

[First Reprint]

SENATE, No. 336

STATE OF NEW JERSEY
220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

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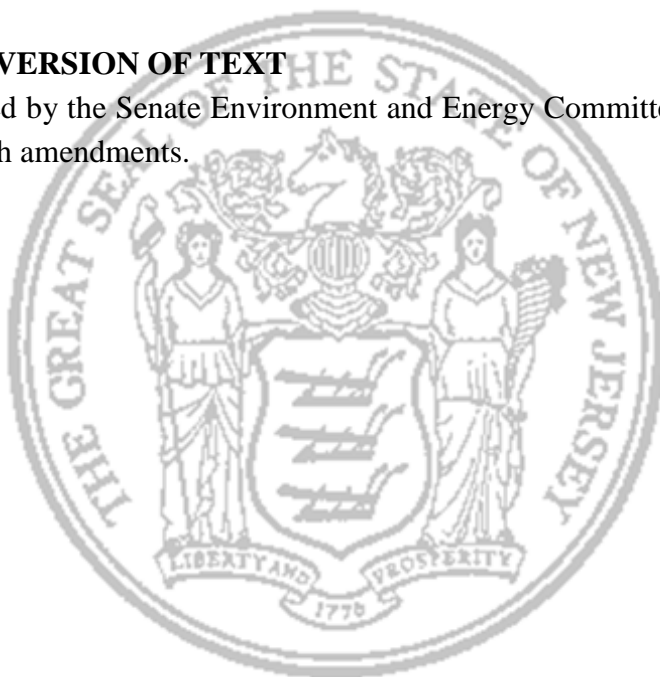
**Senators Pou, Ruiz, Gopal, Greenstein, Cunningham, Beach, B.Smith,
Turner, Diegnan and Zwicker**

SYNOPSIS

Establishes Office of Clean Energy Equity in BPU; directs establishment of certain clean energy, energy efficiency, and energy storage programs for overburdened communities; makes change to community solar program.

CURRENT VERSION OF TEXT

As reported by the Senate Environment and Energy Committee on February 10, 2022, with amendments.



(Sponsorship Updated As Of: 2/10/2022)

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

5

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

8

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

19 b. The board shall:

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

32 (2) require the establishment of a minimum of 1,600 megawatt
33 hours of energy storage in overburdened communities, capable of
34 delivering 400 megawatts of power, by 2030, which shall be sited in
35 public facilities, as part of a microgrid connected to a public facility
36 serving as a community energy resiliency hub, be directly sited in
37 low income households, or be sited so as to otherwise increase the
38 resiliency and reduce the energy burden of overburdened
39 communities. In establishing the energy storage required pursuant
40 to this paragraph, the office shall ensure that a community energy
41 resilience hub is powered by clean energy, is community-based and
42 community-centric, is inclusive of community-based organizations,
43 and prioritizes the deployment of energy services to local residents
44 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:

¹Senate SEN committee amendments adopted February 10, 2022.

- 1 c. The board, in cooperation with the Office of Clean Energy
2 Equity, 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 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 The board may allocate additional funding, staff, and resources to
40 the Office of Clean Energy Equity as the board determines
41 appropriate.
- 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 five 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. The Office of Clean
48 Energy Equity may contract with a third party administrator with

1 experience deploying solar energy and energy storage in
2 overburdened communities to implement the provisions of this
3 section.

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

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

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

27 f. As used in this section:

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

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

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

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

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

44 “Limited English proficiency” means that a household does not
45 have an adult that speaks English “very well” according to the
46 United States Census Bureau.

1 “Low income household” means a household that is at or below
2 twice the poverty threshold as that threshold is determined annually
3 by the United States Census Bureau.

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

6 “Overburdened community” means any census block group, as
7 determined in accordance with the most recent United States
8 Census, in which: (1) at least 35 percent of the households qualify
9 as low-income households; (2) at least 40 percent of the residents
10 identify as minority or as members of a State recognized tribal
11 community; or (3) at least 40 percent of the households have limited
12 English proficiency.

13

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

29 (2) The Department of Labor and Workforce Development shall
30 develop, in coordination with community-based organizations,
31 programs to provide entrepreneurial training, mentoring,
32 apprenticeships, investment capital, loans, or other training,
33 capacity building, technical, and financial support to residents of
34 overburdened communities to help launch new clean energy
35 enterprises or establish careers in the clean energy workforce.

36 b. As used in this section:

37 “Clean energy” means the same as the term is defined in section
38 1 of P.L. , c. (C.) (pending before the Legislature as this
39 bill).

40 “Overburdened community” means the same as the term is
41 defined in section 1 of P.L. , c. (C.) (pending before the
42 Legislature as this bill).

43

44 3. (New section) a. The Department of Community Affairs, in
45 consultation with the Office of Clean Energy Equity established
46 pursuant to section 1 of P.L. , c. (C.) (pending before the
47 Legislature as this bill) and any other staff or resources designated
48 by the Board of Public Utilities, shall require all new construction

1 located in an overburdened community to be solar ready, subject to
2 any specific exemptions that the department and the board deem
3 reasonable and necessary and that the department adopts pursuant to
4 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1
5 et seq.). The department shall give preference to applications for
6 onsite, community solar, energy storage, or other clean energy
7 projects that are sited in overburdened communities or include
8 minority or women-owned businesses.

9 b. The commissioner shall adopt rules and regulations,
10 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
11 (C.52:14B-1 et seq.), in order to effectuate the purposes of this
12 section. The commissioner shall, pursuant to the "Administrative
13 Procedure Act," make any necessary changes to the Residential Site
14 Improvement Standards adopted pursuant to P.L.1993, c.32
15 (C.40:55D-40.1 et seq.), the State Uniform Construction Code
16 adopted pursuant to P.L.1975, c.217 (C.52:27D-119 et seq.), any
17 building subcode, or any other existing rule and regulation to
18 effectuate the purposes of this section.

19 c. As used in this section:

20 "Clean energy" means the same as the term is defined in section
21 1 of P.L. , c. (C.) (pending before the Legislature as this
22 bill).

23 "Energy storage" means the same as the term is defined in
24 section 1 of P.L. , c. (C.) (pending before the Legislature as
25 this bill).

26 "Overburdened community" means the same as the term is
27 defined in section 1 of P.L. , c. (C.) (pending before the
28 Legislature as this bill).

29 "Solar panel" means an elevated panel or plate, or a canopy or
30 array thereof, that captures and converts solar radiation to produce
31 power, and includes flat plate, focusing solar collectors, or
32 photovoltaic solar cells and includes the base or foundation of the
33 panel, plate, canopy, or array.

34 "Solar ready" means the incorporation of design ¹or structural¹
35 elements in a structure or building that allow for the installation of
36 rooftop solar panels and, if the structure or building is intended to
37 use hot water, a solar water heating system.

38 "Solar water heating system" means a system which uses solar
39 energy as the primary means of heating water.

40
41 4. Section 5 of P.L.2018, c.17 (C.48:3-87.11) is amended to
42 read as follows:

43 5. a. No later than 210 days after the date of enactment of
44 P.L.2018, c.17 (C.48:3-87.8 et al.), the Board of Public Utilities
45 shall adopt, pursuant to the "Administrative Procedure Act,"
46 P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations
47 establishing a "Community Solar Energy Pilot Program" to permit
48 customers of an electric public utility to participate in a solar energy

1 project that is remotely located from their properties but is within
2 their electric public utility service territory to allow for a credit to
3 the customer's utility bill equal to the electricity generated that is
4 attributed to the 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 the solar
36 energy projects are producing an amount of energy that is greater
37 than or 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 adoption of the rules and
2 regulations required pursuant to subsection b. of this section, or no
3 later than the date on which the board adopts rules and regulations
4 establishing a permanent successor to the SREC program pursuant
5 to '¶paragraph (3) of subsection d. of section 38 of P.L.1999, c.23
6 (C.48:3-87)'] P.L.2021, c.169 (C.48:3-114 et al.)¹ , whichever date
7 is earlier, the board shall adopt rules and regulations, pursuant to
8 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
9 seq.), to convert the Community Solar Energy Pilot Program to a
10 permanent program. The board shall adopt rules and regulations for
11 the permanent program that set forth standards for projects owned
12 by electric public utilities, special purpose entities, and nonprofit
13 entities. The rules and regulations shall also:

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

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

19 (3) set geographic limitations for solar energy projects and
20 participating customers;

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

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

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

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

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

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

35 (10) establish standards consistent with the land use provisions
36 for solar energy projects as provided in subsections r., s., and t. of
37 section 38 of P.L.1999, c.23 (C.48:3-87) and any land use
38 provisions of the permanent successor to the SREC program
39 established by the board pursuant to '¶paragraph (3) of subsection
40 d. of section 38 of P.L.1999, c.23 (C.48:3-87)'] P.L.2021, c.169
41 (C.48:3-114 et al.)¹ ;

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

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

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

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

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

9 g. As used in this section:

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

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

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

19 (cf: P.L.2018, c.17, s.5)
20

21 5. (New section) The board shall conduct a study to examine
22 utility rate schedules applied to customers living in multi-family
23 housing served by a single meter, and the community solar bill
24 credits and effective savings available to those customers. The
25 study shall assess whether customers living in multi-family housing
26 are eligible to receive similar financial benefits from community
27 solar participation as those customers residing in single-family
28 residences, and make suggestions for legislative or regulatory
29 action to ensure the equitable distribution of the benefits and cost-
30 savings of community solar. In conducting the study, the board
31 shall solicit comments from utilities, public interest groups, and
32 other interested parties. The board shall report its findings to the
33 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
34 19.1), the Legislature no later than 270 days after the effective date
35 of P.L. , c. (C.) (pending before the Legislature as this bill).
36

37 6. This act shall take effect immediately.