

**SENATE, No. 3285**

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**STATE OF NEW JERSEY**  
**216th LEGISLATURE**

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INTRODUCED DECEMBER 10, 2015

**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**

As introduced.



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,  
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).

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

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

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

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

38

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

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

29       b. The center shall be governed and its corporate powers  
30 exercised by a board of directors consisting of nine members: one  
31 shall be the President of the Board of Public Utilities or the  
32 president's designee; one shall be the executive director of the New  
33 Jersey Economic Development Authority or the executive director's  
34 designee; one shall be the Commissioner of Labor and Workforce  
35 Development or the commissioner's designee, and all three shall  
36 serve ex officio; and six public members who shall be appointed by  
37 the Governor, 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, and one shall be  
43 a chief executive officer of a New Jersey-based clean energy  
44 corporation. Each of the six public members appointed by the  
45 Governor shall serve for a term of five years, except that in making  
46 the initial appointments, the Governor shall appoint one member to  
47 serve for a term of one year, one member to serve for a term of two  
48 years, one member for a term of three years, one member for a term

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

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

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

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

45 f. All officers and employees of the center having access to its  
46 cash or negotiable securities shall give bond to the center, at its  
47 expense, in such amounts and with such surety as the board may  
48 prescribe.

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

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

11       i. Information required to be compiled by the center shall be  
12 deemed to be public records subject to the requirements of  
13 P.L.1963, c.73 (C.47:1A-1 et seq.), except that any documentary  
14 materials or data whatsoever made or received by a member or  
15 employee of the center and consisting of, or to the extent that such  
16 materials or data consist of, trade secrets or commercial or financial  
17 information regarding the operation of any business conducted by  
18 an applicant for any form of assistance which the center is  
19 empowered to render or regarding the competitive position of such  
20 applicant in a particular field of endeavor, shall not be deemed  
21 public records of the center and shall not be subject to P.L.1963,  
22 c.73 (C.47:1A-1 et seq.). Any discussion or consideration of trade  
23 secrets or commercial or financial information may be held by the  
24 board in executive sessions closed to the public, notwithstanding  
25 the "Senator Byron M. Baer Open Public Meetings Act," P.L.1975,  
26 c.231 (C.10:4-6 et seq.), but the purpose of any executive session  
27 shall be set forth in the official minutes of the center and no  
28 business which is not directly related to that purpose shall be  
29 transacted nor shall any vote be taken during an executive session.

30  
31       3. (New section) The Clean Energy Technology Center shall  
32 have all powers necessary or convenient to carry out and effectuate  
33 its purposes pursuant to P.L.     , c.     (C.     ) (pending before the  
34 Legislature as this bill), including, the power to:

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

37       b. Establish standards requiring that any loan, loan guarantee,  
38 or other appropriation of funds pursuant to P.L.     , c.     (C.     )  
39 (pending before the Legislature as this bill) be subject to an  
40 intellectual property agreement between the center and the recipient  
41 person; provided, however, that the intellectual property agreement  
42 shall balance the opportunity for the State to benefit from the  
43 patents, royalties, and equity ownership in public and private  
44 companies and licenses against the need to ensure that essential  
45 clean energy research shall not be unreasonably hindered by the  
46 intellectual property agreement; and provided further, that all  
47 revenues or financial interests of any kind received by the center as

- 1 a result of the intellectual property agreement shall be placed, in its  
2 entirety, in the fund.
- 3 c. Adopt an official seal;
- 4 d. Maintain offices within the State as it may determine and to  
5 conduct meetings of the center in accordance with the by-laws of  
6 the center;
- 7 e. Sue and be sued, to prosecute and defend actions relating to  
8 its properties and affairs, and to be liable in tort in the same manner  
9 as a private person; provided, however, that the center shall not  
10 become a debtor under chapter 7 or 11 of the United States  
11 Bankruptcy Code;
- 12 f. Appoint officers and employees and to engage consultants,  
13 agents, and advisors;
- 14 g. Enter into contracts and agreements and execute all  
15 documents necessary or convenient thereto for accomplishing the  
16 purposes of P.L. , c. (C. ) (pending before the Legislature as  
17 this bill); provided, however, that the contracts and agreements may  
18 include, without limiting the foregoing, construction agreements,  
19 purchase or acquisition agreements, loan or lease agreements,  
20 partnership agreements including limited partnership agreements,  
21 joint ventures, participation agreements, service agreements with  
22 clean energy entities, environmental, educational, or other financial  
23 institutions or intermediaries and agreements with one or more  
24 persons for the servicing of loans made by the center, including the  
25 receipt by such servicer of payments made by a user under a  
26 financing contract or agreement, and provided further, that any such  
27 payments shall constitute trust funds to be held and applied solely  
28 as provided in such agreement for the servicing of loans, shall  
29 constitute pledged funds of the center, and shall be entitled to the  
30 same protection when received by a person for the servicing of  
31 loans, without the need for filing and recording of the servicing  
32 agreement, except in the records of the center, as is afforded to  
33 funds received by an issuer and pledged to a trustee;
- 34 h. Acquire real and personal property, or any interest in real or  
35 personal property, by gift, purchase, transfer, foreclosure, lease, or  
36 otherwise, including rights or easements; to hold, sell, assign, lease,  
37 encumber, mortgage, or otherwise dispose of any real or personal  
38 property, or any interest therein, or mortgage any interest owned by  
39 the center or under the center's control, custody, or in the center's  
40 possession; to release or relinquish any right, title, claim, lien,  
41 interest, easement, or demand however acquired, including any  
42 equity or right of redemption in property foreclosed by the center;  
43 to take assignments of leases and rentals, proceed with foreclosure  
44 actions or take any other actions necessary or incidental to the  
45 performance of the center's corporate purposes;
- 46 i. Invest funds held in reserves or sinking funds, or the  
47 Alternative and Clean Energy Investment Trust Fund, or funds not  
48 required for immediate disbursement, in those investments as may

- 1 be provided in a financing document relating to the use of the  
2 funds, or, if not so provided, as the board may determine;
- 3 j. Review and recommend changes in laws, rules, programs,  
4 and policies of the State and its agencies and subdivisions to further  
5 the enhancement of clean energy financing, infrastructure, siting,  
6 manufacturing, and development within the State;
- 7 k. Appear on its own behalf before boards, commissions,  
8 departments, or other agencies of municipal, county, State, or  
9 federal government;
- 10 l. Obtain insurance;
- 11 m. Apply for and accept grants, loans, advances, and  
12 contributions from any source of money, property, labor, or other  
13 things of value, to be held, used, and applied for the center's  
14 corporate purposes; provided, however, that the center shall not  
15 accept funding from any source, including any federal agency, if the  
16 receipt of that funding would limit the center's ability to promote its  
17 public purposes; and provided further, that all funds shall be placed,  
18 in their entirety, in the fund;
- 19 n. Enter into agreements, including any contribution  
20 agreements, with public and private entities that deal primarily with  
21 clean energy technologies, in order to distribute and provide  
22 leveraging of monies or services for the purposes of furthering  
23 research and development, aiding in the promotion of  
24 environmental protection, creating jobs in clean energy and  
25 promoting overall economic growth by fostering collaboration and  
26 investments in clean energy in the State;
- 27 o. Provide and pay for advisory services and technical  
28 assistance as may be necessary or desired to carry out the purposes  
29 of P.L. , c. (C. ) (pending before the Legislature as this  
30 bill);
- 31 p. Establish and collect fees and charges, in addition to any  
32 societal benefits charge revenues allocated to the center pursuant to  
33 section 12 of P.L.1999, c.23 (C.48:3-60), as the center, without  
34 further appropriation, shall determine to be reasonable, and to  
35 receive and apply revenues from fees and charges to the purposes of  
36 the center or allotment by the State; provided, however, that all  
37 revenues collected shall be placed, in their entirety, in the  
38 Alternative and Clean Energy Investment Trust Fund;
- 39 q. Make or guarantee loans (1) to any person for the  
40 acquisition, construction, alteration, or any combination thereof, or  
41 other financing of a clean energy project including, but not limited  
42 to, loans to lending institutions under terms and conditions  
43 requiring the proceeds of the loans to be used by the lending  
44 institutions for the making of loans to persons for qualified clean  
45 energy projects and (2) for the purposes described pursuant to  
46 sections 8, 9, and 10 of P.L. , c. (C. ) (pending before the  
47 Legislature as this bill);



- 1        r. Disburse, appropriate, loan, or allocate funds for the  
2 purposes of investing in clean energy as directed pursuant to P.L. \_\_, \_\_,  
3 c. (C. \_\_) (pending before the Legislature as this bill);
- 4        s. Provide assistance to local entities and authorities, public  
5 bodies and private corporations for the purposes of maximizing  
6 opportunities for expanding clean energy technologies, attracting  
7 new clean energy entities and advanced technology investments,  
8 fostering new innovative research, and creating new manufacturing  
9 and development initiatives in the State;
- 10       t. Prepare, publish, and distribute as the center may determine,  
11 studies, reports, bulletins, and other material as the center deems  
12 appropriate;
- 13       u. Employ accountants, architects, attorneys, engineers,  
14 planners, real estate experts, and other consultants as may be  
15 necessary in its judgment to carry out the purposes of P.L. \_\_, \_\_,  
16 c. (C. \_\_) (pending before the Legislature as this bill) and to fix  
17 their compensation;
- 18       v. Take any actions necessary or convenient to the exercise of  
19 any power or the discharge of any duty provided pursuant to P.L. \_\_, \_\_,  
20 c. (C. \_\_) (pending before the Legislature as this bill);
- 21       w. Enter into agreements or other transactions with any person,  
22 including without limitation any public agency or other  
23 governmental instrumentality or agency, in connection with its  
24 powers and duties pursuant to P.L. \_\_, c. (C. \_\_) (pending before  
25 the Legislature as this bill);
- 26       x. Make qualified investments to ensure the success of clean  
27 energy industry clusters; and
- 28       y. Institute and administer the Alternative and Clean Energy  
29 Investment Trust Fund for the purposes of making appropriations,  
30 allocations, or loans to leverage development and investments in  
31 clean energy research, workforce training, and job creation;  
32 provided, however, that the center shall implement an application  
33 process for these purposes.
- 34
- 35       4. (New section) a. The exercise of the powers granted  
36 pursuant to section 3 of P.L. \_\_, c. (C. \_\_) (pending before the  
37 Legislature as this bill) shall be in all respects for the benefit of the  
38 people of the State and for the improvement of their health and  
39 living conditions. The operation of the Clean Energy Technology  
40 Center shall constitute the performance of essential governmental  
41 functions and the center shall not be required to pay any taxes or  
42 assessments.
- 43       b. All real and tangible personal property of the center shall be  
44 deemed to be public property used for essential public and  
45 governmental purposes and shall be exempt from taxation and  
46 special assessments.

1        5. (New section) Based on recommendations included in the  
2 clean energy study conducted pursuant to subsection c. of section  
3 10 of P.L. , c. (C. ) (pending before the Legislature as this  
4 bill), the Clean Energy Technology Center shall, within 100 days of  
5 the study's completion, develop a Statewide plan for the installation  
6 and operation of renewable energy generating facilities on real  
7 property owned by the State. Any renewable energy generating  
8 facility sited on State property shall be made available for State and  
9 local workforce development and training initiatives.

10  
11        6. (New section) The Clean Energy Technology Center shall  
12 annually submit, on or before March 1, a report to the Governor  
13 and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the  
14 Legislature, setting forth, relative to the center's operations,  
15 receipts, and expenditures during its fiscal year and its assets and  
16 liabilities during the fiscal year.

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

43        b. The center shall, in consultation with the advisory committee  
44 established in subsection g. of this section and the State Treasurer,  
45 invest and reinvest the Alternative and Clean Energy Investment  
46 Trust Fund and the income thereof only as follows: (1) in the  
47 making of qualified investments approved by the board, pursuant to  
48 rules approved by the board; (2) in defraying the ordinary and

1 necessary expenses of administration and operation associated with  
2 the center; provided, however, that administrative and operational  
3 expenses shall not exceed 15 percent of the total assets of the fund  
4 in any one fiscal year; (3) in the investment of any funds not  
5 required for immediate disbursement in the purchase of securities as  
6 may be lawful investments for fiduciaries in the State; (4) for the  
7 payment of binding obligations associated with qualified  
8 investments which are secured by the fund as the obligations  
9 become payable; and (5) for the payment of principal and interest  
10 on qualified investments secured by the fund or the payment of any  
11 redemption premium required to be paid when the qualified  
12 investments are redeemed prior to maturity.

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

46 d. The center shall not make a qualified investment under  
47 paragraph (1) of subsection c. of this section unless: (1) the  
48 qualified investment has been approved by a majority vote of the

1 board; and (2) the center finds that, to the extent possible, the  
2 qualified investment is such that a defined benefit to the economy  
3 of the State may reasonably be expected from the qualified  
4 investment; provided, however, that in evaluating a request or  
5 application for funding, the center shall consider whether: (a) the  
6 project fulfills the public purposes of the center; (b) the project has  
7 significant potential to expand clean energy related employment in  
8 the State; (c) the project has the potential to enhance technological  
9 advancements in clean energy; (d) the project has the potential to  
10 result in the development of advancements in environmental  
11 protection and reduce the cost of energy; (e) the project has the  
12 potential to leverage additional funding or to attract additional  
13 energy resources to the State; (f) the project has the potential to  
14 stimulate clean energy manufacturing in the State; (g) the project  
15 includes a plan to facilitate collaboration with State and local  
16 workforce development programs; or (h) the program leads to  
17 pathways towards economic self-sufficiency for low and moderate-  
18 income communities in the clean energy industry as established  
19 pursuant to paragraph (6) of subsection c. of this section.

20 e. The center shall not make a qualified investment under  
21 paragraph (1) of subsection b. of this section unless the qualified  
22 investment is in conformity with the rules adopted by the center and  
23 approved by the board. The rules shall set the terms and conditions  
24 for investments which constitute qualified investments, which may  
25 include, without limitation, loans, guarantees, loan insurance or  
26 reinsurance, equity investments, equity ownership in public or  
27 private companies, or other financing or credit enhancing devices,  
28 as made by the center directly or on its own behalf or in conjunction  
29 with other public instrumentalities, private institutions, or the  
30 federal government.

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

47 g. There shall be an advisory committee to be appointed by the  
48 Governor consisting of 15 individuals with an interest in and

1 knowledge of matters related to the general purpose and activities  
2 of the Alternative and Clean Energy Investment Trust Fund and  
3 with expertise and experience in at least one of the following areas:  
4 clean energy technology research, clean energy technology  
5 development, clean energy investing, management of clean energy  
6 companies, making or advancing clean energy policy, clean energy  
7 curriculum development, or workforce training in the field of clean  
8 energy or energy efficiency. The board shall consult with the  
9 advisory committee in matters related to the fund and in the  
10 implementation of this section.

11 h. Qualified investment transactions undertaken by the center  
12 pursuant to this section shall not constitute a debt or pledge of the  
13 faith and credit of the State, the center, or any political subdivision  
14 of the State and shall be payable solely from the Alternative and  
15 Clean Energy Investment Trust Fund.

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

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

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

36  
37 8. (New section) There is hereby established and placed within  
38 the Clean Energy Technology Center a program to be known as the  
39 "Clean Energy Loan Program." Under the program, the center, in  
40 consultation with the New Jersey Economic Development  
41 Authority, may provide loans or loan guarantees, to clean energy  
42 researchers, companies, nonprofit organizations, community-based  
43 organizations, and institutions based on criteria developed by the  
44 center. The center shall establish public-private partnerships with  
45 State-based investors, entrepreneurs, and institutions that are  
46 involved in the clean energy industry for the purposes of facilitating  
47 matching grants for recipients of funding from the center.

1       9. (New section) There is hereby established and placed within  
2 the Clean Energy Technology Center an initiative to be known as  
3 the “Green Jobs Initiative.” Under the initiative, the center, in  
4 consultation with the New Jersey Economic Development  
5 Authority, may provide loans or loan guarantees to public  
6 institutions of higher education and county vocational-technical  
7 schools, to facilitate workforce development efforts and train and  
8 retain students in clean energy industries. The initiatives may  
9 include loans or loan guarantees to public institutions of higher  
10 education and county vocational-technical schools for the  
11 development of small-scale renewable energy generating sources,  
12 including, but not limited to: photovoltaic installations; wind  
13 energy; ocean thermal, wave, or tidal energy; fuel cells; landfill gas;  
14 natural flowing water and hydroelectric; low-emission advanced  
15 biomass power conversion technologies using biomass fuels such as  
16 wood, agricultural, or food wastes; biogas, biodiesel, or organic  
17 refuse-derived fuel; and geothermal energy. The center shall assist  
18 public institutions of higher education and the county vocational-  
19 technical schools in developing a curriculum for clean energy and  
20 energy efficiency, and shall assist students seeking employment in  
21 the clean energy sector.

22  
23       10. (New section) a. The Clean Energy Technology Center, in  
24 consultation with the New Jersey Economic Development  
25 Authority, may allocate monies from the Alternative and Clean  
26 Energy Investment Trust Fund for a loan program to be  
27 administered by the center. The program may provide loans or loan  
28 guarantees to clean energy companies, institutions, or nonprofit  
29 organizations.

30       b. The center, in consultation with the Commissioner of Labor  
31 and Workforce Development, may allocate monies from the  
32 Alternative and Clean Energy Investment Trust Fund for a  
33 workforce development loan program to be administered by the  
34 commissioner or the commissioner’s designee. The workforce  
35 development loan program may provide loans or loan guarantees to  
36 the State’s institutions of higher education, county vocational-  
37 technical schools, or community-based organizations that have  
38 existing workforce development programs in clean energy industry  
39 skills or the capacity to create these programs.

40       c. The center shall allocate monies from the Alternative and  
41 Clean Energy Investment Trust Fund to commission a study,  
42 conducted pursuant to section 5 of P.L. , c. (C. ) (pending  
43 before the Legislature as this bill), to investigate the clean energy  
44 sector in the State. The study shall include, but not be limited to, an  
45 examination of: (1) the future workforce needs of the State’s clean  
46 energy sector; (2) the current growth rate of the clean energy sector,  
47 including the number of in State jobs and businesses; (3) the current  
48 levels of private investment in the clean energy sector; (4) real

1 property owned by the State available and suited for the installation  
2 and operation of renewable energy generating facilities; (5) energy  
3 efficiency opportunities on real property owned by the State; and  
4 (6) the future funding requirements of the center. A copy of the  
5 study shall be submitted on or before January 1, 2015 to the  
6 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-  
7 19.1), to the Legislature.

8 d. The center, in consultation with the Commissioner of Labor  
9 and Workforce Development may allocate monies from the  
10 Alternative and Clean Energy Investment Trust Fund for an  
11 initiative to be known as the "Pathways Out of Poverty Initiative."  
12 The initiative shall be administered by the commissioner or the  
13 commissioner's designee. Under the initiative, the commissioner  
14 may provide loans or loan guarantees to clean energy companies,  
15 community-based nonprofit organizations, educational institutions,  
16 or labor organizations to enable these entities to carry out training  
17 programs associated with the clean energy industry that lead to  
18 economic self-sufficiency. The center shall give funding priority to  
19 entities that serve individuals in families with incomes that shall not  
20 exceed 300 percent of the federal poverty level, as determined by  
21 the United States Census Bureau that shall include but not be  
22 limited to, the income needs of families, family size, the number  
23 and ages of children in the family, and geographical considerations.  
24 The loans and loan guarantees shall be awarded so as to ensure  
25 geographic diversity within the State.

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

48 f. The center, in consultation with the New Jersey Economic

1 Development Authority, may allocate monies from the Alternative  
2 and Clean Energy Investment Trust Fund to establish, if the center  
3 so chooses, a program to be known as the “Entrepreneurial  
4 Fellowship Program,” which may provide loans or loan guarantees  
5 to entrepreneurs from business sectors other than clean energy  
6 sectors to enroll in programs to foster knowledge and expertise of  
7 clean energy technology; provided, however, that the clean energy  
8 technology programs shall be based upon intensive technology,  
9 market, and policy curriculum and that the center shall establish  
10 public-private partnerships and enter into contribution agreements  
11 with State-based businesses and venture capitalists to support  
12 programs designed to mentor and train entrepreneurs from other  
13 business sectors in the areas of clean energy technology and  
14 development to increase investment in the State’s clean energy  
15 sector.

16  
17 11. Section 12 of P.L.1999, c.23 (C.48:3-60) is amended to read  
18 as follows:

19 12. a. Simultaneously with the starting date for the  
20 implementation of retail choice as determined by the board pursuant  
21 to subsection a. of section 5 of **【this act】** P.L.1999, c.23 (C.48:3-  
22 53), the board shall permit each electric public utility and gas public  
23 utility to recover some or all of the following costs through a  
24 societal benefits charge that shall be collected as a non-bypassable  
25 charge imposed on all electric public utility customers and gas  
26 public utility customers, as appropriate:

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

45 (2) Nuclear plant decommissioning costs;

46 (3) The costs of demand side management programs that were  
47 approved by the board pursuant to its demand side management  
48 regulations prior to April 30, 1997. For the purpose of establishing



1 initial unbundled rates pursuant to section 4 of **[this act]** P.L.1999,  
2 c.23 (C.48:3-52), the societal benefits charge shall be set to recover  
3 the same level of demand side management program costs as is  
4 being collected in the bundled rates of the electric public utility on  
5 the effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.).  
6 Within four months of the effective date of **[this act]** P.L.1999,  
7 c.23 (C.48:3-49 et al.), and every four years thereafter, the board  
8 shall initiate a proceeding and cause to be undertaken a  
9 comprehensive resource analysis of energy programs, and within  
10 eight months of initiating such proceeding and after notice,  
11 provision of the opportunity for public comment, and public  
12 hearing, the board, in consultation with the Department of  
13 Environmental Protection, shall determine the appropriate level of  
14 funding for energy efficiency and Class I renewable energy  
15 programs that provide environmental benefits above and beyond  
16 those provided by standard offer or similar programs in effect as of  
17 the effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.);  
18 provided that the funding for **[such]** demand side management  
19 programs be no less than **[50%]** 50 percent of the total Statewide  
20 amount being collected in **[public]** electric and gas public utility  
21 rates for demand side management programs on the effective date  
22 of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.) for an initial period of  
23 four years from the issuance of the first comprehensive resource  
24 analysis following the effective date of **[this act]** P.L.1999, c.23  
25 (C.48:3-49 et al.), and provided that **[25%]** 25 percent of this  
26 amount shall be used to provide funding for Class I renewable  
27 energy projects in the State. In each of the following fifth through  
28 eighth years, the Statewide funding for **[such]** demand side  
29 management programs shall be no less than 50 percent of the total  
30 Statewide amount being collected in **[public]** electric and gas  
31 public utility rates for demand side management programs on the  
32 effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.), except  
33 that as additional funds are made available as a result of the  
34 expiration of past standard offer or similar commitments, the  
35 minimum amount of funding for **[such]** demand side management  
36 programs shall increase by an additional amount equal to 50 percent  
37 of the additional funds made available, until the minimum amount  
38 of funding dedicated to **[such]** demand side management programs  
39 reaches \$140,000,000 total. After the eighth year, the board shall  
40 make a determination as to the appropriate level of funding for  
41 these programs. **[Such]** The demand side management programs  
42 shall include a program to provide financial incentives for the  
43 installation of Class I renewable energy projects in the State, and  
44 the board, in consultation with the Department of Environmental  
45 Protection, shall determine the level and total amount of **[such]** the  
46 incentives as well as the renewable technologies eligible for **[such]**  
47 the incentives which shall include, at a minimum, photovoltaic,

1 wind, and fuel cells. The board shall simultaneously determine, as  
2 a result of the comprehensive resource analysis, the programs to be  
3 funded by the societal benefits charge, the level of cost recovery  
4 and performance incentives for old and new programs and whether  
5 the recovery of demand side management programs' costs currently  
6 approved by the board may be reduced or extended over a longer  
7 period of time. The board shall make these determinations taking  
8 into consideration existing market barriers and environmental  
9 benefits, with the objective of transforming markets, capturing lost  
10 opportunities, making energy services more affordable for low  
11 income customers and eliminating subsidies for programs that can  
12 be delivered in the marketplace without electric public utility and  
13 gas public utility customer funding;

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

18 (5) The cost, of consumer education, as determined by the  
19 board, which shall be in an amount that, together with the consumer  
20 education surcharge imposed on electric power supplier license fees  
21 pursuant to subsection h. of section 29 of **[this act]** P.L.1999, c.23  
22 (C.48:3-78) and the consumer education surcharge imposed on gas  
23 supplier license fees pursuant to subsection g. of section 30 of **[this**  
24 **act]** P.L.1999, c.23 (C.48:3-79), shall be sufficient to fund the  
25 consumer education program established pursuant to section 36 of  
26 **[this act]** P.L.1999, c.23 (C.48:3-85); and

27 (6) 100 percent of the costs of the operation of the Clean Energy  
28 Technology Center and the Alternative and Clean Energy  
29 Investment Trust Fund, established pursuant to P.L. , c. (C. )  
30 (pending before the Legislature as this bill). The board may order,  
31 pursuant to its rules and regulations, an increase or decrease in the  
32 societal benefits charge to reflect the inclusion of funding for the  
33 Clean Energy Technology Center and the Alternative and Clean  
34 Energy Investment Trust Fund.

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

1 by the board, to offset uncollectible **【electricity】** electric and  
2 **【natural】** gas public utility bills should be deposited in the fund;  
3 and whether new charges should be imposed to fund new or  
4 expanded social programs.  
5 (cf: P.L.1999, c.23, s.12)

6  
7 12. This act shall take effect immediately.  
8  
9

#### 10 STATEMENT

11  
12 This bill creates a Clean Energy Technology Center (center)  
13 within the Board of Public Utilities (BPU) to administer an  
14 Alternative and Clean Energy Investment Trust Fund (trust fund).  
15 Under the bill, the center is authorized to use trust fund financing to  
16 finance clean energy technology research and provide loans and  
17 loan guarantees to companies, universities, and nonprofits to  
18 encourage the creation of clean technology ventures and the training  
19 of workers to perform associated “green jobs.”

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

36 Financing by the center from the trust fund is to be governed by  
37 rules to be approved by the board of directors of the center  
38 established under the bill. The nine member board is to include  
39 representatives of government, educational institutions, and private  
40 industry, including an engineer or scientist, a chief executive officer  
41 of a New Jersey-based clean energy corporation, and a venture  
42 capitalist with expertise in clean energy technologies.

43 The bill also authorizes a study of the clean energy sector, which  
44 is to examine future workforce needs of the sector, the current  
45 growth rate, levels of private investment, real property owned by  
46 the state available and suitable for the installation and operation of  
47 renewable energy facilities, energy efficiency opportunities on real

1 property owned by the state, and the future funding requirements of  
2 the center.

3 The trust fund created by the bill, financed with revenues  
4 received from the societal benefits charge, established pursuant to  
5 section 12 of P.L.1999, c.23 (C.48:3-60), is intended to stimulate  
6 the growth of the State's clean energy economy, authorizing the  
7 center to use revenues to finance: 1) if the center so chooses, a  
8 Hydrogen and Fuel Cell Institute, to serve as a joint venture among  
9 institutions of higher education in the State providing a focal point  
10 for research, education, and commercialization activities in the  
11 hydrogen fuel cell sector; 2) if the center so chooses, an  
12 "Entrepreneurial Fellowship Program," which is to provide loans or  
13 loan guarantees to entrepreneurs from business sectors other than  
14 clean energy sectors to enroll in programs to foster knowledge and  
15 expertise of clean energy technology; 3) a loan program for clean  
16 energy companies, institutions, or nonprofit organizations; 4) a  
17 "Green Jobs Initiative," which is a workforce development program  
18 to provide loans and loan guarantees to universities and colleges,  
19 vocational-technical schools or community-based organizations  
20 with existing or potential workforce development programs in clean  
21 energy; and 5) a "Pathways Out of Poverty Initiative" to provide  
22 loans and loan guarantees to clean energy companies, community-  
23 based nonprofit organizations, educational institutions, or labor  
24 organizations for training programs that lead to economic self-  
25 sufficiency.