

[Fourth Reprint]

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 2848

STATE OF NEW JERSEY
220th LEGISLATURE

ADOPTED JUNE 27, 2022

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Assemblyman WAYNE P. DEANGELO

District 14 (Mercer and Middlesex)

Assemblyman ROBERT J. KARABINCHAK

District 18 (Middlesex)

Co-Sponsored by:

Assemblyman Spearman

SYNOPSIS

Revises criteria for remote net metering program established by BPU.

CURRENT VERSION OF TEXT

As amended on December 11, 2023 by the Senate pursuant to the Governor's recommendations.



(Sponsorship Updated As Of: 6/30/2023)

1 AN ACT concerning remote net metering and amending P.L.2018,
2 c.17 ³~~and P.L.2021, c.169²~~³.

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

6
7 1. Section 6 of P.L.2018, c.17 (C.48:3-87.12) is amended to read
8 as follows:

9 6. a. No later than 120 days after the date of enactment of
10 ~~["P.L.2018, c.17 (C.48:3-87.8 et al.)"]~~ P.L. , c. (C.) (pending
11 before the Legislature as this bill), the board shall establish an
12 application and approval process ⁴~~to certify~~ for remote net metered
13 solar energy projects serving⁴ public entities ⁴~~to act~~⁴ as ⁴~~a host~~
14 customer for ³~~subsequently allocated~~²³ remote net metering
15 generating capacity receiving customers⁴. [A public entity certified
16 to act as a host customer may allocate credits to other public entities
17 within the same electric public utility service territory. A copy of the
18 agreement between the public entity certified to act as a host customer
19 and other public entities designated to receive credits shall be provided
20 to the electric public utility before remote net metering credits may be
21 applied to a customer bill.] ³~~2~~A solar energy project with a capacity
22 of up to 10 megawatts, as measured in direct current, may allocate
23 credits to any number of public entities within the same electric public
24 utility service area, up to the total usage of each of the public entities'
25 proposed customer accounts over the previous 12 months. A copy of
26 the board approved allocation agreement between the individual public
27 entities designated to receive credits shall be provided to the electric
28 public utility before remote net metering credits may be applied to a
29 customer's bill.²³

30 ²[A public entity certified to act as a host customer may
31 ¹individually, or collectively with one or more other public entities,]¹
32 host a solar energy project with a capacity up to 10 megawatts, as
33 measured in direct current, to accommodate the total [average] usage
34 of the electric public utility accounts for the host public entity
35 customer ; and the] ³[In order to be eligible to participate in the
36 remote net metering program pursuant to this section, a²] A ⁴[public
37 entity certified to act as a host customer may individually, or
38 collectively with one or more other public entities, host a] remote net
39 metered⁴ solar energy project ⁴[with] shall:

40 (1) have⁴ a capacity up to ⁴~~10~~⁴ five⁴ megawatts, as measured in
41 direct current ⁴[, to accommodate the total usage of the electric public

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ATU committee amendments adopted October 17, 2022.

²Assembly AOF committee amendments adopted June 22, 2023.

³Assembly floor amendments adopted June 30, 2023.

⁴Senate amendments adopted in accordance with Governor's recommendations December 11, 2023.

1 utility accounts for the host public entity customer; and the³ solar
2 energy project shall:】:

3 (2) exclusively serve public entities certified by the board to act as
4 receiving customers and located within the same electric distribution
5 company service territory as the project;⁴

6 ⁴【(1)】 (3)⁴ be located on ⁴【land】 any property⁴ owned, licensed,
7 or leased by any public entity or on any suitable private property
8 ⁴【within the electric ¹【distribution company's】 ³【public utility's¹】
9 distribution company's³ service territory】⁴ , including, but not limited
10 to, rooftops of commercial buildings, parking lots, brownfields for
11 which a final remediation document has been issued, or properly
12 closed sanitary landfill facilities; ¹【and】¹ ⁴【²and²】

13 (4) not be sited on:

14 (a) land preserved under the Green Acres Program;

15 (b) land designated as freshwater wetlands as defined pursuant to
16 P.L.1987, c.156 (C.13:9B-1 et seq.), or coastal wetlands as defined
17 pursuant to P.L.1970, c.272 (C.13:9A-1 et seq.);

18 (c) forested lands, as defined by the board in consultation with the
19 Department of Environmental Protection; or

20 d) prime agricultural soils and soils of Statewide importance, as
21 identified by the United States Department of Agriculture's Natural
22 Resources Conservation Service, which are located in Agricultural
23 Development Areas certified by the State Agricultural Development
24 Committee;⁴

25 ⁴【(2)】 (5)⁴ have a facility size calculated based upon the total
26 aggregate electricity usage of the receiving public entity customer
27 utility accounts to be served by the project, based on the total usage of
28 each proposed customer account over the previous twelve months ⁴;
29 and

30 (6) be metered separately⁴ ²【¹; and

31 (3) be metered separately¹】² .

32 b. The board shall establish a remote net metering application
33 process to ⁴approve remote net metered solar energy projects and⁴
34 【approve as the primary account holder a certified public entity that is
35 the host customer and the other public entities designated to receive
36 credits】 ³【²approve the public entities designated to receive credits
37 and to²】³ certify public entities ²【to act as a host customer】² ³to act as
38 ⁴【a host customer³】 receiving customers⁴ for remote net metering
39 generating capacity. The process shall be modeled after the relevant
40 rules and regulations adopted by the board for ¹the¹ community solar
41 energy program pursuant to section 5 of P.L.2018, c.17 (C.48:3-
42 87.11), including, but not limited to, the calculation of the value of the
43 net metering credit. ⁴An electric public utility shall be entitled to full
44 and timely cost recovery, including the full value of Public Remote
45 Net Metering credits provided to customers and billing system
46 investments, associated with Public Remote New Metering consistent

1 with the Community Solar provisions pursuant to section 5 of
 2 P.L.2018, c.17 (C.48:3-87.11(e)).⁴

3 c. **【**The board shall require the owner of a solar energy project to
 4 pay a certified public entity a pro-rated public sponsor fee of \$10,000
 5 per megawatt, up to a 10-megawatt allowance for each public entity.
 6 The board shall require each participating customer to pay at least 50
 7 percent of the societal benefits charge established pursuant to section
 8 12 of P.L.1999, c.23 (C.48:3-60).**】** (Deleted by amendment, P.L. ,
 9 c.) (pending before the Legislature as this bill)

10 d. ³**【**¹(1)¹**】**³ The electric ¹【distribution company】 ³【public
 11 utility¹】 distribution company³ that serves the location of a solar
 12 energy project approved pursuant to this section shall be responsible
 13 for reviewing and approving the interconnection of the solar energy
 14 project.

15 ³**【**¹(2) Subject to review by the board, an electric public utility
 16 shall be entitled to full and timely cost recovery for all costs incurred
 17 in the implementation of and compliance with this section, including
 18 ²any lost margin revenues and² the full value of all credits provided to
 19 participating customers, which review shall be consistent with the
 20 review conducted pursuant to subsection e. of section 5 of P.L.2018,
 21 c.17 (C.48:3-87.11).¹

22 ²e. The board shall establish the goal of the generation of an
 23 additional 75 megawatts of power each year from solar energy projects
 24 participating in the remote net metering program established pursuant
 25 to this section. Subject to board review and approval, a solar energy
 26 project that participates in the remote net metering program shall
 27 receive the same financial incentive, issued under the small solar
 28 facilities incentive program established pursuant to section 3 of
 29 P.L.2021, c.169 (C.48:3-116), as a solar energy project that
 30 participates in the non-low-and-middle-income segment of the
 31 community solar energy program established pursuant to section 5 of
 32 P.L.2018, c.17 (C.48:3-87.11), including any additional incentives for
 33 public entities approved by the board.²】³
 34 (cf: P.L.2018, c.17, s.6)

35
 36 ³**【**²2.Section 3 of P.L.2021, c.169 (C.48:3-116) is amended to read
 37 as follows:

38 3. a. The board shall develop, as part of the SREC-II program, a
 39 small solar facilities incentive program to award SREC-IIs to the
 40 owners of community solar facilities , solar facilities up to 10
 41 megawatts in size that participate in the remote net metering program
 42 established pursuant to section 6 of P.L.2018, c.17 (C.48:3-87.12), and
 43 net metered solar facilities less than five megawatts in size, as
 44 measured in direct current, or another size specified by the board. The
 45 small solar facilities incentive program shall aim to provide SREC-IIs
 46 for the generation of at least 300 megawatts of net-metered solar
 47 facilities per year 【and】 , 150 megawatts of community solar facilities

1 per year , and 75 megawatts of solar facilities in the remote net
 2 metering program, for each of the five years after the establishment of
 3 the SREC-II program.

4 b. The board shall establish eligibility criteria and an application
 5 process by which an owner of a solar electric power generation facility
 6 may apply to receive SREC-IIs pursuant to this section, until the
 7 program reaches the energy generation target established by subsection
 8 a. of this section, as determined by the board. Only solar electric
 9 power generation facilities that receive permission to operate from the
 10 appropriate regional grid operator after the effective date of P.L.2021,
 11 c.169 (C.48:3-114 et al.), shall be eligible to receive SREC-IIs
 12 pursuant to this section, unless otherwise specified by the board. A
 13 facility shall be eligible to receive SREC-IIs pursuant to this section
 14 for a duration established by the board if it is connected to the
 15 distribution or transmission system owned or operated by a New
 16 Jersey public utility or local government unit.

17 c. The small solar facilities incentive program shall include
 18 criteria by which to assign an SREC-II value per megawatt-hour to a
 19 solar electric power generation facility. The criteria shall be designed
 20 by the board to incentivize the development of new solar power
 21 projects sufficiently so that the goals for solar power development in
 22 the State's Energy Master Plan are met, to further other State goals,
 23 and to incentivize projects that are especially in the public interest.
 24 The SREC-II value per megawatt-hour may include the value of the
 25 environmental and other benefits to the State provided by the facility,
 26 as determined by the board. The criteria may include, but is not
 27 limited to, consideration of the following factors:

- 28 (1) the size of the facility;
- 29 (2) the costs and revenues associated with representative facilities;
- 30 (3) for community solar facilities, the economic and demographic
 31 characteristics of the area served by the facility, including whether it is
 32 located in an overburdened community, as that term is defined in
 33 section 2 of P.L.2020, c.92 (C.13:1D-158);
- 34 (4) whether the facility is located on already developed land or the
 35 built environment;
- 36 (5) the facility's eligibility for net metering pursuant to subsection
 37 e. of section 38 of P.L.1999, c.23 (C.48:3-87) or participation in the
 38 community solar program established pursuant to subsection f. of
 39 section 5 of P.L.2018, c.17 (C.48:3-87.11); and (6) the rate
 40 class of the facility, as determined by the appropriate New Jersey
 41 electric public utility or local government unit.²

42 (cf: P.L.2021, c.169, s.3)]³

43
 44 ⁴2. Section 3 of P.L.2021, c.169 (C.48:3-116) is amended to read
 45 as follows:

46 3. a. The board shall develop, as part of the SREC-II program, a
 47 small solar facilities incentive program to award SREC-IIs to the
 48 owners of community solar facilities , solar facilities up to five

1 megawatts in size that participate in the remote net metering program
2 established pursuant to section 6 of P.L.2018, c.17 (C.48:3-87.12), and
3 net metered solar facilities less than five megawatts in size, as
4 measured in direct current, or another size specified by the board. The
5 small solar facilities incentive program shall aim to provide SREC-IIs
6 for the generation of at least 300 megawatts of net-metered solar
7 facilities per year and 150 megawatts of community solar facilities per
8 year, and 50 megawatts of solar facilities in the remote net metering
9 program, for each of the five years after the establishment of the
10 SREC-II program.

11 b. The board shall establish eligibility criteria and an application
12 process by which an owner of a solar electric power generation facility
13 may apply to receive SREC-IIs pursuant to this section, until the
14 program reaches the energy generation target established by subsection
15 a. of this section, as determined by the board. Only solar electric
16 power generation facilities that receive permission to operate from the
17 appropriate regional grid operator after the effective date of P.L.2021,
18 c.169 (C.48:3-114 et al.), shall be eligible to receive SREC-IIs
19 pursuant to this section, unless otherwise specified by the board. A
20 facility shall be eligible to receive SREC-IIs pursuant to this section
21 for a duration established by the board if it is connected to the
22 distribution or transmission system owned or operated by a New
23 Jersey public utility or local government unit.

24 c. The small solar facilities incentive program shall include
25 criteria by which to assign an SREC-II value per megawatt-hour to a
26 solar electric power generation facility. The criteria shall be designed
27 by the board to incentivize the development of new solar power
28 projects sufficiently so that the goals for solar power development in
29 the State's Energy Master Plan are met, to further other State goals,
30 and to incentivize projects that are especially in the public interest.
31 The SREC-II value per megawatt-hour may include the value of the
32 environmental and other benefits to the State provided by the facility,
33 as determined by the board. The criteria may include, but is not
34 limited to, consideration of the following factors:

- 35 (1) the size of the facility;
36 (2) the costs and revenues associated with representative facilities;
37 (3) for community solar facilities, the economic and demographic
38 characteristics of the area served by the facility, including whether it is
39 located in an overburdened community, as that term is defined in
40 section 2 of P.L.2020, c.92 (C.13:1D-158);
41 (4) whether the facility is located on already developed land or the
42 built environment;
43 (5) the facility's eligibility for net metering pursuant to subsection
44 e. of section 38 of P.L.1999, c.23 (C.48:3-87) or participation in the
45 community solar program established pursuant to subsection f. of
46 section 5 of P.L.2018, c.17 (C.48:3-87.11); and

1 (6) the rate class of the facility, as determined by the appropriate
2 New Jersey electric public utility or local government unit.⁴
3 (cf: P.L.2021, c.169, s.3)
4
5 ²[2.] ³[3.²] ⁴[2.³] 3.⁴ This act shall take effect immediately.