SENATE, No. 277



STATE OF NEW JERSEY

220th LEGISLATURE



PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

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SYNOPSIS

 Establishes green infrastructure financing program.

CURRENT VERSION OF TEXT

 Introduced Pending Technical Review by Legislative Counsel.



An Act establishing a green infrastructure financing program, supplementing Title 52 of the Revised Statutes, and amending P.L.1974, c.80.

 Be It Enacted by the Senate and General Assembly of the State of New Jersey:

 1. (New section) a. The Legislature finds that:

 (1) Building New Jersey's clean energy infrastructure at the lowest possible cost is vital to the State reaching its clean energy goals;

 (2) Significant investment in infrastructure installations is required to achieve the State's goals of energy self-sufficiency, energy security, and energy diversification and to support the achievement of the renewable energy portfolio standards and energy efficiency and conservation program requirements;

 (3) These green infrastructure investments support New Jersey's evolving energy market and ecosystem and provide affordable energy options for all of New Jersey's consumers. Green infrastructure installations require significant amounts of capital and it is in the public interest to minimize these costs. A key component to minimizing costs is reducing the cost of capital required to finance green infrastructure installations;

 (4) The upfront costs of green infrastructure equipment are a barrier preventing many electric and gas public utility customers from investing in green infrastructure. Existing programs and incentives do not serve the entire spectrum of the customer market, particularly those customers who lack access to capital or who cannot afford the large upfront costs required to install and use green infrastructure, thus creating an underserved market; and

 (5) A green infrastructure financing program, administered by the State, that capitalizes on electric and gas public utility customer contributions for green infrastructure equipment would serve a critical role in ensuring these customers receive the greatest opportunity for affordable and clean energy.

 b. The Legislature further finds that the State would be best served by a State-administered green infrastructure financing program that:

 (1) Focuses on providing low-cost financing as an alternative means to traditional financing for green infrastructure equipment for New Jersey’s electric and gas public utility customers, particularly those customers not able to obtain green technology on reasonable financing terms, including those electric and gas public utility customers receiving a loan from the loan program paying a fee their monthly bills instead of a large up-front payment for the cost of the equipment;

 (2) Establishes clearly defined program procedures and targets that encourage effective coordination among State agencies, industry, investors, and other critical energy industry stakeholders in order to help the State achieve its clean energy goals and to provide customers affordable energy options; and

 (3) Utilizes loan program repayment funds as a funding source to finance additional green infrastructure installations, subject to regulatory guidelines and approval of the program.

 c. The Legislature further finds that the impact and reach of the Board of Public Utilities’ existing clean energy financing programs can be greatly enhanced through the use of low-cost capital made available through the green infrastructure financing program established by P.L. , c. (C. ) (pending before the Legislature as this bill).

 d. The Legislature therefore determines that it is in the public interest to make cost-effective green infrastructure equipment options accessible and affordable to electric and gas public utility customers in an equitable way. The manner in which to implement this goal is to establish a regulatory financing structure that authorizes the New Jersey Economic Development Authority, in cooperation with the Board of Public Utilities, to acquire and provide alternative low-cost financing to be deployed through a financing program to make green infrastructure installations accessible and affordable for New Jersey’s electric and gas public utility customers, achieve measurable cost savings, and achieve this State's clean energy goals.

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

 "Ancillary agreement" means any bond insurance policy, letter of credit, reserve account, surety bond, swap arrangement, hedging arrangement, liquidity or credit support arrangement, or other related bond document or other similar agreement or arrangement, entered into in connection with, the issuance of green infrastructure bonds pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill), that is designed to promote the credit quality and marketability of green infrastructure bonds or to mitigate the risk of an increase in interest rates.

 "Authority" means the New Jersey Economic Development Authority established by section 4 of P.L.1974, c.80 (C.34:1B-4).

 "Board" means the Board of Public Utilities or any successor agency.

 "Clean energy technology" means any commercially available technology that enables the State to meet its renewable energy portfolio standards or any energy efficiency or conservation program requirements, demand response technology or energy use reduction or demand-side management infrastructure, programs, and services and approved by a board rule or order.

 "Financing costs" means any of the following:

 a. The principal and interest payable on green infrastructure bonds;

 b. Any payment required pursuant to an ancillary agreement entered into in connection with the issuance of green infrastructure bonds;

 c. Any amount required to fund or replenish a reserve account or another account established under any indenture, ancillary agreement, or other financing document in connection with the issuance of green infrastructure bonds;

 d. Any redemption or call premium or cost of redeeming or refunding any existing debt of the authority in connection with either the issuance of, or the use of proceeds from, green infrastructure bonds;

 e. Any costs incurred by the authority to modify or amend any indenture, financing agreement, security agreement, or similar agreement or instrument securing green infrastructure bonds or any ancillary agreement;

 f. Any costs incurred by the authority to obtain any consent, release, waiver, or approval from any green infrastructure bondholder or of any party to an ancillary agreement that is necessary to be incurred for the authority to issue green infrastructure bonds;

 g. Any costs in connection with issuing or servicing green infrastructure bonds or related to obtaining a financing order, including servicing fees and expenses, trustee fees and expenses, legal, accounting, or other professional fees and expenses, administrative fees, placement fees, underwriting fees and discounts, capitalized interest and equity, and rating-agency fees, or loan program administration costs as authorized for recovery under a financing order or orders; or

 h. Any other costs incident to the issuance, administration, or servicing of green infrastructure bonds that the authority finds appropriate.

 "Financing order" means an order issued by the board, at the request of the authority, that pursuant to section 8 of P.L.    , c.    (C.       ) (pending before the Legislature as this bill) becomes final, and that authorizes the issuance of green infrastructure bonds and the imposition, adjustment from time to time, and collection of green infrastructure fees.

 "Financing party" means:

 a. Any trustee, collateral agent, or other person acting for the benefit of the holder of a green infrastructure bond; or

 b. Any party to an ancillary agreement, the rights and obligations of which agreement relate to or depend upon the existence of green infrastructure property and green infrastructure fees, the enforcement and priority of a security interest in green infrastructure property, the timely collection and payment of green infrastructure fees, or a combination of these factors.

 "Green infrastructure bond" means any bond, note, or other evidence of indebtedness that is issued by the authority, acting through the board, under a financing order, the proceeds of which are used directly or indirectly to recover, finance, or refinance financing costs of clean energy technology, and that are secured by or payable from green infrastructure property.

 "Green infrastructure costs" means costs incurred or to be incurred by public utility customers receiving a loan under the program to pay for clean energy technology including, without limitation, the purchase or installation of green infrastructure equipment, programs, and services authorized by the loan program.

 "Green infrastructure equipment" means infrastructure improvements, equipment, and personal property to be installed to deploy clean energy technology.

 "Green infrastructure fee" means the non-bypassable bill fee, authorized by a financing order of the board pursuant to section 7 of P.L. , c. (C. ) (pending before the Legislature as this bill), imposed on and collected from those customers of a public utility receiving a loan made to finance the purchase or installation of green infrastructure equipment under the loan program established by P.L. , c. (C. ) (pending before the Legislature as this bill).

 "Green infrastructure fund" means the special fund created pursuant to section 5 of P.L. , c. (C. ) (pending before the Legislature as this bill).

 "Green infrastructure loan program" or “program” means the program established by P.L. , c. (C. ) (pending before the Legislature as this bill).

 "Green infrastructure loan program order" means an order issued by the board pursuant to section 16 of P.L. , c. (C. ) (pending before the Legislature as this bill) that establishes the useor other disposition of moneys deposited and held in the green infrastructure fund established pursuant to section 5 of P.L. , c.    (C.       ) (pending before the Legislature as this bill).

 "Green infrastructure property" means the property, rights, and interests of the holders of green infrastructure bonds issued by the authority and created by the board under a financing order, including the right to impose, charge, and collect from public utility customers subject to the green infrastructure fee that shall be used to pay and secure the payment of green infrastructure bonds and financing costs, including the right to obtain adjustments to the green infrastructure fee, and any revenues, receipts, collections, rights to payment, payments, moneys, claims, or other proceeds arising from the rights and interests created by the board under any financing order.

 "Public utility" means a public utility, as that term is defined in R.S.48:2-13, that is under the jurisdiction of the Board of Public Utilities, is investor-owned, and distributes either electricity or natural gas to end users within this State.

 "Successor" means, with respect to any public utility, another public utility or other entity that succeeds voluntarily or by operation of law to the rights and obligations of the prior public utility or other entity pursuant to any bankruptcy, reorganization, restructuring, or other insolvency proceedings; any merger, acquisition, or consolidation; or any sale or transfer of assets, regardless of how any of these actions occurred.

 "Trustee" means any trustee or fiscal agent appointed under an indenture or certificate of the executive director of the authority executed in connection with the issuance of bonds pursuant to P.L.    , c.    (C. ) (pending before the Legislature as this bill).

 3. (New section) There is established a green infrastructure loan program, which shall be administered by the New Jersey Economic Development Authority, in conjunction with the Board of Public Utilities, for the purpose of acquiring and providing low-cost financing, to be deployed through a financing program, to make green infrastructure equipment and installations accessible and affordable for New Jersey’s public utility customers, achieve measurable cost savings, and achieve the State's clean energy goals. The loan program may include loans made to public or private entities, whether corporations, partnerships, limited liability companies, or other persons, which entities may lease or provide green infrastructure equipment to public utility customers, as well as direct loans to public utility customers, on terms approved by the authority.

 4. (New section) In addition to the powers and duties granted to the authority pursuant to section 5 of P.L.1974, c.80 (C.34:1B-5), upon approval by the board pursuant to board order, the authority is authorized to:

 a. Issue green infrastructure bonds for the purposes established pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill);

 b. Make loans and expend funds to finance the purchase or installation of green infrastructure equipment for clean energy technology;

 c. Hold and invest moneys in the green infrastructure fund in investments as permitted by law and in accordance with approved investment guidelines established in one or more orders issued by the board pursuant to section 16 of P.L. , c. (C. ) (pending before the Legislature as this bill);

 d. Enter into contracts for the rendering of professional and technical assistance and advice necessary and proper for the administration and implementation of the loan program;

 e. Establish loan program guidelines to be approved in one or more orders issued by the board pursuant to section 16 of P.L.    , c.    (C.       ) (pending before the Legislature as this bill) to carry out the purposes of P.L. , c. (C. ) (pending before the Legislature as this bill); and

 f. Perform all functions necessary to effectuate the purposes of P.L. , c. (C. ) (pending before the Legislature as this bill).

 5. (New section) a. There is established within the authority the green infrastructure fund as a special fund into which shall be deposited:

 (1) The proceeds of green infrastructure bonds, net of issuance costs and reserves, or overcollateralization amounts;

 (2) The proceeds of green infrastructure fees and any green infrastructure property received for the use and services of the loan program, including the repayment of loans made under the loan program;

 (3) All other funds received by the board or the authority and legally available for the purposes of the green infrastructure fund;

 (4) Interest earnings on all amounts in the green infrastructure fund; and

 (5) Such other moneys as the authority may determine as shall be authorized by an order of the board.

 b. Any amounts received from green infrastructure fees or any other net proceeds earned from the allocation, use, expenditure, or other disposition of moneys approved by the board and deposited or held in the green infrastructure fund in excess of moneys necessary for the purposes of subsection c. of this section shall be credited to public utility customers paying a green infrastructure fee as provided in a green infrastructure loan program order or orders. Moneys that are transferred back to the public utility in order to credit a public utility customer under this subsection shall not be considered revenue of the public utility and shall not be subject to any taxes, fees, charges, or assessments established pursuant to State law.

 c. Moneys in the green infrastructure fund may be used, subject to the approval of the board, for the purposes of:

 (1) Making green infrastructure loans;

 (2) Paying administrative costs of the green infrastructure loan program;

 (3) Paying any other costs related to the green infrastructure loan program; and

 (4) Paying financing costs to the extent permitted by the board in a financing order issued pursuant to section 8 of P.L.    , c.    (C.        ) (pending before the Legislature as this bill).

 d. The authority may invest moneys held in the green infrastructure fund in investments as permitted by law, and in accordance with approved investment guidelines established in one or more orders issued by the board pursuant to section 16 of P.L.    , c.    (C.       ) (pending before the Legislature as this bill). All moneys in the green infrastructure fund shall be exempt from any taxes, fees, charges, or assessments established pursuant to State law.

 e. The green infrastructure fund shall be audited annually by a firm of independent certified public accountants selected by the authority, and the results of this audit shall be provided annually to the authority and the board.

 f. The authority shall appoint a trustee to receive, hold, and disburse all moneys required to be held in the green infrastructure fund upon terms and conditions as set forth in a certificate, indenture, or trust agreement.

 6. (New section) a. The authority shall apply to the board, pursuant to section 15 of P.L. , c. (C. ) (pending before the Legislature as this bill), for one or more board orders to effectuate the green infrastructure loan program. Nothing herein shall preclude the authority from applying for a financing order, pursuant to section 7 of P.L. , c. (C. ) (pending before the Legislature as this bill), prior to the issuance of an order or orders to effectuate the green infrastructure loan program under section 16 of P.L.    , c.    (C.        ) (pending before the Legislature as this bill), or from requesting consolidation of the proceeding for a financing order with a loan program implementation order.

 b. An application shall be submitted by the authority to the board in accordance with the provisions of section 15 of P.L.    , c.    (C.       ) (pending before the Legislature as this bill).

 c. In accordance with an approved green infrastructure loan program order or orders, the authority shall utilize the proceeds of green infrastructure bonds and other amounts deposited in the green infrastructure fund established pursuant to section 5 of P.L.    , c.    (C.       ) (pending before the Legislature as this bill), or to the extent permitted by a financing order, to pay financing costs.

 d. Within the order or orders issued by the board under section 16 of P.L. , c. (C. ) (pending before the Legislature as this bill), the authority shall obtain approval from the board requiring a public utility to serve as an agent to bill and collect the green infrastructure fee imposed upon a customer receiving a loan under the program to repay green infrastructure costs and transfer all green infrastructure fees collected to the authority on behalf of the board. Notwithstanding anything to the contrary, a public utility shall not be obligated to bill, collect, or remit a green infrastructure fee from a non-public utility customer.

 7. (New section) a. In connection with green infrastructure bonds issued pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill), the authority may apply to the board for one or more financing orders, each of which financing orders may authorize the following:

 (1) The imposition, charging, and collection on behalf of the authority of the green infrastructure fee, to become effective upon the issuance of the green infrastructure bonds, and the adjustment of the green infrastructure fee on behalf of the authority in accordance with an adjustment mechanism requested by the authority under P.L. , c. (C. ) (pending before the Legislature as this bill) in amounts sufficient to pay the principal of and interest on green infrastructure bonds and all related financing costs on a timely basis;

 (2) The creation of green infrastructure property under the financing order; and

 (3) The deposit of the net proceeds of the green infrastructure bonds into the green infrastructure fund.

 b. The application shall include:

 (1) The principal amount of the green infrastructure bonds proposed to be issued;

 (2) An estimate of the date each series of green infrastructure bonds is expected to be issued;

 (3) The expected term, not to exceed 30 years, during which term the green infrastructure fee associated with the issuance of each series of green infrastructure bonds is expected to be imposed and collected;

 (4) An estimate of the financing costs associated with the issuance of each series of green infrastructure bonds;

 (5) An estimate of the amount of the green infrastructure fee revenues necessary to pay the principal and interest on the green infrastructure bonds and related financing costs as set forth in the application and the calculation for that estimate, which calculation shall take into account the estimated date or dates of issuance and the estimated principal amount of each series of green infrastructure bonds;

 (6) A proposed methodology for allocating the green infrastructure fee among public utilities and customers who are subject to the green infrastructure fee within each public utility;

 (7) A description of a proposed formulaic adjustment mechanism for the adjustment of the green infrastructure fee to ensure the timely payment of principal and interest on the green infrastructure bonds and related financing costs; and

 (8) Any other information required by the board.

 8. (New section) a. The board shall issue its financing order as final or if a finding in subsection b. of this section cannot be made, its denial of a financing order, as expeditiously as possible and, in any event, within 90 days from the date the completed application is submitted.

 b. The board may issue a financing order if the board finds that the creation of the green infrastructure property to secure the payment of the green infrastructure bonds, including the imposition of the green infrastructure fee, will facilitate the acquisition of low-cost financing, pursuant to an application under section 7 of P.L.    , c.    (C.        ) (pending before the Legislature as this bill).

 c. The board shall include all of the following information in a financing order:

 (1) The maximum money of green infrastructure bonds to be issued by the authority under the financing order;

 (2) A description of the green infrastructure property, the creation of which property is authorized by the financing order;

 (3) A description of the financing costs that will be recoverable through green infrastructure fees, including any reserves or overcollateralization amounts required by the authority to secure payment of the green infrastructure bonds;

 (4) A description of the methodology to be applied by the board, on behalf of the authority, for calculating the green infrastructure fee, including the allocation of financing costs among public utilities whose customers subject to the green infrastructure fee;

 (5) A procedure to require the board, in accordance with a formula set out in the financing order and approved by the authority, to expeditiously review and approve periodic adjustments to the green infrastructure fee to ensure the payment of the green infrastructure bonds and related financing costs on a timely basis;

 (6) A description of the formulaic adjustment mechanism to be used by the board, on behalf of the authority, to adjust the green infrastructure fee in order to ensure that the amount of the green infrastructure fee projected to be collected shall be sufficient to pay the principal and interest on the green infrastructure bonds, and all related financing costs on a timely basis, including the funding or maintenance of any reserves required to be maintained by the authority;

 (7) The term of the green infrastructure bonds, as proposed by the authority, during which term the green infrastructure fee shall continue to be collected and pledged to pay the bonds, which term shall automatically be extended by the term of any refunding bonds, as approved in a subsequent financing order, issued in such principal amounts as the authority may determine to be necessary to refund the green infrastructure bonds that are the subject of the original financing order;

 (8) A requirement that a public utility serve as an agent to collect the green infrastructure fee and transfer the fees to the trustee or other financing party as required by the financing order and any agreement with the authority;

 (9) The procedures to be followed by a public utility in the event of non-payment or partial payment of the green infrastructure fee by a public utility customer subject to the green infrastructure fee, which procedures shall be consistent with the board approved procedures for non-payment and partial payment of rates, charges, and fees under the public utilities' tariffs;

 (10) The distribution of the total amounts collected by each public utility for amounts billed to customers subject to the green infrastructure fee for a public utility's rates, fees, the green infrastructure fee, if applicable, other board-approved fees, and for associated taxes, in the event of partial payments of the billed amounts;

 (11) Terms satisfactory to the board to ensure that the green infrastructure fee shall be non-bypassable and be paid by a customer of a public utility receiving a loan under the loan program, and that any outstanding obligation by a customer receiving a loan shall be transferred to any other customer who purchases the property where the green infrastructure equipment is installed; and

 (12) Any other provision the board considers appropriate to ensure the full and timely imposition, charging, collection, and adjustment, pursuant to an approved adjustment mechanism by the board, of the green infrastructure fee described in this subsection.

 d. A public utility serving as a billing and collecting agent shall be a party to the proceedings in which the financing order or orders are issued.

 e. The board, in a financing order, may permit the authority flexibility in establishing the terms and conditions for the green infrastructure bonds to accommodate changes in market conditions, including repayment schedules, interest rates, financing costs, collateral requirements, required debt service and other reserves, and the ability of the authority, at its option, to effect a series of issuances of green infrastructure bonds and correlated assignments, sales, pledges, or other transfers of green infrastructure property. Any changes made to the terms and conditions for the green infrastructure bonds shall be in conformance with the financing order.

 f. At the request of the authority, the board shall determine, in accordance with the adjustment mechanism set forth in the financing order, the initial green infrastructure fee after the determination of the final terms of each series of green infrastructure bonds, so that the green infrastructure fee shall be final and effective upon the issuance of the green infrastructure bonds.

 g. Any adjustment to the green infrastructure fee made by the board pursuant to the adjustment mechanism approved in the financing order shall be made by board order.

 9. (New section) Green infrastructure property shall be created simultaneously with the issuance of the green infrastructure bonds and shall immediately vest in the authority, which shall pledge and create a lien on the property, together with all other money in the green infrastructure fund, solely and exclusively in favor of green infrastructure bondholders and financing parties, to secure the payment of green infrastructure bonds, amounts payable to financing parties and green infrastructure bondholders, amounts payable under any ancillary agreement, and other financing costs as provided in the financing documents executed by the authority. Subject to the provisions of this section, the lien and charge on green infrastructure property and all other moneys in the green infrastructure fund for the benefit of any financing party shall be governed by P.L. , c. (C. ) (pending before the Legislature as this bill).

 10. (New section) a. A financing order shall remain in effect until the green infrastructure bonds issued under the financing order and all financing costs related to the green infrastructure bonds have been paid in full or otherwise satisfied. A financing order shall remain in effect and unabated notwithstanding the bankruptcy, reorganization, or insolvency of any public utility or any affiliate of the public utility or the commencement of any judicial or nonjudicial proceeding on the financing order.

 b. Once a financing order has become final as provided by law, the financing order shall become irrevocable. The board may not directly or indirectly, except as provided in the adjustment mechanism approved in the financing order, reduce, impair, postpone, rescind, alter, or terminate the green infrastructure fee authorized in the financing order or impair the green infrastructure property or the collection of the green infrastructure fee so long as any green infrastructure bonds are outstanding or any financing costs remain unpaid.

 11. (New section) a. The board may create, pursuant to a financing order approved pursuant to section 8 of P.L.    , c.    (C.        ) (pending before the Legislature as this bill), a green infrastructure fee, which revenues from the fee shall be deposited into the green infrastructure fund and be pledged to secure and be applied to the repayment of green infrastructure bonds and related financing costs as described in P.L.    , c.    (C.        ) (pending before the Legislature as this bill). The green infrastructure fee may be a usage-based surcharge, a flat user fee, or a charge, based upon a customer’s electric or gas service usage, as determined by the board for each customer class in any financing order. The green infrastructure fee shall be itemized and separately identified on the periodic bill of any public utility customer subject to the fee.

 b. Nothing in this section shall affect the right to impose, collect, and adjust from time to time the green infrastructure fee imposed on a public utility customer subject to the green infrastructure fee as provided in the financing order and P.L.    , c.    (C.        ) (pending before the Legislature as this bill).

 c. As long as any green infrastructure bonds are outstanding and any financing costs have not been paid in full, the green infrastructure fee authorized under any financing order shall be non-bypassable. Subject to any exceptions provided in a financing order, the green infrastructure fee shall be paid by public utility customers receiving a loan from the loan program.

 d. The green infrastructure fee shall be collected by a public utility as a collection agent for the authority or the financing parties, in full through a surcharge, fee, or charge that is separate and apart from the public utility's rates.

 e. A public utility shall not have any ownership or beneficial interest in or any claim or right to the green infrastructure fee, green infrastructure property, or green infrastructure equipment, other than the obligation to bill and collect the green infrastructure fee as agent for the authority or any financing party and remit the collected revenue to the authority or such financing party entitled to receive those surcharges in accordance with the financing order. The board shall ensure that all reasonable costs incurred by a public utility to implement the green infrastructure fee may be recovered as part of the public utility's revenue requirement, including necessary billing system adjustments, costs arising out of the billing and collection of the green infrastructure fee, and any costs for the green infrastructure fee that are not recovered otherwise. The green infrastructure fee or green infrastructure property shall not be considered revenue of any public utility.

 f. The obligation of any public utility customer subject to the green infrastructure fee to pay the green infrastructure fee and, notwithstanding subsection b. of this section, the obligation of the public utility to collect and remit the green infrastructure fee shall not be subject to any setoff, counterclaim, surcharge, or defense by the public utility or by any public utility customer, or in connection with a bankruptcy of any public utility or any public utility customer.

 12. (New section) Any successor public utility to a public utility subject to a financing order shall be bound by the requirements of P.L. , c. (C. ) (pending before the Legislature as this bill). The successor public utility shall perform and satisfy all obligations of the prior public utility under an applicable financing order, in the same manner and to the same extent as the prior public utility, including the obligation to collect and pay the green infrastructure fee to the authority or to any financing party as required by a financing order.

 13. (New section) a. The ownership, transfer, and pledge of the green infrastructure fee and green infrastructure property and the imposition, charging, collection, and receipt of the green infrastructure fee are exempt from all taxes, fees, charges, and assessments imposed pursuant to State law.

 b. Green infrastructure bonds issued under a financing order shall not be an obligation of any public utility. The issuance of green infrastructure bonds shall not directly, indirectly, or contingently obligate the public utility for payment of the principal of or interest on the green infrastructure bonds.

 14. (New section) a. The State hereby pledges to and agrees with the green infrastructure bondholders and any financing party under a financing order that the State will not take or permit any action that impairs the value of green infrastructure property under the financing order, or reduce, alter, or impair the green infrastructure fee that is imposed, charged, collected, or remitted for the benefit of the green infrastructure bondholders and any financing party, until any principal, interest, and redemption premium in respect of green infrastructure bonds, all financing costs, and all moneys to be paid to a financing party under an ancillary agreement are paid or performed in full or unless adequate provision has been made by law for the protection of green infrastructure bondholders and any other financing party.

 b. In issuing the green infrastructure bonds, the authority may include the pledge specified in subsection a. of this section in the green infrastructure bonds, ancillary agreements, and documentation related to the issuance and marketing of the green infrastructure bonds.

 c. Green infrastructure bonds are revenue bonds issued under the powers of the authority pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.).

 d. Under a final financing order, the authority shall retain sole discretion to cause green infrastructure bonds to be issued, including the right to defer or postpone such issuance, assignment, sale, or transfer.

 15. (New section) a. The authority shall submit an application to the board for the use or other disposition of moneys deposited or held in the green infrastructure fund established pursuant to section 5 of P.L. , c. (C. ) (pending before the Legislature as this bill) prior to the allocation, use, expenditure, or other disposition of any such amounts; provided that this subsection shall not apply to the expenditure of moneys deposited or held in the green infrastructure fund that have been reviewed and approved by the board for operational or administrative expenses of the authority pursuant to section 4 of P.L. , c. (C. ) (pending before the Legislature as this bill).

 b. An application submitted by the authority to the board under this section shall include the following information:

 (1) A description of the loan program, financing agreement, or other arrangement for which the authority seeks to allocate, use, expend, or otherwise dispose of amounts deposited or held in the green infrastructure fund, including:

 (a) The clean energy technology to be financed;

 (b) A description of the parties, both direct and incidental, intended to benefit from any financing made in connection with the green infrastructure fund amounts requested by the authority in an application submitted to the board under this section;

 (c) A description of the loan programs or other arrangements designed, established, identified, agreed to, agreed to in principle, continued, carried over, or otherwise intended to be effectuated for the use of the green infrastructure fund amounts requested by the authority in an application submitted to the board under this section; and

 (d) Any and all funding or credit sources identified, pledged, dedicated, or otherwise provided to supplement the green infrastructure fund amounts requested by the authority in an application submitted to the board under this section;

 (2) The minimum lending, crediting, or investing criteria in relation to the loan program, financing agreement, or other arrangement described in an application submitted to the board under this section;

 (3) A description of the repayment processes, mechanisms, and applicable calculations for the loan program, financing agreement, or other arrangement described in an application submitted to the board under this section;

 (4) An explanation of the anticipated impacts and benefits to public utility customers of the loan program, financing agreement, or other arrangement described under an application submitted by the authority to the board under this section; and

 (5) Any other additional information determined to be necessary by the board upon the review of an application submitted or resubmitted by the authority under this section.

 16. (New section) a. The board shall issue a loan program order authorizing the allocation, use, expenditure, or other disposition of any amounts deposited or held in the green infrastructure fund upon the submission by the authority to the board of a completed application as described in this section. A green infrastructure loan program order issued by the board shall include the following information, where determined necessary and applicable by the board:

 (1) An identification and description of the loan program, financing agreement, or other arrangement approved by the board for which amounts deposited or held in the green infrastructure fund may be allocated, used, expended, or otherwise disposed of;

 (2) The minimum criteria for the lending, crediting, or investing of amounts deposited or held in the green infrastructure fund;

 (3) A description of the repayment processes, mechanisms, and applicable calculations for the loan program, financing agreement, or other arrangement approved by the board for which amounts deposited or held in the green infrastructure fund may be allocated, used, expended, or otherwise disposed of;

 (4) A review of the anticipated impacts and benefits to public utility customers receiving a loan under the program, financing agreement, or other arrangement approved under a green infrastructure loan program order; and

 (5) Any other provision or information determined to be necessary by the board.

 b. The board shall issue an order under this section as expeditiously as possible and, in any event, within 90 days from the date the board received from the authority a completed application submitted pursuant to section 15 of P.L. , c. (C. ) (pending before the Legislature as this bill).

 c. The order shall specify the following information, including:

 (1) The procedures to be followed by a public utility in the event of non-payment or partial payment of the green infrastructure fee by a public utility customer subject to the green infrastructure fee, which procedures shall be consistent with the board's approved procedures for non-payment and partial payment of rates, charges, and fees under a public utility's tariffs; and

 (2) The distribution of the total amounts collected by a public utility for amounts billed to customers for the public utility's rates, fees, and charges, for the green infrastructure fee, for other fees and charges approved by the board, and for associated taxes, in the event of partial payments of the billed amounts.

 d. A public utility serving as a billing and collecting agent shall be a party to the proceedings in which the order or orders are issued.

 e. A public utility shall not disconnect electric or gas service to a customer receiving a loan from the program for non-payment of the loan as long as a customer’s other outstanding obligations to the public utility have been met and the public utility shall have to follow existing procedures, as provided in current law, to receive payment for those other outstanding obligations.

 17. (New section) a. The board shall ensure that all reasonable costs incurred by a public utility to start and implement the loan program may be recovered as part of the public utility's revenue requirement, including necessary billing system adjustments, costs arising out of the billing and collection of green infrastructure fees, and any costs for green infrastructure fees that are not recovered via participating customers' green infrastructure bill payments, or otherwise.

 b. The green infrastructure fee shall not be considered revenue of a public utility and accordingly, shall not be subject to any tax, fee, charge, or assessment authorized pursuant to State law.

 c. The loan program or the act of serving as an agent to bill and to collect the green infrastructure fee shall not cause any public utility to be subject to the laws that regulate financial institutions, escrow depositories, or collection agencies. A public utility shall not be responsible for lending, underwriting, and credit determinations.

 18. (New section) The authority or a financing party shall not be considered a public utility or person providing electric or gas service by virtue of engaging in the transactions described in P.L.    , c.    (C. ) (pending before the Legislature as this bill).

 19. (New section) a. The authority is authorized to issue green infrastructure bonds as revenue bonds pursuant to P.L.    , c.    (C.        ) (pending before the Legislature as this bill), in a principal amount not to exceed $200,000,000 to establish and administer the green infrastructure loan program pursuant to P.L.    , c.    (C.       ) (pending before the Legislature as this bill).

 b. The authority is authorized to issue from time to time refunding bonds in such principal amounts as the authority shall determine to be necessary to refund the green infrastructure bonds authorized under P.L. , c. (C. ) (pending before the Legislature as this bill), to the extent permitted by the financing documents.

 20. (New section) a. The authority, jointly with the board, shall conduct a study in the 2018 calendar year to determine:

 (1) The extent to which the authority's and the board’s activities have benefitted the State by advancing the State's renewable energy goals and reducing energy costs for consumers by providing affordable alternative energy options; and

 (2) Whether the loan program shall be extended, eliminated, or otherwise modified beginning July 1, 2019.

 The authority, jointly with the board, shall submit a report of its findings from the study to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature, no later than June 30, 2019.

 b. The authority, jointly with the board, shall submit a report to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature, on the status of the authority's and the board’s activities, including approved loan program description and uses; summary information and analytical data concerning implementation of the loan program; summary information and analytical data concerning the deployment of clean energy technology, demand response technology, and energy use reduction and demand-side management infrastructure, programs, and services; and repayments made or credits provided to public utility customers, no later than May 1 of each year.

 21. (New section) The authority, in consultation with the board, shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations to effectuate the purposes of P.L. , c. (C. ) (pending before the Legislature as this bill).

 22. Section 5 of P.L.1974, c.80 (C.34:1B-5) is amended to read as follows:

 5. The authority shall have the following powers:

 a. To adopt bylaws for the regulation of its affairs and the conduct of its business;

 b. To adopt and have a seal and to alter the same at pleasure;

 c. To sue and be sued;

 d. To acquire in the name of the authority by purchase or otherwise, on **[**such**]** terms and conditions and **[**such**]** manner as **[**it**]** the authority may deem proper, or by the exercise of the power of eminent domain in the manner provided by the "Eminent Domain Act of 1971," P.L.1971, c.361 (C.20:3-1 et seq.), any lands or interests therein or other property which **[**it**]** the authority may determine is reasonably necessary for any project; provided, however, that the authority, in connection with any project, shall not take by exercise of the power of eminent domain any real property except upon consent thereto given by resolution of the governing body of the municipality in which **[**such**]** the real property is located; and provided further that the authority shall be limited in its exercise of the power of eminent domain in connection with any project in qualifying municipalities, as defined under the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.), or to municipalities which had a population, according to the latest federal decennial census, in excess of 10,000;

 e. To enter into contracts with a person upon **[**such**]** terms and conditions as the authority shall determine to be reasonable, including, but not limited to, reimbursement for the planning, designing, financing, construction, reconstruction, improvement, equipping, furnishing, operation, and maintenance of the project and to pay or compromise any claims arising therefrom;

 f. To establish and maintain reserve and insurance funds with respect to the financing of the project or the school facilities project and any project financed pursuant to the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.);

 g. To sell, convey, or lease to any person all or any portion of a project for **[**such**]** consideration and upon **[**such**]** terms as the authority may determine to be reasonable;

 h. To mortgage, pledge, or assign or otherwise encumber all or any portion of a project, or revenues, whenever **[**it**]** the authority shall find **[**such**]** that action to be in furtherance of the purposes of **[**this act**]** P.L.1974, c.80 (C.34:1B-1 et seq.), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);

 i. To grant options to purchase or renew a lease for any of **[**its**]** the authority’s projects on such terms as the authority may determine to be reasonable;

 j. To contract for and to accept any gifts or grants or loans of funds or property or financial or other aid in any form from the United States of America or any agency or instrumentality thereof, or from the State or any agency, instrumentality, or political subdivision thereof, or from any other source and to comply, subject to the provisions of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), and P.L.2007, c.137 (C.52:18A-235 et al.), with the terms and conditions thereof;

 k. In connection with any action undertaken by the authority in the performance of its duties and any application for assistance or commitments therefor and modifications thereof, to require and collect **[**such**]** fees and charges as the authority shall determine to be reasonable, including, but not limited to, fees and charges for the authority's administrative, organizational, insurance, operating, legal, and other expenses;

 l. To adopt, amend, and repeal regulations to carry out the provisions of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), and P.L.2007, c.137 (C.52:18A-235 et al.);

 m. To acquire, purchase, manage and operate, hold, and dispose of real and personal property or interests therein, take assignments of rentals and leases, and make and enter into all contracts, leases, agreements, and arrangements necessary or incidental to the performance of **[**its**]** the authority’s duties;

 n. To purchase, acquire, and take assignments of notes, mortgages, and other forms of security and evidences of indebtedness;

 o. To purchase, acquire, attach, seize, accept, or take title to any project or school facilities project by conveyance or by foreclosure, and sell, lease, manage, or operate any project or school facilities project for a use specified in **[**this act**]** P.L.1974, c.80 (C.34:1B-1 et seq.), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);

 p. To borrow money and to issue bonds of the authority and to provide for the rights of the holders thereof, as provided in P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);

 q. To extend credit or make loans to any person for the planning, designing, acquiring, constructing, reconstructing, improving, equipping, and furnishing of a project or school facilities project, which credits or loans may be secured by loan and security agreements, mortgages, leases, and any other instruments, upon **[**such**]** terms and conditions as the authority shall deem reasonable, including provision for the establishment and maintenance of reserve and insurance funds, and to require the inclusion in any mortgage, lease, contract, loan and security agreement, or other instrument, of **[**such**]** provisions for the construction, use, operation and maintenance, and financing of a project or school facilities project as the authority may deem necessary or desirable;

 r. To guarantee up to **[**90%**]** 90 percent of the amount of a loan to a person, if the proceeds of the loan are to be applied to the purchase and installation, in a building devoted to industrial or commercial purposes, or in an office building, of an energy improvement system;

 s. To employ consulting engineers, architects, attorneys, real estate counselors, appraisers, and **[**such**]** other consultants and employees as may be required in the judgment of the redevelopment utility to carry out the purposes of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.), and to fix and pay their compensation from funds available to the redevelopment utility therefor, all without regard to the provisions of Title 11A of the New Jersey Statutes;

 t. To do and perform any acts and things authorized by P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.), under, through or by means of its own officers, agents, and employees, or by contract with any person;

 u. To procure insurance against any losses in connection with **[**its**]** authority property, operations, or assets in **[**such**]** amounts and from **[**such**]** insurers as **[**it**]** the authority deems desirable;

 v. To do any and all things necessary or convenient to carry out **[**its**]** the authority’s purposes and exercise the powers given and granted in P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);

 w. To construct, reconstruct, rehabilitate, improve, alter, equip, maintain or repair, or provide for the construction, reconstruction, improvement, alteration, equipping or maintenance, or repair of any development property and lot, award and enter into construction contracts, purchase orders, and other contracts with respect thereto, upon **[**such**]** terms and conditions as the authority shall determine to be reasonable, including, but not limited to, reimbursement for the planning, designing, financing, construction, reconstruction, improvement, equipping, furnishing, operation, and maintenance of **[**any such**]** the development property and the settlement of any claims arising therefrom, and the establishment and maintenance of reserve funds with respect to the financing of **[**such**]** the development property;

 x. When authorized by the governing body of a municipality exercising jurisdiction over an urban growth zone, to construct, cause to be constructed, or to provide financial assistance to projects in an urban growth zone which shall be exempt from the terms and requirements of the land use ordinances and regulations, including, but not limited to, the master plan and zoning ordinances, of **[**such**]** the municipality;

 y. To enter into business employment incentive agreements as provided in the "Business Employment Incentive Program Act," P.L.1996, c.26 (C.34:1B-124 et al.);

 z. To enter into agreements or contracts, execute instruments, and do and perform all acts or things necessary, convenient, or desirable for the purposes of the redevelopment utility to carry out any power expressly provided pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.), P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007, c.137 (C.52:18A-235 et al.), including, but not limited to, entering into contracts with the State Treasurer, the Commissioner of Education, districts, the New Jersey Schools Development Authority, and any other entity which may be required in order to carry out the provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);

 aa. (Deleted by amendment, P.L.2007, c.137);

 bb. To make and contract to make loans to local units to finance the cost of school facilities projects and to acquire and contract to acquire bonds, notes, or other obligations issued or to be issued by local units to evidence the loans, all in accordance with the provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007, c.137 (C.52:18A-235 et al.);

 cc. Subject to any agreement with holders of **[**its**]** authority bonds issued to finance a project or school facilities project, to obtain as security, or to provide liquidity for payment of all or any part of the principal of and interest and premium on the bonds of the authority or for the purchase upon tender or otherwise of the bonds, lines of credit, letters of credit, reimbursement agreements, interest rate exchange agreements, currency exchange agreements, interest rate floors or caps, options, puts, or calls to hedge payment, currency, rate, spread, or similar exposure or similar agreements, float agreements, forward agreements, insurance contract, surety bond, commitment to purchase or sell bonds, purchase, or sale agreement, or commitments or other contracts or agreements, and other security agreements or instruments in any amounts and upon any terms as the authority may determine and pay any fees and expenses required in connection therewith;

 dd. To charge to and collect from local units, the State, and any other person, any fees and charges in connection with the authority's actions undertaken with respect to school facilities projects, including, but not limited to, fees and charges for the authority's administrative, organization, insurance, operating, and other expenses incident to the financing of school facilities projects;

 ee. To make loans to refinance solid waste facility bonds through the issuance of bonds or other obligations and the execution of any agreements with counties or public authorities to effect the refunding or rescheduling of solid waste facility bonds, or otherwise provide for the payment of all or a portion of any series of solid waste facility bonds. Any county or public authority refunding or rescheduling its solid waste facility bonds pursuant to this subsection shall provide for the payment of not less than fifty percent of the aggregate debt service for the refunded or rescheduled debt of the particular county or public authority for the duration of the loan; except that, whenever the solid waste facility bonds to be refinanced were issued by a public authority and the county solid waste facility was utilized as a regional county solid waste facility, as designated in the respective adopted district solid waste management plans of the participating counties as approved by the department prior to November 10, 1997, and the utilization of the facility was established pursuant to tonnage obligations set forth in their respective interdistrict agreements, the public authority refunding or rescheduling its solid waste facility bonds, pursuant to this subsection, shall provide for the payment of a percentage of the aggregate debt service for the refunded or rescheduled debt of the public authority not to exceed the percentage of the specified tonnage obligation of the host county for the duration of the loan. Whenever the solid waste facility bonds are the obligation of a public authority, the relevant county shall execute a deficiency agreement with the authority, which shall provide that the county pledges to cover any shortfall and to pay deficiencies in scheduled repayment obligations of the public authority. All costs associated with the issuance of bonds pursuant to this subsection may be paid by the authority from the proceeds of these bonds. Any county or public authority is hereby authorized to enter into any agreement with the authority necessary, desirable, or convenient to effectuate the provisions of this subsection.

 The authority shall not issue bonds or other obligations to effect the refunding or rescheduling of solid waste facility bonds after December 31, 2002. The authority may refund its own bonds issued for the purposes herein at any time;

 ff. To pool loans for any local government units that are refunding bonds and do and perform any and all acts or things necessary, convenient, or desirable for the purpose of the authority to achieve more favorable interest rates and terms for those local governmental units;

 gg. To finance projects approved by the board, provide staff support to the board, oversee and monitor progress on the part of the board in carrying out the revitalization, economic development, and restoration projects authorized pursuant to the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.) and otherwise fulfilling its responsibilities pursuant thereto;

 hh. To offer financial assistance to qualified film production companies as provided in the "New Jersey Film Production Assistance Act," P.L.2003, c.182 (C.34:1B-178 et al.); **[**and**]**

 ii. To finance or develop private or public parking facilities or structures, which may include the use of solar photovoltaic equipment, in municipalities qualified to receive State aid pursuant to the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.) and municipalities that contain areas designated pursuant to P.L.1985, c.398 (C.52:18A-196 et al.) as Planning Area 1 (Metropolitan), Planning Area 2 (Suburban), or a town center, and to provide appropriate assistance, including but not limited to, extensions of credit, loans, and guarantees, to municipalities qualified to receive State aid pursuant to the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.) and municipalities that contain areas designated pursuant to P.L.1985, c.398 (C.52:18A-196 et seq.) as Planning Area 1 (Metropolitan), Planning Area 2 (Suburban), or a town center, and their agencies and instrumentalities or to private entities whose projects are located in those municipalities, in order to facilitate the financing and development of parking facilities or structures in such municipalities. The authority may serve as the issuing agent of bonds to finance the undertaking of a project for the purposes of this subsection; and

 jj. To establish and maintain the green infrastructure loan program and green infrastructure fund, and to issue green infrastructure bonds pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill) for the purposes set forth therein.

(cf: P.L.2010, c.28, s.3)

 23. This act shall take effect immediately, but shall remain inoperative for 60 days following the date of enactment.

STATEMENT

 This bill establishes a regulatory financing structure that authorizes New Jersey Economic Development Authority (authority), in conjunction with the Board of Public Utilities (board), to acquire and provide low-cost financing, to be deployed through a financing program to make green infrastructure equipment and installations accessible and affordable for New Jersey’s electric and gas public utility (utility) customers desiring financing for this purpose, achieve measurable cost savings, and attain the State's clean energy goals. Green infrastructure equipment is infrastructure improvements, equipment, and personal property to be installed to deploy clean energy technology, demand response technology, and energy use reduction and demand side management infrastructure.

 Specifically, the bill: 1) establishes a green infrastructure loan program (loan program) for the purpose of acquiring and providing alternative low-cost financing for green infrastructure equipment and installations accessible and affordable for utility customers, through a financing program administered by the authority, and may include loans made to private entities who may lease or provide green infrastructure equipment to utility customers, as well as direct loans to utility customers, on terms approved by the authority; 2) authorizes the creation of green infrastructure property consisting of all property, rights, and interests of the loan program, which shall vest in the authority for the purpose of securing bond amounts payable under the loan program, and other financing costs; 3) establishes a green infrastructure fee, a non-bypassable bill fee imposed on and collected from those utility customers receiving a loan made to finance the purchase or installation of green infrastructure equipment on the property enhanced by the equipment under the loan program and, if there is an outstanding obligation on the loan, that obligation is to be transferred to the new property owner; 4) authorizes the authority to issue revenue bonds to finance the loan program; 5) establishes a green infrastructure fund to be administered by the authority and to receive the proceeds of the green infrastructure fee, green infrastructure property, the loan program and other monies expended on the operations of the loan program, including through credits to utility customers subject to the green infrastructure fee for reimbursement of excess green infrastructure fees collected; and 6) authorizes the authority to issue up to $200,000,000 in revenue bonds to establish and administer the loan program.

 Up-front costs of green infrastructure equipment are a barrier preventing many utility customers from investing in these installations and thereby achieving lower energy costs. Existing programs may not serve the entire spectrum of New Jersey’s energy market, particularly those utility customers who lack access to capital or who cannot afford these up-front costs, thereby creating an underserved market. This measure will establish a means of acquiring and providing alternative low-cost financing to underserved markets, enabling the installation of green infrastructure equipment in those markets.

 Significant investment in green infrastructure equipment will help the State achieve its goals of energy self-sufficiency and greater energy security and diversification, support its efforts to meet the State’s renewable portfolio standards and energy efficiency requirements as its energy market is evolving, and provide affordable and accessible energy options for New Jersey utility customers.