

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 2850

STATE OF NEW JERSEY
218th LEGISLATURE

ADOPTED MARCH 5, 2018

Sponsored by:

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District 27 (Essex and Morris)

Assemblyman JOHN J. BURZICHELLI

District 3 (Cumberland, Gloucester and Salem)

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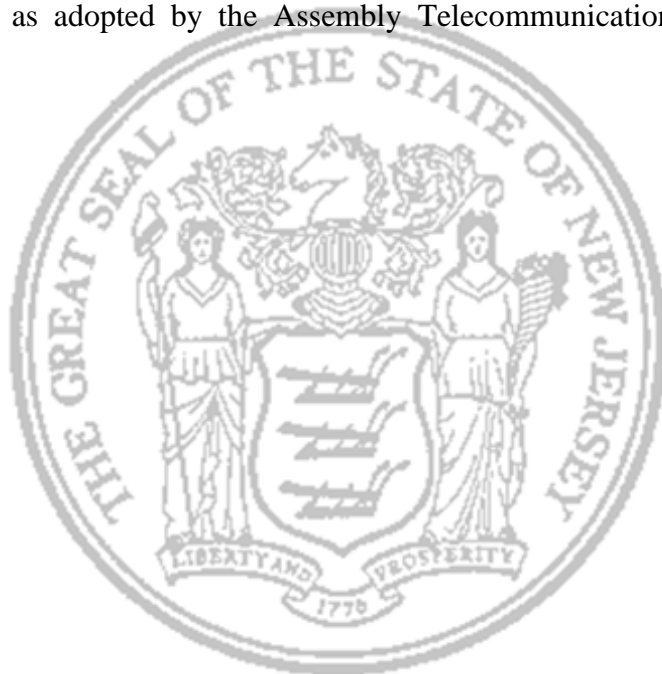
District 14 (Mercer and Middlesex)

SYNOPSIS

Establishes and modifies clean energy and energy efficiency programs; establishes zero emission certificate program; modifies State's solar renewable energy portfolio standards.

CURRENT VERSION OF TEXT

Substitute as adopted by the Assembly Telecommunication and Utilities Committee.



1 AN ACT concerning energy, and amending and supplementing
2 various parts of the statutory law.

3

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

6

7 1. (New section) a. The Legislature finds and declares that:

8 (1) Climate change is one of the greatest threats facing the State
9 today and in the future. Reducing emissions of carbon dioxide,
10 other greenhouse gases, and other pollutants by preserving and
11 expanding zero-emission electricity generation within and outside
12 the State is critical to mitigating the impacts of climate change.

13 (2) Reducing emissions of carbon dioxide, other greenhouse
14 gases, and other pollutants by preserving and expanding zero-
15 emission electricity generation within and outside the State is
16 critical to mitigating the impacts of climate change.

17 (3) Nuclear power is a reliable, zero-emission source of energy
18 that has supplied New Jersey's energy demands for decades.

19 (4) New Jersey has historically relied on a diverse mix of energy
20 supply sources, including nuclear power, to meet the needs of its
21 residents and businesses.

22 (5) Reducing emissions of carbon dioxide, other greenhouse
23 gases, and other pollutants, and preserving and developing zero-
24 emission electricity generation sources within and outside the State
25 that currently provide electricity to customers in New Jersey, are
26 critical to improving air quality for New Jersey residents.

27 (6) The Energy Master Plan of New Jersey, last updated in 2015,
28 requires significant revisions to ensure that 100 percent of the
29 State's electric energy needs are generated by clean energy sources
30 by 2050, and any update to the Energy Master Plan by the State
31 must include a focus on the expansion of renewable and zero-
32 emission sources of energy.

33 (7) The existing renewable energy portfolio standard has been
34 successful in promoting the growth of renewable energy generation
35 to reduce air pollution in New Jersey; however, to achieve its near
36 term environmental goals, New Jersey must expand its commitment
37 to zero-emission energy generation and value the environmental
38 attributes of zero-emission generation sources that currently fall
39 outside the scope of the existing renewable energy portfolio
40 standard, including but not limited to nuclear power.

41 (8) Nuclear power generation is a critical component of the
42 State's clean energy portfolio because nuclear power plants do not
43 emit carbon dioxide, other greenhouse gases, and other pollutants;
44 in addition, nuclear power is an important element of a diverse
45 energy generation portfolio that currently meets approximately 40
46 percent of New Jersey's electric power needs.

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 (9) Several of the existing, licensed, and operating nuclear power
2 plants within and outside the State that currently provide electricity
3 to customers in New Jersey are at risk of abrupt retirement due to a
4 variety of factors.

5 (10) The retirement of nuclear power generation will inevitably
6 result in an immediate increase in air emissions within New Jersey
7 due to increased reliance on natural gas-fired generation and coal-
8 fired generation.

9 (11) Poor air quality has a disproportionate impact on the most
10 vulnerable citizens of New Jersey including children, the elderly,
11 and people living in poverty. Fossil-fuel power plants drive
12 increases in pollutants like ground-level ozone, which aggravates
13 respiratory illnesses for individuals with decreased lung function.
14 Public health and environmental justice necessitate a reduction in
15 these pollutants to protect the most vulnerable of our citizenry.

16 (12) As a coastal state, New Jersey is particularly exposed to
17 many of the effects of global climate change, such as rising sea
18 levels and more extreme storms. Many of New Jersey's most
19 important commercial and tourism assets are located in coastal
20 areas, and events like Superstorm Sandy have demonstrated the
21 imminent and tangible threats that intense storms pose to New
22 Jersey's economy and environment.

23 (13) Given the overwhelming scientific consensus that fossil fuel
24 use is causing potentially irreversible global climate change and the
25 attendant environmental catastrophes, it is a moral imperative that
26 the State invest in energy infrastructure within and outside the State
27 that does not produce greenhouse gases.

28 b. The Legislature therefore determines that:

29 (1) The abrupt retirement of existing, licensed, and operating
30 nuclear power plants within and outside the State that provide
31 electricity to customers in New Jersey, and any concomitant
32 increase in the proportion of New Jersey's electricity demand met
33 by natural gas and coal, will result in a substantial increase in
34 emissions of several serious pollutants, and associated adverse
35 public health and environmental impacts. The pollutants resulting
36 from increased fossil-fuel generation and drilling include emissions
37 of carbon dioxide, methane, carbon monoxide, sulfur dioxide,
38 particulate matter, volatile organic compounds, mercury, and
39 nitrous oxides, and the creation of ozone.

40 (2) New Jersey is currently not projected to meet certain federal
41 and State air quality standards and emissions level requirements,
42 counties of the State are currently designated as nonattainment for
43 the federal 8-hour Ozone National Ambient Air Quality Standard,
44 and the abrupt retirement of nuclear power plants that serve New
45 Jersey combined with increased reliance on natural gas-fired and
46 coal-fired generation will substantially impede the State's ability to
47 meet those federal and State air quality and emissions standards and
48 requirements.

1 (3) In light of the primacy of natural gas use for heating in New
2 Jersey, increased reliance on natural gas-fired generation will
3 render the electric generation and delivery systems less resilient and
4 more vulnerable to the impacts of extreme winter weather events,
5 natural gas pipeline accidents, and other factors affecting the
6 deliverability of natural gas to electric generating stations in and
7 around the State.

8 (4) The model of providing credits to zero- or low-emission
9 energy generation sources as compensation for their environmental
10 attributes has proven successful for Class I and Class II renewable
11 energy sources, which receive renewable energy certificates, and
12 solar electric power generators, which receive solar renewable
13 energy certificates.

14 (5) A program that recognizes and compensates nuclear energy
15 generators in a manner similar to other non-emitting energy
16 generation resources to the extent required to prevent the loss of
17 nuclear energy, subject to independent review as provided in
18 section 3 of P.L. , c. (C.) (pending before the Legislature as this
19 bill), which the State's residents and businesses rely on for
20 approximately 40 percent of their electricity needs, could, in the
21 absence of equally or more cost-effective clean energy alternatives,
22 further the State's interest in environmental protection and
23 maintaining a diverse mix of energy sources.

24 (6) While recognizing the importance of nuclear energy
25 generation, the State must also commit to the deployment of
26 renewable and zero-emission energy to address climate change,
27 drive economic development, and create new employment
28 opportunities.

29 (7) In order to meet the goals under the "Global Warming
30 Response Act," P.L.2007, c.112 (C.26:2C-37 et seq.), to reduce
31 greenhouse gas emissions 80 percent by 2050, it will be necessary
32 to significantly reduce emissions from the electric power generation
33 sector. This will require reducing the State's heavy reliance on
34 natural gas for electric power generation, the primary source of
35 emissions from the electric power generation sector.

36 (8) The zero emission certificate program set forth in sections 1
37 through 4 of P.L. , c. (C.) (pending before the Legislature as
38 this bill) is structured such that its costs are guaranteed to be
39 significantly less than the social cost of carbon emissions avoided
40 by the continued operation of selected nuclear power plants,
41 ensuring that the program does not place an undue financial burden
42 on retail customers. The social cost of carbon, as calculated by the
43 U.S. Interagency Working Group on the Social Cost of Carbon in
44 its August 2016 Technical Update, is an accepted measure of the
45 cost of carbon emissions. Carbon emissions avoided by selected
46 nuclear power plants are but one component of their emissions
47 avoidance benefits.

1 2. (New section) As used in sections 1 through 4 of P.L. , c.
2 (C.) (pending before the Legislature as this bill):

3 “Board” shall have the same meaning as provided in section 3 of
4 P.L.1999, c.23 (C.48:3-51).

5 “Electric public utility” shall have the same meaning as provided
6 in section 3 of P.L.1999, c.23 (C.48:3-51).

7 “Eligibility period” means the period of time, measured in
8 energy years, during which a selected nuclear power plant may
9 receive zero emission certificates pursuant to section 3 of P.L. , c.
10 (C.) (pending before the Legislature as this bill).

11 “Eligible nuclear power plant” means a nuclear power plant
12 certified by the board to allow it to be selected to participate in the
13 program established pursuant to section 3 of P.L. , c. (C.)
14 (pending before the Legislature as this bill).

15 “Emissions avoidance benefits” means the benefits associated
16 with the preservation of better air quality and other environmental
17 attributes caused by the production of electric energy from a
18 selected nuclear power plant, as well as the reduction in damage
19 that would otherwise be caused by carbon dioxide or other
20 greenhouse gases or other pollutants emitted but for the production
21 of electric energy from a selected nuclear power plant. Such
22 damage threatens massive economic and lifestyle disruption, and
23 includes but is not limited to a contribution to sea level rise, heat
24 waves, more frequent and severe occurrence of extreme weather
25 events, and damage to agriculture, water resources, public health,
26 energy and communication systems, and the natural ecosystems that
27 define and support communities.

28 “Energy year” or “EY” shall have the same meaning as provided
29 in section 3 of P.L.1999, c.23 (C.48:3-51).

30 “Nuclear power plant” means an individual electric generating
31 unit utilizing nuclear fuel to produce electric power.

32 “Selected nuclear power plant” means an eligible nuclear power
33 plant selected by the board to participate in the program established
34 pursuant to section 3 of P.L. , c. (C.) (pending before the
35 Legislature as this bill).

36 “Zero emission certificate” or “ZEC” means a certificate, issued
37 by the board or its designee, representing the fuel diversity, air
38 quality, and environmental attributes of one megawatt-hour of
39 electricity generated by an eligible nuclear power plant selected by
40 the board to participate in the program established pursuant to
41 section 3 of P.L. , c. (C.) (pending before the Legislature as this
42 bill).

43
44 3. (New section) a. As part of an application submitted to the
45 board pursuant to subsection c. of this section, a nuclear power
46 plant seeking to participate in the program established by sections 1
47 through 4 of P.L. , c. (C.) (pending before the Legislature as this
48 bill) shall provide to the board any financial information requested

1 by the board pertaining to the nuclear power plant, including, but
2 not limited to, certified cost projections over the next three energy
3 years, including operation and maintenance expenses, fuel
4 expenses, including spent fuel expenses, non-fuel capital expenses,
5 fully allocated overhead costs, the cost of operational risks and
6 market risks that would be avoided by ceasing operations, and any
7 other information, financial or otherwise, to demonstrate that the
8 nuclear power plant's fuel diversity, air quality, and environmental
9 attributes are at risk of loss because the nuclear power plant is
10 projected to not fully cover its costs and risks, or alternatively is
11 projected to not fully cover its costs and risks including its risk-
12 adjusted cost of capital. For purposes of this subsection,
13 operational risks shall include, but need not be limited to, the risk
14 that operating costs will be higher than anticipated because of new
15 regulatory mandates or equipment failures and the risk that per
16 megawatt hour costs will be higher than anticipated because of a
17 lower than expected capacity factor, and market risks shall include,
18 but need not be limited to, the risk of a forced outage and the
19 associated costs arising from contractual obligations, and the risk
20 that output from the nuclear power plant may not be able to be sold
21 at projected levels. An application submitted to the board pursuant
22 to subsection c. of this section, shall also include a certification that
23 the nuclear power plant will cease operations within three years
24 unless the nuclear power plant experiences a material financial
25 change, and the certification shall specify the necessary steps
26 required to be completed to cease the nuclear power plant's
27 operations.

28 The financial and other information required pursuant to this
29 subsection may be submitted on a confidential basis and shall be
30 treated and maintained as confidential by the board and shall not be
31 subject to public disclosure, notwithstanding any law to the
32 contrary, including the common law. The board and the Attorney
33 General shall jointly approve the disclosure of such confidential
34 information to a party that they deem essential to aid the board in
35 making the determinations required under this subsection, provided
36 that the party is not in a position such that disclosure could harm
37 competition and the party agrees in writing to maintain the
38 confidentiality of the confidential information.

39 b. Notwithstanding any law, regulation, rule, or order to the
40 contrary, the board shall complete a proceeding no later than 180
41 days after the date of enactment of P.L. , c. (C.) (pending
42 before the Legislature as this bill), to allow for the commencement
43 of a program allowing for the issuance by the board of a zero
44 emission certificate. In this proceeding, the board shall adopt, after
45 notice, the opportunity for comment, and public hearing, an order
46 establishing a ZEC program for selected nuclear power plants
47 which shall include, but need not be limited to:

1 (1) a method and application process for determination of the
2 eligibility and selection of nuclear power plants; and

3 (2) establishment of a mechanism for each electric public utility
4 to purchase ZECs from selected nuclear power plants and a
5 mechanism for the board to effectuate the provisions of subsection
6 i. of this section.

7 c. No later than 210 days after the date of enactment of P.L. ,
8 c. (C.) (pending before the Legislature as this bill), a nuclear
9 power plant seeking to participate in the program established by
10 sections 1 through 4 of P.L. , c. (C.) (pending before the
11 Legislature as this bill) shall submit its application to the board.

12 d. Notwithstanding any law, rule, regulation, or order to the
13 contrary, the board shall complete a proceeding no later than 330
14 days after the date of enactment of P.L. , c. (C.) (pending
15 before the Legislature as this bill) and shall adopt, after notice, the
16 opportunity for comment, and public hearing, an order establishing
17 a rank-ordered list of the nuclear power plants eligible to be
18 selected to receive ZECs, and establishing which eligible nuclear
19 power plants have been selected to receive ZECs pursuant to this
20 section. If the board determines, in its discretion, that no nuclear
21 plant that applies pursuant to subsection c. of this section satisfies
22 the objectives of sections 1 through 4 of P.L. , c. (C.) (pending
23 before the Legislature as this bill), then the board shall be under no
24 obligation to certify any nuclear power plant as an eligible nuclear
25 power plant.

26 e. To be certified by the board as an eligible nuclear power
27 plant, a nuclear power plant shall:

28 (1) be licensed to operate by the United States Nuclear
29 Regulatory Commission by the date of enactment of P.L. , c.
30 (C.) (pending before the Legislature as this bill) and through
31 2030 or later;

32 (2) demonstrate to the satisfaction of the board that it makes a
33 significant and material contribution to the air quality in the State
34 by minimizing emissions that result from electricity consumed in
35 New Jersey, it minimizes harmful emissions that adversely affect
36 the citizens of the State, and if the nuclear power plant were to
37 retire, that that retirement would significantly and negatively impact
38 New Jersey's ability to comply with State air emissions reduction
39 requirements;

40 (3) demonstrate to the satisfaction of the board, through the
41 financial and other confidential information submitted to the board
42 pursuant to subsection a. of this section, and any other information
43 required by the board, which information may be submitted on a
44 confidential basis and shall be treated and maintained as
45 confidential by the board and shall not be subject to public
46 disclosure, notwithstanding any law to the contrary, including the
47 common law, that the nuclear power plant's fuel diversity, air
48 quality, and environmental attributes are at risk of loss because the

1 nuclear power plant is projected not to fully cover its costs and
2 risks, or alternatively is projected not to cover its costs including its
3 risk-adjusted cost of capital, and that the nuclear power plant will
4 cease operations within three years unless the nuclear power plant
5 experiences a material financial change;

6 (4) certify annually that the nuclear power plant does not receive
7 any direct or indirect payment or credit under a law, rule,
8 regulation, order, tariff, or other action of this State or any other
9 state, or a federal law, regulation, order, tariff, or other action, or a
10 regional compact, despite its reasonable best efforts to obtain any
11 such payment or credit, for its fuel diversity, resilience, air quality
12 or other environmental attributes that will eliminate the need for the
13 nuclear power plant to retire, except for any payment or credit
14 received under the provisions of sections 1 through 4 of P.L. , c.
15 (C.) (pending before the Legislature as this bill); and

16 (5) submit an application fee to the board in an amount to be
17 determined by the board, but which shall not exceed \$250,000, to be
18 used to defray the costs incurred by the board to administer the ZEC
19 program.

20 f. In ranking eligible nuclear power plants from first to last, the
21 board shall consider how well the nuclear power plants satisfy the
22 criteria set forth under the provisions of sections 1 through 4 of
23 P.L., c. (C.) (pending before the Legislature as this bill), and
24 shall also consider other relevant factors such as sustainability or
25 long-term commitment to nuclear energy production in a manner
26 that supports New Jersey' cost-effective transition to a zero carbon
27 energy supply. Two or more eligible nuclear power plants shall not
28 have the same ranking.

29 g. (1) The board shall select eligible nuclear power plants to
30 receive ZECs according to their ranking. Beginning with the top-
31 ranked eligible nuclear power plant and continuing in rank order,
32 the board shall continue to select nuclear power plants but not
33 beyond the point at which the combined number of megawatt-hours
34 of electricity produced in the energy year immediately prior to the
35 date of enactment of P.L. , c. (C.) (pending before the
36 Legislature as this bill) by all selected nuclear power plants equals
37 40 percent of the total number of megawatt-hours of electricity
38 distributed by electric public utilities in the State in the energy year
39 immediately prior to the date of enactment of P.L. , c. (C.)
40 (pending before the Legislature as this bill). The board shall not
41 select an eligible nuclear power plant to receive ZECs if the
42 addition of the electricity produced by that nuclear power plant in
43 the energy year immediately prior to the date of enactment of P.L. ,
44 c. (C.) (pending before the Legislature as this bill) to the
45 electricity produced in the energy year immediately prior to the date
46 of enactment of P.L. , c. (C.) (pending before the Legislature as
47 this bill) by the selected plants ranked ahead of that plant on the
48 rank-ordered list exceeds 40 percent of the total number of

1 megawatt-hours of electricity distributed by electric public utilities
2 in the State in the energy year immediately prior to the date of
3 enactment of P.L. , c. (C.) (pending before the Legislature as
4 this bill).

5 (2) A selected nuclear power plant shall be eligible to receive
6 ZECs 330 days after the date of enactment of P.L. , c. (C.)
7 (pending before the Legislature as this bill). In the first energy year
8 in which an eligible nuclear power plant is selected, the selected
9 nuclear power plant shall receive a number of ZECs equal to the
10 number of megawatt-hours of electricity it produced in that energy
11 year starting on the date of the eligible nuclear power plant's
12 selection. In each energy year thereafter, each selected nuclear
13 power plant shall receive a number of ZECs equal to the number of
14 megawatt-hours of electricity that it produced in that energy year.

15 h. (1) Selected nuclear power plants shall initially receive
16 ZECs for an eligibility period that shall run through the end of the
17 first energy year in which the nuclear power plant is selected, plus
18 an additional three energy years.

19 (2) No later than 13 months prior to the conclusion of the initial
20 eligibility period established pursuant to paragraph (1) of this
21 subsection, and no later than 13 months prior to the conclusion of
22 each three energy year eligibility period thereafter, a nuclear power
23 plant may demonstrate its eligibility to the board and the board may
24 certify the nuclear power plant's eligibility to receive ZECs for
25 additional eligibility periods of three energy years, consistent with
26 the provisions of sections 1 through 4 of P.L. , c. (C.) (pending
27 before the Legislature as this bill).

28 (3) A selected nuclear power plant shall annually certify to the
29 board that it will continue operations at full or near full capacity for
30 the duration of the period of its eligibility to receive ZECs, except
31 with respect to nuclear power plant shutdowns for necessary
32 maintenance and refueling.

33 i. (1) The board shall determine the price of a ZEC each
34 energy year by dividing the total number of dollars held by electric
35 public utilities in the accounts established pursuant to paragraph (1)
36 of subsection j. of this section at the end of the prior energy year by
37 the greater of: 40 percent of the total number of megawatt-hours of
38 electricity distributed by the electric public utilities in the State in
39 the prior energy year, or the number of megawatt-hours of
40 electricity generated in the prior energy year by the selected nuclear
41 power plants.

42 (2) Each electric public utility in the State shall be required to
43 begin to purchase ZECs on a monthly basis from each selected
44 nuclear power plant with payment to follow within 90 days after the
45 conclusion of the first energy year in which selected nuclear power
46 plants receive ZECs and within 90 days after the conclusion of each
47 subsequent energy year. The number of ZECs an electric public
48 utility shall be required to purchase shall equal the total number of

1 ZECs received by the selected nuclear power plants for the prior
2 energy year pursuant to paragraph (2) of subsection g. of this
3 section multiplied by the percentage of electricity distributed in the
4 State by the electric public utility as compared to other electric
5 public utilities in the State.

6 (3) To ensure that a selected nuclear power plant shall not
7 receive double-payment for its fuel diversity, resilience, air quality
8 or other environmental attributes, the board shall annually
9 determine the dollar amount received by the selected nuclear power
10 plant in an energy year pursuant to a law, rule, regulation, order,
11 tariff, or other action of the State or any other state, or a federal
12 law, regulation, order, tariff, or other action, or regional compact
13 referenced in paragraph (4) of subsection e. of this section.
14 Notwithstanding paragraph (2) of this subsection, the number of
15 ZECs purchased by each electric public utility from a selected
16 nuclear power plant for an energy year shall be reduced by the
17 number of ZECs equal in value to the dollar amount determined by
18 the board in this paragraph, multiplied by the percentage of
19 electricity distributed in the State by the electric public utility as
20 compared to other electric public utilities in the State. To the extent
21 that the board determines that a selected nuclear plant receives
22 revenues for its fuel diversity, resilience, air quality, or other
23 environmental attributes, the board shall immediately reduce the
24 number of ZECs on a prospective basis consistent with the level of
25 such revenues.

26 j. (1) The board shall order the full recovery of all costs
27 associated with the electric public utility's required procurement of
28 ZECs, and with the board's implementation of the ZEC program
29 under sections 1 through 4 of P.L. , c. (C.) (pending before the
30 Legislature as this bill), through a non-bypassable, irrevocable
31 charge imposed on the electric public utility's retail distribution
32 customers. Within 150 days after the date of enactment of P.L. ,
33 c. (C.) (pending before the Legislature as this bill), each electric
34 public utility shall file with the board a tariff to recover from its
35 retail distribution customers a charge in the amount of \$0.004 per
36 kilowatt-hour which reflects the emissions avoidance benefits
37 associated with the continued operation of selected nuclear power
38 plants. Within 60 days after the tariff filing required pursuant to
39 this paragraph, after notice, the opportunity for comment, and
40 public hearing, the board shall approve the tariff, provided that it is
41 consistent with the provisions of this subsection. No later than the
42 date of the board's order establishing the initial selected nuclear
43 power plants to receive ZECs, each electric public utility shall
44 implement the tariff and begin collecting from its customers the
45 approved charge. Revenues collected by the electric public utility
46 from the non-bypassable, irrevocable charge shall be placed in a
47 separate, interest-bearing account and shall be used solely to
48 purchase ZECs, and to reimburse the board for reasonable,

1 verifiable costs the board incurs to implement the ZEC program
2 pursuant to sections 1 through 4 of P.L. , c. (C.) (pending
3 before the Legislature as this bill) to the extent the board's costs
4 exceed the application fees collected by the board pursuant to
5 paragraph (5) of subsection e. of this section.

6 (2) Notwithstanding any provision of sections 1 through 4 of
7 P.L. , c. (C.) (pending before the Legislature as this bill) to the
8 contrary, an electric public utility shall not be required to purchase
9 any additional number of ZECs if the cost of the additional number
10 of ZECs exceeds the revenues deposited in the electric public
11 utility's separate, interest-bearing account, created pursuant to
12 paragraph (1) of this subsection, for that energy year, after
13 subtracting the reasonable, verifiable costs incurred by the board
14 during that energy year to implement the ZEC program pursuant to
15 this section, which costs shall be remitted to the board from the
16 ZEC fund each energy year in a manner to be determined by the
17 board. Excess monies in an electric public utility's separate,
18 interest-bearing account shall be refunded to its retail distribution
19 customers at the end of each energy year.

20 (3) (a) Notwithstanding the provisions of paragraph (1) of this
21 subsection, and to ensure that the ZEC program remains affordable to
22 New Jersey customers, the board may, in its discretion, reduce the per
23 kilowatt-hour charge imposed by paragraph (1) of this subsection
24 starting in the second three year eligibility period and for each
25 subsequent three year eligibility period thereafter, provided that the
26 board determines that a reduced charge will nonetheless be
27 sufficient to achieve the State's air quality and other environmental
28 objectives by preventing the retirement of the nuclear power plants
29 that meet the eligibility criteria established pursuant to subsections
30 d. and e. of this section.

31 (b) If the board reduces the per kilowatt-hour charge imposed by
32 paragraph (1) of this subsection pursuant to subparagraph (a) of this
33 paragraph, the reduction shall be applicable to the next eligibility
34 period only and the board shall make its determination no later than 13
35 months prior to the start of that eligibility period. Within 30 days
36 thereafter, each electric public utility shall file, in lieu of the tariff
37 described in paragraph (1) of this subsection, a tariff consistent with
38 the board's determination. Within 60 days after filing of the tariff,
39 after notice, the opportunity for comment, and public hearing, the
40 board shall approve the revised tariff, provided that it is consistent
41 with the board's determination. The revised tariff will take effect
42 starting in the next eligibility period.

43 (c) If the board does not certify any nuclear power plants for a
44 subsequent eligibility period pursuant to sections 1 through 4 of
45 P.L. , c. (C.) (pending before the Legislature as this bill), the
46 board may, in its discretion, reduce the per kilowatt-hour charge
47 imposed pursuant to paragraph (1) of this subsection to ensure that
48 the ZEC program remains affordable to New Jersey customers in
49 the final year of the first eligibility period, provided that the board

1 determines that a reduced charge will nonetheless be sufficient to
2 achieve the State's air quality and environmental objectives by
3 preventing the retirement of the nuclear power plants that meet the
4 eligibility criteria established pursuant to subsections d. and e. of
5 this section.

6 (d) For the second three energy year eligibility period, and every
7 subsequent eligibility period thereafter, a selected nuclear power
8 plant shall pay a renewal fee to the board in an amount to be
9 determined by the board, but which shall not exceed \$250,000, to be
10 used to defray the costs incurred by the board to administer the ZEC
11 program.

12 k. (1) A selected nuclear power plant shall be excused from
13 performance, including but not limited to the sale of ZECs, and a
14 payment from an electric public utility shall not be due to the
15 selected nuclear power plant, if:

16 (a) a selected nuclear power suspends or ceases operations,
17 despite the selected nuclear power plant's reasonable efforts to
18 continue operations, due to an event beyond its control, including
19 but not limited to acts of God, flood, drought, earthquake, storm,
20 fire, lightning, epidemic, war, riot, labor dispute, labor or material
21 shortage, sabotage, or explosion. The selected nuclear power plant
22 shall no longer be excused from performance, and a payment from a
23 public utility shall be due, after conclusion of the event;

24 (b) a State law is enacted imposing a significant new tax, special
25 assessment, or fee on the generation of electricity, the ownership or
26 leasehold of a generating unit, or the privilege or occupation of the
27 generation, ownership, or leasehold of generation units by a
28 selected nuclear power plant;

29 (c) a State or federal law is enacted that materially reduces the
30 value of a ZEC, or the board exercises its discretion to reduce the
31 amount of the per kilowatt-hour charge pursuant to paragraph (3) of
32 subsection j. of this section;

33 (d) the selected nuclear power plant requires capital
34 expenditures in excess of \$40,000,000 that were neither known nor
35 reasonably foreseeable at the time it was selected to receive ZECs,
36 and the capital expenditures are expenditures that a prudent owner
37 or operator of a selected nuclear power plant would not undertake;
38 or

39 (e) The United States Nuclear Regulatory Commission
40 terminates the selected nuclear power plant's license.

41 (2) If a selected nuclear power plant ceases operations during an
42 eligibility period for any reason other than those specified in this
43 subsection, the selected nuclear power plant shall pay a charge to
44 the electric public utilities that purchased ZECs from the selected
45 nuclear power plant in an amount equal to the compensation
46 received for the sale of ZECs since the board's last determination of
47 the selected nuclear power plant's eligibility to receive ZECs. An
48 electric public utility shall provide a refund to its retail distribution

1 customers in an amount equal to the charge paid by a selected
2 nuclear power plant to the electric public utility pursuant to the
3 provisions of this paragraph.

4 (3) The owner of a selected nuclear power plant shall, within
5 two years after receiving ZECs, submit a plan to the board to retain,
6 retrain, or compensate personnel whose employment would be
7 eliminated as a direct result of the cessation of the selected nuclear
8 power plant's operations, including an alternative economic
9 development plan for communities that rely on the selected nuclear
10 power plant for a substantial portion of their tax revenues.

11 1. A selected nuclear power plant shall not lay off any
12 personnel unless the lay-off is due to employee misconduct or
13 underperformance issues, or due to the suspension or cessation of
14 the selected nuclear power plant's operations as provided in
15 subsection k. of this section.

16 m. The owner of a selected nuclear power plant shall, within
17 two years after receiving ZECs, conduct a study and prepare a
18 written report in cooperation with selected experts, to determine the
19 optimal use of dry cask storage of spent nuclear fuel at its site,
20 considering environmental impacts, worker safety, and cost
21 impacts.

22
23 4. (New section) a. No later than 10 years after the date of
24 enactment of P.L. , c. (C.) (pending before the Legislature as
25 this bill), the Board of Public Utilities shall conduct a study to
26 evaluate the efficacy of the zero emission certificate program and
27 submit a written report thereon to the Governor and, pursuant to
28 section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature. In
29 conducting the study, the board shall evaluate the program's effect
30 on the premature retirement of nuclear power plants, its effect on
31 the environment and air quality in the State, and its contribution to a
32 more reliable energy supply by assuring fuel diversity. The study
33 shall also evaluate the program's benefits and costs to ratepayers.

34 b. The written report shall: (1) summarize the analysis
35 conducted pursuant to subsection a. of this section; (2) discuss and
36 quantify the potential benefits and costs associated with the
37 program; (3) recommend any changes to the program or whether it
38 should continue; and (4) recommend whether the program should
39 be expanded to include other technologies.

40
41 5. (New section) a. No later than one year after the date of
42 enactment of P.L. , c. (C.) (pending before the Legislature as
43 this bill), the Board of Public Utilities, in consultation with PJM
44 Interconnection, L.L.C., the independent system operator, shall,
45 together with stakeholders including but not limited to third party
46 suppliers and electric public utilities, conduct an energy storage
47 analysis and submit a written report to the Governor and, pursuant
48 to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature

1 concerning energy storage needs and opportunities in the State. In
2 conducting this analysis, the board shall:

3 (1) consider how implementation of renewable electric energy
4 storage systems may benefit ratepayers by providing emergency
5 back-up power for essential services, offsetting peak loads, and
6 stabilizing the electric distribution system;

7 (2) consider whether implementation of renewable electric
8 energy storage systems would promote the use of electric vehicles
9 in the State, and the potential impact on renewable energy
10 production in the State;

11 (3) study the types of energy storage technologies currently
12 being implemented in the State and elsewhere;

13 (4) consider the benefits and costs to ratepayers, local
14 governments, and electric public utilities associated with the
15 development and implementation of additional energy storage
16 technologies;

17 (5) determine the optimal amount of energy storage to be added
18 in the State over the next five years in order to provide the
19 maximum benefit to ratepayers;

20 (6) determine the optimum points of entry into the electric
21 distribution system for distributed energy resources; and

22 (7) calculate the cost to the State's ratepayers of adding the
23 optimal amount of energy storage.

24 In conducting the analysis required by this subsection, the board
25 shall also consider the need for integration of distributed energy
26 resources into the electric distribution system and how distributed
27 energy resources may be incorporated into the electric distribution
28 system in the most efficient and cost-effective manner.

29 b. In conducting the energy storage analysis required by this
30 section, the board shall consult with the Laboratory for Energy
31 Smart Systems in the Center for Advanced Infrastructure and
32 Transportation at Rutgers, The State University, and public and
33 private entities in the State and in other states that have conducted
34 studies concerning, or are implementing technologies for, energy
35 storage and distributed energy resources.

36 c. The written report shall: (1) summarize the analysis
37 conducted pursuant to subsection a. of this section; (2) discuss and
38 quantify the potential benefits and costs associated with increasing
39 opportunities for energy storage and distributed energy resources in
40 the State; and (3) recommend ways to increase opportunities for
41 energy storage and distributed energy resources in the State,
42 including any recommendations for financial incentives to aid in the
43 development and implementation of these technologies by public
44 and private entities in the State.

45 d. No later than six months after completion of the report, the
46 board shall initiate a proceeding to establish a process and
47 mechanism for achieving the goal of 600 megawatts of energy
48 storage by 2021 and 2,000 megawatts of energy storage by 2030.

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

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

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

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

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

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

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

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

30 (3) A uniform emissions disclosure format that is graphic in
31 nature and easily understandable by consumers. The board shall
32 periodically review the disclosure requirements to determine if
33 revisions to the environmental disclosure system as implemented
34 are necessary.

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

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

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

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

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

11 (a) Allow a transition period, either before or after the effective
12 date of the regulation to mitigate leakage, for a basic generation
13 service provider or electric power supplier to either meet the
14 emissions portfolio standard or other regulatory mechanism to
15 mitigate leakage, or to transfer any customer to a basic generation
16 service provider or electric power supplier that meets the emissions
17 portfolio standard or other regulatory mechanism to mitigate
18 leakage. If the transition period allowed pursuant to this
19 subparagraph occurs after the implementation of an emissions
20 portfolio standard or other regulatory mechanism to mitigate
21 leakage, the transition period shall be no longer than three years;
22 and

23 (b) Exempt the provision of basic generation service pursuant to
24 a basic generation service purchase and sale agreement effective
25 prior to the date of the regulation.

26 Unless the Attorney General or the Attorney General's designee
27 determines that a greenhouse gas emissions portfolio standard
28 would unconstitutionally burden interstate commerce or would be
29 preempted by federal law, the adoption by the board of an electric
30 energy efficiency portfolio standard pursuant to subsection g. of this
31 section, a gas energy efficiency portfolio standard pursuant to
32 subsection h. of this section, or any other enhanced energy
33 efficiency policies to mitigate leakage shall not be considered
34 sufficient to fulfill the requirement of this subsection for the
35 adoption of a greenhouse gas emissions portfolio standard or any
36 other regulatory mechanism to mitigate leakage.

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

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

46 (2) beginning on January 1, **2001** 2020, that **one-half of**
47 **one** 21 percent of the kilowatt hours sold in this State by each
48 electric power supplier and each basic generation service provider

1 be from Class I renewable energy sources. The board shall increase
2 the required percentage for Class I renewable energy sources so that
3 by January 1, ~~2006, one percent~~ 2025, 35 percent of the kilowatt
4 hours sold in this State by each electric power supplier and each
5 basic generation service provider shall be from Class I renewable
6 energy sources ~~and shall additionally increase the required~~
7 ~~percentage for Class I renewable energy sources by one-half of one~~
8 ~~percent each year until January 1, 2012, when four percent~~ , and
9 by January 1, 2030, 50 percent of the kilowatt hours sold in this
10 State by each electric power supplier and each basic generation
11 service provider shall be from Class I renewable energy sources.
12 Notwithstanding the requirements of this paragraph, the board shall
13 ensure that the cost to ratepayers of the Class I renewable energy
14 requirement imposed pursuant to this subsection, shall be capped so
15 that the cost to customers of satisfying the requirement shall not
16 exceed seven percent of the Statewide average residential customer
17 bill for energy year 2019, energy year 2020, and energy year 2021,
18 respectively, and shall not exceed five percent of the Statewide
19 average residential customer bill in any year thereafter. The board
20 shall take any steps necessary to meet the cap on the cost to
21 customers including, but not limited to, adjusting the Class I
22 renewable portfolio standard requirement pursuant to this
23 subsection.

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

28 (3) that the board establish a multi-year schedule, applicable to
29 each electric power supplier or basic generation service provider in
30 this State, beginning with the one-year period commencing on June
31 1, 2010, and continuing for each subsequent one-year period up to
32 and including, the one-year period commencing on June 1, ~~2028~~
33 2033, that requires the following number or percentage, as the case
34 may be, of kilowatt-hours sold in this State by each electric power
35 supplier and each basic generation service provider to be from solar
36 electric power generators connected to the distribution system in
37 this State:

38	EY 2011	306 Gigawatthours (Gwhrs)
39	EY 2012	442 Gwhrs
40	EY 2013	596 Gwhrs
41	EY 2014	2.050%
42	EY 2015	2.450%
43	EY 2016	2.750%
44	EY 2017	3.000%
45	EY 2018	3.200%
46	EY 2019	3.290% <u>4.300%</u>
47	EY 2020	3.380% <u>4.900%</u>

1 EY 2021 **【3.470%】** 5.100%
 2 **【EY 2022** 3.560%
 3 EY 2023 3.650%
 4 EY 2024 3.740%
 5 EY 2025 3.830%
 6 EY 2026 3.920%
 7 EY 2027 4.010%
 8 EY 2028 4.100 percent, and for every energy year thereafter, at
 9 least 4.100% per energy year to reflect an increasing number of
 10 kilowatt-hours to be purchased by suppliers or providers from solar
 11 electric power generators connected to the distribution system in
 12 this State, and to establish a framework within which, of the
 13 electricity that the generators sell in this State, suppliers and
 14 providers shall each obtain at least 3.470 percent in the energy year
 15 2021 and 4.100 percent in the energy year 2028 from solar electric
 16 power generators connected to the distribution system in this State,
 17 provided, however, that: **】**
 18 EY 2022 5.100%
 19 EY 2023 5.100%
 20 EY 2024 4.900%
 21 EY 2025 4.800%
 22 EY 2026 4.500%
 23 EY 2027 4.350%
 24 EY 2028 3.740%
 25 EY 2029 3.070%
 26 EY 2030 2.210%
 27 EY 2031 1.580%
 28 EY 2032 1.400%
 29 EY 2033 1.100%
 30 No later than 24 months after the date of enactment of P.L. , c.
 31 (C.) (pending before the Legislature as this bill), the board shall
 32 complete a study that evaluates how to modify or replace the SREC
 33 program to encourage the continued efficient and orderly development
 34 of solar renewable energy generating sources throughout the State.
 35 The board shall submit the written report thereon to the Governor
 36 and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the
 37 Legislature. The board shall consult with public utilities, industry
 38 experts, regional grid operators, solar power providers and financiers,
 39 and other State agencies to determine whether the board can modify
 40 the SREC program such that the program will:
 41 (1) continually reduce, where feasible, the cost of achieving the
 42 solar energy goals set forth above;
 43 (2) provide an orderly transition from the SREC program to a new
 44 or modified program;
 45 (3) develop megawatt targets for grid connected and distribution
 46 systems, including residential and small commercial rooftop systems,
 47 community solar systems, and large scale behind the meter systems, as
 48 a share of the overall solar requirement, which targets the board may

1 modify periodically based on the cost, feasibility, or social impacts of
2 different types of projects;

3 (4) establish and update market-based maximum incentive
4 payment caps periodically for each of the above categories of solar
5 electric power generation facilities;

6 (5) encourage and facilitate market-based cost recovery through
7 long-term contracts and energy market sales; and

8 (6) where cost recovery is needed for any portion of an efficient
9 solar electric power generation facility when costs are not recoverable
10 through wholesale market sales and direct payments from customers,
11 utilize competitive processes such as competitive procurement and
12 long-term contracts where possible to assure such recovery, without
13 exceeding the maximum incentive payment cap for that category of
14 facility.

15 The board shall approve, conditionally approve, or disapprove
16 any application for designation as connected to the distribution
17 system of a solar electric power generation facility filed with the
18 board after the date of enactment of P.L. , c. (pending before the
19 Legislature as this bill), no more than 90 days after receipt by the
20 board of a completed application. For any such application for a
21 project greater than 25 kilowatts, the board shall require the
22 applicant to post a notice escrow with the board in an amount of
23 \$40 per kilowatt of DC nameplate capacity of the facility, not to
24 exceed \$40,000. The notice escrow amount shall be reimbursed to
25 the applicant in full upon either denial of the application by the
26 board or upon commencement of commercial operation of the solar
27 electric power generation facility. The escrow amount shall be
28 forfeited to the State if the facility is designated as connected to the
29 distribution system pursuant to this subsection but does not
30 commence commercial operation within two years following the
31 date of the designation by the board.

32 For all applications for designation as connected to the
33 distribution system of a solar electric power generation facility filed
34 with the board after the date of enactment of P.L. , c. (pending
35 before the Legislature as this bill), the SREC term shall be 10 years.

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

40 (b) No more than 24 months following the date of enactment of
41 P.L.2012, c.24, the board shall complete a proceeding to investigate
42 approaches to mitigate solar development volatility and prepare and
43 submit, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), a
44 report to the Legislature, detailing its findings and
45 recommendations. As part of the proceeding, the board shall
46 evaluate other techniques used nationally and internationally;

47 (c) The solar renewable portfolio standards requirements in this
48 paragraph shall exempt those existing supply contracts which are

1 effective prior to the date of enactment of **【P.L.2012, c.24】** P.L. ,
2 c. (C.) (pending before the Legislature as this bill) from any
3 increase beyond the number of SRECs mandated by the solar
4 renewable portfolio standards requirements that were in effect on
5 the date that the providers executed their existing supply contracts.
6 This limited exemption for providers' existing supply contracts shall
7 not be construed to lower the Statewide solar sourcing requirements
8 set forth in this paragraph. Such incremental requirements that
9 would have otherwise been imposed on exempt providers shall be
10 distributed over the providers not subject to the existing supply
11 contract exemption until such time as existing supply contracts
12 expire and all providers are subject to the new requirement in a
13 manner that is competitively neutral among all providers and
14 suppliers. **【The board shall】** Notwithstanding any rule or
15 regulation to the contrary, the board shall recognize these new solar
16 purchase obligations as a change required by operation of law and
17 implement the provisions of this subsection in a manner so as to
18 prevent any subsidies between suppliers and providers and to
19 promote competition in the electricity supply industry.

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

27 The renewable energy portfolio standards adopted by the board
28 pursuant to paragraphs (1) and (2) of this subsection shall be
29 effective as regulations immediately upon filing with the Office of
30 Administrative Law and shall be effective for a period not to exceed
31 18 months, and may, thereafter, be amended, adopted or readopted
32 by the board in accordance with the provisions of the
33 "Administrative Procedure Act."

34 The renewable energy portfolio standards adopted by the board
35 pursuant to this paragraph shall be effective as regulations
36 immediately upon filing with the Office of Administrative Law and
37 shall be effective for a period not to exceed 30 months after such
38 filing, and shall, thereafter, be amended, adopted or readopted by
39 the board in accordance with the "Administrative Procedure Act";
40 and

41 (4) within 180 days after the date of enactment of P.L.2010,
42 c.57 (C.48:3-87.1 et al.), that the board establish an offshore wind
43 renewable energy certificate program to require that a percentage of
44 the kilowatt hours sold in this State by each electric power supplier
45 and each basic generation service provider be from offshore wind
46 energy in order to support at least **【1,100】** 3,500 megawatts of
47 generation from qualified offshore wind projects.

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

6 The percentage established by the board pursuant to this
7 paragraph shall reflect the projected OREC production of each
8 qualified offshore wind project, approved by the board pursuant to
9 section 3 of P.L.2010, c.57 (C.48:3-87.1), for **twenty** 20 years
10 from the commercial operation start date of the qualified offshore
11 wind project which production projection and OREC purchase
12 requirement, once approved by the board, shall not be subject to
13 reduction.

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

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

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

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

1 electricity supplied by the electric power supplier or basic
2 generation service provider, then the electric power supplier or
3 basic generation service provider, as the case may be, shall credit
4 the customer-generator for the excess kilowatt hours until the end of
5 the annualized period at which point the customer-generator will be
6 compensated for any remaining credits or, if the customer-generator
7 chooses, credit the customer-generator on a real-time basis, at the
8 electric power supplier's or basic generation service provider's
9 avoided cost of wholesale power or the PJM electric power pool's
10 real-time locational marginal pricing rate, adjusted for losses, for
11 the respective zone in the PJM electric power pool. Alternatively,
12 the customer-generator may execute a bilateral agreement with an
13 electric power supplier or basic generation service provider for the
14 sale and purchase of the customer-generator's excess generation.
15 The customer-generator may be credited on a real-time basis, so
16 long as the customer-generator follows applicable rules prescribed
17 by the PJM electric power pool for its capacity requirements for the
18 net amount of electricity supplied by the electric power supplier or
19 basic generation service provider. The board may authorize an
20 electric power supplier or basic generation service provider to cease
21 offering net metering to customers that are not already net metered
22 whenever the total rated generating capacity owned and operated by
23 net metering customer-generators Statewide equals **【2.9】 5.8**
24 percent of the total annual kilowatt-hours sold in this State by each
25 electric power supplier and each basic generation service provider
26 during the prior one-year period;

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

30 Such standards or rules shall take into consideration the goals of
31 the New Jersey Energy Master Plan, applicable industry standards,
32 and the standards of other states and the Institute of Electrical and
33 Electronics Engineers. The board shall allow electric public
34 utilities to recover the costs of any new net meters, upgraded net
35 meters, system reinforcements or upgrades, and interconnection
36 costs through either their regulated rates or from the net metering
37 customer-generator;

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

42 (4) net metering aggregation standards to require electric public
43 utilities to provide net metering aggregation to single electric public
44 utility customers that operate a solar electric power generation
45 system installed at one of the customer's facilities or on property
46 owned by the customer, provided that any such customer is a State
47 entity, school district, county, county agency, county authority,
48 municipality, municipal agency, or municipal authority. The

1 standards shall provide that, in order to qualify for net metering
2 aggregation, the customer must operate a solar electric power
3 generation system using a net metering billing account, which
4 system is located on property owned by the customer, provided that:
5 (a) the property is not land that has been actively devoted to
6 agricultural or horticultural use and that is valued, assessed, and
7 taxed pursuant to the "Farmland Assessment Act of 1964,"
8 P.L.1964, c.48 (C.54:4-23.1 et seq.) at any time within the 10-year
9 period prior to the effective date of P.L.2012, c.24, provided,
10 however, that the municipal planning board of a municipality in
11 which a solar electric power generation system is located may
12 waive the requirement of this subparagraph (a), (b) the system is not
13 an on-site generation facility, (c) all of the facilities of the single
14 customer combined for the purpose of net metering aggregation are
15 facilities owned or operated by the single customer and are located
16 within its territorial jurisdiction except that all of the facilities of a
17 State entity engaged in net metering aggregation shall be located
18 within five miles of one another, and (d) all of those facilities are
19 within the service territory of a single electric public utility and are
20 all served by the same basic generation service provider or by the
21 same electric power supplier. The standards shall provide that in
22 order to qualify for net metering aggregation, the customer's solar
23 electric power generation system shall be sized so that its annual
24 generation does not exceed the combined metered annual energy
25 usage of the qualified customer facilities, and the qualified
26 customer facilities shall all be in the same customer rate class under
27 the applicable electric public utility tariff. For the customer's
28 facility or property on which the solar electric generation system is
29 installed, the electricity generated from the customer's solar electric
30 generation system shall be accounted for pursuant to the provisions
31 of paragraph (1) of this subsection to provide that the electricity
32 generated in excess of the electricity supplied by the electric power
33 supplier or the basic generation service provider, as the case may
34 be, for the customer's facility on which the solar electric generation
35 system is installed, over the annualized period, is credited at the
36 electric power supplier's or the basic generation service provider's
37 avoided cost of wholesale power or the PJM electric power pool
38 real-time locational marginal pricing rate. All electricity used by
39 the customer's qualified facilities, with the exception of the facility
40 or property on which the solar electric power generation system is
41 installed, shall be billed at the full retail rate pursuant to the electric
42 public utility tariff applicable to the customer class of the customer
43 using the electricity. A customer may contract with a third party to
44 operate a solar electric power generation system, for the purpose of
45 net metering aggregation. Any contractual relationship entered into
46 for operation of a solar electric power generation system related to
47 net metering aggregation shall include contractual protections that
48 provide for adequate performance and provision for construction

1 and operation for the term of the contract, including any appropriate
2 bonding or escrow requirements. Any incremental cost to an
3 electric public utility for net metering aggregation shall be fully and
4 timely recovered in a manner to be determined by the board. The
5 board shall adopt net metering aggregation standards within 270
6 days after the effective date of P.L.2012, c.24.

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

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

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

32 g. The board **【may】** shall adopt, pursuant to the
33 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
34 seq.), an electric energy efficiency **【portfolio standard】** program in
35 order to ensure investment in cost-effective energy efficiency
36 measures, ensure universal access to energy efficiency measures,
37 and serve the needs of low-income communities that **【may】** shall
38 require each electric public utility to implement energy efficiency
39 measures that reduce electricity usage in the State **【by 2020 to a**
40 **level that is 20 percent below the usage projected by the board in**
41 **the absence of such a standard】** pursuant to section 7 of P.L. , c.
42 (C.) (pending before the Legislature as this bill). Nothing in this
43 section shall be construed to prevent an electric public utility from
44 meeting the requirements of this section by contracting with another
45 entity for the performance of the requirements.

46 h. The board **【may】** shall adopt, pursuant to the
47 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et

1 seq.), a gas energy efficiency **【portfolio standard】** program in order
 2 to ensure investment in cost-effective energy efficiency measures,
 3 ensure universal access to energy efficiency measures, and serve the
 4 needs of low-income communities that **【may】** shall require each gas
 5 public utility to implement energy efficiency measures that reduce
 6 natural gas usage **【for heating】** in the State **【by 2020 to a level that**
 7 **is 20 percent below the usage projected by the board in the absence**
 8 **of such a standard】** pursuant to section 7 of P.L. , c. (C.)
 9 (pending before the Legislature as this bill). Nothing in this section
 10 shall be construed to prevent a gas public utility from meeting the
 11 requirements of this section by contracting with another entity for
 12 the performance of the requirements.

13 i. After the board establishes a schedule of solar kilowatt-hour
 14 sale or purchase requirements pursuant to paragraph (3) of
 15 subsection d. of this section, the board may initiate subsequent
 16 proceedings and adopt, after appropriate notice and opportunity for
 17 public comment and public hearing, increased minimum solar
 18 kilowatt-hour sale or purchase requirements, provided that the
 19 board shall not reduce previously established minimum solar
 20 kilowatt-hour sale or purchase requirements, or otherwise impose
 21 constraints that reduce the requirements by any means.

22 j. The board shall determine an appropriate level of solar
 23 alternative compliance payment, and permit each supplier or
 24 provider to submit an SACP to comply with the solar electric
 25 generation requirements of paragraph (3) of subsection d. of this
 26 section. The value of the SACP for each Energy Year, for Energy
 27 Years 2014 through **【2028】** 2033 per megawatt hour from solar
 28 electric generation required pursuant to this section, shall be:

29	EY 2014	\$339
30	EY 2015	\$331
31	EY 2016	\$323
32	EY 2017	\$315
33	EY 2018	\$308
34	EY 2019	【\$300】 <u>\$268</u>
35	EY 2020	【\$293】 <u>\$258</u>
36	EY 2021	【\$286】 <u>\$248</u>
37	EY 2022	【\$279】 <u>\$238</u>
38	EY 2023	【\$272】 <u>\$228</u>
39	EY 2024	【\$266】 <u>\$218</u>
40	EY 2025	【\$260】 <u>\$208</u>
41	EY 2026	【\$253】 <u>\$198</u>
42	EY 2027	【\$250】 <u>\$188</u>
43	EY 2028	【\$239】 <u>\$178</u>
44	<u>EY 2029</u>	<u>\$168</u>
45	<u>EY 2030</u>	<u>\$158</u>
46	<u>EY 2031</u>	<u>\$148</u>

1 EY 2032 \$138

2 EY 2033 \$128.

3 The board may initiate subsequent proceedings and adopt, after
4 appropriate notice and opportunity for public comment and public
5 hearing, an increase in solar alternative compliance payments,
6 provided that the board shall not reduce previously established
7 levels of solar alternative compliance payments, nor shall the board
8 provide relief from the obligation of payment of the SACP by the
9 electric power suppliers or basic generation service providers in any
10 form. Any SACP payments collected shall be refunded directly to
11 the ratepayers by the electric public utilities.

12 k. The board may allow electric public utilities to offer long-
13 term contracts through a competitive process, direct electric public
14 utility investment and other means of financing, including but not
15 limited to loans, for the purchase of SRECs and the resale of SRECs
16 to suppliers or providers or others, provided that after such
17 contracts have been approved by the board, the board's approvals
18 shall not be modified by subsequent board orders. If the board
19 allows the offering of contracts pursuant to this subsection, the
20 board may establish a process, after hearing, and opportunity for
21 public comment, to provide that a designated segment of the
22 contracts approved pursuant to this subsection shall be contracts
23 involving solar electric power generation facility projects with a
24 capacity of up to 250 kilowatts.

25 l. The board shall implement its responsibilities under the
26 provisions of this section in such a manner as to:

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

30 (2) maintain adequate regulatory authority over non-competitive
31 public utility services;

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

34 (4) promote energy efficiency and Class I renewable energy
35 market development, taking into consideration environmental
36 benefits and market barriers;

37 (5) make energy services more affordable for low and moderate
38 income customers;

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

42 (7) achieve the goals put forth under the renewable energy
43 portfolio standards;

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

45 (9) allow all market segments to participate.

46 m. The board shall ensure the availability of financial incentives
47 under its jurisdiction, including, but not limited to, long-term
48 contracts, loans, SRECs, or other financial support, to ensure

1 market diversity, competition, and appropriate coverage across all
2 ratepayer segments, including, but not limited to, residential,
3 commercial, industrial, non-profit, farms, schools, and public entity
4 customers.

5 n. For projects which are owned, or directly invested in, by a
6 public utility pursuant to section 13 of P.L.2007, c.340 (C.48:3-
7 98.1), the board shall determine the number of SRECs with which
8 such projects shall be credited; and in determining such number the
9 board shall ensure that the market for SRECs does not detrimentally
10 affect the development of non-utility solar projects and shall
11 consider how its determination may impact the ratepayers.

12 o. The board, in consultation with the Department of
13 Environmental Protection, electric public utilities, the Division of
14 Rate Counsel in, but not of, the Department of the Treasury,
15 affected members of the solar energy industry, and relevant
16 stakeholders, shall periodically consider increasing the renewable
17 energy portfolio standards beyond the minimum amounts set forth
18 in subsection d. of this section, taking into account the cost impacts
19 and public benefits of such increases including, but not limited to:

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

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

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

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

29 p. Class I RECs and ORECs shall be eligible for use in
30 renewable energy portfolio standards compliance in the energy year
31 in which they are generated, and for the following two energy years.
32 SRECs shall be eligible for use in renewable energy portfolio
33 standards compliance in the energy year in which they are
34 generated, and for the following four energy years.

35 q. (1) During the energy years of 2014, 2015, and 2016, a solar
36 electric power generation facility project that is not: (a) net
37 metered; (b) an on-site generation facility; (c) qualified for net
38 metering aggregation; or (d) certified as being located on a
39 brownfield, on an area of historic fill or on a properly closed
40 sanitary landfill facility, as provided pursuant to subsection t. of this
41 section may file an application with the board for approval of a
42 designation pursuant to this subsection that the facility is connected
43 to the distribution system. An application filed pursuant to this
44 subsection shall include a notice escrow of \$40,000 per megawatt of
45 the proposed capacity of the facility. The board shall approve the
46 designation if: the facility has filed a notice in writing with the
47 board applying for designation pursuant to this subsection, together
48 with the notice escrow; and the capacity of the facility, when added

1 to the capacity of other facilities that have been previously
2 approved for designation prior to the facility's filing under this
3 subsection, does not exceed 80 megawatts in the aggregate for each
4 year. The capacity of any one solar electric power supply project
5 approved pursuant to this subsection shall not exceed 10 megawatts.
6 No more than 90 days after its receipt of a completed application
7 for designation pursuant to this subsection, the board shall approve,
8 conditionally approve, or disapprove the application. The notice
9 escrow shall be reimbursed to the facility in full upon either
10 rejection by the board or the facility entering commercial operation,
11 or shall be forfeited to the State if the facility is designated pursuant
12 to this subsection but does not enter commercial operation pursuant
13 to paragraph (2) of this subsection.

14 (2) If the proposed solar electric power generation facility does
15 not commence commercial operations within two years following
16 the date of the designation by the board pursuant to this subsection,
17 the designation of the facility shall be deemed to be null and void,
18 and the facility shall not be considered connected to the distribution
19 system thereafter.

20 (3) Notwithstanding the provisions of paragraph (2) of this
21 subsection, a solar electric power generation facility project that as
22 of May 31, 2017 was designated as "connected to the distribution
23 system," but failed to commence commercial operations as of that
24 date, shall maintain that designation if it commences commercial
25 operations by May 31, 2018.

26 r. (1) For all proposed solar electric power generation facility
27 projects except for those solar electric power generation facility
28 projects approved pursuant to subsection q. of this section, and for
29 all projects proposed in ~~each energy year following energy year~~
30 ~~2016, a~~ energy year 2019 and energy year 2020, the board may
31 approve projects for up to 50 megawatts annually in auctioned
32 capacity in two auctions per year as long as the board is accepting
33 applications. If the board approves projects for less than 50
34 megawatts in energy year 2019 or less than 50 megawatts in energy
35 year 2020, the difference in each year shall be carried over into the
36 successive energy year until 100 megawatts of auctioned capacity
37 has been approved by the board pursuant to this subsection. A
38 proposed solar electric power generation facility that is neither net
39 metered nor an on-site generation facility, may be considered
40 "connected to the distribution system" only upon designation as
41 such by the board, after notice to the public and opportunity for
42 public comment or hearing. A proposed solar power electric
43 generation facility seeking board designation as "connected to the
44 distribution system" shall submit an application to the board that
45 includes for the proposed facility: the nameplate capacity; the
46 estimated energy and number of SRECs to be produced and sold per
47 year; the estimated annual rate impact on ratepayers; the estimated
48 capacity of the generator as defined by PJM for sale in the PJM

1 capacity market; the point of interconnection; the total project
2 acreage and location; the current land use designation of the
3 property; the type of solar technology to be used; and such other
4 information as the board shall require.

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

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

11 (b) the approval of the designation of the proposed facility
12 would not significantly impact the preservation of open space in
13 this State;

14 (c) the impact of the designation on electric rates and economic
15 development is beneficial; and

16 (d) there will be no impingement on the ability of an electric
17 public utility to maintain its property and equipment in such a
18 condition as to enable it to provide safe, adequate, and proper
19 service to each of its customers.

20 (3) The board shall act within 90 days of its receipt of a
21 completed application for designation of a solar power electric
22 generation facility as "connected to the distribution system," to
23 either approve, conditionally approve, or disapprove the
24 application. If the proposed solar electric power generation facility
25 does not commence commercial operations within two years
26 following the date of the designation by the board pursuant to this
27 subsection, the designation of the facility as "connected to the
28 distribution system" shall be deemed to be null and void, and the
29 facility shall thereafter be considered not "connected to the
30 distribution system."

31 s. In addition to any other requirements of P.L.1999, c.23 or
32 any other law, rule, regulation or order, a solar electric power
33 generation facility that is not net metered or an on-site generation
34 facility and which is located on land that has been actively devoted
35 to agricultural or horticultural use that is valued, assessed, and
36 taxed pursuant to the "Farmland Assessment Act of 1964,"
37 P.L.1964, c.48 (C.54:4-23.1 et seq.) at any time within the 10-year
38 period prior to the effective date of P.L.2012, c.24, shall only be
39 considered "connected to the distribution system" if (1) the board
40 approves the facility's designation pursuant to subsection q. of this
41 section; or (2) (a) PJM issued a System Impact Study for the facility
42 on or before June 30, 2011, (b) the facility files a notice with the
43 board within 60 days of the effective date of P.L.2012, c.24,
44 indicating its intent to qualify under this subsection, and (c) the
45 facility has been approved as "connected to the distribution system"
46 by the board. Nothing in this subsection shall limit the board's
47 authority concerning the review and oversight of facilities, unless

1 such facilities are exempt from such review as a result of having
2 been approved pursuant to subsection q. of this section.

3 t. (1) No more than 180 days after the date of enactment of
4 P.L.2012, c.24, the board shall, in consultation with the Department
5 of Environmental Protection and the New Jersey Economic
6 Development Authority, and, after notice and opportunity for public
7 comment and public hearing, complete a proceeding to establish a
8 program to provide SRECs to owners of solar electric power
9 generation facility projects certified by the board, in consultation
10 with the Department of Environmental Protection, as being located
11 on a brownfield, on an area of historic fill or on a properly closed
12 sanitary landfill facility, including those owned or operated by an
13 electric public utility and approved pursuant to section 13 of
14 P.L.2007, c.340 (C.48:3-98.1). Projects certified under this
15 subsection shall be considered "connected to the distribution
16 system", shall not require such designation by the board, and shall
17 not be subject to board review required pursuant to subsections q.
18 and r. of this section. Notwithstanding the provisions of section 3
19 of P.L.1999, c.23 (C.48:3-51) or any other law, rule, regulation, or
20 order to the contrary, for projects certified under this subsection, the
21 board shall establish a financial incentive that is designed to
22 supplement the SRECs generated by the facility in order to cover
23 the additional cost of constructing and operating a solar electric
24 power generation facility on a brownfield, on an area of historic fill
25 or on a properly closed sanitary landfill facility. Any financial
26 benefit realized in relation to a project owned or operated by an
27 electric public utility and approved by the board pursuant to section
28 13 of P.L.2007, c.340 (C.48:3-98.1), as a result of the provision of a
29 financial incentive established by the board pursuant to this
30 subsection, shall be credited to ratepayers. The issuance of SRECs
31 for all solar electric power generation facility projects pursuant to
32 this subsection shall be deemed "Board of Public Utilities financial
33 assistance" as provided under section 1 of P.L.2009, c.89 (C.48:2-
34 29.47).

35 (2) Notwithstanding the provisions of the "Spill Compensation
36 and Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.) or any
37 other law, rule, regulation, or order to the contrary, the board, in
38 consultation with the Department of Environmental Protection, may
39 find that a person who operates a solar electric power generation
40 facility project that has commenced operation on or after the
41 effective date of P.L.2012, c.24, which project is certified by the
42 board, in consultation with the Department of Environmental
43 Protection pursuant to paragraph (1) of this subsection, as being
44 located on a brownfield for which a final remediation document has
45 been issued, on an area of historic fill or on a properly closed
46 sanitary landfill facility, which projects shall include, but not be
47 limited to projects located on a brownfield for which a final
48 remediation document has been issued, on an area of historic fill or

1 on a properly closed sanitary landfill facility owned or operated by
2 an electric public utility and approved pursuant to section 13 of
3 P.L.2007, c.340 (C.48:3-98.1), or a person who owns property
4 acquired on or after the effective date of P.L.2012, c.24 on which
5 such a solar electric power generation facility project is constructed
6 and operated, shall not be liable for cleanup and removal costs to
7 the Department of Environmental Protection or to any other person
8 for the discharge of a hazardous substance provided that:

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

11 (b) the person did not discharge the hazardous substance, is not
12 in any way responsible for the hazardous substance, and is not a
13 successor to the discharger or to any person in any way responsible
14 for the hazardous substance or to anyone liable for cleanup and
15 removal costs pursuant to section 8 of P.L.1976, c.141 (C.58:10-
16 23.11g);

17 (c) the person, within 30 days after acquisition of the property,
18 gave notice of the discharge to the Department of Environmental
19 Protection in a manner the Department of Environmental Protection
20 prescribes;

21 (d) the person does not disrupt or change, without prior written
22 permission from the Department of Environmental Protection, any
23 engineering or institutional control that is part of a remedial action
24 for the contaminated site or any landfill closure or post-closure
25 requirement;

26 (e) the person does not exacerbate the contamination at the
27 property;

28 (f) the person does not interfere with any necessary remediation
29 of the property;

30 (g) the person complies with any regulations and any permit the
31 Department of Environmental Protection issues pursuant to section
32 19 of P.L.2009, c.60 (C.58:10C-19) or paragraph (2) of subsection
33 a. of section 6 of P.L.1970, c.39 (C.13:1E-6);

34 (h) with respect to an area of historic fill, the person has
35 demonstrated pursuant to a preliminary assessment and site
36 investigation, that hazardous substances have not been discharged;
37 and

38 (i) with respect to a properly closed sanitary landfill facility, no
39 person who owns or controls the facility receives, has received, or
40 will receive, with respect to such facility, any funds from any post-
41 closure escrow account established pursuant to section 10 of
42 P.L.1981, c.306 (C.13:1E-109) for the closure and monitoring of
43 the facility.

44 Only the person who is liable to clean up and remove the
45 contamination pursuant to section 8 of P.L.1976, c.141 (C.58:10-
46 23.11g) and who does not have a defense to liability pursuant to
47 subsection d. of that section shall be liable for cleanup and removal
48 costs.

- 1 u. No more than 180 days after the date of enactment of
2 P.L.2012, c.24, the board shall complete a proceeding to establish a
3 registration program. The registration program shall require the
4 owners of solar electric power generation facility projects
5 connected to the distribution system to make periodic milestone
6 filings with the board in a manner and at such times as determined
7 by the board to provide full disclosure and transparency regarding
8 the overall level of development and construction activity of those
9 projects Statewide.
- 10 v. The issuance of SRECs for all solar electric power
11 generation facility projects pursuant to this section, for projects
12 connected to the distribution system with a capacity of one
13 megawatt or greater, shall be deemed "Board of Public Utilities
14 financial assistance" as provided pursuant to section 1 of P.L.2009,
15 c.89 (C.48:2-29.47).
- 16 w. No more than 270 days after the date of enactment of
17 P.L.2012, c.24, the board shall, after notice and opportunity for
18 public comment and public hearing, complete a proceeding to
19 consider whether to establish a program to provide, to owners of
20 solar electric power generation facility projects certified by the
21 board as being three megawatts or greater in capacity and being net
22 metered, including facilities which are owned or operated by an
23 electric public utility and approved by the board pursuant to section
24 13 of P.L.2007, c.340 (C.48:3-98.1), a financial incentive that is
25 designed to supplement the SRECs generated by the facility to
26 further the goal of improving the economic competitiveness of
27 commercial and industrial customers taking power from such
28 projects. If the board determines to establish such a program
29 pursuant to this subsection, the board may establish a financial
30 incentive to provide that the board shall issue one SREC for no less
31 than every 750 kilowatt-hours of solar energy generated by the
32 certified projects. Any financial benefit realized in relation to a
33 project owned or operated by an electric public utility and approved
34 by the board pursuant to section 13 of P.L.2007, c.340 (C.48:3-
35 98.1), as a result of the provisions of a financial incentive
36 established by the board pursuant to this subsection, shall be
37 credited to ratepayers.
- 38 x. Solar electric power generation facility projects that are
39 located on an existing or proposed commercial, retail, industrial,
40 municipal, professional, recreational, transit, commuter,
41 entertainment complex, multi-use, or mixed-use parking lot with a
42 capacity to park 350 or more vehicles where the area to be utilized
43 for the facility is paved, or an impervious surface may be owned or
44 operated by an electric public utility and may be approved by the
45 board pursuant to section 13 of P.L.2007, c.340 (C.48:3-98.1).
46 (cf: P.L.2017, c.139, s.1)

1 7. (New section) a. No later than one year after the date of
2 enactment of P.L. , c. (C.) (pending before the Legislature as
3 this bill), the board shall require each electric public utility and gas
4 public utility to reduce the use of electricity, or natural gas, as
5 appropriate, within its territory, by its customers, below what would
6 have otherwise been used. For the purposes of this section, gas
7 public utilities shall reduce the use of natural gas for residential,
8 commercial, and industrial uses, but shall not be required to include
9 a reduction in natural gas used for distributed energy resources such
10 as combined heat and power.

11 Each electric public utility shall be required to achieve annual
12 reductions in the use of electricity of two percent of the average
13 annual usage in the prior three years within five years of
14 implementation of the electric energy efficiency programs. Each
15 natural gas public utility shall be required to achieve annual
16 reductions in the use of natural gas of 0.75 percent of the average
17 annual usage in the prior three years within five years of
18 implementation of the gas energy efficiency programs. The amount
19 of reduction mandated by the board that exceeds two percent of the
20 average annual usage for electricity and 0.75 percent of the average
21 annual usage for natural gas for the prior three years shall be
22 determined pursuant to the study conducted pursuant to subsection
23 b. of this section until the reduction in energy usage reaches the full
24 economic, cost-effective potential in each service territory, as
25 determined by the board.

26 b. No later than one year after the date of enactment of P.L. ,
27 c. (C.) (pending before the Legislature as this bill), the board
28 shall conduct and complete a study to determine the energy savings
29 targets for full economic, cost-effective potential for electricity
30 usage reduction or natural gas usage reduction as well as the
31 potential for peak demand reduction by the customers of each
32 electric public utility and gas public utility and the timeframe for
33 achieving the reductions. The energy savings targets for each
34 electric public utility and gas public utility shall be reviewed every
35 three years to determine if the targets should be adjusted. The
36 board, in conducting the study, shall accept comments and
37 suggestions from interested parties.

38 c. No later than one year after the date of enactment of P.L. ,
39 c. (C.) (pending before the Legislature as this bill), the board
40 shall adopt quantitative performance indicators pursuant to the
41 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
42 seq.) for each electric public utility and gas public utility, which
43 shall establish reasonably achievable targets for energy reductions
44 and peak demand reductions and take into account the public
45 utility's energy efficiency measures and other non-utility energy
46 efficiency measures including measures to support the development
47 and implementation of building code changes, appliance efficiency
48 standards, the Clean Energy program, and any other State-

1 sponsored energy efficiency or peak reduction programs, and public
2 utility energy efficiency programs that exist on the date of
3 enactment of P.L. , c. (C.) (pending before the Legislature as
4 this bill). In establishing quantitative performance indicators, the
5 board shall use a methodology that incorporates weather, economic
6 factors, customer growth, outage-adjusted efficiency factors, and
7 any other factors to ensure that the public utility's incentives or
8 penalties determined pursuant to subsection e. of this section and
9 section 13 of P.L.2007, c.340 (C.48:3-98.1) are based upon
10 performance, and take into account the growth in the use of electric
11 vehicles, microgrids, and distributed energy resources. In
12 establishing quantitative performance indicators, the board shall
13 also consider each public utility's customer class mix and potential
14 for adoption by each of those customer classes of energy efficiency
15 programs offered by the public utility or that are otherwise
16 available. The board shall review each quantitative performance
17 indicator every three years. A public utility may apply all energy
18 savings attributable to programs available to its customers,
19 including demand side management programs, other measures
20 implemented by the public utility, non-utility programs, including
21 those available under energy efficiency programs in existence on
22 the date of enactment of P.L. c. (C.) (pending before the
23 Legislature as this bill), building codes, and other efficiency
24 standards in effect, to achieve the targets established in this section.

25 d. (1) Each electric public utility and gas public utility shall
26 establish energy efficiency programs and peak demand reduction
27 programs to be approved by the board no later than 30 days prior to
28 the start of the energy year in order to comply with the requirements
29 of this section. The energy efficiency programs and peak demand
30 reduction programs adopted by each public utility shall comply with
31 quantitative performance indicators adopted by the board pursuant
32 to subsection c. of this section.

33 (2) The energy efficiency programs and peak demand reduction
34 programs shall have a benefit-to-cost ratio greater than or equal to
35 1.0 at the portfolio level, considering both economic and
36 environmental factors, and shall be subject to review during the
37 stakeholder process established by the board pursuant to subsection
38 f. of this section. The methodology, assumptions, and data used to
39 perform the benefit-to-cost analysis shall be based upon publicly
40 available sources and shall be subject to stakeholder review and
41 comment. A program may have a benefit-to-cost ratio of less than
42 1.0 but may be appropriate to include within the portfolio if the
43 implementation of the program is in the public interest, including,
44 but not limited to, benefitting low-income customers or promoting
45 emerging energy efficiency technologies.

46 (3) Each electric public utility and gas public utility shall file
47 with the board implementation and reporting plans as well as
48 evaluation, measurement, and verification strategies to determine

1 the energy reductions and peak demand reductions achieved by the
2 energy efficiency programs and peak demand reduction programs
3 approved pursuant to this section. The filings shall include details
4 of expenditures made by the public utility and the resultant
5 reduction in energy usage and peak demand. The board shall
6 determine the appropriate level of reasonable and prudent costs for
7 each energy efficiency and peak demand reduction program.

8 e. (1) Each electric public utility and gas public utility shall
9 file an annual petition with the board to demonstrate compliance
10 with the energy efficiency and peak demand reduction programs,
11 compliance with the targets established pursuant to the quantitative
12 performance indicators, and for cost recovery of the programs,
13 including any performance incentives or penalties, pursuant to
14 section 13 of P.L.2007, c.340 (C.48:3-98.1). Each electric public
15 utility and gas public utility shall file annually with the board a
16 petition to recover on a full and current basis through a surcharge
17 all reasonable and prudent costs incurred as a result of energy
18 efficiency programs and peak demand reduction programs required
19 pursuant to this section, including but not limited to recovery of and
20 on capital investment, and the revenue impact of sales losses
21 resulting from implementation of the energy efficiency and peak
22 demand reduction schedules, which shall be determined by the
23 board pursuant to section 13 of P.L. 2007, c. 340 (C.48:3-98.1).

24 (2) If an electric public utility or gas public utility achieves the
25 performance targets established in the quantitative performance
26 indicator, the public utility shall receive an incentive as determined
27 by the board through an accounting mechanism established pursuant
28 to section 13 of P.L.2007, c.340 (C.48:3-98.1) for its energy
29 efficiency measures and peak demand reduction measures for the
30 following year. The incentive shall scale in a linear fashion to a
31 maximum established by the board that reflects the extra value of
32 achieving greater savings.

33 (3) If an electric public utility or gas public utility fails to
34 achieve the reductions in its performance target established in the
35 quantitative performance indicators, the public utility shall receive a
36 penalty as determined by the board through an accounting
37 mechanism established pursuant to section 13 of P.L.2007, c.340
38 (C.48:3-98.1) for its energy efficiency measures and peak demand
39 reduction measures for the following year. The penalty shall scale
40 in a linear fashion to a maximum established by the board that
41 reflects the extent of the failure to achieve the required savings.

42 (4) The adjustments made pursuant to this subsection may be
43 made through adjustments of the electric public utility's or gas
44 public utility's return on equity related to the energy efficiency or
45 peak demand reduction programs only, or a specified dollar amount,
46 reflecting the incentive structure as established in this subsection.
47 The adjustments shall not be included in a revenue or cost in any

1 base rate filing and shall be adopted by the board pursuant to the
2 "Administrative Procedure Act."

3 f. (1) The board shall establish a stakeholder process to
4 evaluate the economically achievable energy efficiency and peak
5 demand reduction requirements, rate adjustments, quantitative
6 performance indicators, and the process for evaluating, measuring,
7 and verifying energy reductions and peak demand reduction by the
8 public utilities. As part of the stakeholder process, the board shall
9 establish an independent advisory group to study the evaluation,
10 measurement, and verification process for energy efficiency and
11 peak demand reduction programs, which shall include
12 representatives from the public utilities, the Division of Rate
13 Counsel, and environmental and consumer organizations, to provide
14 recommendations to the board for improvements to the programs.

15 (2) Each electric public utility and gas public utility shall
16 conduct a demographic analysis as part of the stakeholder process
17 to determine if all of its customers are able to participate fully in
18 implementing energy efficiency measures, to identify market
19 barriers that prevent such participation, and to make
20 recommendations for measures to overcome such barriers. The
21 public utility shall be entitled to full and timely recovery of the
22 costs associated with this analysis.

23 g. For the purposes of this section, the board shall only
24 consider usage for which public utility energy efficiency programs
25 are applicable.

26

27 8. (New section) a. No later than one year after the date of
28 enactment of P.L. , c. (C.) (pending before the Legislature as
29 this bill), the Board of Public Utilities shall direct each electric
30 public utility in the State to undertake a study to determine the
31 optimal voltage for use in their respective distribution systems,
32 including a consideration of voltage optimization. An electric
33 public utility shall be entitled to full and timely recovery of the
34 costs associated with this analysis.

35 b. No later than five years after the date of enactment of P.L. ,
36 c. (C.) (pending before the Legislature as this bill), the board
37 shall require the owner or operator of each commercial building
38 over 25,000 square feet in the State to benchmark energy and water
39 use for the prior calendar year using the United States
40 Environmental Protection Agency's Portfolio Manager tool.

41

42 9. (New section) a. No later than 210 days after the date of
43 enactment of P.L. , c. (C.) (pending before the Legislature as
44 this bill), the Board of Public Utilities shall adopt, pursuant to the
45 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
46 seq.), rules and regulations establishing a "Community Solar
47 Energy Pilot Program" to permit customers of an electric public
48 utility to participate in a solar energy project that is remotely

1 located from their properties but is within their electric public
2 utility service territory to allow for a credit to the customer's utility
3 bill equal to the electricity generated that is attributed to the
4 customer's participation in the solar energy project.

5 b. The rules and regulations developed by the board shall
6 establish:

7 (1) a capacity limit for individual solar energy projects to a
8 maximum of five megawatts per project;

9 (2) an annual capacity limit for all solar energy projects under
10 the pilot program;

11 (3) geographic limitations for solar energy projects and
12 participating customers;

13 (4) a minimum number of participating customers for each solar
14 energy project;

15 (5) the value of the credit on each participating customer's bill;

16 (6) standards to limit the land use impact of a solar energy
17 project as required in subsection r. of section 38 of P.L.1999, c.23
18 (C.48:3-87);

19 (7) the provision of access to solar energy projects for low and
20 moderate income customers;

21 (8) standards to ensure the ability of residential and commercial
22 customers to participate in solar energy projects, including
23 residential customers in multifamily housing;

24 (9) standards for connection to the distribution system of an
25 electric public utility; and

26 (10) provisions to minimize impacts to the distribution system
27 of an electric public utility.

28 c. The board shall make available on its Internet website
29 information on solar energy projects whose owners are seeking
30 participants.

31 d. The board shall establish standards and an application
32 process for owners of solar energy projects who wish to be included
33 in the Community Solar Energy Pilot Program. The standards for
34 the Community Solar Energy Pilot Program shall include, but need
35 not be limited to, a verification process to ensure that solar energy
36 projects are producing an amount of energy that is greater than or
37 equal to the amount of energy that is being credited to its
38 participating customer's electric utility bills pursuant to subsection
39 b. of this section, and consumer protection measures. Projects
40 approved by the board shall have at least two participating
41 customers.

42 The board may restrict qualified solar energy projects to those
43 located on brownfields, landfills, areas designated in need of
44 redevelopment, in underserved communities, or on commercial
45 rooftops.

46 e. Subject to review by the board, an electric public utility shall
47 be entitled to full and timely cost recovery for all costs incurred in
48 implementation and compliance with this section.

1 f. No later than 36 months after the adoption of rules and
2 regulations pursuant to subsection b. of this section, the board shall
3 adopt rules and regulations, pursuant to the "Administrative
4 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to convert
5 the Community Solar Energy Pilot Program to a permanent
6 program. The board shall adopt rules and regulations for the
7 permanent program that set forth standards for projects owned by
8 electric public utilities, special purpose entities, and nonprofit
9 entities. The rules and regulations shall also:

10 (1) limit the capacity of each solar energy project to a maximum
11 of five megawatts;

12 (2) establish a goal for the development of at least 50 megawatts
13 of solar energy projects per year, taking into account any changes to
14 the SREC program;

15 (3) set geographic limitations for solar energy projects and
16 participating customers;

17 (4) provide for a minimum number of participating customers
18 for each solar energy project;

19 (5) require the provision of access to solar energy projects for
20 low and moderate income customers;

21 (6) establish standards to ensure the ability of residential and
22 commercial customers to participate in solar energy projects,
23 including residential customers in multifamily housing;

24 (7) establish a method for determining the value of the credit on
25 each participating customer's bill;

26 (8) establish timeframes for the credit available to the customer;

27 (9) establish standards and methods to verify solar electric
28 energy generation on a monthly basis for a solar energy project;

29 (10) standards consistent with the land use provisions for solar
30 energy projects as provided in subsections r., s., and t. of section 38
31 of P.L.1999, c.23 (C.48:3-87);

32 (11) establish standards, fees, and uniform procedures for solar
33 energy projects to be connected to the distribution system of an
34 electric public utility;

35 (12) minimize impacts to the distribution system of an electric
36 public utility;

37 (13) require monthly reporting requirements for the operators of
38 solar energy projects to the electric public utility, project customers,
39 and the board;

40 (14) require reporting by the electric public utility to the
41 operator of a solar energy project on the value of credits to the
42 participating customer's bills; and

43 (15) require transferability, portability, and buy-out provisions
44 for customers who participate in community solar energy projects.

45 g. As used in this section:

46 "Solar energy project" means a system containing one or more
47 solar panels and associated equipment.

1 “Solar panel” means an elevated panel or plate, or a canopy or
2 array thereof, that captures and converts solar radiation to produce
3 electric power, and is approved by the board to be included in the
4 Community Solar Energy Pilot Program. “Solar power includes flat
5 plate, focusing solar collectors, or photovoltaic solar cells and
6 excludes the base or foundation of the panel, plate, canopy, or
7 array.

8
9 10. (New section) a. No later than 120 days after the date of
10 enactment of P.L. , c. (C.) (pending before the Legislature as
11 this bill), the board shall establish an application and approval
12 process to certify public entities to act as a host customer for remote
13 net metering generating capacity. A public entity certified to act as
14 a host customer may allocate credits to other public entities within
15 the same electric public utility service territory. A copy of the
16 agreement between the public entity certified to act as a host
17 customer and other public entities designated to receive credits shall
18 be provided to the electric public utility before remote net metering
19 credits may be applied to a customer bill. A public entity certified
20 to act as a host customer may host a solar energy project with a
21 capacity up to the total average usage of the electric public utility
22 accounts for the host public entity customer.

23 b. The board shall establish a remote net metering application
24 process to approve as the primary account holder a certified public
25 entity that is the host customer and the other public entities
26 designated to receive credits.

27 c. The board shall require the owner of a solar energy project
28 to pay a certified public entity a pro-rated public sponsor fee of
29 \$10,000 per megawatt, up to a 10-megawatt allowance for each
30 public entity. The board shall require each participating customer
31 to pay at least 50 percent of the societal benefits charge established
32 pursuant to section 12 of P.L.1999, c.23 (C.48:3-60).

33
34 11. Section 6 of P.L.2010, c.57 (C.34:1B-209.4) is amended to
35 read as follows:

36 6. a. (1) A business, upon application to and approval from
37 the authority, shall be allowed a credit of 100 percent of its capital
38 investment, made after the effective date of P.L.2010, c.57 (C.48:3-
39 87.1 et al.) but prior to its submission of documentation pursuant to
40 subsection c. of this section, in a qualified wind energy facility
41 located within an eligible wind energy zone, pursuant to the
42 restrictions and requirements of this section. To be eligible for any
43 tax credits authorized under this section, a business shall
44 demonstrate to the authority, at the time of application, that the
45 State's financial support of the proposed capital investment in a
46 qualified wind energy facility will yield a net positive benefit to the
47 State. The value of all credits approved by the authority pursuant to
48 this section may be up to \$100,000,000, except as may be increased

1 by the authority if the chief executive officer of the authority judges
2 certain qualified offshore wind projects to be meritorious. Credits
3 provided pursuant to this section shall not be applicable to the cap
4 on the credits provided in section 3 of P.L.2007, c.346 (C.34:1B-
5 209).

6 (2) (a) A business, other than a tenant eligible pursuant to
7 subparagraph (b) of this paragraph, shall make or acquire capital
8 investments totaling not less than \$50,000,000 in a qualified wind
9 energy facility, at which the business, including tenants at the
10 qualified wind energy facility, shall employ at least 300 new, full-
11 time employees, to be eligible for a credit under this section. A
12 business that acquires a qualified wind energy facility after the
13 effective date of P.L.2010, c.57 (C.48:3-87.1 et al.) shall also be
14 deemed to have acquired the capital investment made or acquired
15 by the seller.

16 (b) A business that is a tenant in the qualified wind energy
17 facility, the owner of which has made or acquired capital
18 investments in the facility totaling more than \$50,000,000, shall
19 occupy a leased area of the qualified wind energy facility that
20 represents at least \$17,500,000 of the capital investment in the
21 qualified wind energy facility at which at least 300 new, full-time
22 employees in the aggregate are employed, to be eligible for a credit
23 under this section. The amount of capital investment in a facility
24 that a leased area represents shall be equal to that percentage of the
25 owner's total capital investment in the facility that the percentage of
26 net leasable area leased by the tenant is of the total net leasable area
27 of the qualified business facility. Capital investments made by a
28 tenant shall be deemed to be included in the calculation of the
29 capital investment made or acquired by the owner, but only to the
30 extent necessary to meet the owner's minimum capital investment of
31 \$50,000,000. Capital investments made by a tenant and not
32 allocated to meet the owner's minimum capital investment threshold
33 of \$50,000,000 shall be added to the amount of capital investment
34 represented by the tenant's leased area in the qualified wind energy
35 facility.

36 (c) The calculation of the number of new, full-time employees
37 required pursuant to subparagraphs (a) and (b) of this paragraph
38 may include the number of new, full-time positions resulting from
39 an equipment supply coordination agreement with equipment
40 manufacturers, suppliers, installers and operators associated with
41 the supply chain required to support the qualified wind energy
42 facility.

43 For the purposes of this paragraph, "full time employee" shall
44 not include an employee who is a resident of another state and
45 whose income is not subject to the "New Jersey Gross Income Tax
46 Act," N.J.S.54A:1-1 et seq., unless that state has entered into a
47 reciprocity agreement with the State of New Jersey, provided that
48 any employee whose work is provided pursuant to a collective

1 bargaining agreement with **the port district** a business in the wind
2 energy zone may be included.

3 (3) A business shall not be allowed a tax credit pursuant to this
4 section if the business **participates in** receives a business
5 employment incentive grant pursuant to the "Business Employment
6 Incentive Program Act," P.L.1996, c.26 (C.34:1B-124 et al.),
7 relating to the same capital and employees that qualify the business
8 for this credit, or if the business receives assistance pursuant to the
9 "Business Retention and Relocation Assistance Act," P.L.1996, c.25
10 (C.34:1B-112 et seq.). A business that is allowed a tax credit under
11 this section shall not be eligible for incentives authorized pursuant
12 to the "Municipal Rehabilitation and Economic Recovery Act,"
13 P.L.2002, c.43 (C.52:27BBB-1 et al.).

14 (4) Full-time employment for an accounting or privilege period
15 shall be determined as the average of the monthly full-time
16 employment for the period.

17 b. A business shall apply for the credit by **August 1, 2016**
18 July 1, 2024, and a business shall submit its documentation for
19 approval of its credit amount by **August 1, 2019** July 1, 2027.

20 c. The credit allowed pursuant to this section shall be
21 administered in accordance with the provisions of subsection c. of
22 section 3 of P.L.2007, c.346 (C.34:1B-209) and section 33 of
23 P.L.2009, c.90 (C.34:1B-209.1), except that all references therein to
24 "qualified business facility" shall be deemed to refer to "qualified
25 wind energy facility," as that term is defined in subsection f. of this
26 section.

27 d. The amount of the credit allowed pursuant to this section
28 shall, except as otherwise provided, be equal to the capital
29 investment made by the business, or the capital investment
30 represented by the **business'** business's leased area, and shall be
31 taken over a 10-year period, at the rate of one-tenth of the total
32 amount of the **business'** business's credit for each tax accounting
33 or privilege period of the business, beginning with the tax period in
34 which the business is first approved by the authority as having met
35 the investment capital and employment qualifications, subject to
36 any disqualification as determined by annual review by the
37 authority. In conducting its annual review, the authority may
38 require a business to submit any information determined by the
39 authority to be necessary and relevant to its review. The credit
40 amount for any tax period ending after the date **eight** 18 years
41 after the effective date of P.L.2007, c.346 (C.34:1B-207 et seq.)
42 during which the documentation of a **business'** business's credit
43 amount remains unapproved shall be forfeited, although credit
44 amounts for the remainder of the years of the 10-year credit period
45 shall remain available. The amount of the credit allowed for a tax
46 period to a business that is a tenant in a qualified wind energy
47 facility shall not exceed the **business'** business's total lease

1 payments for occupancy of the qualified wind energy facility for the
2 tax period.

3 e. The authority shall adopt rules **[in accordance with]** and
4 regulations pursuant to the "Administrative Procedure Act,"
5 P.L.1968, c.410 (C.52:14B-1 et seq.) as are necessary to implement
6 this section, including, but not limited to: examples of and the
7 determination of capital investment; the nature of businesses and
8 employment positions constituting and participating in an
9 equipment supply coordination agreement; a determination of the
10 types of businesses that may be eligible and expenses that may
11 constitute capital improvements; the promulgation of procedures
12 and forms necessary to apply for a credit; and provisions for
13 applicants to be charged an initial application fee, and ongoing
14 service fees, to cover the administrative costs related to the credit.

15 The rules and regulations established by the authority pursuant to
16 this subsection shall be effective immediately upon filing with the
17 Office of Administrative Law and shall be effective for a period not
18 to exceed 12 months and may, thereafter, be amended, adopted or
19 readopted in accordance with the provisions of the "Administrative
20 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

21 f. As used in this section: the terms "authority," "business,"
22 and "capital investment" shall have the same meanings as defined in
23 section 2 of the "Urban Transit Hub Tax Credit Act," P.L.2007,
24 c.346 (C.34:1B-208), except that all references therein to "qualified
25 business facility" shall be deemed to refer to "qualified wind energy
26 facility" as defined in this subsection.

27 In addition, as used in this section:

28 "Equipment supply coordination agreement" means an agreement
29 between a business and equipment manufacturer, supplier, installer,
30 and operator that supports a qualified offshore wind project, or
31 other wind energy project as determined by the authority, and that
32 indicates the number of new, full-time jobs to be created by the
33 agreement participants towards the employment requirement as set
34 forth in paragraph (2) of subsection a. of this section.

35 "Qualified offshore wind project" **[means]** shall have the same
36 meaning as **[the term is defined]** provided in section 3 of P.L.1999,
37 c.23 (C.48:3-51).

38 "Qualified wind energy facility" means any building, complex of
39 buildings, or structural components of buildings, including water
40 access infrastructure, and all machinery and equipment used in the
41 manufacturing, assembly, development or administration of
42 component parts that support the development and operation of a
43 qualified offshore wind project, or other wind energy project as
44 determined by the authority, and that are located in a wind energy
45 zone.

46 "Wind energy zone" means property located in the South Jersey
47 Port District established pursuant to "The South Jersey Port

1 Corporation Act," P.L.1968, c.60 (C.12:11A-1 et seq.).
2 (cf: P.L.2013, c.161, s.25)
3
4 12. (New section) The Department of Labor and Workforce
5 Development shall establish job training programs for those who
6 work in manufacturing and servicing of offshore wind energy
7 equipment through Workforce Investment Boards, county colleges,
8 and other appropriate institutions. The department shall develop
9 training curricula in consultation with the equipment manufacturers.
10
11 13. (New section) If any provision of P.L. , c. (C.)
12 (pending before the Legislature as this bill) or its application to any
13 person or circumstance is held invalid or unconstitutional, that
14 judgment or decision shall not affect other provisions or
15 applications of P.L. , c. (C.) (pending before the Legislature as
16 this bill) which can be given effect without the invalid or
17 unconstitutional provision or application, and to this end the
18 provisions of this act are severable.
19
20 14. This act shall take effect immediately.