

SENATE, No. 3909

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED JUNE 1, 2023

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

SYNOPSIS

Establishes conditions for net metering for authorized food waste recycling facilities.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning energy produced by authorized food waste
2 recycling facilities and supplementing chapter 3 of Title 48 of
3 the Revised Statutes.

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

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8 1. a. As used in this section:

9 “Authorized food waste recycling facility” means the same as the
10 term is defined in section 1 of P.L.2020, c.24 (C.13:1E-99.122).

11 “Basic generation service provider” means the same as the term
12 is defined in section 3 of P.L.1999, c.23 (C.48:3-51).

13 “Board” means the Board of Public Utilities.

14 “Class I renewable energy” means the same as the term is
15 defined in section 3 of P.L.1999, c.23 (C.48:3-51).

16 “Electric power supplier” means the same as the term is defined
17 in section 3 of P.L.1999, c.23 (C.48:3-51).

18 “PJM” means the same as the term is defined in section 3 of
19 P.L.1999, c.23 (C.48:3-51).

20 b. (1) Notwithstanding the provisions of subsection e. of section
21 38 of P.L.1999, c.23 (C.48:3-87) or any other law, rule, regulation,
22 or order, concerning net metering, to the contrary, an electric power
23 supplier or a basic generation service provider shall offer net
24 metering at a non-discriminatory rate to an authorized food waste
25 recycling facility for any electricity generated, on the customer's
26 side of the meter and using a Class I renewable energy source, at
27 the authorized food waste recycling facility. If the amount of
28 electricity generated by the authorized food waste recycling facility,
29 plus any kilowatt hour credits held over from previous billing
30 periods, exceeds the electricity supplied by the electric power
31 supplier or basic generation service provider, then the electric
32 power supplier or basic generation service provider, as the case may
33 be, shall credit the authorized food waste recycling facility for the
34 excess kilowatt hours until the end of the annualized period. If any
35 kilowatt hour credit remains at the end of the annualized period, the
36 authorized food waste recycling facility shall (a) be compensated by
37 the electric power supplier or basic generation service provider for
38 any remaining credits or, if the authorized food waste recycling
39 facility chooses, (b) have the electric power supplier or a basic
40 generation service provider credit the authorized food waste
41 recycling facility on a real-time basis, at the electric power
42 supplier's or basic generation service provider's published tariff rate
43 for residential basic generation service, inclusive of sales and use
44 tax, plus \$0.03 per kilowatt hour.

45 (2) In the event that the facility elects not to receive a credit
46 pursuant to paragraph (1) of this subsection, the authorized food
47 waste recycling facility may:

1 (a) execute a bilateral agreement with an electric power supplier
2 or basic generation service provider for the sale and purchase of the
3 authorized food waste recycling facility's excess generation. The
4 authorized food waste recycling facility may be credited on a real-
5 time basis, if the authorized food waste recycling facility follows
6 applicable rules prescribed by the PJM electric power pool for its
7 capacity requirements for the net amount of electricity supplied by
8 the electric power supplier or basic generation service provider; or

9 (b) enter into a contract to deliver or sell power to end-use
10 customers that are located within the same electric public utility's
11 service territory as the authorized food waste recycling facility, and
12 designate the end-use customer to be credited by the electric power
13 supplier or basic generation service provider with the excess
14 generation of the authorized food waste recycling facility. The
15 authorized food waste recycling facility may designate the
16 proportionate share of the excess electricity generated to credit each
17 designated end-use customer.

18 c. An authorized food waste recycling facility engaging in net
19 metering, pursuant to this section, shall comply with the safety and
20 power quality interconnection standards adopted by the Board of
21 Public Utilities pursuant to subsection e. of section 38 of P.L.1999,
22 c.23 (C.48:3-87).

23 d. The owner of an authorized food waste recycling facility who
24 sells or delivers power to an end-use customer pursuant to
25 paragraph (2) of subsection b. of this section shall not be considered
26 a public utility pursuant to R.S.48:2-13 or P.L.1999, c.23
27 (C.48:3-49 et al.).

28
29 2. This act shall take effect immediately.
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32 STATEMENT
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34 This bill would specify that authorized food waste recycling
35 facilities are able to engage in net metering and would establish
36 conditions and compensation for those facilities.

37 Under current law, specifically subsection e. of section 38 of
38 P.L.1999, c.23 (C.48:3-87), electric power suppliers and basic
39 generation providers are required to offer net-metering to industrial,
40 commercial, and residential customers. This bill specifies that
41 authorized food waste recycling facilities would be eligible to
42 engage in net metering. "Net metering" refers to an accounting, or
43 billing, process that allows a customer that generates electricity
44 from a Class I renewable energy source to receive credit on their
45 utility bill for the electricity produced. An authorized food waste
46 recycling facility is defined in law to mean "a Class C recycling
47 center within the State authorized to accept, store, process, or

1 transfer food waste or compostable material, pursuant to subsection
2 b. of section 41 of P.L.1987, c.102 (C.13:1E-99.34).”

3 Under the bill, if the amount of electricity generated by the
4 authorized food waste recycling facility (facility), plus any kilowatt
5 hour credits held over from previous billing periods, exceeds the
6 electricity supplied by the electric power supplier (supplier) or basic
7 generation service provider (provider), then the supplier or
8 provider, as the case may be, would credit the facility for the excess
9 kilowatt hours until the end of the annualized period. If any
10 kilowatt hour credit remains at the end of the annualized period, the
11 facility would be compensated by the supplier or provider for any
12 remaining credits or, the facility could choose to have the supplier
13 or provider credit the facility at the applicable published tariff rate
14 for residential basic generation service, inclusive of sales and use
15 tax, plus \$0.03 per kilowatt hour. Alternatively, if a facility
16 chooses not to receive a credit, the facility would be able to:
17 execute a bilateral agreement with a supplier or service provider for
18 the sale and purchase of the excess generation; or enter into a
19 contract to deliver or sell the power to end-use customers located
20 within the same electric public utility’s service territory as the
21 facility.