
20 include, but are not limited to, construction debris, dredge spoils,
21 incinerator residue, demolition debris, fly ash, and non-hazardous
22 solid waste. "Historic fill" shall not include any material which is
23 substantially chromate chemical production waste or any other
24 chemical production waste or waste from processing of metal or
25 mineral ores, residues, slags, or tailings [;].

26 "Historic uncollectible accounts cost level" means the actual
27 amount of money owed by a retail electric supply customer or retail
28 gas customer to an electric public utility or gas public utility for the
29 supply portion of customer's electric or gas bill, but not received by
30 an electric public utility or gas public utility for the preceding 24
31 months, expressed as separate values for each applicable customer
32 class.

33 "Implementation cost" means the one-time initial administrative
34 cost to an electric public utility or gas public utility of
35 implementing a POR program, including, but not limited to,
36 information technology upgrades and billing system modifications.

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

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

1 "Locational deliverability area" or "LDA" means one or more of
2 the zones within the PJM region which are used to evaluate area
3 transmission constraints and reliability issues including electric
4 public utility company zones, sub-zones, and combinations of zones
5 **【;】**.

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

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

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

27 "Mid-merit electric power generation facility" means a
28 generation facility that operates at a capacity factor between
29 baseload generation facilities and peaker generation facilities **【;】**.

30 "Net metering aggregation" means a procedure for calculating
31 the combination of the annual energy usage for all facilities owned
32 by a single customer where such customer is a State entity, school
33 district, county, county agency, county authority, municipality,
34 municipal agency, or municipal authority, and which are served by
35 a solar electric power generating facility as provided pursuant to
36 paragraph (4) of subsection e. of section 38 of P.L.1999, c.23
37 (C.48:3-87) **【;】**.

38 "Net proceeds" means proceeds less transaction and other related
39 costs as determined by the board **【;】**.

40 "Net revenues" means revenues less related expenses, including
41 applicable taxes, as determined by the board **【;】**.

42 "Non-residential fixed price customer class" or "non-residential
43 FP customer class" means those customers receiving basic
44 generation service under an electric distribution utility tariff
45 designation that is not for residential customers, and who receive a
46 fixed-price product in the BGS auction.

1 "Offshore wind energy" means electric energy produced by a
2 qualified offshore wind project [;].

3 "Offshore wind renewable energy certificate" or "OREC" means
4 a certificate, issued by the board or its designee, representing the
5 environmental attributes of one megawatt hour of electric
6 generation from a qualified offshore wind project [;].

7 "Off-site end use thermal energy services customer" means an
8 end use customer that purchases thermal energy services from an
9 on-site generation facility, combined heat and power facility, or co-
10 generation facility, and that is located on property that is separated
11 from the property on which the on-site generation facility,
12 combined heat and power facility, or co-generation facility is
13 located by more than one easement, public thoroughfare, or
14 transportation or utility-owned right-of-way [;].

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

33 "Person" means an individual, partnership, corporation,
34 association, trust, limited liability company, governmental entity, or
35 other legal entity [;].

36 "PJM Interconnection, L.L.C." or "PJM" means the privately-
37 held, limited liability corporation that is a FERC-approved Regional
38 Transmission Organization, or its successor, that manages the
39 regional, high-voltage electricity grid serving all or parts of 13
40 states including New Jersey and the District of Columbia, operates
41 the regional competitive wholesale electric market, manages the
42 regional transmission planning process, and establishes systems and
43 rules to ensure that the regional and in-State energy markets operate
44 fairly and efficiently [;].

45 "Preliminary assessment" shall have the same meaning as
46 provided in section 3 of P.L.1976, c.141 (C.58:10-23.11b) [;].

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

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

20 "Public utility holding company" means: (1) any company that,
21 directly or indirectly, owns, controls, or holds with power to vote,
22 **【ten】** 10 percent or more of the outstanding voting securities of an
23 electric public utility or a gas public utility or of a company which
24 is a public utility holding company by virtue of this definition,
25 unless the Securities and Exchange Commission, or its successor,
26 by order declares such company not to be a public utility holding
27 company under the Public Utility Holding Company Act of 1935,
28 15 U.S.C. s.79 et seq., or its successor; or (2) any person that the
29 Securities and Exchange Commission, or its successor, determines,
30 after notice and opportunity for hearing, directly or indirectly, to
31 exercise, either alone or pursuant to an arrangement or
32 understanding with one or more other persons, such a controlling
33 influence over the management or policies of an electric public
34 utility or a gas public utility or public utility holding company as to
35 make it necessary or appropriate in the public interest or for the
36 protection of investors or consumers that such person be subject to
37 the obligations, duties, and liabilities imposed in the Public Utility
38 Holding Company Act of 1935 or its successor **【;】**.

39 "Purchase of receivables program" or "POR program" means a
40 program in which an electric public utility or gas public utility
41 purchases an electric power supplier's or gas supplier's accounts
42 receivable, without recourse.

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

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

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

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

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

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

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

38 "Residential fixed-price customer class" or "residential FP
39 customer class" means those customers receiving basic generation
40 service under an electric public utility tariff designation for
41 residential customers who receive a fixed-price product in the BGS
42 auction.

43 "Resource clearing price" or "RCP" means the clearing price
44 established for the applicable locational deliverability area by the
45 base residual auction or incremental auction, as determined by the
46 optimization algorithm for each auction, conducted by PJM as part
47 of PJM's reliability pricing model [;].

1 "Resource recovery facility" means a solid waste facility
2 constructed and operated for the incineration of solid waste for
3 energy production and the recovery of metals and other materials
4 for reuse, which the Department of Environmental Protection has
5 determined to be in compliance with current environmental
6 standards, including, but not limited to, all applicable requirements
7 of the federal "Clean Air Act" (42 U.S.C. s.7401 et seq.) **【;】**.

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

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

33 "Retail margin" means an amount, reflecting differences in
34 prices that electric power suppliers and electric public utilities may
35 charge in providing electric generation service and basic generation
36 service, respectively, to retail customers, excluding residential
37 customers, which the board may authorize to be charged to
38 categories of basic generation service customers of electric public
39 utilities in this State, other than residential customers, under the
40 board's continuing regulation of basic generation service pursuant to
41 sections 3 and 9 of P.L.1999, c.23 (C.48:3-51 and 48:3-57), for the
42 purpose of promoting a competitive retail market for the supply of
43 electricity **【;】**.

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

46 "School district" means a local or regional school district
47 established pursuant to chapter 8 or chapter 13 of Title 18A of the
48 New Jersey Statutes, a county special services school district

1 established pursuant to article 8 of chapter 46 of Title 18A of the
2 New Jersey Statutes, a county vocational school district established
3 pursuant to article 3 of chapter 54 of Title 18A of the New Jersey
4 Statutes, and a district under full State intervention pursuant to
5 P.L.1987, c.399 (C.18A:7A-34 et al.) **【;】**.

6 "Shopping credit" means an amount deducted from the bill of an
7 electric public utility customer to reflect the fact that such customer
8 has switched to an electric power supplier and no longer takes basic
9 generation service from the electric public utility **【;】**.

10 "Site investigation" shall have the same meaning as provided in
11 section 3 of P.L.1976, c.141 (C.58:10-23.11b) **【;】**.

12 "Small scale hydropower facility" means a facility located within
13 this State that is connected to the distribution system, and that
14 meets the requirements of, and has been certified by, a nationally
15 recognized low-impact hydropower organization that has
16 established low-impact hydropower certification criteria applicable
17 to: (1) river flows; (2) water quality; (3) fish passage and
18 protection; (4) watershed protection; (5) threatened and endangered
19 species protection; (6) cultural resource protection; (7) recreation;
20 and (8) facilities recommended for removal **【;】**.

21 "Social program" means a program implemented with board
22 approval to provide assistance to a group of disadvantaged
23 customers, to provide protection to consumers, or to accomplish a
24 particular societal goal, and includes, but is not limited to, the
25 winter moratorium program, utility practices concerning "bad debt"
26 customers, low income assistance, deferred payment plans,
27 weatherization programs, and late payment and deposit policies, but
28 does not include any demand side management program or any
29 environmental requirements or controls **【;】**.

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

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

38 "Solar renewable energy certificate" or "SREC" means a
39 certificate issued by the board or its designee, representing one
40 megawatt hour (MWh) of solar energy that is generated by a facility
41 connected to the distribution system in this State and has value
42 based upon, and driven by, the energy market **【;】**.

43 "Standard offer capacity agreement" or "SOCA" means a
44 financially-settled transaction agreement, approved by board order,
45 that provides for eligible generators to receive payments from the
46 electric public utilities for a defined amount of electric capacity for
47 a term to be determined by the board but not to exceed 15 years,

1 and for such payments to be a fully non-bypassable charge, with
2 such an order, once issued, being irrevocable [;].

3 "Standard offer capacity price" or "SOCP" means the capacity
4 price that is fixed for the term of the SOCA and which is the price
5 to be received by eligible generators under a board-approved SOCA
6 [;].

7 "State entity" means a department, agency, or office of State
8 government, a State university or college, or an authority created by
9 the State [;].

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

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

24 "Supplier accounts receivable" means a charge owed by a
25 customer to an electric power supplier or gas supplier for the
26 provision of electric generation service or gas supply service, and
27 collected by an electric public utility or a gas public utility.

28 "Thermal efficiency" means the useful electric energy output of a
29 facility, plus the useful thermal energy output of the facility,
30 expressed as a percentage of the total energy input to the facility
31 [;].

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

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

1 of ownership shall refer to the comparable payments on such
2 securities **【;】**.

3 "Transition period" means the period from August 1, 1999
4 through July 31, 2003 **【;】**.

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

12 "Uncollectible cost component" means the component of the
13 POR program discount rate recovered through any incremental
14 electric generation or gas supply service that are uncollectible costs
15 incurred by an electric public utility or gas public utility as a result
16 of its POR program which is not already collected through the
17 societal benefits charge or otherwise recovered through non-
18 bypassable charges and which is calculated every two years.

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

22 "Utility consolidated billing" means the practice whereby an
23 electric public utility or gas public utility issues a single bill and
24 collects payment from the customer of an electric power supplier or
25 gas supplier for the electric generation or gas supply service
26 charges, or both, as the case may be, of that customer and the
27 electric public utility's or gas public utility's delivery charges to
28 that customer.

29 (cf: P.L.2012, c.24, s.1)

30

31 2. Section 8 of P.L.1999, c.23 (C.48:3-56) is amended to read
32 as follows:

33 8. a. Except as otherwise provided in **【this act】** P.L.1999, c.23
34 (C.48:3-49 et al.), and notwithstanding any provisions of R.S.48:2-
35 18, R.S.48:2-21, section 31 of P.L.1962, c.198 (C.48:2-21.2),
36 R.S.48:3-1 or any other law to the contrary, the board shall not
37 regulate, fix or prescribe the rates, tolls, charges, rate structures,
38 rate base, or cost of service of competitive services.

39 b. For the purposes of **【this act】** P.L.1999, c.23 (C.48:3-49 et
40 al.), electric generation service is deemed to be a competitive
41 service.

42 c. The board is authorized to determine, after notice and
43 hearing, whether any other service offered by an electric public
44 utility is a competitive service. In making such a determination, the
45 board shall develop standards of competitive service which, at a
46 minimum, shall include: evidence of ease of market entry; presence
47 of other competitors; and the availability of like or substitute
48 services in the relevant market segment and geographic area.

1 Notwithstanding the presence of these factors, the board may
2 determine that any service shall remain regulated for purposes of
3 the public safety and welfare.

4 d. The board is authorized to determine, after notice and
5 hearing, and after appropriate review by the Legislature pursuant to
6 subsection k. of this section, whether to reclassify as regulated any
7 electric service or segment thereof that it has previously found to be
8 competitive, including electric generation service, if it determines
9 that sufficient competition is no longer present, upon application of
10 the criteria set forth in subsection c. of this section. Upon such a
11 reclassification, subsection a. of this section shall no longer apply
12 and the board shall determine such rates for that electric service
13 which it finds to be just and reasonable. The board, however, shall
14 continue to monitor the electric service or segment thereof and,
15 whenever the board shall find that the electric service has again
16 become sufficiently competitive pursuant to subsection c. of this
17 section, the board shall again apply the provisions of subsection a.
18 of this section.

19 e. Nothing in **【this act】** P.L.1999, c.23 (C.48:3-49 et al.) shall
20 limit the authority of the board, pursuant to Title 48 of the Revised
21 Statutes, to ensure that electric public utilities do not make or
22 impose unjust preferences, discriminations, or classifications for
23 any services provided to customers.

24 f. (1) The board shall adopt, by rule, regulation or order, such
25 fair competition standards, affiliate relation standards, accounting
26 standards and reports as are necessary to ensure that electric public
27 utilities or their related competitive business segments do not enjoy
28 an unfair competitive advantage over other non-affiliated purveyors
29 of competitive services and in order to monitor the allocation of
30 costs between competitive and non-competitive services offered by
31 an electric public utility, and within 60 days after the starting date
32 for implementation of retail choice pursuant to subsection a. of
33 section 5 of **【this act】** P.L.1999, c.23 (C.48:3-53), shall commence
34 the process of conducting audits, at the expense of the electric
35 public utilities, to ensure compliance with this section and section 7
36 of **【this act】** P.L.1999, c.23 (C.48:3-55) and with the board's rules,
37 regulations and orders adopted pursuant to this section and section 7
38 of **【this act】** P.L.1999, c.23 (C.48:3-55). The board shall hire an
39 independent contractor to perform such audits.

40 (2) Subsequent audits shall take place no less than every two
41 years after the date of the decision rendered pursuant to subsection
42 k. of section 7 of **【this act】** P.L.1999, c.23 (C.48:3-55).

43 (3) The public utility or an intervenor shall have the right to
44 contest the methodology and rebut the findings of an audit
45 performed pursuant to this subsection, in a filing with the board.
46 The board shall take no action to functionally separate, structurally
47 separate or require the divestiture of any portion of a public utility's
48 operations pursuant to this subsection until the public utility, and

1 any intervenors, have been afforded timely opportunity to make
2 such filing and until the board has issued a decision thereon.

3 (4) If the board finds, as a result of any such audit, that
4 substantial violations of **【this act】** P.L.1999, c.23 (C.48:3-49 et al.)
5 or of the board's rules, regulations, or orders adopted pursuant to
6 this section and section 7 of **【this act】** P.L.1999, c.23 (C.48:3-55)
7 have occurred which result in unfair competitive advantages for an
8 electric public utility, it shall: order the electric public utility to
9 establish and provide such services through a business unit which is
10 functionally separated from the electric public utility business unit
11 as a related competitive business segment of the utility, such that,
12 other than shared administration and overheads, employees of the
13 competitive services business unit shall not also be involved in the
14 provision of non-competitive utility and safety services, and the
15 competitive services are provided utilizing separate assets than
16 those utilized to provide noncompetitive utility and safety services;
17 order the electric public utility to establish and provide such
18 services through a structurally separate business unit or units
19 including, but not limited to, a related competitive business segment
20 of the public utility holding company; or order the electric public
21 utility to divest itself of any business units that provide such
22 services.

23 (5) If the board determines, as a result of the audit performed
24 pursuant to this subsection, that an electric public utility has
25 unfairly allocated costs between its competitive and non-
26 competitive services, the board is authorized to require such utility
27 to return to the ratepayers an amount, equivalent to the amount of
28 the costs determined to be unfairly allocated, with interest, during
29 the time that the unfair allocation of costs occurred. In addition,
30 the board is authorized to order such utility to pay a fine of up to
31 \$10,000 as a result of the violation or violations determined to have
32 occurred pursuant to this subsection.

33 (6) Notwithstanding any requirements of the "Administrative
34 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
35 contrary, the board shall initiate a proceeding and shall adopt, after
36 notice, provision of the opportunity for comment, and public
37 hearing, such fair competition and accounting standards as are
38 necessary on an interim basis to implement retail electric choice.
39 Such standards shall be effective as regulations immediately upon
40 filing with the Office of Administrative Law and shall be effective
41 for a period not to exceed 18 months, and may, thereafter, be
42 amended, adopted, or readopted by the board in accordance with the
43 provisions of the "Administrative Procedure Act."

44 g. The board shall determine, by rule or order, what reports are
45 necessary to monitor the competitiveness of any service offered to a
46 customer of an electric public utility.

47 h. The board shall have the authority to take appropriate
48 increasingly stringent action, including the issuance of an order that

1 an electric public utility or its related competitive business segment
2 cease the offering of a competitive service, functionally separate or
3 structurally separate its competitive service offering from non-
4 competitive business functions, or divest itself of such services, in
5 the event that the board determines, after hearing, that recurring and
6 significant violations of its rules or orders adopted pursuant to
7 subsection f. of this section have occurred.

8 i. Nothing in **【this act】** P.L.1999, c.23 (C.48:3-49 et al.) shall
9 exempt an electric public utility from obtaining all applicable local,
10 State and federal licenses or permits associated with the offering of
11 competitive services and complying with all applicable laws and
12 regulations regarding the provision of such services.

13 j. If the board finds, as a result of any audit conducted
14 pursuant to this section, that violations of the board's rules,
15 regulations, or orders adopted pursuant to this section and section 7
16 of **【this act】** P.L.1999, c.23 (C.48:3-55) have occurred, which are
17 not substantial violations, the board is authorized to impose a fine
18 of up to \$10,000 against the electric public utility.

19 k. Prior to reclassifying as regulated any service it previously
20 found to be competitive, the board shall make recommendations to
21 the Legislature concerning the proposed reclassification. The
22 recommendations shall be deemed to be approved unless the
23 Legislature adopts a concurrent resolution stating that the
24 Legislature is not in agreement with all or any part of the
25 recommendations within 90 days following the date of transmittal
26 of the recommendations to the Legislature. The concurrent
27 resolution shall advise the board of the Legislature's specific
28 objections to the recommendations and shall direct the board to
29 submit revised recommendations which respond to those objections
30 within 45 days of the date of transmittal of the concurrent resolution
31 to the board.

32 1. (1) The board shall promulgate regulations to require each
33 electric public utility and each gas public utility to provide the
34 board with adequate and accurate forward-looking price comparison
35 information that will enable the fixed price customer class to make
36 informed decisions regarding the purchase of electricity or gas
37 service offered by that utility to the FP customer class.

38 (2) The board shall allow electric power suppliers, gas suppliers,
39 marketers, government aggregators, and brokers engaged in the
40 provision of electric generation or gas supply service to provide the
41 board with adequate and accurate forward-looking price comparison
42 information that will enable the fixed price customer class to make
43 informed decisions regarding the purchase of electric generation or
44 gas supply service offered by that supplier to the FP customer class.

45 (3) The board shall compile the information provided pursuant
46 to paragraphs (1) and (2) of this subsection into a single,
47 understandable database and post that database on the board's
48 Internet website in a manner that enables the FP customer class to

1 compare electric and gas prices and services on a uniform basis.
2 The board may contract with a public or private entity for the
3 purpose of developing, administering, and maintaining the database.
4 The contract shall specify the duties and responsibilities of the
5 entity with respect to the development, administration, and
6 maintenance of the database. The board shall monitor the work of
7 the entity to ensure that the database is developed, administered,
8 and maintained pursuant to the requirements of this section.

9 m. By order, the board shall provide that no later than June 1,
10 2014, each electric public utility and each gas public utility shall
11 implement a purchase of receivables program available to all
12 customer classes. This board order shall require the POR program
13 to include the following:

14 (1) Each electric public utility and gas public utility shall only
15 purchase supplier accounts receivable which utilize utility
16 consolidated billing. An electric power supplier or gas supplier
17 shall not be required to utilize utility consolidated billing.

18 (2) Each electric public utility and gas public utility shall
19 purchase supplier accounts receivable making use of utility
20 consolidated billing existing prior to implementation of the POR
21 program. An electric public utility and gas public utility shall not
22 apply a discount rate to the purchase of existing supplier accounts
23 receivable which is greater than the approved discount rate for new
24 supplier accounts receivable.

25 (3) An electric public utility and gas public utility may apply a
26 discount rate to their purchase of supplier accounts receivable. The
27 discount rates established by an electric public utility or gas public
28 utility shall be limited to the recovery of the implementation costs,
29 and the discount rate shall terminate when the utility is made whole
30 for these costs and the uncollectible cost component. An electric
31 public utility or gas public utility shall not be entitled to recover the
32 uncollectible cost component if the electric public utility or gas
33 public utility recovers its electric generation or gas supply service-
34 related uncollectible accounts expenses through the societal benefits
35 charge or through any other non-bypassable charge. Discount rates
36 based on implementation costs shall be approved by the board and
37 amortized over a period of not less than three years.

38 (4) (a) The board may authorize a proceeding to separate an
39 electric public utility's and a gas public utility's expenses related to
40 the uncollectable or written off debts of their customers or former
41 customers for the electric public utility's provision of BGS service
42 and a gas public utility's supply service from distribution rates,
43 respectively, and implement discount rates based on historic
44 uncollectible accounts cost levels for the POR program.

45 (b) The initial discount rate approved by the board shall be
46 based on the actual, verifiable costs of electric public utilities and
47 gas public utilities related to the uncollectable or written off debts
48 of their customers or former customers.

1 (c) Following the initial discount rate approved pursuant to
2 subparagraph (b) of this paragraph, discount rates shall be
3 recalculated every two years based on the actual, verifiable
4 uncollectible costs of a suppliers accounts receivable collected by
5 an electric public utility and gas public utility. An electric public
6 utility or gas public utility may propose an interim adjustment upon
7 a showing that the current effective discount rate is insufficient to
8 recover actual, verifiable costs related to the uncollectable or
9 written off debts of their customers or former customers.

10 (5) The board shall implement a separate discount rate for each
11 customer class. An electric public utility and gas public utility shall
12 update the discount rate in a tariff sheet at least 180 days prior to
13 the implementation date of a new discount rate.

14 (6) An electric public utility and gas public utility shall remit
15 monthly payment, less any applicable discount rates, to each
16 electric power supplier or gas supplier that utilizes utility
17 consolidated billing. Payment to an electric power supplier and gas
18 supplier shall be remitted in compliance with any board regulations
19 and methods for providing payment in effect on the date of
20 enactment of P.L. , c. (C.) (pending before the Legislature
21 as this bill).

22 (7) If an electric power supplier or gas supplier customer uses
23 budget billing, the electric public utility or gas public utility shall
24 remit payment to the electric power supplier or gas supplier based
25 on the actual cost of electricity or gas supplied to the customer and
26 shall continue to calculate the customer's budget billing amounts
27 and reconciliation adjustments.

28 (8) The board shall issue an order providing that an electric
29 public utility or gas public utility may not remove a customer from
30 utility consolidated billing for the customer's non-payment of any
31 portion of the customer's electric or gas bill for any period of time,
32 unless both the customer and the electric power or gas supplier
33 consent.

34 (9) An electric public utility or gas public utility may terminate
35 electric generation or gas supply service to any electric power or
36 gas supplier customer to which the electric public utility or gas
37 public utility provides utility consolidated billing. Disconnection of
38 electric generation service or gas supply service to the customer of
39 an electric power supplier or gas supplier shall be conducted in
40 compliance with any board rule and regulation related to service
41 termination by an electric public utility or gas public utility in effect
42 on the date of enactment of P.L. , c. (C.) (pending before
43 the Legislature as this bill).

44 n. The board shall require that, no later than June 1, 2014, the
45 CIEP threshold shall be set at no more than 400 kilowatts peak load
46 demand. The board shall lower the CIEP threshold to 250 kilowatts
47 no later than the beginning of EY 2017. The board may lower the

1 CIEP threshold below 250 kilowatts, but in no event may the board
2 increase the CIEP threshold.

3 o. The board shall require an electric public utility to:

4 (1) procure electric load in the BGS auction for its residential FP
5 customer class through 12-month contracts beginning with the BGS
6 auction for EY 2015;

7 (2) procure one-third of its residential FP customer class
8 required electric load for EY 2015 with 12-month contracts, and
9 procure two-thirds of its residential FP customer class required
10 electric load for EY 2016 with 12-month contracts;

11 (3) fully transition to 12-month contracts for its residential FP
12 customer class beginning with the BGS auction for EY 2017;

13 (4) procure electric load in the BGS auction for its non-
14 residential FP customer class through quarterly contracts beginning
15 with the BGS auction for EY 2015;

16 (5) procure one-third of its non-residential FP customer class
17 required electric load for EY 2015 with quarterly contracts;

18 (6) procure two-thirds of its commercial FP customer class
19 required electric load for EY 2016 with quarterly contracts; and

20 (7) fully transition to quarterly contracts for its commercial FP
21 customer class beginning with the BGS auction for EY 2017.

22 (cf: P.L.1999, c.23, s.8)

23
24 3. This act shall take effect immediately, but shall remain
25 inoperative for 90 days following the date of enactment.

26
27
28 STATEMENT

29
30 This bill promotes retail competition in the electric and natural
31 gas supply industry in this State by making several changes to the
32 “Electric Discount and Energy Competition Act,” P.L.1999, c.23
33 (C.48:3-49 et al.). The bill directs the Board of Public Utilities
34 (“BPU”) to promulgate regulations requiring each electric and gas
35 public utility, electric power and gas supplier, marketer,
36 government aggregator, and broker to provide adequate and
37 accurate price information to the BPU. The BPU is to then compile
38 the information into a single, understandable database and make the
39 database available on its website in a manner that enables fixed
40 price class residential and commercial customers to compare prices
41 and services. The BPU may contract with a public or private entity
42 for the purpose of developing, administering, and maintaining the
43 database. The bill allows these customers to obtain comparative
44 information from a single source to make informed choices
45 regarding the prices and services of electricity and gas providers in
46 the State.

47 The bill requires each electric public utility and each gas public
48 utility to implement a purchase of receivables (POR) program

1 available to all customer classes, to include the following features:
2 1) electric and gas public utilities are to purchase supplier accounts
3 receivable which utilize utility consolidated billing and are to make
4 use of utility consolidated billing existing prior to implementation
5 of the POR program; 2) electric and gas public utilities may apply a
6 discount rate to their purchase of supplier accounts receivable; 3)
7 the BPU may authorize a proceeding to separate the expenses
8 related to the uncollectable or written off debts of customers or
9 former customers of an electric public utility's provision of BGS
10 service and a gas public utility's supply service from distribution
11 rates and implement discount rates based on historic uncollectible
12 accounts cost levels for the POR program; 4) the BPU is to
13 implement a separate discount rate for each customer class, with the
14 electric and gas public utility updating the discount rate in a tariff
15 sheet at least 180 days prior to the implementation date of the new
16 discount rate; 5) electric and gas public utilities are to remit
17 monthly payment, less any applicable discount rates, to each
18 electric power or gas supplier that utilizes utility consolidated
19 billing; 6) if an electric power or gas supplier customer uses budget
20 billing, the electric or gas public utility is to remit payment to the
21 electric power or gas supplier based on the actual cost of electricity
22 or gas supplied to the customer receiving budget billing and is to
23 continue to calculate the customer's budget billing amounts and
24 reconciliation adjustments; 7) an electric or gas public utility may
25 not remove a customer from utility consolidated billing for the
26 customer's non-payment of any portion of the customer's electric or
27 gas bill for any period of time, unless both the customer and the
28 electric power or gas supplier consent; and 8) an electric or gas
29 public utility may terminate electric generation or gas supply
30 service to any electric power or gas supplier customer to which the
31 electric or gas public utility provides utility consolidated billing.

32 The bill requires the adjustment of the peak electric load demand
33 threshold, which determines whether a commercial customer is
34 subject to a fixed or hourly pricing mechanism, by lowering the
35 threshold in stages to 250 kilowatts in Energy Year 2017. Further,
36 the bill requires electric public utilities to procure electric loads
37 through the basic generation service auction for its residential, non-
38 residential, and commercial fixed price customer classes according
39 to the schedule establishing the amounts and periods of time in the
40 bill.