

# ASSEMBLY, No. 4334

## STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED NOVEMBER 21, 2011

**Sponsored by:**

**Assemblyman WAYNE P. DEANGELO**

**District 14 (Mercer and Middlesex)**

**SYNOPSIS**

Grants eligibility for solar renewable energy certificates to solar facilities connected to net metering customer's side of the meter, or directly connected to the electric grid at 69 kilovolts or less.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning eligibility for solar renewable energy  
2 certificates and amending P.L.1999, c.23.

3  
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

6  
7 1. Section 3 of P.L.1999, c.23 (C.48:3-51) is amended to read  
8 as follows:

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

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

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

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

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

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

40 "Basic generation service provider" or "provider" means a  
41 provider of basic generation service;

42 "Basic generation service transition costs" means the amount by  
43 which the payments by an electric public utility for the procurement  
44 of power for basic generation service and related ancillary and  
45 administrative costs exceeds the net revenues from the basic

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

18 "Board" means the New Jersey Board of Public Utilities or any  
19 successor agency;

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

43 "Bondable stranded costs rate order" means one or more  
44 irrevocable written orders issued by the board pursuant to P.L.1999,  
45 c.23 (C.48:3-49 et al.) which determines the amount of bondable  
46 stranded costs and the initial amount of transition bond charges  
47 authorized to be imposed to recover such bondable stranded costs,  
48 including the costs to be financed from the proceeds of the

1 transition bonds, as well as on-going costs associated with servicing  
2 and credit enhancing the transition bonds, and provides the electric  
3 public utility specific authority to issue or cause to be issued,  
4 directly or indirectly, transition bonds through a financing entity  
5 and related matters as provided in P.L.1999, c.23, which order shall  
6 become effective immediately upon the written consent of the  
7 related electric public utility to such order as provided in P.L.1999,  
8 c.23;

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

20 "British thermal unit" or "Btu" means the amount of heat  
21 required to increase the temperature of one pound of water by one  
22 degree Fahrenheit;

23 "Broker" means a duly licensed electric power supplier that  
24 assumes the contractual and legal responsibility for the sale of  
25 electric generation service, transmission or other services to end-use  
26 retail customers, but does not take title to any of the power sold, or  
27 a duly licensed gas supplier that assumes the contractual and legal  
28 obligation to provide gas supply service to end-use retail customers,  
29 but does not take title to the gas;

30 "Buydown" means an arrangement or arrangements involving the  
31 buyer and seller in a given power purchase contract and, in some  
32 cases third parties, for consideration to be given by the buyer in  
33 order to effectuate a reduction in the pricing, or the restructuring of  
34 other terms to reduce the overall cost of the power contract, for the  
35 remaining succeeding period of the purchased power arrangement  
36 or arrangements;

37 "Buyout" means an arrangement or arrangements involving the  
38 buyer and seller in a given power purchase contract and, in some  
39 cases third parties, for consideration to be given by the buyer in  
40 order to effectuate a termination of such power purchase contract;

41 "Class I renewable energy" means electric energy produced from  
42 solar technologies, photovoltaic technologies, wind energy, fuel  
43 cells, geothermal technologies, wave or tidal action, and methane  
44 gas from landfills or a biomass facility, provided that the biomass is  
45 cultivated and harvested in a sustainable manner;

46 "Class II renewable energy" means electric energy produced at a  
47 resource recovery facility or hydropower facility, provided that  
48 such facility is located where retail competition is permitted and

1 provided further that the Commissioner of Environmental  
2 Protection has determined that such facility meets the highest  
3 environmental standards and minimizes any impacts to the  
4 environment and local communities;

5 "Co-generation" means the sequential production of electricity  
6 and steam or other forms of useful energy used for industrial or  
7 commercial heating and cooling purposes;

8 "Combined cycle power facility" means a generation facility that  
9 combines two or more thermodynamic cycles, by producing electric  
10 power via the combustion of fuel and then routing the resulting  
11 waste heat by-product to a conventional boiler or to a heat recovery  
12 steam generator for use by a steam turbine to produce electric  
13 power, thereby increasing the overall efficiency of the generating  
14 facility;

15 "Combined heat and power facility" or "co-generation facility"  
16 means a generation facility which produces electric energy, steam,  
17 or other forms of useful energy such as heat, which are used for  
18 industrial or commercial heating or cooling purposes. A combined  
19 heat and power facility or co-generation facility shall not be  
20 considered a public utility;

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

25 "Commercial and industrial energy pricing class customer" or  
26 "CIEP class customer" means that group of non-residential  
27 customers with high peak demand, as determined by periodic board  
28 order, which either is eligible or which would be eligible, as  
29 determined by periodic board order, to receive funds from the Retail  
30 Margin Fund established pursuant to section 9 of P.L.1999, c.23  
31 (C.48:3-57) and for which basic generation service is hourly-priced;

32 "Comprehensive resource analysis" means an analysis including,  
33 but not limited to, an assessment of existing market barriers to the  
34 implementation of energy efficiency and renewable technologies  
35 that are not or cannot be delivered to customers through a  
36 competitive marketplace;

37 "Connected to the distribution system" means (1) connected to a  
38 net metering customer's side of the meter, regardless of the voltage  
39 at which the customer connects to the electric grid, or (2) directly  
40 connected to the electric grid at 69 kilovolts or less, regardless of  
41 how an electric public utility classifies that portion of its electric  
42 grid;

43 "Customer" means any person that is an end user and is  
44 connected to any part of the transmission and distribution system  
45 within an electric public utility's service territory or a gas public  
46 utility's service territory within this State;

1 "Customer account service" means metering, billing, or such  
2 other administrative activity associated with maintaining a customer  
3 account;

4 "Delivery year" or "DY" means the 12-month period from June  
5 1st through May 31st, numbered according to the calendar year in  
6 which it ends;

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

13 "Electric generation service" means the provision of retail  
14 electric energy and capacity which is generated off-site from the  
15 location at which the consumption of such electric energy and  
16 capacity is metered for retail billing purposes, including agreements  
17 and arrangements related thereto;

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

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

38 "Electric public utility" means a public utility, as that term is  
39 defined in R.S.48:2-13, that transmits and distributes electricity to  
40 end users within this State;

41 "Electric related service" means a service that is directly related  
42 to the consumption of electricity by an end user, including, but not  
43 limited to, the installation of demand side management measures at  
44 the end user's premises, the maintenance, repair or replacement of  
45 appliances, lighting, motors or other energy-consuming devices at  
46 the end user's premises, and the provision of energy consumption  
47 measurement and billing services;

1 "Electronic signature" means an electronic sound, symbol or  
2 process, attached to, or logically associated with, a contract or other  
3 record, and executed or adopted by a person with the intent to sign  
4 the record;

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

10 "Energy agent" means a person that is duly registered pursuant to  
11 the provisions of P.L.1999, c.23 (C.48:3-49 et al.), that arranges the  
12 sale of retail electricity or electric related services or retail gas  
13 supply or gas related services between government aggregators or  
14 private aggregators and electric power suppliers or gas suppliers,  
15 but does not take title to the electric or gas sold;

16 "Energy consumer" means a business or residential consumer of  
17 electric generation service or gas supply service located within the  
18 territorial jurisdiction of a government aggregator;

19 "Energy efficiency portfolio standard" means a requirement to  
20 procure a specified amount of energy efficiency or demand side  
21 management resources as a means of managing and reducing energy  
22 usage and demand by customers;

23 "Energy year" or "EY" means the 12-month period from June 1st  
24 through May 31st, numbered according to the calendar year in  
25 which it ends;

26 "Federal Energy Regulatory Commission" or "FERC" means the  
27 federal agency established pursuant to 42 U.S.C. s.7171 et seq. to  
28 regulate the interstate transmission of electricity, natural gas, and  
29 oil;

30 "Financing entity" means an electric public utility, a special  
31 purpose entity, or any other assignee of bondable transition  
32 property, which issues transition bonds. Except as specifically  
33 provided in P.L.1999, c.23 (C.48:3-49 et al.), a financing entity  
34 which is not itself an electric public utility shall not be subject to  
35 the public utility requirements of Title 48 or any rules or regulations  
36 adopted pursuant thereto;

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

39 "Gas related service" means a service that is directly related to  
40 the consumption of gas by an end user, including, but not limited to,  
41 the installation of demand side management measures at the end  
42 user's premises, the maintenance, repair or replacement of  
43 appliances or other energy-consuming devices at the end user's  
44 premises, and the provision of energy consumption measurement  
45 and billing services;

46 "Gas supplier" means a person that is duly licensed pursuant to  
47 the provisions of P.L.1999, c.23 (C.48:3-49 et al.) to offer and  
48 assume the contractual and legal obligation to provide gas supply

1 service to retail customers, and includes, but is not limited to,  
2 marketers and brokers. A non-public utility affiliate of a public  
3 utility holding company may be a gas supplier, but a gas public  
4 utility or any subsidiary of a gas utility is not a gas supplier. In the  
5 event that a gas public utility is not part of a holding company legal  
6 structure, a related competitive business segment of that gas public  
7 utility may be a gas supplier, provided that related competitive  
8 business segment is structurally separated from the gas public  
9 utility, and provided that the interactions between the gas public  
10 utility and the related competitive business segment are subject to  
11 the affiliate relations standards adopted by the board pursuant to  
12 subsection k. of section 10 of P.L.1999, c.23 (C.48:3-58);

13 "Gas supply service" means the provision to customers of the  
14 retail commodity of gas, but does not include any regulated  
15 distribution service;

16 "Government aggregator" means any government entity subject  
17 to the requirements of the "Local Public Contracts Law," P.L.1971,  
18 c.198 (C.40A:11-1 et seq.), the "Public School Contracts Law,"  
19 N.J.S.18A:18A-1 et seq., or the "County College Contracts Law,"  
20 P.L.1982, c.189 (C.18A:64A-25.1 et seq.), that enters into a written  
21 contract with a licensed electric power supplier or a licensed gas  
22 supplier for: (1) the provision of electric generation service, electric  
23 related service, gas supply service, or gas related service for its own  
24 use or the use of other government aggregators; or (2) if a  
25 municipal or county government, the provision of electric  
26 generation service or gas supply service on behalf of business or  
27 residential customers within its territorial jurisdiction;

28 "Government energy aggregation program" means a program and  
29 procedure pursuant to which a government aggregator enters into a  
30 written contract for the provision of electric generation service or  
31 gas supply service on behalf of business or residential customers  
32 within its territorial jurisdiction;

33 "Governmental entity" means any federal, state, municipal, local  
34 or other governmental department, commission, board, agency,  
35 court, authority or instrumentality having competent jurisdiction;

36 "Greenhouse gas emissions portfolio standard" means a  
37 requirement that addresses or limits the amount of carbon dioxide  
38 emissions indirectly resulting from the use of electricity as applied  
39 to any electric power suppliers and basic generation service  
40 providers of electricity;

41 "Incremental auction" means an auction conducted by PJM, as  
42 part of PJM's reliability pricing model, prior to the start of the  
43 delivery year to secure electric capacity as necessary to satisfy the  
44 capacity requirements for that delivery year, that is not otherwise  
45 provided for in the base residual auction;

46 "Leakage" means an increase in greenhouse gas emissions  
47 related to generation sources located outside of the State that are not  
48 subject to a state, interstate or regional greenhouse gas emissions

1 cap or standard that applies to generation sources located within the  
2 State;

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

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

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

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

29 "Mid-merit electric power generation facility" means a  
30 generation facility that operates at a capacity factor between  
31 baseload generation facilities and peaker generation facilities;

32 "Net proceeds" means proceeds less transaction and other related  
33 costs as determined by the board;

34 "Net revenues" means revenues less related expenses, including  
35 applicable taxes, as determined by the board;

36 "Offshore wind energy" means electric energy produced by a  
37 qualified offshore wind project;

38 "Offshore wind renewable energy certificate" or "OREC" means  
39 a certificate, issued by the board or its designee, representing the  
40 environmental attributes of one megawatt hour of electric  
41 generation from a qualified offshore wind project;

42 "Off-site end use thermal energy services customer" means an  
43 end use customer that purchases thermal energy services from an  
44 on-site generation facility, combined heat and power facility, or co-  
45 generation facility, and that is located on property that is separated  
46 from the property on which the on-site generation facility,  
47 combined heat and power facility, or co-generation facility is

1 located by more than one easement, public thoroughfare, or  
2 transportation or utility-owned right-of-way;

3 "On-site generation facility" means a generation facility, and  
4 equipment and services appurtenant to electric sales by such facility  
5 to the end use customer located on the property or on property  
6 contiguous to the property on which the end user is located. An on-  
7 site generation facility shall not be considered a public utility. The  
8 property of the end use customer and the property on which the on-  
9 site generation facility is located shall be considered contiguous if  
10 they are geographically located next to each other, but may be  
11 otherwise separated by an easement, public thoroughfare,  
12 transportation or utility-owned right-of-way, or if the end use  
13 customer is purchasing thermal energy services produced by the on-  
14 site generation facility, for use for heating or cooling, or both,  
15 regardless of whether the customer is located on property that is  
16 separated from the property on which the on-site generation facility  
17 is located by more than one easement, public thoroughfare, or  
18 transportation or utility-owned right-of-way;

19 "Person" means an individual, partnership, corporation,  
20 association, trust, limited liability company, governmental entity or  
21 other legal entity;

22 "PJM Interconnection, L.L.C." or "PJM" means the privately-  
23 held, limited liability corporation that is a FERC-approved Regional  
24 Transmission Organization, or its successor, that manages the  
25 regional, high-voltage electricity grid serving all or parts of 13  
26 states including New Jersey and the District of Columbia, operates  
27 the regional competitive wholesale electric market, manages the  
28 regional transmission planning process, and establishes systems and  
29 rules to ensure that the regional and in-State energy markets operate  
30 fairly and efficiently;

31 "Private aggregator" means a non-government aggregator that is  
32 a duly-organized business or non-profit organization authorized to  
33 do business in this State that enters into a contract with a duly  
34 licensed electric power supplier for the purchase of electric energy  
35 and capacity, or with a duly licensed gas supplier for the purchase  
36 of gas supply service, on behalf of multiple end-use customers by  
37 combining the loads of those customers;

38 "Public utility holding company" means: (1) any company that,  
39 directly or indirectly, owns, controls, or holds with power to vote,  
40 ten percent or more of the outstanding voting securities of an  
41 electric public utility or a gas public utility or of a company which  
42 is a public utility holding company by virtue of this definition,  
43 unless the Securities and Exchange Commission, or its successor,  
44 by order declares such company not to be a public utility holding  
45 company under the Public Utility Holding Company Act of 1935,  
46 15 U.S.C. s.79 et seq., or its successor; or (2) any person that the  
47 Securities and Exchange Commission, or its successor, determines,  
48 after notice and opportunity for hearing, directly or indirectly, to

1 exercise, either alone or pursuant to an arrangement or  
2 understanding with one or more other persons, such a controlling  
3 influence over the management or policies of an electric public  
4 utility or a gas public utility or public utility holding company as to  
5 make it necessary or appropriate in the public interest or for the  
6 protection of investors or consumers that such person be subject to  
7 the obligations, duties, and liabilities imposed in the Public Utility  
8 Holding Company Act of 1935 or its successor;

9 "Qualified offshore wind project" means a wind turbine  
10 electricity generation facility in the Atlantic Ocean and connected  
11 to the electric transmission system in this State, and includes the  
12 associated transmission-related interconnection facilities and  
13 equipment, and approved by the board pursuant to section 3 of  
14 P.L.2010, c.57 (C.48:3-87.1);

15 "Regulatory asset" means an asset recorded on the books of an  
16 electric public utility or gas public utility pursuant to the Statement  
17 of Financial Accounting Standards, No. 71, entitled "Accounting for  
18 the Effects of Certain Types of Regulation," or any successor  
19 standard and as deemed recoverable by the board;

20 "Related competitive business segment of an electric public  
21 utility or gas public utility" means any business venture of an  
22 electric public utility or gas public utility including, but not limited  
23 to, functionally separate business units, joint ventures, and  
24 partnerships, that offers to provide or provides competitive services;

25 "Related competitive business segment of a public utility holding  
26 company" means any business venture of a public utility holding  
27 company, including, but not limited to, functionally separate  
28 business units, joint ventures, and partnerships and subsidiaries, that  
29 offers to provide or provides competitive services, but does not  
30 include any related competitive business segments of an electric  
31 public utility or gas public utility;

32 "Reliability pricing model" or "RPM" means PJM's capacity-  
33 market model, and its successors, that secures capacity on behalf of  
34 electric load serving entities to satisfy load obligations not satisfied  
35 through the output of electric generation facilities owned by those  
36 entities, or otherwise secured by those entities through bilateral  
37 contracts;

38 "Renewable energy certificate" or "REC" means a certificate  
39 representing the environmental benefits or attributes of one  
40 megawatt-hour of generation from a generating facility that  
41 produces Class I or Class II renewable energy, but shall not include  
42 a solar renewable energy certificate or an offshore wind renewable  
43 energy certificate;

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

1 "Resource recovery facility" means a solid waste facility  
2 constructed and operated for the incineration of solid waste for  
3 energy production and the recovery of metals and other materials  
4 for reuse;

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

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

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

39 "Shopping credit" means an amount deducted from the bill of an  
40 electric public utility customer to reflect the fact that such customer  
41 has switched to an electric power supplier and no longer takes basic  
42 generation service from the electric public utility;

43 "Social program" means a program implemented with board  
44 approval to provide assistance to a group of disadvantaged  
45 customers, to provide protection to consumers, or to accomplish a  
46 particular societal goal, and includes, but is not limited to, the  
47 winter moratorium program, utility practices concerning "bad debt"  
48 customers, low income assistance, deferred payment plans,

1 weatherization programs, and late payment and deposit policies, but  
2 does not include any demand side management program or any  
3 environmental requirements or controls;

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

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

12 "Solar renewable energy certificate" or "SREC" means a  
13 certificate issued by the board or its designee, representing one  
14 megawatt hour (MWh) of solar energy that is generated by a facility  
15 connected to the distribution system in this State and has value  
16 based upon, and driven by, the energy market;

17 "Standard offer capacity agreement" or "SOCA" means a  
18 financially-settled transaction agreement, approved by board order,  
19 that provides for eligible generators to receive payments from the  
20 electric public utilities for a defined amount of electric capacity for  
21 a term to be determined by the board but not to exceed 15 years,  
22 and for such payments to be a fully non-bypassable charge, with  
23 such an order, once issued, being irrevocable;

24 "Standard offer capacity price" or "SOCP" means the capacity  
25 price that is fixed for the term of the SOCA and which is the price  
26 to be received by eligible generators under a board-approved  
27 SOCA;

28 "Stranded cost" means the amount by which the net cost of an  
29 electric public utility's electric generating assets or electric power  
30 purchase commitments, as determined by the board consistent with  
31 the provisions of P.L.1999, c.23 (C.48:3-49 et al.), exceeds the  
32 market value of those assets or contractual commitments in a  
33 competitive supply marketplace and the costs of buydowns or  
34 buyouts of power purchase contracts;

35 "Stranded costs recovery order" means each order issued by the  
36 board in accordance with subsection c. of section 13 of P.L.1999,  
37 c.23 (C.48:3-61) which sets forth the amount of stranded costs, if  
38 any, the board has determined an electric public utility is eligible to  
39 recover and collect in accordance with the standards set forth in  
40 section 13 of P.L.1999, c.23 (C.48:3-61) and the recovery  
41 mechanisms therefor;

42 "Thermal efficiency" means the useful electric energy output of a  
43 facility, plus the useful thermal energy output of the facility,  
44 expressed as a percentage of the total energy input to the facility;

45 "Transition bond charge" means a charge, expressed as an  
46 amount per kilowatt hour, that is authorized by and imposed on  
47 electric public utility ratepayers pursuant to a bondable stranded

1 costs rate order, as modified at any time pursuant to the provisions  
2 of P.L.1999, c.23 (C.48:3-49 et al.);

3 "Transition bonds" means bonds, notes, certificates of  
4 participation or beneficial interest or other evidences of  
5 indebtedness or ownership issued pursuant to an indenture, contract  
6 or other agreement of an electric public utility or a financing entity,  
7 the proceeds of which are used, directly or indirectly, to recover,  
8 finance or refinance bondable stranded costs and which are, directly  
9 or indirectly, secured by or payable from bondable transition  
10 property. References in P.L.1999, c.23 (C.48:3-49 et al.) to  
11 principal, interest, and acquisition or redemption premium with  
12 respect to transition bonds which are issued in the form of  
13 certificates of participation or beneficial interest or other evidences  
14 of ownership shall refer to the comparable payments on such  
15 securities;

16 "Transition period" means the period from August 1, 1999  
17 through July 31, 2003;

18 "Transmission and distribution system" means, with respect to an  
19 electric public utility, any facility or equipment that is used for the  
20 transmission, distribution or delivery of electricity to the customers  
21 of the electric public utility including, but not limited to, the land,  
22 structures, meters, lines, switches and all other appurtenances  
23 thereof and thereto, owned or controlled by the electric public  
24 utility within this State; and

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

28 (cf: P.L.2011, c.9, s.2)

29  
30 2. This act shall take effect immediately.

### 31 32 33 STATEMENT

34  
35 This bill would provide that facilities that are connected to a net  
36 metering customer's side of the meter, regardless of the voltage at  
37 which the customer connects to the electric grid, or directly  
38 connected to the electric grid at 69 kilovolts or less, regardless of  
39 how an electric public utility classifies that portion of its electric  
40 grid, shall be considered "connected to the distribution system" and  
41 thus eligible for the issuance of solar renewable energy certificates  
42 ("SRECs").