

[First Reprint]

**SENATE, No. 2484**

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**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

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INTRODUCED MAY 14, 2020

**Sponsored by:**

**Senator TROY SINGLETON**

**District 7 (Burlington)**

**Senator RONALD L. RICE**

**District 28 (Essex)**

**Co-Sponsored by:**

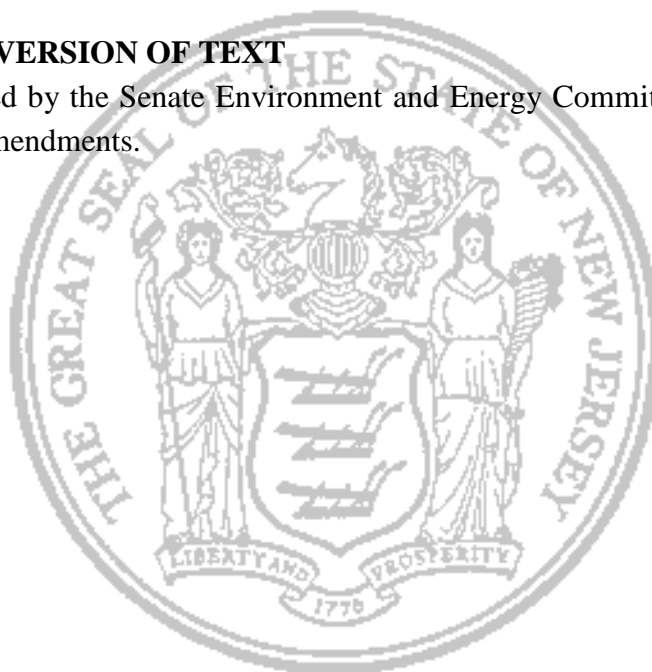
**Senators Addiego, Pou, Ruiz, Gopal, Greenstein, Cunningham, Beach,  
B.Smith, Turner and Diegnan**

**SYNOPSIS**

Establishes Office of Clean Energy Equity in BPU; directs establishment of certain clean energy, energy efficiency, and energy storage programs for overburdened communities.

**CURRENT VERSION OF TEXT**

As reported by the Senate Environment and Energy Committee on July 22, 2020, with amendments.



**(Sponsorship Updated As Of: 10/22/2020)**

1 AN ACT concerning clean energy <sup>1</sup>**[and]** <sup>1</sup>energy efficiency <sup>1</sup>, and  
 2 energy storage<sup>1</sup> programs for overburdened communities,  
 3 supplementing and amending <sup>1</sup>**[P.L.2018, c.17]** P.L.1999, c.23<sup>1</sup>,  
 4 and supplementing Title 34 of the Revised Statutes and  
 5 P.L.1975, c.217 (C.52:27D-119 et seq.).

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

9  
 10 1. <sup>1</sup>(New section)<sup>1</sup> a. There is established in the Board of  
 11 Public Utilities an Office of Clean Energy Equity. The office shall  
 12 <sup>1</sup>promote, guide, and<sup>1</sup> oversee the equitable deployment of clean  
 13 energy <sup>1</sup>**[and]** <sup>1</sup>energy efficiency <sup>1</sup>, and energy storage<sup>1</sup> programs  
 14 and technologies in overburdened communities, and the equitable  
 15 provision of the tangible benefits of clean energy <sup>1</sup>**[and]** <sup>1</sup>  
 16 increased energy efficiency <sup>1</sup>, and energy storage<sup>1</sup> at the household  
 17 and community level, including clean energy asset ownership,  
 18 energy cost savings, and employment and economic opportunities,  
 19 to overburdened communities.

20 b. The <sup>1</sup>**[Office of Clean Energy Equity]** board<sup>1</sup> shall:

21 (1) establish onsite solar or community solar <sup>1</sup>**[and energy**  
 22 **efficiency]**<sup>1</sup> programs, <sup>1</sup>including, but not limited to, programs  
 23 using solar facilities installed, owned, and operated by independent,  
 24 non-utility providers,<sup>1</sup> which benefit 250,000 low income  
 25 households or 35 percent of the low income households in the State,  
 26 whichever is larger, by 2030, with the goal of <sup>1</sup>**[bringing]**  
 27 reducing<sup>1</sup> these <sup>1</sup>**[households within or below an]** households'<sup>1</sup>  
 28 average energy burden <sup>1</sup>**[for the State]** to below six percent of  
 29 household income<sup>1</sup>, as defined by the United States Department of  
 30 Energy Low Income Energy Affordability Data Tool <sup>1</sup>. The board  
 31 may implement the programs required pursuant to this paragraph in  
 32 conjunction with existing renewable energy and energy efficiency  
 33 programs or services<sup>1</sup>; and

34 (2) require the establishment of a minimum of 400 megawatts of  
 35 energy storage in overburdened communities by 2030, which shall  
 36 be sited in public facilities or as part of a microgrid connected to a  
 37 public facility serving as a community energy resiliency hub, or be  
 38 directly sited in low income households. In establishing the energy  
 39 storage required pursuant to this paragraph, the office shall ensure  
 40 that a community energy resilience hub is powered by clean energy,  
 41 is community-based and community-centric, is inclusive of  
 42 community-based organizations, and prioritizes the deployment of  
 43 energy services to local residents during natural disasters.

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SEN committee amendments adopted July 22, 2020.

1 c. The <sup>1</sup>board, in cooperation with the<sup>1</sup> Office of Clean Energy  
2 Equity <sup>1</sup>[, in conjunction with the board<sup>1</sup>], shall:

3 (1) integrate workforce development training into all clean  
4 energy and energy storage programs established by the board;

5 (2) provide outreach and recruitment campaign grants to  
6 community-based organizations to increase participation by  
7 residents of overburdened communities in clean energy and energy  
8 efficiency programs by the hiring residents to conduct outreach and  
9 public education in those communities;

10 (3) develop, in coordination with community-based  
11 organizations, outreach materials concerning the provisions of this  
12 act in multiple languages that are easy to deliver through multiple  
13 media;

14 (4) appoint a community liaison and establish an advisory board  
15 consisting of representatives of overburdened communities  
16 responsible for conducting an internal and external review and  
17 evaluation of all clean energy and energy storage programs  
18 available to overburdened communities and provide annual  
19 recommendations to the board on unmet needs in overburdened  
20 communities and suggestions for improvements to those programs;  
21 and

22 (5) coordinate with the Department of Labor and Workforce  
23 Development concerning the requirements of section 2 of  
24 P.L. , c. (C. ) (pending before the Legislature as this bill) and  
25 with the Department of Community Affairs concerning the  
26 requirements of section 3 of P.L. , c. (C. ) (pending before the  
27 Legislature as this bill).

28 d. (1) The board shall direct no less than 10 percent of the  
29 board's annual total clean energy budget, or at least \$50 million  
30 annually, whichever is greater, to the Office of Clean Energy Equity  
31 to implement the provisions of this section. All programs,  
32 incentives, and other financing shall be appropriately structured to  
33 address the unique barriers faced by low income households and  
34 overburdened communities. Funding directed pursuant to this  
35 subsection shall be supplemental to, and not replace, any funds  
36 allocated to energy efficiency services for low income households  
37 managed or required by the board on the effective date of  
38 P.L. , c. (C. ) (pending before the Legislature as this bill).

39 <sup>1</sup>The board may allocate additional funding, staff, and resources to  
40 the Office of Clean Energy Equity as the board determines  
41 appropriate.<sup>1</sup>

42 Of the funds annually directed by the board to the Office of  
43 Clean Energy Equity pursuant to this paragraph, an amount not to  
44 exceed 10 percent may be used each year for costs associated with  
45 program administration, including costs incurred related to  
46 marketing, outreach, reporting, and evaluation activities to  
47 implement the provisions of this section. <sup>1</sup>The Office of Clean

1 Energy Equity may contract with a third party administrator with  
2 experience deploying solar energy and energy storage in  
3 overburdened communities to implement the provisions of this  
4 section.<sup>1</sup>

5 (2) The board shall consult with other State departments and  
6 agencies to identify additional sources of funding and leveraged  
7 financing that may be available to meet the requirements of  
8 P.L. , c. (C. ) (pending before the Legislature as this bill).

9 (3) No later than January 15 of each year, the board shall  
10 provide public notice on its Internet website and in the New Jersey  
11 Register of the proposed budget for the Office of Clean Energy  
12 Equity for the forthcoming fiscal year and provide an opportunity  
13 for interested stakeholders to provide oral and written comments on  
14 the proposed budget.

15 e. No later than September 1 of each year, the board shall  
16 prepare and submit to the Governor and, pursuant to section 2 of  
17 P.L.1991, c.164 (C.52:14-19.1), the Legislature a written report of  
18 the activities of the Office of Clean Energy Equity. The report shall  
19 describe, at a minimum, the activities of the office during the  
20 immediately preceding fiscal year, the amounts budgeted and  
21 expended for each program activity, the amount of funding  
22 remaining unexpended at the end of the fiscal year, a summary of  
23 the collaborations with other State departments and agencies and  
24 the activities that are planned or were carried out by those entities  
25 pursuant to P.L. , c. (C. ) (pending before the Legislature as  
26 this bill), and a summary of the progress towards achieving the  
27 requirements of subsection b. of this section.

28 f. As used in this section:

29 “Clean energy” means energy that is produced through means  
30 that does not release into the atmosphere any criteria pollutant,  
31 toxic substance, hazardous air pollutant, or other air pollutant and  
32 does not create undue environmental burden, and includes Class I  
33 renewable energy and energy saved through energy efficiency  
34 measures.

35 “Community energy resiliency hub” means a community-serving  
36 facility enhanced to support residents, enhance community  
37 connectivity, and coordinate energy resource distribution and  
38 services before, during, or after a natural hazard event.

39 “Community solar program” means the program established by  
40 the board pursuant to section 5 of P.L.2018, c.17 (C.48:3-87.11).

41 “Energy burden” means the percentage of gross household  
42 income spent on energy costs.

43 “Energy storage” means technologies used to store electricity  
44 that can provide grid and energy resilience services.

45 <sup>1</sup>“Limited English proficiency” means that a household does not  
46 have an adult that speaks English “very well” according to the  
47 United States Census Bureau.<sup>1</sup>

1 “Low income household” means a household <sup>1</sup> [with adjusted  
 2 gross income at or below 200 percent of the federal poverty level]  
 3 that is at or below twice the poverty threshold as that threshold is  
 4 determined annually by the United States Census Bureau<sup>1</sup> .

5 “Office” means the Office of Clean Energy Equity established  
 6 pursuant to subsection a. of this section.

7 “Overburdened community” means any census block group, as  
 8 determined in accordance with the most recent United States  
 9 Census, in which <sup>1</sup> [at least one half of the households qualify as  
 10 low income households, and either: (1) at least 40 percent of the  
 11 residents of the census block group identify as Black, African  
 12 American, Hispanic or Latino, Asian, Pacific Islander, or as  
 13 members of a State-recognized tribal community; or (2) at least 40  
 14 percent of the households in the census block group have limited  
 15 English proficiency]  
 16 qualify as low-income households; (2) at least 40 percent of the  
 17 residents identify as minority or as members of a State recognized  
 18 tribal community; or (3) at least 40 percent of the households have  
 19 limited English proficiency<sup>1</sup> .

20  
 21 2. <sup>1</sup>(New section)<sup>1</sup> a. (1) The Department of Labor and  
 22 Workforce Development, in consultation with the Office of Clean  
 23 Energy Equity established pursuant to section 1 of P.L. ,  
 24 c. (C. ) (pending before the Legislature as this bill) <sup>1</sup>and any  
 25 other staff or resources designated by the Board of Public Utilities,<sup>1</sup>  
 26 and the New Jersey Economic Development Authority, shall  
 27 establish a program to provide grants to community-based,  
 28 diversity-focused nonprofit organizations to develop solar energy or  
 29 clean energy paid workforce training programs that provide training  
 30 to at least 2,500 individuals from overburdened communities by  
 31 2025. The department shall require, as a condition of a grant  
 32 award, that the programs be updated every two years to ensure that  
 33 they prepare participants adequately for the current job market in  
 34 the solar energy or clean energy industry.

35 (2) The Department of Labor and Workforce Development shall  
 36 develop, in coordination with community-based organizations, <sup>1</sup>[a  
 37 program]  
 38 programs<sup>1</sup> to provide entrepreneurial training, mentoring,  
 39 apprenticeships, investment capital, loans, <sup>1</sup>[loan loss reserve  
 40 funds, credit enhancement funds,]<sup>1</sup> or other <sup>1</sup>training, capacity  
 41 building,<sup>1</sup> technical <sup>1</sup>,<sup>1</sup> and financial support to residents of  
 42 overburdened communities to help launch new clean energy  
 43 enterprises or establish careers in the clean energy workforce.

43 b. As used in this section:

44 “Clean energy” means the same as the term is defined <sup>1</sup>[pursuant  
 45 to]  
 46 in<sup>1</sup> section 1 of P.L. , c. (C. ) (pending before the  
 Legislature as this bill).

1 “Overburdened community” means the same as the term is  
2 defined <sup>1</sup>in section 1 of P.L. , c. (C. )  
3 (pending before the Legislature as this bill).

4  
5 3. <sup>1</sup>(New section)<sup>1</sup> a. The Department of Community Affairs,  
6 in consultation with the Office of Clean Energy Equity established  
7 pursuant to section 1 of P.L. , c. (C. ) (pending before the  
8 Legislature as this bill) <sup>1</sup>and any other staff or resources designated  
9 by the Board of Public Utilities<sup>1</sup>, shall require all new construction  
10 located in an overburdened community to be solar ready <sup>1</sup>, subject  
11 to any specific exemptions that the department and the board deem  
12 reasonable and necessary and that the department adopts pursuant to  
13 the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1  
14 et seq.)<sup>1</sup>. The department shall give preference to applications for  
15 onsite, community solar, energy storage, or other clean energy  
16 projects that are sited in overburdened communities or include  
17 minority or women-owned businesses.

18 b. The commissioner shall adopt rules and regulations,  
19 pursuant to the "Administrative Procedure Act," P.L.1968, c.410  
20 (C.52:14B-1 et seq.), in order to effectuate the purposes of this  
21 section. <sup>1</sup>The commissioner shall, pursuant to the “Administrative  
22 Procedure Act,” make any necessary changes to the Residential Site  
23 Improvement Standards adopted pursuant to P.L.1993, c.32  
24 (C.40:55D-40.1 et seq.), the State Uniform Construction Code  
25 adopted pursuant to P.L.1975, c.217 (C.52:27D-119 et seq.), any  
26 building subcode, or any other existing rule and regulation to  
27 effectuate the purposes of this section.<sup>1</sup>

28 c. As used in this section:

29 “Clean energy” means the same as the term is defined <sup>1</sup>in section 1 of P.L. , c. (C. ) (pending before the  
30 Legislature as this bill).

31  
32 “Energy storage” means the same as the term is defined  
33 <sup>1</sup>in section 1 of P.L. , c. (C. ) (pending before  
34 the Legislature as this bill).

35 “Overburdened community” means the same as the term is  
36 defined <sup>1</sup>in section 1 of P.L. , c. (C. )  
37 (pending before the Legislature as this bill).

38 “Solar panel” means an elevated panel or plate, or a canopy or  
39 array thereof, that captures and converts solar radiation to produce  
40 power, and includes flat plate, focusing solar collectors, or  
41 photovoltaic solar cells and includes the base or foundation of the  
42 panel, plate, canopy, or array.

43 “Solar ready” means the incorporation of design elements in a  
44 structure or building that allow for the installation of rooftop solar  
45 panels and, if the structure or building is intended to use hot water,  
46 a solar water heating system.

1       “Solar water heating system” means a system which uses solar  
2 energy as the primary means of heating water.

3  
4       4. Section 5 of P.L.2018, c.17 (C.48:3-87.11) is amended to  
5 read as follows:

6       5. a. No later than 210 days after the date of enactment of  
7 P.L.2018, c.17 (C.48:3-87.8 et al.), the Board of Public Utilities  
8 shall adopt, pursuant to the "Administrative Procedure Act,"  
9 P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations  
10 establishing a "Community Solar Energy Pilot Program" to permit  
11 customers of an electric public utility to participate in a solar energy  
12 project that is remotely located from their properties but is within  
13 their electric public utility service territory to allow for a credit to  
14 the customer's utility bill equal to the electricity generated that is  
15 attributed to the customer's participation in the solar energy project.

16       b. The rules and regulations developed by the board shall  
17 establish:

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

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

22       (3) geographic limitations for solar energy projects and  
23 participating customers;

24       (4) a minimum number of participating customers for each solar  
25 energy project;

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

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

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

32       (8) standards to ensure the ability of residential and commercial  
33 customers to participate in solar energy projects, including  
34 residential customers in multifamily housing;

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

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

39       c. The board shall make available on its Internet website  
40 information on solar energy projects whose owners are seeking  
41 participants.

42       d. The board shall establish standards and an application  
43 process for owners of solar energy projects who wish to be included  
44 in the Community Solar Energy Pilot Program. The standards for  
45 the Community Solar Energy Pilot Program shall include, but need  
46 not be limited to, a verification process to ensure that the solar  
47 energy projects are producing an amount of energy that is greater  
48 than or equal to the amount of energy that is being credited to its

1 participating customer's electric utility bills pursuant to subsection  
2 b. of this section, and consumer protection measures. Projects  
3 approved by the board shall have at least two participating  
4 customers.

5 The board may restrict qualified solar energy projects to those  
6 located on brownfields, landfills, areas designated in need of  
7 redevelopment, in underserved communities, or on commercial  
8 rooftops.

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

12 f. No later than 36 months after adoption of the rules and  
13 regulations required pursuant to subsection b. of this section, <sup>1</sup>or no  
14 later than the date on which the board adopts rules and regulations  
15 establishing a permanent successor to the SREC program pursuant  
16 to paragraph (3) of subsection d. of section 38 of P.L.1999, c.23  
17 (48:3-87), whichever date is earlier,<sup>1</sup> the board shall adopt rules and  
18 regulations, pursuant to the "Administrative Procedure Act,"  
19 P.L.1968, c.410 (C.52:14B-1 et seq.), to convert the Community  
20 Solar Energy Pilot Program to a permanent program. The board  
21 shall adopt rules and regulations for the permanent program that set  
22 forth standards for projects owned by electric public utilities,  
23 special purpose entities, and nonprofit entities. The rules and  
24 regulations shall also:

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

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

30 (3) set geographic limitations for solar energy projects and  
31 participating customers;

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

34 (5) require the provision of access to solar energy projects for  
35 low and moderate income customers in accordance with the  
36 requirements of section 1 of P.L. , c. (C. ) (pending before  
37 the Legislature as this bill) ;

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

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

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

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

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



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

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

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

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

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

g. As used in this section:

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

"Solar panel" means an elevated panel or plate, or a canopy or array thereof, that captures and converts solar radiation to produce electric power, and is approved by the board to be included in the Community Solar Energy Pilot Program.

"Solar power" includes flat plate, focusing solar collectors, or photovoltaic solar cells and excludes the base or foundation of the panel, plate, canopy, or array.

(cf: P.L.2018, c.17, s.5)

<sup>1</sup>5. (New section) The board shall conduct a study to examine utility rate schedules applied to customers living in multi-family housing served by a single meter, and the community solar bill credits and effective savings available to those customers. The study shall assess whether customers living in multi-family housing are eligible to receive similar financial benefits from community solar participation as those customers residing in single-family residences, and make suggestions for legislative or regulatory action to ensure the equitable distribution of the benefits and cost-savings of community solar. In conducting the study, the board shall solicit comments from utilities, public interest groups, and other interested parties. The board shall report its findings to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), the Legislature no later than 180 days after the effective date of P.L. , c. (C. )(pending before the Legislature as this bill).<sup>1</sup>

<sup>1</sup>**[5.] 6.**<sup>1</sup> This act shall take effect immediately.