

SENATE, No. 302

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator RONALD L. RICE

District 28 (Essex)

Senator NIA H. GILL

District 34 (Essex and Passaic)

Co-Sponsored by:

Senators Cunningham and Turner

SYNOPSIS

Establishes Clean Energy Technology Center and Alternative and Clean Energy Investment Trust Fund for purposes of creating clean energy-related employment opportunities; allocates revenues from societal benefits charge to support its activities.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** establishing a Clean Energy Technology Center in the
2 Board of Public Utilities, supplementing Title 48 of the Revised
3 Statutes, and amending P.L.1999, c.23.

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

7
8 1. (New section) As used in P.L. , c. (C.) (pending
9 before the Legislature as this bill):

10 “Board” means the board of directors of the Clean Energy
11 Technology Center.

12 “Center” means the Clean Energy Technology Center established
13 pursuant to section 2 of P.L. , c. (C.) (pending before the
14 Legislature as this bill).

15 “Clean energy” means any advanced and applied technologies
16 that significantly reduce or eliminate the use of energy from non-
17 renewable sources, including, but not limited to: energy efficiency;
18 demand response; energy conservation and those technologies
19 powered in whole or in part by the sun, wind, water, biomass,
20 alcohol, wood, fuel cells, and any renewable, non-depletable, or
21 recyclable fuel.

22 “Clean energy research” means advanced and applied research in
23 new clean energy technologies including: solar photovoltaic; solar
24 thermal; wind power; geothermal; wave and tidal energy; advanced
25 hydropower; energy storage for automotive applications; energy
26 storage for electric power grid applications; biofuels, including
27 ethanol, biodiesel, and advanced biofuels; renewable, biodegradable
28 chemicals; advanced thermal-to-energy conversion; hydrogen;
29 carbon capture and sequestration; energy monitoring; green
30 building materials; energy-efficient lighting; gasification and
31 conversion to liquid fuels; industrial energy efficiency; demand-
32 side management; fuel cells; and other technologies that the board
33 considers to qualify under the definitions herein; provided,
34 however, that “clean energy research” shall not include coal, oil, or
35 natural gas except when used in fuel cells, or nuclear power.

36 “Contribution agreement” means an agreement authorized
37 pursuant to P.L. , c. (C.) (pending before the Legislature as
38 this bill) in which a private entity or public entity other than the
39 State agrees to provide to the center contributions for the purpose of
40 promoting clean energy research.

41 “Federal agency” means an office, agency, division, department,
42 board, or commission of the United States government.

43 “Fund” means the “Alternative and Clean Energy Investment
44 Trust Fund” established pursuant to section 7 of P.L. , c. (C.)
45 (pending before the Legislature as this bill).

46 “Institution of higher education” means: Rutgers, The State
47 University; a State college or university established pursuant to

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 chapter 64 of Title 18A of the New Jersey Statutes; the New Jersey
2 Institute of Technology; Rowan University; a county college; any
3 other public university or college now or hereafter established or
4 authorized by State law; or any college or university incorporated
5 and located in New Jersey, which by virtue of law or character or
6 license is a nonprofit educational institution authorized to grant
7 academic degrees and which provides a level of education which is
8 equivalent to the education provided by the State's public
9 institutions of higher education, as attested by the receipt of and
10 continuation of regional accreditation by the Middle States
11 Association of Colleges and Schools, and which is eligible to
12 receive State aid, but does not include any educational institution
13 dedicated primarily to the education or training of ministers, priests,
14 rabbis, or other professional persons in the field of religion.

15 "Person" means a natural or corporate person, including bodies
16 politic and corporate, State departments, offices, agencies,
17 authorities and political subdivisions of the State, corporations,
18 trusts, societies, associations and partnerships, and subordinate
19 instrumentalities of any one or more political subdivisions of the
20 State.

21 "Public agency" means the State and any body politic and
22 corporate of the State, including any political subdivision or
23 instrumentality thereof, which is empowered to issue bonds secured
24 by a pledge of revenues or other special funds or assets for which
25 the issuance of debt is governed or limited pursuant to State law.

26 "Revenues" means any receipts, fees, rentals, or other payments
27 or income received or to be received on account of obligations to
28 the center including, without limitation: equity ownership in public
29 or private companies; income on account of the leasing,
30 mortgaging, sale, or other disposition of a project or proceeds of a
31 loan made by the center in connection with any project; and
32 amounts in reserves or held in other funds or accounts established
33 in connection with the issuance of bonds and the proceeds of any
34 investments thereof; proceeds of foreclosure; and any other fees,
35 charges or other income received or receivable by the center.

36
37 2. (New section) a. There is hereby established a body
38 politic and corporate to be known as the Clean Energy Technology
39 Center. The center is hereby constituted as a public instrumentality
40 and the exercise by the center of the powers conferred by P.L. , c.
41 (C.) (pending before the Legislature as this bill) shall be
42 considered to be the performance of an essential governmental
43 function. The center is hereby placed in the Board of Public
44 Utilities and shall be subject to the supervision and control of the
45 Board of Public Utilities, except as specifically provided for in
46 P.L. , c. (C.) (pending before the Legislature as this bill).

47 The center shall promote and advance the State's public interests
48 by: (1) acting as the State's lead agency, in collaboration with the

1 New Jersey Economic Development Authority, in the promotion
2 and development of jobs in the clean energy sector; (2) promoting
3 research and workforce training in clean energy technology at the
4 State's public institutions of higher education, and vocational-
5 technical schools, or any vocational-technical school that meets the
6 programmatic requirements established by the Department of
7 Education; (3) stimulating the creation and development of new
8 clean energy ventures that will form the foundation of a strong
9 clean energy industry sector or cluster in the State; (4) providing
10 support to existing clean energy companies to expand their
11 operations within the State; (5) attracting new capital and research
12 facilities from institutions outside the State; (6) fostering
13 collaboration between industry, State government, research
14 universities, and the financial sector to advance clean energy
15 technology commercialization and venture development; (7)
16 conducting market research to identify barriers to creating and
17 expanding a clean energy technology industry, including job
18 training needs; (8) supporting demonstration projects that are
19 evaluated by independent, third-party peer research institutions; (9)
20 serving as the clearinghouse for information related to the clean
21 energy industry in the State; (10) promoting programs and
22 investments that lead to pathways towards economic self-
23 sufficiency for low and moderate-income individuals and
24 communities in the clean energy industry; and (11) performing any
25 other actions necessary to effectuate the purposes of
26 P.L. , c. (C.) (pending before the Legislature as th
27 is bill).

28 b. The center shall be governed and its corporate powers
29 exercised by a board of directors consisting of 10 members: one
30 shall be the President of the Board of Public Utilities or the
31 president's designee; one shall be the executive director of the New
32 Jersey Economic Development Authority or the executive director's
33 designee; one shall be the Commissioner of Labor and Workforce
34 Development or the commissioner's designee, and all three shall
35 serve ex officio; and seven public members who shall be appointed
36 by the Governor with the advice and consent of the Senate. Of the
37 public members , two shall be presidents of institutions of higher
38 education in this State or their designees, one shall be the president
39 of a county community college in this State or the president's
40 designee, one shall be an engineer or scientist with expertise in
41 clean energy technology, one shall be a venture capitalist with
42 expertise in clean energy technologies in the State, one shall be a
43 resident of the State who represents the interests of electric public
44 utility customers with respect to rates and charges, and one shall be
45 a chief executive officer of a New Jersey-based clean energy
46 corporation. Each of the seven public members appointed by the
47 Governor shall serve for a term of five years, except that in making
48 the initial appointments, the Governor shall appoint one member to

1 serve for a term of one year, one member to serve for a term of two
2 years, one member for a term of three years, two members for a
3 term of four years and two members for a term of five years. The
4 President of the Board of Public Utilities or the president's designee
5 shall serve as chairperson of the board of directors. A public
6 member shall be eligible for reappointment. A public member may
7 be removed from the member's appointment by the Governor for
8 cause. A person appointed to fill a vacancy in the board held by a
9 public member shall be appointed in a like manner and shall serve
10 for only the unexpired term of that public member.

11 c. Six directors shall constitute a quorum and the affirmative
12 vote of a majority of directors present at a duly-called meeting
13 where a quorum is present shall be necessary for any action to be
14 taken by the board. Any action required or permitted to be taken at
15 a meeting of the directors may be taken without a meeting if all of
16 the directors consent in writing to that action and written consents
17 are filed with the records of the minutes of the next meeting of the
18 board. The consents shall be treated for all purposes as a vote at a
19 meeting. The directors of the board shall serve without
20 compensation, but may be reimbursed for necessary expenses
21 incurred in the performance of their duties, within the limits of
22 funds appropriated or otherwise made available to the board for its
23 purposes.

24 d. The board may appoint and employ an executive director,
25 and fix the executive director's compensation and conditions of
26 employment. The executive director shall have a full range of
27 previous experience in the clean energy industry, including previous
28 executive experience within the clean energy industry. The
29 executive director shall be the chief executive, administrative, and
30 operational officer of the center and shall direct and supervise the
31 administrative affairs and the general management of the center.
32 The executive director may, subject to the general supervision of
33 the board, employ other employees, consultants, agents, including
34 legal counsel and advisors, and shall attend meetings of the board.

35 e. The board shall elect from its membership a secretary and a
36 treasurer. The secretary shall keep a record of the minutes and
37 other proceedings of the board and shall be the custodian of all
38 books, documents, and papers filed by the board. The secretary
39 shall cause copies to be made of all minutes and other records and
40 documents of the center and shall certify that the copies are true
41 copies, and all persons dealing with the center may rely upon that
42 certification. The treasurer shall be the chief financial and
43 accounting officer of the center and shall be in charge of its funds,
44 books of account, and accounting records. The books and records
45 of the center shall be subject to an annual audit to be made and filed
46 with the Governor, and for that purpose the center shall employ a
47 certified public accountant licensed in the State of New Jersey.

1 f. All officers and employees of the center having access to its
2 cash or negotiable securities shall give a bond to the center, at its
3 expense, in such amounts and with such surety as the board may
4 prescribe.

5 g. The center shall continue until its existence is terminated by
6 law. Upon termination of the existence of the center, all rights,
7 title, and interest in and to its assets, and its obligations, duties,
8 covenants, and agreements, shall vest in and be possessed,
9 performed, and assumed by the Board of Public Utilities.

10 h. Meetings of the board shall be subject to the "Senator Byron
11 M. Baer Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et
12 seq.). Except as provided in subsection i. of this section, records
13 pertaining to the administration of the center shall be subject to
14 P.L.1963, c.73 (C.47:1A-1 et seq.).

15 i. Information required to be compiled by the center shall be
16 deemed to be government records subject to the requirements of
17 P.L.1963, c.73 (C.47:1A-1 et seq.).

18
19 3. (New section) The Clean Energy Technology Center shall
20 have all powers necessary or convenient to carry out and effectuate
21 its purposes pursuant to P.L. , c. (C.) (pending before the
22 Legislature as this bill), including, the power to:

23 a. Adopt and amend by-laws, regulations, and procedures for
24 the governance of its affairs and the conduct of its business;

25 b. Establish standards requiring that any loan, loan guarantee,
26 or other appropriation of funds pursuant to P.L. , c. (C.)
27 (pending before the Legislature as this bill) be subject to an
28 intellectual property agreement between the center and the
29 recipient; provided, however, that the intellectual property
30 agreement shall balance the opportunity for the State to benefit
31 from the patents, royalties, and equity ownership in public and
32 private companies and licenses against the need to ensure that
33 essential clean energy research shall not be unreasonably hindered
34 by the intellectual property agreement; and provided further, that all
35 revenues or financial interests of any kind received by the center as
36 a result of the intellectual property agreement shall be placed, in its
37 entirety, in the fund;

38 c. Adopt an official seal;

39 d. Maintain offices within the State as it may determine and to
40 conduct meetings of the center in accordance with the by-laws of
41 the center;

42 e. Sue and be sued, to prosecute and defend actions relating to
43 its properties and affairs, and to be liable in tort in the same manner
44 as a private person; provided, however, that the center shall not
45 become a debtor under chapter 7 or 11 of the United States
46 Bankruptcy Code;

47 f. Appoint officers and employees and to engage consultants,
48 agents, and advisors;

1 g. Enter into contracts and agreements and execute all
2 documents necessary or convenient thereto for accomplishing the
3 purposes of P.L. , c. (C.) (pending before the Legislature as
4 this bill); provided, however, that the contracts and agreements may
5 include, without limiting the foregoing, construction agreements,
6 purchase or acquisition agreements, loan or lease agreements,
7 partnership agreements including limited partnership agreements,
8 joint ventures, participation agreements, service agreements with
9 clean energy entities, environmental, educational, or other financial
10 institutions or intermediaries and agreements with one or more
11 persons for the servicing of loans made by the center, including the
12 receipt by such servicer of payments made by a user under a
13 financing contract or agreement, and provided further, that any such
14 payments shall constitute trust funds to be held and applied solely
15 as provided in such agreement for the servicing of loans, shall
16 constitute pledged funds of the center, and shall be entitled to the
17 same protection when received by a person for the servicing of
18 loans, without the need for filing and recording of the servicing
19 agreement, except in the records of the center, as is afforded to
20 funds received by an issuer and pledged to a trustee;

21 h. Acquire real and personal property, or any interest in real or
22 personal property, by gift, purchase, transfer, foreclosure, lease, or
23 otherwise, including rights or easements; to hold, sell, assign, lease,
24 encumber, mortgage, or otherwise dispose of any real or personal
25 property, or any interest therein, or mortgage any interest owned by
26 the center or under the center's control, custody, or in the center's
27 possession; to release or relinquish any right, title, claim, lien,
28 interest, easement, or demand however acquired, including any
29 equity or right of redemption in property foreclosed by the center;
30 to take assignments of leases and rentals, proceed with foreclosure
31 actions or take any other actions necessary or incidental to the
32 performance of the center's corporate purposes;

33 i. Invest funds held in reserves or sinking funds, or the
34 Alternative and Clean Energy Investment Trust Fund, or funds not
35 required for immediate disbursement, in those investments as may
36 be provided in a financing document relating to the use of the
37 funds, or, if not so provided, as the board may determine;

38 j. Review and recommend changes in laws, rules, programs,
39 and policies of the State and its agencies and subdivisions to further
40 the enhancement of clean energy financing, infrastructure, siting,
41 manufacturing, and development within the State;

42 k. Appear on its own behalf before boards, commissions,
43 departments, or other agencies of municipal, county, State, or
44 federal government;

45 l. Obtain insurance;

46 m. Apply for and accept grants, loans, advances, and
47 contributions from any source of money, property, labor, or other
48 things of value, to be held, used, and applied for the center's

- 1 corporate purposes; provided, however, that the center shall not
2 accept funding from any source, including any federal agency, if the
3 receipt of that funding would limit the center's ability to promote its
4 public purposes; and provided further, that all funds shall be placed,
5 in their entirety, in the fund;
- 6 n. Enter into agreements, including any contribution
7 agreements, with public and private entities that deal primarily with
8 clean energy technologies, in order to distribute and provide
9 leveraging of monies or services for the purposes of furthering
10 research and development, aiding in the promotion of
11 environmental protection, creating jobs in clean energy and
12 promoting overall economic growth by fostering collaboration and
13 investments in clean energy in the State;
- 14 o. Provide and pay for advisory services and technical
15 assistance as may be necessary or desired to carry out the purposes
16 of P.L. , c. (C.) (pending before the Legislature as this
17 bill);
- 18 p. Establish and collect fees and charges, in addition to any
19 societal benefits charge revenues allocated to the center pursuant to
20 section 12 of P.L.1999, c.23 (C.48:3-60), as the center, without
21 further appropriation, shall determine to be reasonable, and to
22 receive and apply revenues from fees and charges to the purposes of
23 the center or allotment by the State; provided, however, that all
24 revenues collected shall be placed, in their entirety, in the
25 Alternative and Clean Energy Investment Trust Fund;
- 26 q. Make or guarantee loans (1) to any person for the
27 acquisition, construction, alteration, or any combination thereof, or
28 other financing of a clean energy project including, but not limited
29 to, loans to lending institutions under terms and conditions
30 requiring the proceeds of the loans to be used by the lending
31 institutions for the making of loans to persons for qualified clean
32 energy projects and (2) for the purposes described pursuant to
33 sections 8, 9, and 10 of P.L. , c. (C.) (pending before the
34 Legislature as this bill);
- 35 r. Disburse, appropriate, loan, or allocate funds for the
36 purposes of investing in clean energy as directed pursuant
37 to P.L. , c. (C.) (pending before the Legislature as this bill);
- 38 s. Provide assistance to local entities and authorities, public
39 bodies and private corporations for the purposes of maximizing
40 opportunities for expanding clean energy technologies, attracting
41 new clean energy entities and advanced technology investments,
42 fostering new innovative research, and creating new manufacturing
43 and development initiatives in the State;
- 44 t. Prepare, publish, and distribute as the center may determine,
45 studies, reports, bulletins, and other material as the center deems
46 appropriate;
- 47 u. Employ accountants, architects, attorneys, engineers,
48 planners, real estate experts, and other consultants as may be

1 necessary in its judgment to carry out the purposes of
2 P.L. , c. (C.) (pending before the Legislature as this bill) and
3 d to fix their compensation;

4 v. Take any actions necessary or convenient to the exercise of
5 any power or the discharge of any duty provided pursuant to
6 P.L. , c. (C.) (pending before the Legislature as this bill);

7 w. Enter into agreements or other transactions with any person,
8 including without limitation any public agency or other
9 governmental instrumentality or agency, in connection with its
10 powers and duties pursuant to P.L. , c. (C.) (pending before
11 the Legislature as this bill);

12 x. Make qualified investments to ensure the success of clean
13 energy industry clusters; and

14 y. Institute and administer the Alternative and Clean Energy
15 Investment Trust Fund for the purposes of making appropriations,
16 allocations, or loans to leverage development and investments in
17 clean energy research, workforce training, and job creation;
18 provided, however, that the center shall implement an application
19 process for these purposes.
20

21 4. (New section) a. The exercise of the powers granted
22 pursuant to section 3 of P.L. , c. (C.) (pending before the
23 Legislature as this bill) shall be in all respects for the benefit of the
24 people of the State and for the improvement of their health and
25 living conditions. The operation of the Clean Energy Technology
26 Center shall constitute the performance of essential governmental
27 functions and the center shall not be required to pay any taxes or
28 assessments.

29 b. All real and tangible personal property of the center shall be
30 deemed to be public property used for essential public and
31 governmental purposes and shall be exempt from taxation and
32 special assessments.
33

34 5. (New section) Based on recommendations included in the
35 clean energy study conducted pursuant to subsection c. of section
36 10 of P.L. , c. (C.) (pending before the Legislature as this
37 bill), the Clean Energy Technology Center shall, within 100 days of
38 the study's completion, develop a Statewide plan for the installation
39 and operation of renewable energy generating facilities on real
40 property owned by the State. Any renewable energy generating
41 facility sited on State property shall be made available for State and
42 local workforce development and training initiatives.
43

44 6. (New section) The Clean Energy Technology Center shall
45 annually submit, on or before March 1, a report to the Governor
46 and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the
47 Legislature, setting forth, relative to the center's operations,

1 receipts and expenditures during its fiscal year and its assets and
2 liabilities during the fiscal year.

3
4 7. (New section) a. There is hereby established and placed
5 within the Clean Energy Technology Center a special nonlapsing
6 fund to be known as the “Alternative and Clean Energy Investment
7 Trust Fund,” to be held by the center separate and apart from its
8 other funds, to finance the activities of the center. The fund shall be
9 credited with societal benefits charge revenues received from
10 electric and gas public utilities, pursuant to section 12 of
11 P.L.1999, c.23 (C.48:3-60), for deposit in the fund as pursuant to
12 subsection j. of this section. The fund may be credited with any
13 appropriations, proceeds, or other monies authorized by the
14 Legislature and specifically designated to be credited thereto,
15 additional funds as are subject to the direction and control of the
16 center, any investment funds, federal grants or loans, royalties,
17 equity ownership in public or private companies, or private
18 investment capital which may properly be applied in furtherance of
19 the objectives of the fund, any proceeds from the sale of qualified
20 investments secured or held by the fund, any fees and charges
21 imposed relative to the making of qualified investments, as the
22 investments shall be defined by the center, secured or held by the
23 fund, and any other monies which may be available to the center for
24 the purposes of the fund from any other source or sources. Any
25 revenues, deposits, receipts, or funds received through the receipt of
26 royalties, dividends, equity ownership in public or private
27 companies, or the sale of equity instruments, inclusive, shall be
28 deposited in the fund and shall be available expressly to the center
29 without further appropriation.

30 b. The center shall, in consultation with the advisory committee
31 established in subsection g. of this section and the State Treasurer,
32 invest and reinvest the Alternative and Clean Energy Investment
33 Trust Fund and the income thereof only as follows: (1) in the
34 making of qualified investments approved by the board, pursuant to
35 rules approved by the board; (2) in defraying the ordinary and
36 necessary expenses of administration and operation associated with
37 the center; provided, however, that administrative and operational
38 expenses shall not exceed 15 percent of the total assets of the fund
39 in any one fiscal year; (3) in the investment of any funds not
40 required for immediate disbursement in the purchase of securities as
41 may be lawful investments for fiduciaries in the State; (4) for the
42 payment of binding obligations associated with qualified
43 investments which are secured by the fund as the obligations
44 become payable; and (5) for the payment of principal and interest
45 on qualified investments secured by the fund or the payment of any
46 redemption premium required to be paid when the qualified
47 investments are redeemed prior to maturity.

1 c. The Alternative and Clean Energy Investment Trust Fund
2 shall be held and applied by the center, subject to the approval of
3 the board, and in consultation with advisory committee established
4 in subsection g. of this section to make qualified investments
5 designed to advance the following public purposes in the State to:
6 (1) stimulate increased financing for the expansion of state-of-the-
7 art clean energy research and development facilities by leveraging
8 private financing and providing financing related thereto including,
9 without limitation, financing for the construction or expansion of
10 those facilities; (2) provide loans and loan guarantees to State
11 institutions of higher education to develop a curriculum relative to
12 clean energy and clean energy technology; (3) make targeted
13 investments in clean energy research and to promote manufacturing
14 activities for new or existing advanced clean energy technologies;
15 (4) make loans or loan guarantees to institutions of higher
16 education, public instrumentalities, companies, and other entities to
17 induce the federal government, industry, and other grant-funding
18 sources to provide grant funding for the expansion of research and
19 development in clean energy; (5) provide bridge financing to
20 institutions of higher education, public instrumentalities,
21 companies, and other entities in anticipation of the receipt of grants
22 of the type described in paragraph (4) of this subsection, awarded or
23 to be awarded by the federal government, industry, or other sources;
24 (6) promote programs and investments that lead to pathways
25 towards economic self-sufficiency for low and moderate-income
26 communities in the clean energy industry; provided, however, that
27 these programs shall prioritize investments that serve individuals in
28 families with incomes that do not exceed 300 percent of the federal
29 poverty level, as determined by the United States Census Bureau,
30 that shall include but not be limited to, the income needs of
31 families, family size, the number and ages of children in the family,
32 and geographical considerations; and (7) make any other
33 expenditure provided by this section.

34 d. The center shall not make a qualified investment under
35 paragraph (1) of subsection c. of this section unless: (1) the
36 qualified investment has been approved by a majority vote of the
37 board; and (2) the center finds that, to the extent possible, the
38 qualified investment is such that a defined benefit to the economy
39 of the State may reasonably be expected from the qualified
40 investment; provided, however, that in evaluating a request or
41 application for funding, the center shall consider whether: (a) the
42 project fulfills the public purposes of the center; (b) the project has
43 significant potential to expand clean energy related employment in
44 the State; (c) the project has the potential to enhance technological
45 advancements in clean energy; (d) the project has the potential to
46 result in the development of advancements in environmental
47 protection and reduce the cost of energy; (e) the project has the
48 potential to leverage additional funding or to attract additional

1 energy resources to the State; (f) the project has the potential to
2 stimulate clean energy manufacturing in the State; (g) the project
3 includes a plan to facilitate collaboration with State and local
4 workforce development programs; or (h) the program leads to
5 pathways towards economic self-sufficiency for low and moderate-
6 income communities in the clean energy industry as established
7 pursuant to paragraph (6) of subsection c. of this section.

8 e. The center shall not make a qualified investment under
9 paragraph (1) of subsection b. of this section unless the qualified
10 investment is in conformity with the rules adopted by the center and
11 approved by the board. The rules shall set the terms and conditions
12 for investments which constitute qualified investments, which may
13 include, without limitation, loans, guarantees, loan insurance or
14 reinsurance, equity investments, equity ownership in public or
15 private companies, or other financing or credit enhancing devices,
16 as made by the center directly or on its own behalf or in conjunction
17 with other public instrumentalities, private institutions, or the
18 federal government.

19 f. The rules established pursuant to subsection e. of this section
20 shall also set forth the terms, procedures, standards, and conditions
21 which the center shall employ to identify qualified applications,
22 process applications, make investment determinations, safeguard
23 the Alternative and Clean Energy Investment Trust Fund, advance
24 the objective of increasing employment opportunities in the State,
25 oversee the progress of qualified investments, and secure the
26 participation of other public instrumentalities, private institutions,
27 or the federal government in those qualified investments; provided,
28 however, that the rules shall provide for negotiated intellectual
29 property agreements between the center and each recipient of a
30 qualified investment which shall include the terms and conditions
31 by which the fund's support thereof may be reduced or withdrawn;
32 and provided further, that all revenues or financial interests of any
33 kind received by the center as a result of the intellectual property
34 agreements shall be placed, in their entirety, in the fund.

35 g. There shall be an advisory committee to be appointed by the
36 Governor consisting of 15 individuals with an interest in and
37 knowledge of matters related to the general purpose and activities
38 of the Alternative and Clean Energy Investment Trust Fund and
39 with expertise and experience in at least one of the following areas:
40 clean energy technology research, clean energy technology
41 development, clean energy investing, management of clean energy
42 companies, making or advancing clean energy policy, clean energy
43 curriculum development, or workforce training in the field of clean
44 energy or energy efficiency. The board shall consult with the
45 advisory committee in matters related to the fund and in the
46 implementation of this section.

47 h. Qualified investment transactions undertaken by the center
48 pursuant to this section shall not constitute a debt or pledge of the

1 faith and credit of the State, the center, or any political subdivision
2 of the State and shall be payable solely from the Alternative and
3 Clean Energy Investment Trust Fund.

4 i. All available moneys in the Alternative and Clean Energy
5 Investment Trust Fund that are unexpended at the end of each fiscal
6 year shall not revert to the General Fund and shall be available for
7 expenditure in the subsequent fiscal year.

8 j. The Board of Public Utilities shall annually transfer from
9 societal benefits charge revenues received from electric and gas
10 public utilities, pursuant to section 12 of P.L.1999, c.23 (C.48:3-
11 60), for deposit in the Alternative and Clean Energy Investment
12 Trust Fund established pursuant to this section, an amount
13 determined by the board as necessary to meet the financial
14 obligations of the fund and the purposes of P.L. , c. (C.)
15 (pending before the Legislature as this bill). The board may
16 allocate up to 15 percent of the amount to defray the ordinary and
17 necessary expenses of administration and operation associated with
18 the center.

19 k. The center shall annually submit on or before June 1 a report
20 to the Governor and, pursuant to section 2 of P.L.1991, c.164
21 (C.52:14-19.1), to the Legislature, setting forth, relative to the
22 fund's operations, receipts and expenditures during its fiscal year
23 and its assets and liabilities during the fiscal year.

24
25 8. (New section) There is hereby established and placed within
26 the Clean Energy Technology Center a program to be known as the
27 "Clean Energy Loan Program." Under the program, the center, in
28 consultation with the New Jersey Economic Development
29 Authority, may provide loans or loan guarantees, to clean energy
30 researchers, companies, nonprofit organizations, community-based
31 organizations, and institutions based on criteria developed by the
32 center. The center shall establish public-private partnerships with
33 State-based investors, entrepreneurs, and institutions that are
34 involved in the clean energy industry for the purposes of facilitating
35 matching grants for recipients of funding from the center.

36
37 9. (New section) There is hereby established and placed within
38 the Clean Energy Technology Center an initiative to be known as
39 the "Green Jobs Initiative." Under the initiative, the center, in
40 consultation with the New Jersey Economic Development
41 Authority, may provide loans or loan guarantees to public
42 institutions of higher education and county vocational-technical
43 schools, to facilitate workforce development efforts and train and
44 retain students in clean energy industries. The initiatives may
45 include loans or loan guarantees to public institutions of higher
46 education and county vocational-technical schools for the
47 development of small-scale renewable energy generating sources,
48 including, but not limited to: photovoltaic installations; wind

1 energy; ocean thermal, wave, or tidal energy; fuel cells; landfill gas;
2 natural flowing water and hydroelectric; low-emission advanced
3 biomass power conversion technologies using biomass fuels such as
4 wood, agricultural, or food wastes; biogas, biodiesel, or organic
5 refuse-derived fuel; and geothermal energy. The center shall assist
6 public institutions of higher education and the county vocational-
7 technical schools in developing a curriculum for clean energy and
8 energy efficiency, and shall assist students seeking employment in
9 the clean energy sector.

10
11 10. (New section) a. The Clean Energy Technology Center, in
12 consultation with the New Jersey Economic Development
13 Authority, may allocate monies from the Alternative and Clean
14 Energy Investment Trust Fund for a loan program to be
15 administered by the center. The program may provide loans or loan
16 guarantees to clean energy companies, institutions, or nonprofit
17 organizations.

18 b. The center, in consultation with the Commissioner of Labor
19 and Workforce Development, may allocate monies from the
20 Alternative and Clean Energy Investment Trust Fund for a
21 workforce development loan program to be administered by the
22 commissioner or the commissioner's designee. The workforce
23 development loan program may provide loans or loan guarantees to
24 the State's institutions of higher education, county vocational-
25 technical schools, or community-based organizations that have
26 existing workforce development programs in clean energy industry
27 skills or the capacity to create these programs.

28 c. The center shall allocate monies from the Alternative and
29 Clean Energy Investment Trust Fund to commission a study,
30 conducted pursuant to section 5 of P.L. , c. (C.) (pending
31 before the Legislature as this bill), to investigate the clean energy
32 sector in the State. The study shall include, but not be limited to, an
33 examination of: (1) the future workforce needs of the State's clean
34 energy sector; (2) the current growth rate of the clean energy sector,
35 including the number of in-State jobs and businesses; (3) the current
36 levels of private investment in the clean energy sector; (4) real
37 property owned by the State available and suited for the installation
38 and operation of renewable energy generating facilities; (5) energy
39 efficiency opportunities on real property owned by the State; and
40 (6) the future funding requirements of the center. A copy of the
41 study shall be submitted no later than one year after the effective
42 date of P.L. , c. (C.) (pending before the Legislature as this
43 bill), to the Governor and, pursuant to section 2 of P.L.1991, c.164
44 (C.52:14-19.1), to the Legislature.

45 d. The center, in consultation with the Commissioner of Labor
46 and Workforce Development may allocate monies from the
47 Alternative and Clean Energy Investment Trust Fund for an
48 initiative to be known as the "Pathways Out of Poverty Initiative."

1 The initiative shall be administered by the commissioner or the
2 commissioner's designee. Under the initiative, the commissioner
3 may provide loans or loan guarantees to clean energy companies,
4 community-based nonprofit organizations, educational institutions,
5 or labor organizations to enable these entities to carry out training
6 programs associated with the clean energy industry that lead to
7 economic self-sufficiency. The center shall give funding priority to
8 entities that serve individuals in families with incomes that shall not
9 exceed 300 percent of the federal poverty level, as determined by
10 the United States Census Bureau, that shall include but not be
11 limited to, the income needs of families, family size, the number
12 and ages of children in the family, and geographical considerations.
13 The loans and loan guarantees shall be awarded so as to ensure
14 geographic diversity within the State.

15 e. The center, in consultation with the New Jersey Economic
16 Development Authority, may allocate monies from the Alternative
17 and Clean Energy Investment Trust Fund to research, establish, and
18 fund, if the center so chooses, a Hydrogen and Fuel Cell Institute, to
19 serve as a joint venture among institutions of higher education in
20 the State providing a focal point for research, education, and
21 commercialization activities in the hydrogen fuel cell sector;
22 provided, however, that the institute's responsibilities may include,
23 but not be limited to: (1) working with the public and private
24 institutions of higher education in the State to coordinate and
25 strengthen hydrogen and fuel cell research activities in the State; (2)
26 strengthening collaborative research and development between
27 institutions of higher education and businesses located within the
28 State; (3) addressing critical technological barriers facing the
29 hydrogen and fuel cell businesses; (4) strengthening existing
30 educational programs and introducing new curriculum in
31 institutions of higher education in the State to produce graduates
32 who are conversant in hydrogen and fuel cell technologies; and (5)
33 promoting partnerships between institutions of higher education in
34 the State and businesses to jointly demonstrate hydrogen and fuel
35 cell technologies and attract greater amounts of federal funding to
36 the State.

37 f. The center, in consultation with the New Jersey Economic
38 Development Authority, may allocate monies from the Alternative
39 and Clean Energy Investment Trust Fund to establish, if the center
40 so chooses, a program to be known as the "Entrepreneurial
41 Fellowship Program," which may provide loans or loan guarantees
42 to entrepreneurs from business sectors other than clean energy
43 sectors to enroll in programs to foster knowledge and expertise of
44 clean energy technology; provided, however, that the clean energy
45 technology programs shall be based upon intensive technology,
46 market, and policy curriculum and that the center shall establish
47 public-private partnerships and enter into contribution agreements
48 with State-based businesses and venture capitalists to support

1 programs designed to mentor and train entrepreneurs from other
2 business sectors in the areas of clean energy technology and
3 development to increase investment in the State's clean energy
4 sector.

5
6 11. Section 12 of P.L.1999, c.23 (C.48:3-60) is amended to read
7 as follows:

8 12. a. Simultaneously with the starting date for the
9 implementation of retail choice as determined by the board pursuant
10 to subsection a. of section 5 of **[this act]** P.L.1999, c.23 (C.48:3-
11 53), the board shall permit each electric public utility and gas public
12 utility to recover some or all of the following costs through a
13 societal benefits charge that shall be collected as a non-bypassable
14 charge imposed on all electric public utility customers and gas
15 public utility customers, as appropriate:

16 (1) The costs for the social programs for which rate recovery
17 was approved by the board prior to April 30, 1997. For the purpose
18 of establishing initial unbundled rates pursuant to section 4 of **[this**
19 **act]** P.L.1999, c.23 (C.48:3-52), the societal benefits charge shall
20 be set to recover the same level of social program costs as is being
21 collected in the bundled rates of the electric public utility on the
22 effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.). The
23 board may subsequently order, pursuant to its rules and regulations,
24 an increase or decrease in the societal benefits charge to reflect
25 changes in the costs to the utility of administering existing social
26 programs. Nothing in **[this act]** P.L.1999, c.23 (C.48:3-49 et al.)
27 shall be construed to abolish or change any social program required
28 by statute or board order or rule or regulation to be provided by an
29 electric public utility. Any such social program shall continue to be
30 provided by the electric public utility until otherwise provided by
31 law, unless the board determines that it is no longer appropriate for
32 the electric public utility to provide the program, or the board
33 chooses to modify the program;

34 (2) Nuclear plant decommissioning costs;

35 (3) The costs of demand side management programs that were
36 approved by the board pursuant to its demand side management
37 regulations prior to April 30, 1997. For the purpose of establishing
38 initial unbundled rates pursuant to section 4 of **[this act]**
39 P.L.1999, c.23 (C.48:3-52), the societal benefits charge shall be set
40 to recover the same level of demand side management program
41 costs as is being collected in the bundled rates of the electric public
42 utility on the effective date of **[this act]** P.L.1999, c.23 (C.48:3-49
43 et al.). Within four months of the effective date of **[this act]**
44 P.L.1999, c.23 (C.48:3-49 et al.), and every four years thereafter,
45 the board shall initiate a proceeding and cause to be undertaken a
46 comprehensive resource analysis of energy programs, and within
47 eight months of initiating such proceeding and after notice,

1 provision of the opportunity for public comment, and public
2 hearing, the board, in consultation with the Department of
3 Environmental Protection, shall determine the appropriate level of
4 funding for energy efficiency and Class I renewable energy
5 programs that provide environmental benefits above and beyond
6 those provided by standard offer or similar programs in effect as of
7 the effective date of **【this act】** P.L.1999, c.23 (C.48:3-49 et al.);
8 provided that the funding for **【such】** demand side management
9 programs be no less than **【50%】** 50 percent of the total Statewide
10 amount being collected in **【public】** electric and gas public utility
11 rates for demand side management programs on the effective date
12 of **【this act】** P.L.1999, c.23 (C.48:3-49 et al.) for an initial period of
13 four years from the issuance of the first comprehensive resource
14 analysis following the effective date of **【this act】** P.L.1999, c.23
15 (C.48:3-49 et al.), and provided that **【25%】** 25 percent of this
16 amount shall be used to provide funding for Class I renewable
17 energy projects in the State. In each of the following fifth through
18 eighth years, the Statewide funding for **【such】** demand side
19 management programs shall be no less than 50 percent of the total
20 Statewide amount being collected in **【public】** electric and gas
21 public utility rates for demand side management programs on the
22 effective date of **【this act】** P.L.1999, c.23 (C.48:3-49 et al.), except
23 that as additional funds are made available as a result of the
24 expiration of past standard offer or similar commitments, the
25 minimum amount of funding for **【such】** demand side management
26 programs shall increase by an additional amount equal to 50 percent
27 of the additional funds made available, until the minimum amount
28 of funding dedicated to **【such】** demand side management programs
29 reaches \$140,000,000 total. After the eighth year, the board shall
30 make a determination as to the appropriate level of funding for
31 these programs. **【Such】** The demand side management programs
32 shall include a program to provide financial incentives for the
33 installation of Class I renewable energy projects in the State, and
34 the board, in consultation with the Department of Environmental
35 Protection, shall determine the level and total amount of **【such】** the
36 incentives as well as the renewable technologies eligible for **【such】**
37 the incentives which shall include, at a minimum, photovoltaic,
38 wind, and fuel cells. The board shall simultaneously determine, as
39 a result of the comprehensive resource analysis, the programs to be
40 funded by the societal benefits charge, the level of cost recovery
41 and performance incentives for old and new programs and whether
42 the recovery of demand side management programs' costs currently
43 approved by the board may be reduced or extended over a longer
44 period of time. The board shall make these determinations taking
45 into consideration existing market barriers and environmental
46 benefits, with the objective of transforming markets, capturing lost

1 opportunities, making energy services more affordable for low
 2 income customers and eliminating subsidies for programs that can
 3 be delivered in the marketplace without electric public utility and
 4 gas public utility customer funding;

5 (4) Manufactured gas plant remediation costs, which shall be
 6 determined initially in a manner consistent with mechanisms in the
 7 remediation adjustment clauses for the electric public utility and gas
 8 public utility adopted by the board; **and**

9 (5) The cost, of consumer education, as determined by the
 10 board, which shall be in an amount that, together with the consumer
 11 education surcharge imposed on electric power supplier license fees
 12 pursuant to subsection h. of section 29 of **this act** P.L.1999, c.23
 13 (C.48:3-78) and the consumer education surcharge imposed on gas
 14 supplier license fees pursuant to subsection g. of section 30 of **this**
 15 **act** P.L.1999, c.23 (C.48:3-79), shall be sufficient to fund the
 16 consumer education program established pursuant to section 36 of
 17 **this act** P.L.1999, c.23 (C.48:3-85); and

18 (6) 100 percent of the costs of the operation of the Clean Energy
 19 Technology Center and the Alternative and Clean Energy
 20 Investment Trust Fund, established pursuant to P.L. , c. (C.)
 21 (pending before the Legislature as this bill). The board may order,
 22 pursuant to its rules and regulations, an increase or decrease in the
 23 societal benefits charge to reflect the inclusion of funding for the
 24 Clean Energy Technology Center and the Alternative and Clean
 25 Energy Investment Trust Fund.

26 b. There is established in the **Board of Public Utilities** board
 27 a nonlapsing fund to be known as the "Universal Service Fund."
 28 The board shall determine: the level of funding and the appropriate
 29 administration of the fund; the purposes and programs to be funded
 30 with monies from the fund; which social programs shall be provided
 31 by an electric public utility as part of the provision of its regulated
 32 services which provide a public benefit; whether the funds
 33 appropriated to fund the "Lifeline Credit Program" established
 34 pursuant to P.L.1979, c.197 (C.48:2-29.15 et seq.), the "Tenants'
 35 Lifeline Assistance Program" established pursuant to
 36 P.L.1981, c.210 **[(C.48:2-29.31 et seq.)] (C.48:2-29.30 et seq.)**, the
 37 funds received pursuant to the Low Income Home Energy
 38 Assistance Program established pursuant to 42 U.S.C. s.8621 et
 39 seq., and funds collected by electric and **natural** gas public
 40 utilities, as authorized by the board, to offset uncollectible
 41 **electricity** electric and **natural** gas public utility bills should be
 42 deposited in the fund; and whether new charges should be imposed
 43 to fund new or expanded social programs.
 44 (cf: P.L.1999, c.23, s.12)

45
 46 12. This act shall take effect immediately.

STATEMENT

This bill creates a Clean Energy Technology Center (center) within the Board of Public Utilities (BPU) to administer an Alternative and Clean Energy Investment Trust Fund (trust fund). Under the bill, the center is authorized to use trust fund financing to finance clean energy technology research and provide loans and loan guarantees to companies, institutions of higher education, and nonprofits to encourage the creation of clean energy technology ventures and the training of workers to perform associated “green jobs.”

The bill specifically authorizes the center to provide loans and loan guarantees from the trust fund to: (1) stimulate increased financing for the expansion of clean energy research and development facilities by leveraging private financing and providing related financing, including financing for construction and expansion; (2) provide financing to State institutions of higher education to develop a curriculum relative to clean energy and clean energy technology; (3) make targeted investments in clean energy research and promote manufacturing activities for new and existing advanced clean energy technologies; (4) make financing available to institutions of higher education, businesses, and other institutions to encourage the federal government, industry, and other entities to provide funding; (5) provide bridge financing in anticipation of such awards; and (6) fund programs and investments that promote economic self-sufficiency for low and moderate income communities in the clean energy industry.

Financing by the center from the trust fund is to be governed by rules to be approved by the board of directors of the center established under the bill. The bill provides that the 10-member board is to include representatives of government, educational institutions, and private industry, including an engineer or scientist, a chief executive officer of a New Jersey-based clean energy corporation, a representative of electric public utility ratepayers, and a venture capitalist with expertise in clean energy technologies.

The bill also authorizes a study of the clean energy sector, to examine the sector’s future workforce needs and its growth rate and levels of private investment, real property owned by the State available and suitable for the installation and operation of renewable energy facilities, energy efficiency opportunities on real property owned by the State, and the future funding requirements of the center.

The trust fund created by the bill would be financed with revenues received from the societal benefits charge established pursuant to section 12 of P.L.1999, c.23 (C.48:3-60) (i.e., the “Electric Discount and Energy Competition Act”) and is intended to stimulate the growth of the State’s clean energy economy. The bill would authorize the center to use revenues to finance: (1) if the

1 center so chooses, a “Hydrogen and Fuel Cell Institute,” to serve as
2 a joint venture among institutions of higher education in the State
3 and to provide a focal point for research, education, and
4 commercialization activities in the hydrogen fuel cell sector; (2) if
5 the center so chooses, an “Entrepreneurial Fellowship Program,”
6 which would provide loans or loan guarantees to entrepreneurs from
7 business sectors other than clean energy sectors to enroll in
8 programs to foster knowledge and expertise of clean energy
9 technology; (3) a loan program for clean energy companies,
10 institutions, or nonprofit organizations; (4) a workforce
11 development program to provide loans and loan guarantees to
12 institutions of higher education, vocational-technical schools, or
13 community-based organizations with existing or potential
14 workforce development programs in clean energy; and (5) a
15 “Pathways Out of Poverty Initiative” to provide loans and loan
16 guarantees to clean energy companies, community-based nonprofit
17 organizations, educational institutions, or labor organizations for
18 training programs that lead to economic self-sufficiency.