

ASSEMBLY, No. 4131

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED APRIL 4, 2024

Sponsored by:

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

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District 35 (Bergen and Passaic)

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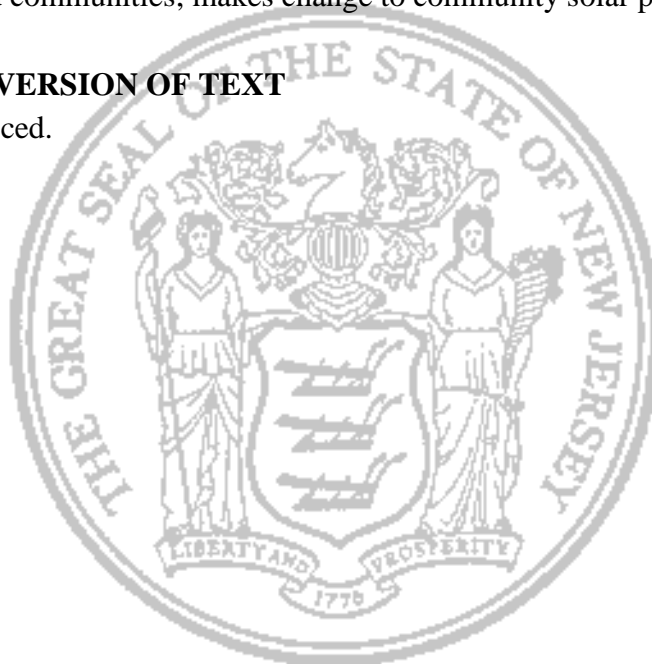
**Assemblywoman Murphy, Assemblymen Conaway, Spearman,
Karabinchak, Calabrese, Assemblywoman Carter, Assemblyman Stanley,
Assemblywomen Haider, Tucker and Assemblyman Venezia**

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

As introduced.



(Sponsorship Updated As Of: 4/4/2024)

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
11 promote, guide, and oversee the equitable deployment of clean
12 energy, energy efficiency, and energy storage programs and
13 technologies in overburdened communities, and the equitable
14 provision of the tangible benefits of clean energy, increased energy
15 efficiency, and energy storage at the household and community
16 level, including clean energy asset ownership, energy cost savings,
17 and employment and economic opportunities, to overburdened
18 communities.

19 b. The board shall:

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

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

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

47 (1) integrate workforce development training into all clean
48 energy and energy storage programs established by the board;

1 (2) provide outreach and recruitment campaign grants to
2 community-based organizations to increase participation by
3 residents of overburdened communities in clean energy and energy
4 efficiency programs by hiring residents to conduct outreach and
5 public education in those communities;

6 (3) develop, in coordination with community-based
7 organizations, outreach materials concerning the provisions of this
8 act in multiple languages that are easy to deliver through multiple
9 media;

10 (4) appoint a community liaison and establish an advisory board
11 consisting of representatives of overburdened communities
12 responsible for conducting an internal and external review and
13 evaluation of all clean energy and energy storage programs
14 available to overburdened communities and provide annual
15 recommendations to the board on unmet needs in overburdened
16 communities and suggestions for improvements to those programs;
17 and

18 (5) coordinate with the Department of Labor and Workforce
19 Development concerning the requirements of section 2 of
20 P.L. , c. (C.) (pending before the Legislature as this bill) and
21 with the Department of Community Affairs concerning the
22 requirements of section 3 of P.L. , c. (C.) (pending before the
23 Legislature as this bill).

24 d. (1) The board shall direct no less than 10 percent of the
25 board's annual total clean energy budget, or at least \$50 million
26 annually, whichever is greater, to the Office of Clean Energy Equity
27 to implement the provisions of this section. All programs,
28 incentives, and other financing shall be appropriately structured to
29 address the unique barriers faced by low income households and
30 overburdened communities. Funding directed pursuant to this
31 subsection shall be supplemental to, and not replace, any funds
32 allocated to energy efficiency services for low income households
33 managed or required by the board on the effective date of
34 P.L. , c. (C.) (pending before the Legislature as this bill).
35 The board may allocate additional funding, staff, and resources to
36 the Office of Clean Energy Equity as the board determines
37 appropriate.

38 Of the funds annually directed by the board to the Office of
39 Clean Energy Equity pursuant to this paragraph, an amount not to
40 exceed five percent may be used each year for costs associated with
41 program administration, including costs incurred related to
42 marketing, outreach, reporting, and evaluation activities to
43 implement the provisions of this section. The Office of Clean
44 Energy Equity may contract with a third party administrator with
45 experience deploying solar energy and energy storage in
46 overburdened communities to implement the provisions of this
47 section.

1 (2) The board shall consult with other State departments and
2 agencies to identify additional sources of funding and leveraged
3 financing that may be available to meet the requirements of
4 P.L. , c. (C.) (pending before the Legislature as this bill).

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

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

24 f. As used in this section:

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

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

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

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

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

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

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

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

1 “Overburdened community” means any census block group, as
2 determined in accordance with the most recent United States
3 Census, in which: (1) at least 35 percent of the households qualify
4 as low-income households; (2) at least 40 percent of the residents
5 identify as minority or as members of a State recognized tribal
6 community; or (3) at least 40 percent of the households have limited
7 English proficiency.

8
9 2. (New section) a. (1) The Office of Clean Energy Equity
10 established pursuant to section 1 of P.L. , c. (C.) (pending
11 before the Legislature as this bill) shall collaborate with the
12 Department of Labor and Workforce Development, the New Jersey
13 Economic Development Authority, the New Jersey Commission on
14 Science, Innovation, and Technology, the Office of the Secretary of
15 Higher Education, and any other staff or resources designated by
16 the Board of Public Utilities, to develop program guidelines for
17 clean energy job training and workforce development grants to be
18 issued by the New Jersey Economic Development Authority,
19 Department of Education, and the Department of Labor and
20 Workforce Development. The grants shall be provided to
21 community-based, diversity-focused nonprofit organizations,
22 community colleges, vocational-technical schools, and other
23 qualified training partners including union apprenticeship programs
24 that demonstrate a commitment to focused work in overburdened
25 communities, demonstrate partnerships with employers located in
26 close proximity to overburdened communities who will employ
27 program participants, and will hire individuals from the
28 communities where the work is located. The purpose of the grants
29 shall be to develop energy efficiency or clean energy paid
30 workforce training programs that provide training to at least 2,500
31 individuals from overburdened communities by 2025. The grant
32 issuer shall require, as a condition of a grant award, that the
33 programs be updated every two years to ensure that they prepare
34 participants adequately for the current job market in the energy
35 efficiency or clean energy industry.

36 (2) The Department of Labor and Workforce Development shall
37 develop, in coordination with community-based organizations,
38 programs to provide entrepreneurial training, mentoring,
39 apprenticeships, investment capital, loans, or other training,
40 capacity building, technical, and financial support to residents of
41 overburdened communities to help launch new clean energy
42 enterprises or establish careers in the clean energy workforce.

43 b. As used in this section:

44 “Clean energy” means the same as the term is defined in section
45 1 of P.L. , c. (C.) (pending before the Legislature as this
46 bill).

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

4
5 3. (New section) a. The Department of Community Affairs, in
6 consultation with the Office of Clean Energy Equity established
7 pursuant to section 1 of P.L. , c. (C.) (pending before the
8 Legislature as this bill) and any other staff or resources designated
9 by the Board of Public Utilities, shall require all new construction
10 located in an overburdened community to be solar ready, subject to
11 any specific exemptions that the department and the board deem
12 reasonable and necessary and that the department adopts pursuant to
13 the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1
14 et seq.). The department shall give preference to applications for
15 onsite, community solar, energy storage, or other clean energy
16 projects that are sited in overburdened communities or include
17 minority or women-owned businesses.

18 b. The commissioner shall adopt rules and regulations,
19 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
20 (C.52:14B-1 et seq.), in order to effectuate the purposes of this
21 section. The commissioner shall, pursuant to the “Administrative
22 Procedure Act,” make any necessary changes to the Residential Site
23 Improvement Standards adopted pursuant to P.L.1993, c.32
24 (C.40:55D-40.1 et seq.), the State Uniform Construction Code
25 adopted pursuant to P.L.1975, c.217 (C.52:27D-119 et seq.), any
26 building subcode, or any other existing rule and regulation to
27 effectuate the purposes of this section.

28 c. As used in this section:

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

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

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

38 “Solar panel” means an elevated panel or plate, or a canopy or
39 array thereof, that captures and converts solar radiation to produce
40 power, and includes flat plate, focusing solar collectors, or
41 photovoltaic solar cells and includes the base or foundation of the
42 panel, plate, canopy, or array.

43 “Solar ready” means the incorporation of design or structural
44 elements in a structure or building that allow for the installation of
45 rooftop solar panels and, if the structure or building is intended to
46 use hot water, a solar water heating system.

47 “Solar water heating system” means a system which uses solar
48 energy as the primary means of heating water.

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

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

13 b. The rules and regulations developed by the board shall
14 establish:

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

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

19 (3) geographic limitations for solar energy projects and
20 participating customers;

21 (4) a minimum number of participating customers for each solar
22 energy project;

23 (5) the value of the credit on each participating customer's bill;

24 (6) standards to limit the land use impact of a solar energy
25 project as required in subsection r. of section 38 of P.L.1999, c.23
26 (C.48:3-87);

27 (7) the provision of access to solar energy projects for low and
28 moderate income customers;

29 (8) standards to ensure the ability of residential and commercial
30 customers to participate in solar energy projects, including
31 residential customers in multifamily housing;

32 (9) standards for connection to the distribution system of an
33 electric public utility; and

34 (10) provisions to minimize impacts to the distribution system
35 of an electric public utility.

36 c. The board shall make available on its Internet website
37 information on solar energy projects whose owners are seeking
38 participants.

39 d. The board shall establish standards and an application
40 process for owners of solar energy projects who wish to be included
41 in the Community Solar Energy Pilot Program. The standards for
42 the Community Solar Energy Pilot Program shall include, but need
43 not be limited to, a verification process to ensure that the solar
44 energy projects are producing an amount of energy that is greater
45 than or equal to the amount of energy that is being credited to its
46 participating customer's electric utility bills pursuant to subsection
47 b. of this section, and consumer protection measures. Projects

1 approved by the board shall have at least two participating
2 customers.

3 The board may restrict qualified solar energy projects to those
4 located on brownfields, landfills, areas designated in need of
5 redevelopment, in underserved communities, or on commercial
6 rooftops.

7 e. Subject to review by the board, an electric public utility shall
8 be entitled to full and timely cost recovery for all costs incurred in
9 implementation and compliance with this section.

10 f. No later than 36 months after adoption of the rules and
11 regulations required pursuant to subsection b. of this section, the
12 board shall adopt rules and regulations, pursuant to the
13 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
14 seq.), to convert the Community Solar Energy Pilot Program to a
15 permanent program. The board shall adopt rules and regulations for
16 the permanent program that set forth standards for projects owned
17 by electric public utilities, special purpose entities, and nonprofit
18 entities. The rules and regulations shall also:

19 (1) limit the capacity of each solar energy project to a maximum
20 of five megawatts;

21 (2) establish a goal for the development of at least 50 megawatts
22 of solar energy projects per year, taking into account any changes to
23 the SREC program;

24 (3) set geographic limitations for solar energy projects and
25 participating customers;

26 (4) provide for a minimum number of participating customers
27 for each solar energy project;

28 (5) require the provision of access to solar energy projects for
29 low and moderate income customers in accordance with the
30 requirements of section 1 of P.L. , c. (C.) (pending before
31 the Legislature as this bill);

32 (6) establish standards to ensure the ability of residential and
33 commercial customers to participate in solar energy projects,
34 including residential customers in multifamily housing;

35 (7) establish a method for determining the value of the credit on
36 each participating customer's bill;

37 (8) establish timeframes for the credit available to the customer;

38 (9) establish standards and methods to verify solar electric
39 energy generation on a monthly basis for a solar energy project;

40 (10) establish standards consistent with the land use provisions
41 for solar energy projects as provided in subsections r., s., and t. of
42 section 38 of P.L.1999, c.23 (C.48:3-87) and any land use
43 provisions of the permanent successor to the SREC program
44 established by the board pursuant to P.L.2021, c.169 (C.48:3-114 et
45 al.);

46 (11) establish standards, fees, and uniform procedures for solar
47 energy projects to be connected to the distribution system of an
48 electric public utility;

1 (12) minimize impacts to the distribution system of an electric
2 public utility;

3 (13) require monthly reporting requirements for the operators of
4 solar energy projects to the electric public utility, project customers,
5 and the board;

6 (14) require reporting by the electric public utility to the
7 operator of a solar energy project on the value of credits to the
8 participating customer's bills; and

9 (15) require transferability, portability, and buy-out provisions
10 for customers who participate in community solar energy projects.

11 g. As used in this section:

12 "Solar energy project" means a system containing one or more
13 solar panels and associated equipment.

14 "Solar panel" means an elevated panel or plate, or a canopy or
15 array thereof, that captures and converts solar radiation to produce
16 electric power, and is approved by the board to be included in the
17 Community Solar Energy Pilot Program.

18 "Solar power" includes flat plate, focusing solar collectors, or
19 photovoltaic solar cells and excludes the base or foundation of the
20 panel, plate, canopy, or array.

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

22

23 5. (New section) The board shall conduct a study to examine
24 utility rate schedules applied to customers living in multi-family
25 housing served by a single meter, and the community solar bill
26 credits and effective savings available to those customers. The
27 study shall assess whether customers living in multi-family housing
28 are eligible to receive similar financial benefits from community
29 solar participation as those customers residing in single-family
30 residences, and make suggestions for legislative or regulatory
31 action to ensure the equitable distribution of the benefits and cost-
32 savings of community solar. In conducting the study, the board
33 shall solicit comments from utilities, public interest groups, and
34 other interested parties. The board shall report its findings to the
35 Governor and, pursuant to section 2 of P.L.1991,
36 c.164 (C.52:14-19.1), the Legislature no later than 270 days after
37 the effective date of P.L. , c. (C.) (pending before the
38 Legislature as this bill).

39

40 6. This act shall take effect immediately.

41

42

43

STATEMENT

44

45 This bill would establish the Office of Clean Energy Equity
46 ("office") in the Board of Public Utilities (BPU). The office would be
47 charged with promoting, guiding, and overseeing the equitable
48 deployment of clean energy, energy efficiency, and energy storage

1 programs and technologies in overburdened communities, and the
2 equitable provision of the tangible benefits of clean energy, increased
3 energy efficiency, and energy storage at the household and community
4 level, including clean energy asset ownership, energy cost savings, and
5 employment and economic opportunities, to overburdened
6 communities. The bill would require the BPU to: (1) establish onsite
7 solar or community solar programs, which benefit 250,000 low income
8 households or 35 percent of the low income households in the State,
9 whichever is larger, by 2030, with the goal of reducing these
10 households' average energy burden to below six percent of household
11 income; and (2) require the establishment of a minimum of 1,600
12 megawatt hours of energy storage to benefit overburdened
13 communities by 2030.

14 In addition, the BPU, in cooperation with the office, would be
15 required to: integrate workforce development training into all clean
16 energy and energy storage programs established by the BPU; provide
17 outreach and recruitment campaign grants to community-based
18 organizations to increase participation in clean energy and energy
19 efficiency programs; develop, in coordination with community-based
20 organizations, outreach materials in multiple languages; appoint a
21 community liaison and establish an advisory board consisting of
22 representatives of overburdened communities to review and evaluate
23 the clean energy and energy storage programs available to
24 overburdened communities; and coordinate with the Department of
25 Labor and Workforce Development (DLWD) and the Department of
26 Community Affairs (DCA) concerning their responsibilities pursuant
27 to sections 2 and 3 of the bill.

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

33 In addition, the bill would require the office, in collaboration with
34 the DLWD, New Jersey Economic Development Authority (EDA),
35 New Jersey Commission on Science, Innovation, and Technology
36 (CSIT), and the Office of the Secretary of Higher Education (OSHE)
37 to establish program guidelines for clean energy job training and
38 workforce development grants to be issued by the EDA, Department
39 of Education (DOE), and the DLWD. The grants would be issued to
40 community-based, diversity-focused nonprofit organizations,
41 community colleges, vocational-technical schools, and other
42 organizations to develop energy efficiency or clean energy paid
43 workforce training programs that provide training to at least 2,500
44 individuals from overburdened communities by 2025. Under the bill,
45 it would be a condition of a grant award that the programs be updated
46 every two years to ensure that they prepare participants adequately for
47 the current job market in the solar energy or clean energy industry.
48 The bill would also direct the DLWD, in coordination with

1 community-based organizations, to develop programs to provide
2 entrepreneurial training, mentoring, apprenticeships, investment
3 capital, loans, or other training, capacity building, technical, and
4 financial support to residents of overburdened communities to help
5 launch new clean energy enterprises or establish careers in the clean
6 energy workforce.

7 The bill would also direct the DCA, in consultation with the office,
8 to require the all new construction located in an overburdened
9 community be solar ready, subject to any specific exemptions that the
10 DCA and the BPU deem reasonable and necessary and that the DCA
11 adopts as rules and regulations. The bill would also require the DCA
12 to give preference to applications for onsite, community solar, energy
13 storage, or other clean energy projects that are sited in overburdened
14 communities or include minority or women-owned businesses.

15 Lastly, the bill would amend the law establishing the Community
16 Solar Energy Pilot Program to require that the eventual permanent
17 community solar program provide for access to solar energy projects
18 for low and moderate income customers, in accordance with the
19 requirements of the bill. In addition, the bill would require that the
20 permanent community solar program be consistent with any land use
21 provisions of the permanent successor to the SREC program.