

SENATE, No. 336

STATE OF NEW JERSEY

220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:

Senator TROY SINGLETON

District 7 (Burlington)

Senator RONALD L. RICE

District 28 (Essex)

Co-Sponsored by:

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

SYNOPSIS

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

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



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

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

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

8
9 1. (New section) a. There is established in the Board of Public
10 Utilities an Office of Clean Energy Equity. The office shall promote,
11 guide, and oversee the equitable deployment of clean energy, energy
12 efficiency, and energy storage programs and technologies in
13 overburdened communities, and the equitable provision of the
14 tangible benefits of clean energy, increased energy efficiency, and
15 energy storage at the household and community level, including
16 clean energy asset ownership, energy cost savings, and employment
17 and economic opportunities, to overburdened communities.

18 b. The board shall:

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

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

43 c. The board, in cooperation with the Office of Clean Energy
44 Equity, shall:

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 (1) integrate workforce development training into all clean
2 energy and energy storage programs established by the board;
- 3 (2) provide outreach and recruitment campaign grants to
4 community-based organizations to increase participation by residents
5 of overburdened communities in clean energy and energy efficiency
6 programs by hiring residents to conduct outreach and public
7 education in those communities;
- 8 (3) develop, in coordination with community-based
9 organizations, outreach materials concerning the provisions of this
10 act in multiple languages that are easy to deliver through multiple
11 media;
- 12 (4) appoint a community liaison and establish an advisory board
13 consisting of representatives of overburdened communities
14 responsible for conducting an internal and external review and
15 evaluation of all clean energy and energy storage programs available
16 to overburdened communities and provide annual recommendations
17 to the board on unmet needs in overburdened communities and
18 suggestions for improvements to those programs; and
- 19 (5) coordinate with the Department of Labor and Workforce
20 Development concerning the requirements of section 2 of
21 P.L. , c. (C.) (pending before the Legislature as this bill) and
22 with the Department of Community Affairs concerning the
23 requirements of section 3 of P.L. , c. (C.) (pending before the
24 Legislature as this bill).
- 25 d. (1) The board shall direct no less than 10 percent of the
26 board's annual total clean energy budget, or at least \$50 million
27 annually, whichever is greater, to the Office of Clean Energy Equity
28 to implement the provisions of this section. All programs, incentives,
29 and other financing shall be appropriately structured to address the
30 unique barriers faced by low income households and overburdened
31 communities. Funding directed pursuant to this subsection shall be
32 supplemental to, and not replace, any funds allocated to energy
33 efficiency services for low income households managed or required
34 by the board on the effective date of P.L. , c. (C.) (pending
35 before the Legislature as this bill). The board may allocate additional
36 funding, staff, and resources to the Office of Clean Energy Equity as
37 the board determines appropriate.
- 38 Of the funds annually directed by the board to the Office of Clean
39 Energy Equity pursuant to this paragraph, an amount not to exceed
40 five percent may be used each year for costs associated with program
41 administration, including costs incurred related to marketing,
42 outreach, reporting, and evaluation activities to implement the
43 provisions of this section. The Office of Clean Energy Equity may
44 contract with a third party administrator with experience deploying
45 solar energy and energy storage in overburdened communities to
46 implement the provisions of this section.
- 47 (2) The board shall consult with other State departments and
48 agencies to identify additional sources of funding and leveraged

1 financing that may be available to meet the requirements of
2 P.L. , c. (C.) (pending before the Legislature as this bill).

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

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

22 f. As used in this section:

23 “Clean energy” means energy that is produced through means that
24 does not release into the atmosphere any criteria pollutant, toxic
25 substance, hazardous air pollutant, or other air pollutant and does not
26 create undue environmental burden, and includes Class I renewable
27 energy and energy saved through energy efficiency measures.

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

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

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

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

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

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

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

46 “Overburdened community” means any census block group, as
47 determined in accordance with the most recent United States Census,
48 in which: (1) at least 35 percent of the households qualify as low-

1 income households; (2) at least 40 percent of the residents identify as
2 minority or as members of a State recognized tribal community; or
3 (3) at least 40 percent of the households have limited English
4 proficiency.

5
6 2. (New section) a. (1) The Department of Labor and
7 Workforce Development, in consultation with the Office of Clean
8 Energy Equity established pursuant to section 1 of P.L. ,
9 c. (C.) (pending before the Legislature as this bill) and any
10 other staff or resources designated by the Board of Public Utilities,
11 and the New Jersey Economic Development Authority, shall
12 establish a program to provide grants to community-based, diversity-
13 focused nonprofit organizations, community colleges, and
14 vocational-technical schools to develop solar energy or clean energy
15 paid workforce training programs that provide training to at least
16 2,500 individuals from overburdened communities by 2025. The
17 department shall require, as a condition of a grant award, that the
18 programs be updated every two years to ensure that they prepare
19 participants adequately for the current job market in the solar energy
20 or clean energy industry.

21 (2) The Department of Labor and Workforce Development shall
22 develop, in coordination with community-based organizations,
23 programs to provide entrepreneurial training, mentoring,
24 apprenticeships, investment capital, loans, or other training, capacity
25 building, technical, and financial support to residents of
26 overburdened communities to help launch new clean energy
27 enterprises or establish careers in the clean energy workforce.

28 b. As used in this section:

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

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

34
35 3. (New section) a. The Department of Community Affairs, in
36 consultation with the Office of Clean Energy Equity established
37 pursuant to section 1 of P.L. , c. (C.) (pending before the
38 Legislature as this bill) and any other staff or resources designated
39 by the Board of Public Utilities, shall require all new construction
40 located in an overburdened community to be solar ready, subject to
41 any specific exemptions that the department and the board deem
42 reasonable and necessary and that the department adopts pursuant to
43 the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
44 seq.). The department shall give preference to applications for onsite,
45 community solar, energy storage, or other clean energy projects that
46 are sited in overburdened communities or include minority or
47 women-owned businesses.

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

11 c. As used in this section:

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

14 "Energy storage" means the same as the term is defined in section
15 1 of P.L. , c. (C.) (pending before the Legislature as this bill).

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

19 "Solar panel" means an elevated panel or plate, or a canopy or
20 array thereof, that captures and converts solar radiation to produce
21 power, and includes flat plate, focusing solar collectors, or
22 photovoltaic solar cells and includes the base or foundation of the
23 panel, plate, canopy, or array.

24 "Solar ready" means the incorporation of design elements in a
25 structure or building that allow for the installation of rooftop solar
26 panels and, if the structure or building is intended to use hot water, a
27 solar water heating system.

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

30

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

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

43 b. The rules and regulations developed by the board shall
44 establish:

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

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

- 1 (3) geographic limitations for solar energy projects and
2 participating customers;
- 3 (4) a minimum number of participating customers for each solar
4 energy project;
- 5 (5) the value of the credit on each participating customer's bill;
- 6 (6) standards to limit the land use impact of a solar energy project
7 as required in subsection r. of section 38 of P.L.1999, c.23 (C.48:3-
8 87);
- 9 (7) the provision of access to solar energy projects for low and
10 moderate income customers;
- 11 (8) standards to ensure the ability of residential and commercial
12 customers to participate in solar energy projects, including
13 residential customers in multifamily housing;
- 14 (9) standards for connection to the distribution system of an
15 electric public utility; and
- 16 (10) provisions to minimize impacts to the distribution system of
17 an electric public utility.
- 18 c. The board shall make available on its Internet website
19 information on solar energy projects whose owners are seeking
20 participants.
- 21 d. The board shall establish standards and an application process
22 for owners of solar energy projects who wish to be included in the
23 Community Solar Energy Pilot Program. The standards for the
24 Community Solar Energy Pilot Program shall include, but need not
25 be limited to, a verification process to ensure that the solar energy
26 projects are producing an amount of energy that is greater than or
27 equal to the amount of energy that is being credited to its
28 participating customer's electric utility bills pursuant to subsection b.
29 of this section, and consumer protection measures. Projects approved
30 by the board shall have at least two participating customers.
- 31 The board may restrict qualified solar energy projects to those
32 located on brownfields, landfills, areas designated in need of
33 redevelopment, in underserved communities, or on commercial
34 rooftops.
- 35 e. Subject to review by the board, an electric public utility shall
36 be entitled to full and timely cost recovery for all costs incurred in
37 implementation and compliance with this section.
- 38 f. No later than 36 months after adoption of the rules and
39 regulations required pursuant to subsection b. of this section, or no
40 later than the date on which the board adopts rules and regulations
41 establishing a permanent successor to the SREC program pursuant to
42 paragraph (3) of subsection d. of section 38 of P.L.1999, c.23
43 (C.48:3-87), whichever date is earlier, the board shall adopt rules and
44 regulations, pursuant to the "Administrative Procedure Act,"
45 P.L.1968, c.410 (C.52:14B-1 et seq.), to convert the Community
46 Solar Energy Pilot Program to a permanent program. The board shall
47 adopt rules and regulations for the permanent program that set forth
48 standards for projects owned by electric public utilities, special

- 1 purpose entities, and nonprofit entities. The rules and regulations
2 shall also:
- 3 (1) limit the capacity of each solar energy project to a maximum
4 of five megawatts;
- 5 (2) establish a goal for the development of at least 50 megawatts
6 of solar energy projects per year, taking into account any changes to
7 the SREC program;
- 8 (3) set geographic limitations for solar energy projects and
9 participating customers;
- 10 (4) provide for a minimum number of participating customers for
11 each solar energy project;
- 12 (5) require the provision of access to solar energy projects for low
13 and moderate income customers in accordance with the requirements
14 of section 1 of P.L. , c. (C.) (pending before the Legislature
15 as this bill);
- 16 (6) establish standards to ensure the ability of residential and
17 commercial customers to participate in solar energy projects,
18 including residential customers in multifamily housing;
- 19 (7) establish a method for determining the value of the credit on
20 each participating customer's bill;
- 21 (8) establish timeframes for the credit available to the customer;
- 22 (9) establish standards and methods to verify solar electric energy
23 generation on a monthly basis for a solar energy project;
- 24 (10) establish standards consistent with the land use provisions
25 for solar energy projects as provided in subsections r., s., and t. of
26 section 38 of P.L.1999, c.23 (C.48:3-87) and any land use provisions
27 of the permanent successor to the SREC program established by the
28 board pursuant to paragraph (3) of subsection d. of section 38 of
29 P.L.1999, c.23 (C.48:3-87);
- 30 (11) establish standards, fees, and uniform procedures for solar
31 energy projects to be connected to the distribution system of an
32 electric public utility;
- 33 (12) minimize impacts to the distribution system of an electric
34 public utility;
- 35 (13) require monthly reporting requirements for the operators of
36 solar energy projects to the electric public utility, project customers,
37 and the board;
- 38 (14) require reporting by the electric public utility to the operator
39 of a solar energy project on the value of credits to the participating
40 customer's bills; and
- 41 (15) require transferability, portability, and buy-out provisions
42 for customers who participate in community solar energy projects.
- 43 g. As used in this section:
- 44 "Solar energy project" means a system containing one or more
45 solar panels and associated equipment.
- 46 "Solar panel" means an elevated panel or plate, or a canopy or
47 array thereof, that captures and converts solar radiation to produce

1 electric power, and is approved by the board to be included in the
2 Community Solar Energy Pilot Program.

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

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

7
8 5. (New section) The board shall conduct a study to examine
9 utility rate schedules applied to customers living in multi-family
10 housing served by a single meter, and the community solar bill credits
11 and effective savings available to those customers. The study shall
12 assess whether customers living in multi-family housing are eligible
13 to receive similar financial benefits from community solar
14 participation as those customers residing in single-family residences,
15 and make suggestions for legislative or regulatory action to ensure
16 the equitable distribution of the benefits and cost-savings of
17 community solar. In conducting the study, the board shall solicit
18 comments from utilities, public interest groups, and other interested
19 parties. The board shall report its findings to the Governor and,
20 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), the
21 Legislature no later than 270 days after the effective date of P.L. ,
22 c. (C.) (pending before the Legislature as this bill).

23
24 6. This act shall take effect immediately.

25 26 27 STATEMENT

28
29 This bill would establish the Office of Clean Energy Equity
30 ("office") in the Board of Public Utilities ("BPU"). The office would
31 be charged with promoting, guiding, and overseeing the equitable
32 deployment of clean energy, energy efficiency, and energy storage
33 programs and technologies in overburdened communities, and the
34 equitable provision of the tangible benefits of clean energy, increased
35 energy efficiency, and energy storage at the household and
36 community level, including clean energy asset ownership, energy
37 cost savings, and employment and economic opportunities, to
38 overburdened communities. The bill would require the BPU to: (1)
39 establish onsite solar or community solar programs, which benefit
40 250,000 low income households or 35 percent of the low income
41 households in the State, whichever is larger, by 2030, with the goal
42 of reducing these households' average energy burden to below six
43 percent of household income; and (2) require the establishment of a
44 minimum of 1,600 megawatt hours of energy storage to benefit
45 overburdened communities by 2030.

46 In addition, the BPU, in cooperation with the office, would be
47 required to: integrate workforce development training into all clean
48 energy and energy storage programs established by the BPU; provide

1 outreach and recruitment campaign grants to community-based
2 organizations to increase participation in clean energy and energy
3 efficiency programs; develop, in coordination with community-based
4 organizations, outreach materials in multiple languages; appoint a
5 community liaison and establish an advisory board consisting of
6 representatives of overburdened communities to review and evaluate
7 the clean energy and energy storage programs available to
8 overburdened communities; and coordinate with the Department of
9 Labor and Workforce Development and the Department of
10 Community Affairs (DCA) concerning their responsibilities pursuant
11 to sections 2 and 3 of the bill.

12 The bill would require the BPU to direct no less than 10 percent
13 of the BPU's annual total clean energy budget, or at least \$50 million
14 annually, whichever is greater, to the office for the purposes of the
15 bill. The BPU would be authorized to allocate additional funding,
16 staff, and resources to the office as it determines appropriate.

17 In addition, the bill would require the Department of Labor and
18 Workforce Development, in consultation with the office and the New
19 Jersey Economic Development Authority, to establish a program to
20 provide grants to community-based, diversity-focused nonprofit
21 organizations, community colleges, and vocational-technical schools
22 to develop solar energy or clean energy paid workforce training
23 programs that provide training to at least 2,500 individuals from
24 overburdened communities by 2025. The department shall require,
25 as a condition of a grant award, that the programs be updated every
26 two years to ensure that they prepare participants adequately for the
27 current job market in the solar energy or clean energy industry. The
28 bill would also direct the Department of Labor and Workforce
29 Development, in coordination with community-based organizations,
30 to develop programs to provide entrepreneurial training, mentoring,
31 apprenticeships, investment capital, loans, or other training, capacity
32 building, technical, and financial support to residents of
33 overburdened communities to help launch new clean energy
34 enterprises or establish careers in the clean energy workforce.

35 Under the bill, the DCA, in consultation with the office, would
36 require all new construction located in an overburdened community
37 to be solar ready, subject to any specific exemptions that the
38 department and the BPU deem reasonable and necessary and that the
39 department adopts as rules and regulations. The bill would also
40 require the department to give preference to applications for onsite,
41 community solar, energy storage, or other clean energy projects that
42 are sited in overburdened communities or include minority or
43 women-owned businesses.

44 Lastly, the bill would amend the current law establishing the
45 Community Solar Energy Pilot Program to require that the eventual
46 permanent community solar program provide for access to solar
47 energy projects for low and moderate income customers, in
48 accordance with the requirements of the bill. The bill would also

1 require that the permanent community solar energy program be
2 established by rule or regulation no later than the date on which the
3 BPU adopts rules and regulations establishing a permanent successor
4 to the solar renewable energy credit program (SREC) program. In
5 addition, the bill would require that the program be consistent with
6 any land use provisions of the permanent successor to the SREC
7 program currently being developed by the BPU.