

SENATE, No. 237

STATE OF NEW JERSEY 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator RAJ MUKHERJI

District 32 (Hudson)

SYNOPSIS

Revises State renewable energy portfolio standards.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 3/7/2024)

1 AN ACT concerning the State's renewable energy portfolio
2 standards and amending P.L.1999, c.23.

3

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

6

7 1. Section 3 of P.L.1999, c.23 (C.48:3-51) is amended to read
8 as follows:

9 3. As used in P.L.1999, c.23 (C.48:3-49 et al.):

10 "Assignee" means a person to which an electric public utility or
11 another assignee assigns, sells, or transfers, other than as security,
12 all or a portion of its right to or interest in bondable transition
13 property. Except as specifically provided in P.L.1999, c.23
14 (C.48:3-49 et al.), an assignee shall not be subject to the public
15 utility requirements of Title 48 or any rules or regulations adopted
16 pursuant thereto.

17 "Base load electric power generation facility" means an electric
18 power generation facility intended to be operated at a greater than
19 50 percent capacity factor including, but not limited to, a combined
20 cycle power facility and a combined heat and power facility.

21 "Base residual auction" means the auction conducted by PJM, as
22 part of PJM's reliability pricing model, three years prior to the start
23 of the delivery year to secure electrical capacity as necessary to
24 satisfy the capacity requirements for that delivery year.

25 "Basic gas supply service" means gas supply service that is
26 provided to any customer that has not chosen an alternative gas
27 supplier, whether or not the customer has received offers as to
28 competitive supply options, including, but not limited to, any
29 customer that cannot obtain such service for any reason, including
30 non-payment for services. Basic gas supply service is not a
31 competitive service and shall be fully regulated by the board.

32 "Basic generation service" or "BGS" means electric generation
33 service that is provided, to any customer that has not chosen an
34 alternative electric power supplier, whether or not the customer has
35 received offers for competitive supply options, including, but not
36 limited to, any customer that cannot obtain such service from an
37 electric power supplier for any reason, including non-payment for
38 services. Basic generation service is not a competitive service and
39 shall be fully regulated by the board.

40 "Basic generation service provider" or "provider" means a
41 provider of basic generation service.

42 "Basic generation service transition costs" means the amount by
43 which the payments by an electric public utility for the procurement
44 of power for basic generation service and related ancillary and
45 administrative costs exceeds the net revenues from the basic

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 generation service charge established by the board pursuant to
2 section 9 of P.L.1999, c.23 (C.48:3-57) during the transition period,
3 together with interest on the balance at the board-approved rate, that
4 is reflected in a deferred balance account approved by the board in
5 an order addressing the electric public utility's unbundled rates,
6 stranded costs, and restructuring filings pursuant to P.L.1999, c.23
7 (C.48:3-49 et al.). Basic generation service transition costs shall
8 include, but are not limited to, costs of purchases from the spot
9 market, bilateral contracts, contracts with non-utility generators,
10 parting contracts with the purchaser of the electric public utility's
11 divested generation assets, short-term advance purchases, and
12 financial instruments such as hedging, forward contracts, and
13 options. Basic generation service transition costs shall also include
14 the payments by an electric public utility pursuant to a competitive
15 procurement process for basic generation service supply during the
16 transition period, and costs of any such process used to procure the
17 basic generation service supply.

18 "Board" means the New Jersey Board of Public Utilities or any
19 successor agency.

20 "Bondable stranded costs" means any stranded costs or basic
21 generation service transition costs of an electric public utility
22 approved by the board for recovery pursuant to the provisions of
23 P.L.1999, c.23 (C.48:3-49 et al.), together with, as approved by the
24 board: (1) the cost of retiring existing debt or equity capital of the
25 electric public utility, including accrued interest, premium and other
26 fees, costs, and charges relating thereto, with the proceeds of the
27 financing of bondable transition property; (2) if requested by an
28 electric public utility in its application for a bondable stranded costs
29 rate order, federal, State, and local tax liabilities associated with
30 stranded costs recovery, basic generation service transition cost
31 recovery, or the transfer or financing of the property, or both,
32 including taxes, whose recovery period is modified by the effect of
33 a stranded costs recovery order, a bondable stranded costs rate
34 order, or both; and (3) the costs incurred to issue, service, or
35 refinance transition bonds, including interest, acquisition, or
36 redemption premium, and other financing costs, whether paid upon
37 issuance or over the life of the transition bonds, including, but not
38 limited to, credit enhancements, service charges,
39 overcollateralization, interest rate cap, swap or collar, yield
40 maintenance, maturity guarantee or other hedging agreements,
41 equity investments, operating costs, and other related fees, costs,
42 and charges, or to assign, sell, or otherwise transfer bondable
43 transition property.

44 "Bondable stranded costs rate order" means one or more
45 irrevocable written orders issued by the board pursuant to P.L.1999,
46 c.23 (C.48:3-49 et al.) which determines the amount of bondable
47 stranded costs and the initial amount of transition bond charges
48 authorized to be imposed to recover the bondable stranded costs,

1 including the costs to be financed from the proceeds of the
2 transition bonds, as well as on-going costs associated with servicing
3 and credit enhancing the transition bonds, and provides the electric
4 public utility specific authority to issue or cause to be issued,
5 directly or indirectly, transition bonds through a financing entity
6 and related matters as provided in P.L.1999, c.23 (C.48:3-49 et al.),
7 which order shall become effective immediately upon the written
8 consent of the related electric public utility to the order as provided
9 in P.L.1999, c.23 (C.48:3-49 et al.).

10 "Bondable transition property" means the property consisting of
11 the irrevocable right to charge, collect, and receive, and be paid
12 from collections of, transition bond charges in the amount necessary
13 to provide for the full recovery of bondable stranded costs which
14 are determined to be recoverable in a bondable stranded costs rate
15 order, all rights of the related electric public utility under the
16 bondable stranded costs rate order including, without limitation, all
17 rights to obtain periodic adjustments of the related transition bond
18 charges pursuant to subsection b. of section 15 of P.L.1999, c.23
19 (C.48:3-64), and all revenues, collections, payments, money, and
20 proceeds arising under, or with respect to, all of the foregoing.

21 "British thermal unit" or "Btu" means the amount of heat
22 required to increase the temperature of one pound of water by one
23 degree Fahrenheit.

24 "Broker" means a duly licensed electric power supplier that
25 assumes the contractual and legal responsibility for the sale of
26 electric generation service, transmission, or other services to end-
27 use retail customers, but does not take title to any of the power sold,
28 or a duly licensed gas supplier that assumes the contractual and
29 legal obligation to provide gas supply service to end-use retail
30 customers, but does not take title to the gas.

31 "Brownfield" means any former or current commercial or
32 industrial site that is currently vacant or underutilized and on which
33 there has been, or there is suspected to have been, a discharge of a
34 contaminant.

35 "Buydown" means an arrangement or arrangements involving the
36 buyer and seller in a given power purchase contract and, in some
37 cases third parties, for consideration to be given by the buyer in
38 order to effectuate a reduction in the pricing, or the restructuring of
39 other terms to reduce the overall cost of the power contract, for the
40 remaining succeeding period of the purchased power arrangement
41 or arrangements.

42 "Buyout" means an arrangement or arrangements involving the
43 buyer and seller in a given power purchase contract and, in some
44 cases third parties, for consideration to be given by the buyer in
45 order to effectuate a termination of such power purchase contract.

46 "Class I renewable energy" means electric energy produced from
47 solar technologies, photovoltaic technologies, wind energy, fuel
48 cells, geothermal technologies, wave or tidal action, small scale

1 hydropower facilities with a capacity of three megawatts or less and
2 put into service after the effective date of P.L.2012, c.24, methane
3 gas from landfills, methane gas from a biomass facility provided
4 that the biomass is cultivated and harvested in a sustainable manner,
5 or methane gas from a composting or anaerobic or aerobic digestion
6 facility that converts food waste or other organic waste to energy.

7 "Class II renewable energy" means electric energy produced at a
8 hydropower facility with a capacity of greater than three megawatts,
9 but less than 30 megawatts, or a resource recovery facility, provided
10 that the facility is located where retail competition is permitted and
11 provided further that the Commissioner of Environmental
12 Protection has determined that the facility meets the highest
13 environmental standards and minimizes any impacts to the
14 environment and local communities. Class II renewable energy
15 shall not include electric energy produced at a hydropower facility
16 with a capacity of greater than 30 megawatts on or after the
17 effective date of P.L.2015, c.51.

18 "Co-generation" means the sequential production of electricity
19 and steam or other forms of useful energy used for industrial or
20 commercial heating and cooling purposes.

21 "Combined cycle power facility" means a generation facility that
22 combines two or more thermodynamic cycles, by producing electric
23 power via the combustion of fuel and then routing the resulting
24 waste heat by-product to a conventional boiler or to a heat recovery
25 steam generator for use by a steam turbine to produce electric
26 power, thereby increasing the overall efficiency of the generating
27 facility.

28 "Combined heat and power facility" or "co-generation facility"
29 means a generation facility which produces electric energy and
30 steam or other forms of useful energy such as heat, which are used
31 for industrial or commercial heating or cooling purposes. A
32 combined heat and power facility or co-generation facility shall not
33 be considered a public utility.

34 "Competitive service" means any service offered by an electric
35 public utility or a gas public utility that the board determines to be
36 competitive pursuant to section 8 or section 10 of P.L.1999, c.23
37 (C.48:3-56 or C.48:3-58) or that is not regulated by the board.

38 "Commercial and industrial energy pricing class customer" or
39 "CIEP class customer" means that group of non-residential
40 customers with high peak demand, as determined by periodic board
41 order, which either is eligible or which would be eligible, as
42 determined by periodic board order, to receive funds from the Retail
43 Margin Fund established pursuant to section 9 of P.L.1999, c.23
44 (C.48:3-57) and for which basic generation service is hourly-priced.

45 "Comprehensive resource analysis" means an analysis including,
46 but not limited to, an assessment of existing market barriers to the
47 implementation of energy efficiency and renewable technologies

1 that are not or cannot be delivered to customers through a
2 competitive marketplace.

3 "Community solar facility" means a solar electric power
4 generation facility participating in the Community Solar Energy
5 Pilot Program or the Community Solar Energy Program developed
6 by the board pursuant to section 5 of P.L.2018, c.17 (C.48:3-87.11).

7 "Connected to the distribution system" means, for a solar electric
8 power generation facility, that the facility is: (1) connected to a net
9 metering customer's side of a meter, regardless of the voltage at
10 which that customer connects to the electric grid; (2) an on-site
11 generation facility; (3) qualified for net metering aggregation as
12 provided pursuant to paragraph (4) of subsection e. of section 38 of
13 P.L.1999, c.23 (C.48:3-87); (4) owned or operated by an electric
14 public utility and approved by the board pursuant to section 13 of
15 P.L.2007, c.340 (C.48:3-98.1); (5) directly connected to the electric
16 grid at 69 kilovolts or less, regardless of how an electric public
17 utility classifies that portion of its electric grid, and is designated as
18 "connected to the distribution system" by the board pursuant to
19 subsections q. through s. of section 38 of P.L.1999, c.23 (C.48:3-
20 87); or (6) is certified by the board, in consultation with the
21 Department of Environmental Protection, as being located on a
22 brownfield, on an area of historic fill, or on a properly closed
23 sanitary landfill facility. Any solar electric power generation
24 facility, other than that of a net metering customer on the customer's
25 side of the meter, connected above 69 kilovolts shall not be
26 considered connected to the distribution system.

27 "Contaminated site or landfill" means: (1) any currently
28 contaminated portion of a property on which industrial or
29 commercial operations were conducted and a discharge occurred,
30 and its associated disturbed areas, where "discharge" means the
31 same as the term is defined in section 23 of P.L.1993, c.139
32 (C.58:10B-1); or (2) a properly closed sanitary landfill facility and
33 its associated disturbed areas.

34 "Customer" means any person that is an end user and is
35 connected to any part of the transmission and distribution system
36 within an electric public utility's service territory or a gas public
37 utility's service territory within this State.

38 "Customer account service" means metering, billing, or such
39 other administrative activity associated with maintaining a customer
40 account.

41 "Delivery year" or "DY" means the 12-month period from June
42 1st through May 31st, numbered according to the calendar year in
43 which it ends.

44 "Demand side management" means the management of customer
45 demand for energy service through the implementation of cost-
46 effective energy efficiency technologies, including, but not limited
47 to, installed conservation, load management, and energy efficiency

1 measures on and in the residential, commercial, industrial,
2 institutional, and governmental premises and facilities in this State.

3 "Electric generation service" means the provision of retail
4 electric energy and capacity which is generated off-site from the
5 location at which the consumption of such electric energy and
6 capacity is metered for retail billing purposes, including agreements
7 and arrangements related thereto.

8 "Electric power generator" means an entity that proposes to
9 construct, own, lease, or operate, or currently owns, leases, or
10 operates, an electric power production facility that will sell or does
11 sell at least 90 percent of its output, either directly or through a
12 marketer, to a customer or customers located at sites that are not on
13 or contiguous to the site on which the facility will be located or is
14 located. The designation of an entity as an electric power generator
15 for the purposes of P.L.1999, c.23 (C.48:3-49 et al.) shall not, in
16 and of itself, affect the entity's status as an exempt wholesale
17 generator under the Public Utility Holding Company Act of 1935,
18 15 U.S.C. s.79 et seq., or its successor act.

19 "Electric power supplier" means a person or entity that is duly
20 licensed pursuant to the provisions of P.L.1999, c.23 (C.48:3-49 et
21 al.) to offer and to assume the contractual and legal responsibility to
22 provide electric generation service to retail customers, and includes
23 load serving entities, marketers, and brokers that offer or provide
24 electric generation service to retail customers. The term excludes
25 an electric public utility that provides electric generation service
26 only as a basic generation service pursuant to section 9 of P.L.1999,
27 c.23 (C.48:3-57).

28 "Electric public utility" means a public utility, as that term is
29 defined in R.S.48:2-13, that transmits and distributes electricity to
30 end users within this State.

31 "Electric related service" means a service that is directly related
32 to the consumption of electricity by an end user, including, but not
33 limited to, the installation of demand side management measures at
34 the end user's premises, the maintenance, repair, or replacement of
35 appliances, lighting, motors, or other energy-consuming devices at
36 the end user's premises, and the provision of energy consumption
37 measurement and billing services.

38 "Electronic signature" means an electronic sound, symbol, or
39 process, attached to, or logically associated with, a contract or other
40 record, and executed or adopted by a person with the intent to sign
41 the record.

42 "Eligible generator" means a developer of a base load or mid-
43 merit electric power generation facility including, but not limited to,
44 an on-site generation facility that qualifies as a capacity resource
45 under PJM criteria and that commences construction after the
46 effective date of P.L.2011, c.9 (C.48:3-98.2 et al.).

47 "Energy agent" means a person that is duly registered pursuant to
48 the provisions of P.L.1999, c.23 (C.48:3-49 et al.), that arranges the

1 sale of retail electricity or electric related services, or retail gas
2 supply or gas related services, between government aggregators or
3 private aggregators and electric power suppliers or gas suppliers,
4 but does not take title to the electric or gas sold.

5 "Energy consumer" means a business or residential consumer of
6 electric generation service or gas supply service located within the
7 territorial jurisdiction of a government aggregator.

8 "Energy efficiency portfolio standard" means a requirement to
9 procure a specified amount of energy efficiency or demand side
10 management resources as a means of managing and reducing energy
11 usage and demand by customers.

12 "Energy year" or "EY" means the 12-month period from June 1st
13 through May 31st, numbered according to the calendar year in
14 which it ends.

15 "Existing business relationship" means a relationship formed by
16 a voluntary two-way communication between an electric power
17 supplier, gas supplier, broker, energy agent, marketer, private
18 aggregator, sales representative, or telemarketer and a customer,
19 regardless of an exchange of consideration, on the basis of an
20 inquiry, application, purchase, or transaction initiated by the
21 customer regarding products or services offered by the electric
22 power supplier, gas supplier, broker, energy agent, marketer,
23 private aggregator, sales representative, or telemarketer; however, a
24 consumer's use of electric generation service or gas supply service
25 through the consumer's electric public utility or gas public utility
26 shall not constitute or establish an existing business relationship for
27 the purpose of P.L.2013, c.263.

28 "Farmland" means land actively devoted to agricultural or
29 horticultural use that is valued, assessed, and taxed pursuant to the
30 "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et
31 seq.).

32 "Federal Energy Regulatory Commission" or "FERC" means the
33 federal agency established pursuant to 42 U.S.C. s.7171 et seq. to
34 regulate the interstate transmission of electricity, natural gas, and
35 oil.

36 "Final remediation document" shall have the same meaning as
37 provided in section 3 of P.L.1976, c.141 (C.58:10-23.11b).

38 "Financing entity" means an electric public utility, a special
39 purpose entity, or any other assignee of bondable transition
40 property, which issues transition bonds. Except as specifically
41 provided in P.L.1999, c.23 (C.48:3-49 et al.), a financing entity
42 which is not itself an electric public utility shall not be subject to
43 the public utility requirements of Title 48 of the Revised Statutes or
44 any rules or regulations adopted pursuant thereto.

45 "Gas public utility" means a public utility, as that term is defined
46 in R.S.48:2-13, that distributes gas to end users within this State.

47 "Gas related service" means a service that is directly related to
48 the consumption of gas by an end user, including, but not limited to,

1 the installation of demand side management measures at the end
2 user's premises, the maintenance, repair or replacement of
3 appliances or other energy-consuming devices at the end user's
4 premises, and the provision of energy consumption measurement
5 and billing services.

6 "Gas supplier" means a person that is duly licensed pursuant to
7 the provisions of P.L.1999, c.23 (C.48:3-49 et al.) to offer and
8 assume the contractual and legal obligation to provide gas supply
9 service to retail customers, and includes, but is not limited to,
10 marketers and brokers. A non-public utility affiliate of a public
11 utility holding company may be a gas supplier, but a gas public
12 utility or any subsidiary of a gas utility is not a gas supplier. In the
13 event that a gas public utility is not part of a holding company legal
14 structure, a related competitive business segment of that gas public
15 utility may be a gas supplier, provided that related competitive
16 business segment is structurally separated from the gas public
17 utility, and provided that the interactions between the gas public
18 utility and the related competitive business segment are subject to
19 the affiliate relations standards adopted by the board pursuant to
20 subsection k. of section 10 of P.L.1999, c.23 (C.48:3-58).

21 "Gas supply service" means the provision to customers of the
22 retail commodity of gas, but does not include any regulated
23 distribution service.

24 "Government aggregator" means any government entity subject
25 to the requirements of the "Local Public Contracts Law," P.L.1971,
26 c.198 (C.40A:11-1 et seq.), the "Public School Contracts Law,"
27 N.J.S.18A:18A-1 et seq., or the "County College Contracts Law,"
28 P.L.1982, c.189 (C.18A:64A-25.1 et seq.), that enters into a written
29 contract with a licensed electric power supplier or a licensed gas
30 supplier for: (1) the provision of electric generation service, electric
31 related service, gas supply service, or gas related service for its own
32 use or the use of other government aggregators; or (2) if a
33 municipal or county government, the provision of electric
34 generation service or gas supply service on behalf of business or
35 residential customers within its territorial jurisdiction.

36 "Government energy aggregation program" means a program and
37 procedure pursuant to which a government aggregator enters into a
38 written contract for the provision of electric generation service or
39 gas supply service on behalf of business or residential customers
40 within its territorial jurisdiction.

41 "Governmental entity" means any federal, state, municipal, local,
42 or other governmental department, commission, board, agency,
43 court, authority, or instrumentality having competent jurisdiction.

44 "Green Acres program" means the program for the acquisition of
45 lands for recreation and conservation purposes pursuant to
46 P.L.1961, c.45 (C.13:8A-1 et seq.), P.L.1971, c.419 (C.13:8A-19 et
47 seq.), P.L.1975, c.155 (C.13:8A-35 et seq.), any Green Acres bond

1 act, P.L.1999, c.152 (C.13:8C-1 et seq.), and P.L.2016, c.12
2 (C.13:8C-43 et seq.).

3 "Greenhouse gas emissions portfolio standard" means a
4 requirement that addresses or limits the amount of carbon dioxide
5 emissions indirectly resulting from the use of electricity as applied
6 to any electric power suppliers and basic generation service
7 providers of electricity.

8 "Grid supply solar facility" means a solar electric power
9 generation facility that sells electricity at wholesale and is
10 connected to the State's electric distribution or transmission
11 systems. "Grid supply solar facility" does not include: (1) a net
12 metered solar facility; (2) an on-site generation facility; (3) a
13 facility participating in net metering aggregation pursuant to section
14 38 of P.L.1999, c.23 (C.48:3-87); (4) a facility participating in
15 remote net metering; or (5) a community solar facility.

16 "Historic fill" means generally large volumes of non-indigenous
17 material, no matter what date they were emplaced on the site, used
18 to raise the topographic elevation of a site, which were
19 contaminated prior to emplacement and are in no way connected
20 with the operations at the location of emplacement and which
21 include, but are not limited to, construction debris, dredge spoils,
22 incinerator residue, demolition debris, fly ash, and non-hazardous
23 solid waste. "Historic fill" shall not include any material which is
24 substantially chromate chemical production waste or any other
25 chemical production waste or waste from processing of metal or
26 mineral ores, residues, slags, or tailings.

27 "Incremental auction" means an auction conducted by PJM, as
28 part of PJM's reliability pricing model, prior to the start of the
29 delivery year to secure electric capacity as necessary to satisfy the
30 capacity requirements for that delivery year, that is not otherwise
31 provided for in the base residual auction.

32 "Leakage" means an increase in greenhouse gas emissions
33 related to generation sources located outside of the State that are not
34 subject to a state, interstate, or regional greenhouse gas emissions
35 cap or standard that applies to generation sources located within the
36 State.

37 "Locational deliverability area" or "LDA" means one or more of
38 the zones within the PJM region which are used to evaluate area
39 transmission constraints and reliability issues including electric
40 public utility company zones, sub-zones, and combinations of
41 zones.

42 "Long-term capacity agreement pilot program" or "LCAPP"
43 means a pilot program established by the board that includes
44 participation by eligible generators, to seek offers for financially-
45 settled standard offer capacity agreements with eligible generators
46 pursuant to the provisions of P.L.2011, c.9 (C.48:3-98.2 et al.).

47 "Market transition charge" means a charge imposed pursuant to
48 section 13 of P.L.1999, c.23 (C.48:3-61) by an electric public

1 utility, at a level determined by the board, on the electric public
2 utility customers for a limited duration transition period to recover
3 stranded costs created as a result of the introduction of electric
4 power supply competition pursuant to the provisions of P.L.1999,
5 c.23 (C.48:3-49 et al.).

6 "Marketer" means a duly licensed electric power supplier that
7 takes title to electric energy and capacity, transmission, and other
8 services from electric power generators and other wholesale
9 suppliers and then assumes the contractual and legal obligation to
10 provide electric generation service, and may include transmission
11 and other services, to an end-use retail customer or customers, or a
12 duly licensed gas supplier that takes title to gas and then assumes
13 the contractual and legal obligation to provide gas supply service to
14 an end-use customer or customers.

15 "Mid-merit electric power generation facility" means a
16 generation facility that operates at a capacity factor between
17 baseload generation facilities and peaker generation facilities.

18 "Net metered solar facility" means a solar electric power
19 generation facility participating in the net metering program
20 developed by the board pursuant to subsection e. of section 38 of
21 P.L.1999, c.23 (C.48:3-87) or in a substantially similar program
22 operated by a utility owned or operated by a local government unit.

23 "Net metering aggregation" means a procedure for calculating
24 the combination of the annual energy usage for all facilities owned
25 by a single customer where such customer is a State entity, school
26 district, county, county agency, county authority, municipality,
27 municipal agency, or municipal authority, and which are served by
28 a solar electric power generating facility as provided pursuant to
29 paragraph (4) of subsection e. of section 38 of P.L.1999, c.23
30 (C.48:3-87).

31 "Net proceeds" means proceeds less transaction and other related
32 costs as determined by the board.

33 "Net revenues" means revenues less related expenses, including
34 applicable taxes, as determined by the board.

35 "Offshore wind energy" means electric energy produced by a
36 qualified offshore wind project.

37 "Offshore wind renewable energy certificate" or "OREC" means
38 a certificate, issued by the board or its designee, representing the
39 environmental attributes of one megawatt hour of electric
40 generation from a qualified offshore wind project.

41 "Off-site end use thermal energy services customer" means an
42 end use customer that purchases thermal energy services from an
43 on-site generation facility, combined heat and power facility, or co-
44 generation facility, and that is located on property that is separated
45 from the property on which the on-site generation facility,
46 combined heat and power facility, or co-generation facility is
47 located by more than one easement, public thoroughfare, or
48 transportation or utility-owned right-of-way.

1 "On-site generation facility" means a generation facility,
2 including, but not limited to, a generation facility that produces
3 Class I or Class II renewable energy, and equipment and services
4 appurtenant to electric sales by such facility to the end use customer
5 located on the property or on property contiguous to the property on
6 which the end user is located. An on-site generation facility shall
7 not be considered a public utility. The property of the end use
8 customer and the property on which the on-site generation facility is
9 located shall be considered contiguous if they are geographically
10 located next to each other, but may be otherwise separated by an
11 easement, public thoroughfare, transportation or utility-owned
12 right-of-way, or if the end use customer is purchasing thermal
13 energy services produced by the on-site generation facility, for use
14 for heating or cooling, or both, regardless of whether the customer
15 is located on property that is separated from the property on which
16 the on-site generation facility is located by more than one easement,
17 public thoroughfare, or transportation or utility-owned right-of-way.

18 "Open access offshore wind transmission facility" means an open
19 access transmission facility, located either in the Atlantic Ocean or
20 offshore, used to facilitate the collection of offshore wind energy or
21 its delivery to the electronic transmission system in this State.

22 "Person" means an individual, partnership, corporation,
23 association, trust, limited liability company, governmental entity, or
24 other legal entity.

25 "PJM Interconnection, L.L.C." or "PJM" means the privately-
26 held, limited liability corporation that serves as a FERC-approved
27 Regional Transmission Organization, or its successor, that manages
28 the regional, high-voltage electricity grid serving all or parts of 13
29 states including New Jersey and the District of Columbia, operates
30 the regional competitive wholesale electric market, manages the
31 regional transmission planning process, and establishes systems and
32 rules to ensure that the regional and in-State energy markets operate
33 fairly and efficiently.

34 "Preliminary assessment" shall have the same meaning as
35 provided in section 3 of P.L.1976, c.141 (C.58:10-23.11b).

36 "Preserved farmland" means land on which a development
37 easement was conveyed to, or retained by, the State Agriculture
38 Development Committee, a county agriculture development board,
39 or a qualifying tax exempt nonprofit organization pursuant to the
40 provisions of section 24 of P.L.1983, c.32 (C.4:1C-31), section 5 of
41 P.L.1988, c.4 (C.4:1C-31.1), section 1 of P.L.1989, c.28 (C.4:1C-
42 38), section 1 of P.L.1999, c.180 (C.4:1C-43.1), sections 37 through
43 40 of P.L.1999, c.152 (C.13:8C-37 through C.13:8C-40), or any
44 other State law enacted for farmland preservation purposes.

45 "Private aggregator" means a non-government aggregator that is
46 a duly-organized business or non-profit organization authorized to
47 do business in this State that enters into a contract with a duly
48 licensed electric power supplier for the purchase of electric energy

1 and capacity, or with a duly licensed gas supplier for the purchase
2 of gas supply service, on behalf of multiple end-use customers by
3 combining the loads of those customers.

4 "Properly closed sanitary landfill facility" means a sanitary
5 landfill facility, or a portion of a sanitary landfill facility, for which
6 performance is complete with respect to all activities associated
7 with the design, installation, purchase, or construction of all
8 measures, structures, or equipment required by the Department of
9 Environmental Protection, pursuant to law, in order to prevent,
10 minimize, or monitor pollution or health hazards resulting from a
11 sanitary landfill facility subsequent to the termination of operations
12 at any portion thereof, including, but not necessarily limited to, the
13 placement of earthen or vegetative cover, and the installation of
14 methane gas vents or monitors and leachate monitoring wells or
15 collection systems at the site of any sanitary landfill facility.

16 "Public utility holding company" means: (1) any company that,
17 directly or indirectly, owns, controls, or holds with power to vote,
18 10 percent or more of the outstanding voting securities of an
19 electric public utility or a gas public utility or of a company which
20 is a public utility holding company by virtue of this definition,
21 unless the Securities and Exchange Commission, or its successor,
22 by order declares such company not to be a public utility holding
23 company under the Public Utility Holding Company Act of 1935,
24 15 U.S.C. s.79 et seq., or its successor; or (2) any person that the
25 Securities and Exchange Commission, or its successor, determines,
26 after notice and opportunity for hearing, directly or indirectly, to
27 exercise, either alone or pursuant to an arrangement or
28 understanding with one or more other persons, such a controlling
29 influence over the management or policies of an electric public
30 utility or a gas public utility or public utility holding company as to
31 make it necessary or appropriate in the public interest or for the
32 protection of investors or consumers that such person be subject to
33 the obligations, duties, and liabilities imposed in the Public Utility
34 Holding Company Act of 1935, 15 U.S.C. s.79 et seq., or its
35 successor act.

36 "Qualified offshore wind project" means a wind turbine
37 electricity generation facility in the Atlantic Ocean and connected
38 to the electric transmission system in this State, and includes the
39 associated transmission-related interconnection facilities and
40 equipment, and approved by the board pursuant to section 3 of
41 P.L.2010, c.57 (C.48:3-87.1).

42 "Registration program" means an administrative process
43 developed by the board pursuant to subsection u. of section 38 of
44 P.L.1999, c.23 (C.48:3-87) that requires all owners of solar electric
45 power generation facilities connected to the distribution system that
46 intend to generate SRECs, to file with the board documents
47 detailing the size, location, interconnection plan, land use, and other
48 project information as required by the board.

1 "Regulatory asset" means an asset recorded on the books of an
2 electric public utility or gas public utility pursuant to the Statement
3 of Financial Accounting Standards, No. 71, entitled "Accounting for
4 the Effects of Certain Types of Regulation," or any successor
5 standard and as deemed recoverable by the board.

6 "Related competitive business segment of an electric public
7 utility or gas public utility" means any business venture of an
8 electric public utility or gas public utility including, but not limited
9 to, functionally separate business units, joint ventures, and
10 partnerships, that offers to provide or provides competitive services.

11 "Related competitive business segment of a public utility holding
12 company" means any business venture of a public utility holding
13 company, including, but not limited to, functionally separate
14 business units, joint ventures, and partnerships and subsidiaries, that
15 offers to provide or provides competitive services, but does not
16 include any related competitive business segments of an electric
17 public utility or gas public utility.

18 "Reliability pricing model" or "RPM" means PJM's capacity-
19 market model, and its successors, that secures capacity on behalf of
20 electric load serving entities to satisfy load obligations not satisfied
21 through the output of electric generation facilities owned by those
22 entities, or otherwise secured by those entities through bilateral
23 contracts.

24 "Renewable energy certificate" or "REC" means a certificate
25 representing the environmental benefits or attributes of one
26 megawatt-hour of generation from a generating facility that
27 produces Class I or Class II renewable energy, but shall not include
28 a solar renewable energy certificate or an offshore wind renewable
29 energy certificate.

30 "Resource clearing price" or "RCP" means the clearing price
31 established for the applicable locational deliverability area by the
32 base residual auction or incremental auction, as determined by the
33 optimization algorithm for each auction, conducted by PJM as part
34 of PJM's reliability pricing model.

35 "Resource recovery facility" means a solid waste facility
36 constructed and operated for the incineration of solid waste for
37 energy production and the recovery of metals and other materials
38 for reuse, which the Department of Environmental Protection has
39 determined to be in compliance with current environmental
40 standards, including, but not limited to, all applicable requirements
41 of the federal "Clean Air Act" (42 U.S.C. s.7401 et seq.).

42 "Restructuring related costs" means reasonably incurred costs
43 directly related to the restructuring of the electric power industry,
44 including the closure, sale, functional separation, and divestiture of
45 generation and other competitive utility assets by a public utility, or
46 the provision of competitive services as those costs are determined
47 by the board, and which are not stranded costs as defined in
48 P.L.1999, c.23 (C.48:3-49 et al.) but may include, but not be limited

1 to, investments in management information systems, and which
2 shall include expenses related to employees affected by
3 restructuring which result in efficiencies and which result in
4 benefits to ratepayers, such as training or retraining at the level
5 equivalent to one year's training at a vocational or technical school
6 or county community college, the provision of severance pay of two
7 weeks of base pay for each year of full-time employment, and a
8 maximum of 24 months' continued health care coverage. Except as
9 to expenses related to employees affected by restructuring,
10 "restructuring related costs" shall not include going forward costs.

11 "Retail choice" means the ability of retail customers to shop for
12 electric generation or gas supply service from electric power or gas
13 suppliers, or opt to receive basic generation service or basic gas
14 service, and the ability of an electric power or gas supplier to offer
15 electric generation service or gas supply service to retail customers,
16 consistent with the provisions of P.L.1999, c.23 (C.48:3-49 et al.).

17 "Retail margin" means an amount, reflecting differences in
18 prices that electric power suppliers and electric public utilities may
19 charge in providing electric generation service and basic generation
20 service, respectively, to retail customers, excluding residential
21 customers, which the board may authorize to be charged to
22 categories of basic generation service customers of electric public
23 utilities in this State, other than residential customers, under the
24 board's continuing regulation of basic generation service pursuant to
25 sections 3 and 9 of P.L.1999, c.23 (C.48:3-51 and 48:3-57), for the
26 purpose of promoting a competitive retail market for the supply of
27 electricity.

28 "Sales representative" means a person employed by, acting on
29 behalf of, or as an independent contractor for, an electric power
30 supplier, gas supplier, broker, energy agent, marketer, or private
31 aggregator who, by any means, solicits a potential residential
32 customer for the provision of electric generation service or gas
33 supply service.

34 "Sanitary landfill facility" shall have the same meaning as
35 provided in section 3 of P.L.1970, c.39 (C.13:1E-3).

36 "School district" means a local or regional school district
37 established pursuant to chapter 8 or chapter 13 of Title 18A of the
38 New Jersey Statutes, a county special services school district
39 established pursuant to article 8 of chapter 46 of Title 18A of the
40 New Jersey Statutes, a county vocational school district established
41 pursuant to article 3 of chapter 54 of Title 18A of the New Jersey
42 Statutes, and a district under full State intervention pursuant to
43 P.L.1987, c.399 (C.18A:7A-34 et al.).

44 "Shopping credit" means an amount deducted from the bill of an
45 electric public utility customer to reflect the fact that the customer
46 has switched to an electric power supplier and no longer takes basic
47 generation service from the electric public utility.

1 "Site investigation" shall have the same meaning as provided in
2 section 3 of P.L.1976, c.141 (C.58:10-23.11b).

3 "Small scale hydropower facility" means a facility located within
4 this State that is connected to the distribution system, and that
5 meets the requirements of, and has been certified by, a nationally
6 recognized low-impact hydropower organization that has
7 established low-impact hydropower certification criteria applicable
8 to: (1) river flows; (2) water quality; (3) fish passage and
9 protection; (4) watershed protection; (5) threatened and endangered
10 species protection; (6) cultural resource protection; (7) recreation;
11 and (8) facilities recommended for removal.

12 "Social program" means a program implemented with board
13 approval to provide assistance to a group of disadvantaged
14 customers, to provide protection to consumers, or to accomplish a
15 particular societal goal, and includes, but is not limited to, the
16 winter moratorium program, utility practices concerning "bad debt"
17 customers, low income assistance, deferred payment plans,
18 weatherization programs, and late payment and deposit policies, but
19 does not include any demand side management program or any
20 environmental requirements or controls.

21 "Societal benefits charge" means a charge imposed by an electric
22 public utility, at a level determined by the board, pursuant to, and in
23 accordance with, section 12 of P.L.1999, c.23 (C.48:3-60).

24 "Solar alternative compliance payment" or "SACP" means a
25 payment of a certain dollar amount per megawatt hour (MWh)
26 which an electric power supplier or provider may submit to the
27 board in order to comply with the solar electric generation
28 requirements under section 38 of P.L.1999, c.23 (C.48:3-87).

29 "Solar renewable energy certificate" or "SREC" means a
30 certificate issued by the board or its designee, representing one
31 megawatt hour (MWh) of solar energy that is generated by a facility
32 connected to the distribution system in this State and has value
33 based upon, and driven by, the energy market.

34 "Solar renewable energy certificate II" or "SREC-II" means a
35 transferable certificate, issued by the board or its designee pursuant
36 to P.L.2021, c.169 (C.48:3-114 et al.), which is capable of counting
37 towards the renewable energy portfolio standards of an electric
38 power supplier or basic generation service provider in the State
39 pursuant to section 38 of P.L.1999, c.23 (C.48:3-87).

40 "SREC-II program" means the program established pursuant to
41 section 2 of P.L.2021, c.169 (C.48:3-115) to distribute SREC-IIs.

42 "SREC-II value per megawatt-hour" means the value, in dollars-
43 per-megawatt-hour, assigned by the board to each solar electric
44 power generation facility eligible to receive SREC-IIs, which is
45 paid to the facility and which represents the environmental
46 attributes of the facility.

47 "Standard offer capacity agreement" or "SOCA" means a
48 financially-settled transaction agreement, approved by board order,

1 that provides for eligible generators to receive payments from the
2 electric public utilities for a defined amount of electric capacity for
3 a term to be determined by the board but not to exceed 15 years,
4 and for such payments to be a fully non-bypassable charge, with
5 such an order, once issued, being irrevocable.

6 "Standard offer capacity price" or "SOCP" means the capacity
7 price that is fixed for the term of the SOCA and which is the price
8 to be received by eligible generators under a board-approved
9 SOCA.

10 "State entity" means a department, agency, or office of State
11 government, a State university or college, or an authority created by
12 the State.

13 "Stranded cost" means the amount by which the net cost of an
14 electric public utility's electric generating assets or electric power
15 purchase commitments, as determined by the board consistent with
16 the provisions of P.L.1999, c.23 (C.48:3-49 et al.), exceeds the
17 market value of those assets or contractual commitments in a
18 competitive supply marketplace and the costs of buydowns or
19 buyouts of power purchase contracts.

20 "Stranded costs recovery order" means each order issued by the
21 board in accordance with subsection c. of section 13 of P.L.1999,
22 c.23 (C.48:3-61) which sets forth the amount of stranded costs, if
23 any, the board has determined an electric public utility is eligible to
24 recover and collect in accordance with the standards set forth in
25 section 13 of P.L.1999, c.23 (C.48:3-61) and the recovery
26 mechanisms therefor.

27 "Telemarketer" shall have the same meaning as set forth in
28 section 2 of P.L.2003, c.76 (C.56:8-120).

29 "Telemarketing sales call" means a telephone call made by a
30 telemarketer to a potential residential customer as part of a plan,
31 program, or campaign to encourage the customer to change the
32 customer's electric power supplier or gas supplier. A telephone call
33 made to an existing customer of an electric power supplier, gas
34 supplier, broker, energy agent, marketer, private aggregator, or
35 sales representative, for the sole purpose of collecting on accounts
36 or following up on contractual obligations, shall not be deemed a
37 telemarketing sales call. A telephone call made in response to an
38 express written request of a customer shall not be deemed a
39 telemarketing sales call.

40 "Thermal efficiency" means the useful electric energy output of a
41 facility, plus the useful thermal energy output of the facility,
42 expressed as a percentage of the total energy input to the facility.

43 "Transition bond charge" means a charge, expressed as an
44 amount per kilowatt hour, that is authorized by and imposed on
45 electric public utility ratepayers pursuant to a bondable stranded
46 costs rate order, as modified at any time pursuant to the provisions
47 of P.L.1999, c.23 (C.48:3-49 et al.).

1 "Transition bonds" means bonds, notes, certificates of
2 participation, beneficial interest, or other evidences of indebtedness
3 or ownership issued pursuant to an indenture, contract, or other
4 agreement of an electric public utility or a financing entity, the
5 proceeds of which are used, directly or indirectly, to recover,
6 finance or refinance bondable stranded costs and which are, directly
7 or indirectly, secured by or payable from bondable transition
8 property. References in P.L.1999, c.23 (C.48:3-49 et al.) to
9 principal, interest, and acquisition or redemption premium with
10 respect to transition bonds which are issued in the form of
11 certificates of participation or beneficial interest or other evidences
12 of ownership shall refer to the comparable payments on such
13 securities.

14 "Transition period" means the period from August 1, 1999
15 through July 31, 2003.

16 "Transmission and distribution system" means, with respect to an
17 electric public utility, any facility or equipment that is used for the
18 transmission, distribution, or delivery of electricity to the customers
19 of the electric public utility including, but not limited to, the land,
20 structures, meters, lines, switches, and all other appurtenances
21 thereof and thereto, owned or controlled by the electric public
22 utility within this State.

23 "Universal service" means any service approved by the board
24 with the purpose of assisting low-income residential customers in
25 obtaining or retaining electric generation or delivery service.

26 "Unsolicited advertisement" means any advertising claims of the
27 commercial availability or quality of services provided by an
28 electric power supplier, gas supplier, broker, energy agent,
29 marketer, private aggregator, sales representative, or telemarketer
30 which is transmitted to a potential customer without that customer's
31 prior express invitation or permission.

32 "Zero-carbon electric generating facility" means any electric
33 power generation facility that does not emit carbon dioxide as a by-
34 product of combusting fuel to generate electricity.

35 (cf: P.L.2021, c.169, s.9)

36

37 2. Section 38 of P.L.1999, c.23 (C.48:3-87) is amended to read
38 as follows:

39 38. a. The board shall require an electric power supplier or basic
40 generation service provider to disclose on a customer's bill or on
41 customer contracts or marketing materials, a uniform, common set
42 of information about the environmental characteristics of the energy
43 purchased by the customer, including, but not limited to:

44 (1) Its fuel mix, including categories for oil, gas, nuclear, coal,
45 solar, hydroelectric, wind and biomass, or a regional average
46 determined by the board;

47 (2) Its emissions, in pounds per megawatt hour, of sulfur
48 dioxide, carbon dioxide, oxides of nitrogen, and any other pollutant

1 that the board may determine to pose an environmental or health
2 hazard, or an emissions default to be determined by the board; and

3 (3) Any discrete emission reduction retired pursuant to rules and
4 regulations adopted pursuant to P.L.1995, c.188.

5 b. Notwithstanding any provisions of the "Administrative
6 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
7 contrary, the board shall initiate a proceeding and shall adopt, in
8 consultation with the Department of Environmental Protection, after
9 notice and opportunity for public comment and public hearing,
10 interim standards to implement this disclosure requirement,
11 including, but not limited to:

12 (1) A methodology for disclosure of emissions based on output
13 pounds per megawatt hour;

14 (2) Benchmarks for all suppliers and basic generation service
15 providers to use in disclosing emissions that will enable consumers
16 to perform a meaningful comparison with a supplier's or basic
17 generation service provider's emission levels; and

18 (3) A uniform emissions disclosure format that is graphic in
19 nature and easily understandable by consumers. The board shall
20 periodically review the disclosure requirements to determine if
21 revisions to the environmental disclosure system as implemented
22 are necessary.

23 Such standards shall be effective as regulations immediately
24 upon filing with the Office of Administrative Law and shall be
25 effective for a period not to exceed 18 months, and may, thereafter,
26 be amended, adopted or readopted by the board in accordance with
27 the provisions of the "Administrative Procedure Act."

28 c. (1) The board may adopt, in consultation with the Department
29 of Environmental Protection, after notice and opportunity for public
30 comment, an emissions portfolio standard applicable to all electric
31 power suppliers and basic generation service providers, upon a
32 finding that:

33 (a) The standard is necessary as part of a plan to enable the
34 State to meet federal Clean Air Act or State ambient air quality
35 standards; and

36 (b) Actions at the regional or federal level cannot reasonably be
37 expected to achieve the compliance with the federal standards.

38 (2) By July 1, 2009, the board shall adopt, pursuant to the
39 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
40 seq.), a greenhouse gas emissions portfolio standard to mitigate
41 leakage or another regulatory mechanism to mitigate leakage
42 applicable to all electric power suppliers and basic generation
43 service providers that provide electricity to customers within the
44 State. The greenhouse gas emissions portfolio standard or any other
45 regulatory mechanism to mitigate leakage shall:

46 (a) Allow a transition period, either before or after the effective
47 date of the regulation to mitigate leakage, for a basic generation
48 service provider or electric power supplier to either meet the

1 emissions portfolio standard or other regulatory mechanism to
2 mitigate leakage, or to transfer any customer to a basic generation
3 service provider or electric power supplier that meets the emissions
4 portfolio standard or other regulatory mechanism to mitigate
5 leakage. If the transition period allowed pursuant to this
6 subparagraph occurs after the implementation of an emissions
7 portfolio standard or other regulatory mechanism to mitigate
8 leakage, the transition period shall be no longer than three years;
9 and

10 (b) Exempt the provision of basic generation service pursuant to
11 a basic generation service purchase and sale agreement effective
12 prior to the date of the regulation.

13 Unless the Attorney General or the Attorney General's designee
14 determines that a greenhouse gas emissions portfolio standard
15 would unconstitutionally burden interstate commerce or would be
16 preempted by federal law, the adoption by the board of an electric
17 energy efficiency portfolio standard pursuant to subsection g. of this
18 section, a gas energy efficiency portfolio standard pursuant to
19 subsection h. of this section, or any other enhanced energy
20 efficiency policies to mitigate leakage shall not be considered
21 sufficient to fulfill the requirement of this subsection for the
22 adoption of a greenhouse gas emissions portfolio standard or any
23 other regulatory mechanism to mitigate leakage.

24 d. Notwithstanding any provisions of the "Administrative
25 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
26 contrary, the board shall initiate a proceeding and shall adopt, after
27 notice, provision of the opportunity for comment, and public
28 hearing, renewable energy portfolio standards **[that shall require:]**
29 pursuant to the provisions of this subsection.

30 (1) **[that two]** Two and one-half percent of the kilowatt hours
31 sold in this State by each electric power supplier and each basic
32 generation service provider shall be from Class II renewable energy
33 sources**;** . This requirement shall expire on January 1, 2045.

34 (2) (a) **[beginning]** Beginning on January 1, 2020, **[that]** 21
35 percent of the kilowatt hours sold in this State by each electric
36 power supplier and each basic generation service provider shall be
37 from Class I renewable energy sources. The board shall increase
38 the required percentage for Class I renewable energy sources so that
39 by January 1, 2025, 35 percent of the kilowatt hours sold in this
40 State by each electric power supplier and each basic generation
41 service provider shall be from Class I renewable energy sources,
42 **[and]** by January 1, 2030, 50 percent of the kilowatt hours sold in
43 this State by each electric power supplier and each basic generation
44 service provider shall be from Class I renewable energy sources;
45 and, beginning June 1, 2045, 100 percent of the kilowatt hours sold
46 in this State by each electric power supplier and each basic
47 generation service provider shall be from Class I renewable energy

1 sources, subject to the provisions of subparagraphs (b) through (h)
2 of this paragraph.

3 (b) Notwithstanding the requirements of this subsection, the
4 board shall ensure that the cost to customers of the Class I
5 renewable energy requirement imposed pursuant to this subsection
6 shall not exceed nine percent of the total paid for electricity by all
7 customers in the State for energy year 2019, energy year 2020, and
8 energy year 2021, respectively, and shall not exceed seven percent
9 of the total paid for electricity by all customers in the State in any
10 energy year thereafter; provided that, if in energy years 2019
11 through 2021 the cost to customers of the Class I renewable energy
12 requirement is less than nine percent of the total paid for electricity
13 by all customers in the State, the board may increase the cost to
14 customers of the Class I renewable energy requirement in energy
15 years 2022 through 2024 to a rate greater than seven percent, as
16 long as the total costs to customers for energy years 2019 through
17 2024 does not exceed the sum of nine percent of the total paid for
18 electricity by all customers in the State in energy years 2019
19 through 2021 and seven percent of the total paid for electricity by
20 all customers in the State in energy years 2022 through 2024.

21 (c) In calculating the cost to customers of the Class I renewable
22 energy requirement imposed pursuant to this subsection, the board
23 shall not include the costs of the offshore wind energy certificate
24 program established pursuant to paragraph (4) of this subsection.

25 (d) In calculating the cost to customers of the Class I renewable
26 energy requirement, the board shall reflect any energy and
27 environmental savings attributable to the Class I program in its
28 calculation, which shall include, but not be limited to, the social
29 cost of carbon dioxide emissions at a value no less than the most
30 recently published three percent discount rate scenario of the United
31 States Government Interagency Working Group on Social Cost of
32 Greenhouse Gases.

33 (e) The board shall take any steps necessary to prevent the
34 exceedance of the cap on the cost to customers including, but not
35 limited to, adjusting the Class I renewable energy requirement.

36 (f) An electric power supplier or basic generation service
37 provider may satisfy the requirements of this **[subsection]**
38 paragraph by participating in a renewable energy trading program
39 approved by the board in consultation with the Department of
40 Environmental Protection**;** , or compliance with the requirements
41 of this paragraph may be demonstrated to the board by suppliers or
42 providers through the purchase and retirement of RECs.

43 (g) Beginning on June 1, 2030, the renewable energy portfolio
44 standard established by this paragraph shall apply to the total retail
45 sales of electricity excluding:

46 (i) an amount equivalent to the electric energy that was supplied
47 to customers from nuclear power plants located within the State in
48 the previous calendar year, provided that the plants commenced

1 operation prior to the date of enactment of P.L. , c. (C.);
2 and

3 (ii) an amount equivalent to the electric energy that was supplied
4 to customers from zero-carbon electric generating facilities in the
5 previous calendar year, provided that the facilities are not Class I
6 renewable energy sources and that the facilities commenced
7 operation in the State after June 1, 2030.

8 (h) Beginning on June 1, 2030, at least 50 percent of the RECs
9 used by an electric public utility to satisfy the renewable energy
10 portfolio standard established by this paragraph shall represent
11 energy generated within the State.

12 (3) **【that the】** The board shall establish a multi-year schedule,
13 applicable to each electric power supplier or basic generation
14 service provider in this State, beginning with the one-year period
15 commencing on June 1, 2010, and continuing for each subsequent
16 one-year period up to and including, the one-year period
17 commencing on June 1, 2033, that requires the following number or
18 percentage, as the case may be, of kilowatt-hours sold in this State
19 by each electric power supplier and each basic generation service
20 provider to be from solar electric power generators connected to the
21 distribution system or transmission system in this State:

22	EY 2011	306 Gigawatthours (Gwhrs)
23	EY 2012	442 Gwhrs
24	EY 2013	596 Gwhrs
25	EY 2014	2.050%
26	EY 2015	2.450%
27	EY 2016	2.750%
28	EY 2017	3.000%
29	EY 2018	3.200%
30	EY 2019	4.300%
31	EY 2020	4.900%
32	EY 2021	5.100%
33	EY 2022	5.100%
34	EY 2023	5.100%
35	EY 2024	4.900%
36	EY 2025	4.800%
37	EY 2026	4.500%
38	EY 2027	4.350%
39	EY 2028	3.740%
40	EY 2029	3.070%
41	EY 2030	2.210%
42	EY 2031	1.580%
43	EY 2032	1.400%
44	EY 2033	1.100%

45 No later than 180 days after the date of enactment of P.L.2018,
46 c.17 (C.48:3-87.8 et al.), the board shall adopt rules and regulations
47 to close the SREC program to new applications upon the attainment
48 of 5.1 percent of the kilowatt-hours sold in the State by each

1 electric power supplier and each basic generation provider from
2 solar electric power generators connected to the distribution system.
3 The board shall continue to consider any application filed before the
4 date of enactment of P.L.2018, c.17 (C.48:3-87.8 et al.). The board
5 shall provide for an orderly and transparent mechanism that will
6 result in the closing of the existing SREC program on a date certain
7 but no later than June 1, 2021.

8 No later than 24 months after the date of enactment of P.L.2018,
9 c.17 (C.48:3-87.8 et al.), the board shall complete a study that
10 evaluates how to modify or replace the SREC program to encourage
11 the continued efficient and orderly development of solar renewable
12 energy generating sources throughout the State. The board shall
13 submit the written report thereon to the Governor and, pursuant to
14 section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature. The
15 board shall consult with public utilities, industry experts, regional
16 grid operators, solar power providers and financiers, and other State
17 agencies to determine whether the board can modify the SREC
18 program such that the program will:

- 19 - continually reduce, where feasible, the cost of achieving the
20 solar energy goals set forth in this subsection;
- 21 - provide an orderly transition from the SREC program to a
22 new or modified program;
- 23 - develop megawatt targets for grid connected and distribution
24 systems, including residential and small commercial rooftop
25 systems, community solar systems, and large scale behind the meter
26 systems, as a share of the overall solar energy requirement, which
27 targets the board may modify periodically based on the cost,
28 feasibility, or social impacts of different types of projects;
- 29 - establish and update market-based maximum incentive
30 payment caps periodically for each of the above categories of solar
31 electric power generation facilities;
- 32 - encourage and facilitate market-based cost recovery through
33 long-term contracts and energy market sales; and
- 34 - where cost recovery is needed for any portion of an efficient
35 solar electric power generation facility when costs are not
36 recoverable through wholesale market sales and direct payments
37 from customers, utilize competitive processes such as competitive
38 procurement and long-term contracts where possible to ensure such
39 recovery, without exceeding the maximum incentive payment cap
40 for that category of facility.

41 The board shall approve, conditionally approve, or disapprove
42 any application for designation as connected to the distribution
43 system of a solar electric power generation facility filed with the
44 board after the date of enactment of P.L.2018, c.17 (C.48:3-87.8 et
45 al.), no more than 90 days after receipt by the board of a completed
46 application. For any such application for a project greater than 25
47 kilowatts, the board shall require the applicant to post a notice
48 escrow with the board in an amount of \$40 per kilowatt of DC

1 nameplate capacity of the facility, not to exceed \$40,000. The
2 notice escrow amount shall be reimbursed to the applicant in full
3 upon either denial of the application by the board or upon
4 commencement of commercial operation of the solar electric power
5 generation facility. The escrow amount shall be forfeited to the
6 State if the facility is designated as connected to the distribution
7 system pursuant to this subsection but does not commence
8 commercial operation within two years following the date of the
9 designation by the board.

10 For all applications for designation as connected to the
11 distribution system of a solar electric power generation facility filed
12 with the board after the date of enactment of P.L.2018, c.17
13 (C.48:3-87.8 et al.), the SREC term shall be 10 years.

14 (a) The board shall determine an appropriate period of no less
15 than 120 days following the end of an energy year prior to which a
16 provider or supplier must demonstrate compliance for that energy
17 year with the annual renewable portfolio standard;

18 (b) No more than 24 months following the date of enactment of
19 P.L.2012, c.24, the board shall complete a proceeding to investigate
20 approaches to mitigate solar development volatility and prepare and
21 submit, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), a
22 report to the Legislature, detailing its findings and
23 recommendations. As part of the proceeding, the board shall
24 evaluate other techniques used nationally and internationally;

25 (c) The solar renewable portfolio standards requirements in this
26 paragraph shall exempt those existing supply contracts which are
27 effective prior to the date of enactment of P.L.2018, c.17 (C.48:3-
28 87.8 et al.) from any increase beyond the number of SRECs
29 mandated by the solar renewable energy portfolio standards
30 requirements that were in effect on the date that the providers
31 executed their existing supply contracts. This limited exemption for
32 providers' existing supply contracts shall not be construed to lower
33 the Statewide solar sourcing requirements set forth in this
34 paragraph. Such incremental requirements that would have
35 otherwise been imposed on exempt providers shall be distributed
36 over the providers not subject to the existing supply contract
37 exemption until such time as existing supply contracts expire and
38 all providers are subject to the new requirement in a manner that is
39 competitively neutral among all providers and suppliers.
40 Notwithstanding any rule or regulation to the contrary, the board
41 shall recognize these new solar purchase obligations as a change
42 required by operation of law and implement the provisions of this
43 subsection in a manner so as to prevent any subsidies between
44 suppliers and providers and to promote competition in the
45 electricity supply industry.

46 An electric power supplier or basic generation service provider
47 may satisfy the requirements of this **subsection** paragraph by
48 participating in a renewable energy trading program approved by

1 the board in consultation with the Department of Environmental
2 Protection, or compliance with the requirements of this
3 **【subsection】** paragraph may be demonstrated to the board by
4 suppliers or providers through the purchase of SRECs.

5 The renewable energy portfolio standards adopted by the board
6 pursuant to paragraphs (1) and (2) of this subsection shall be
7 effective as regulations immediately upon filing with the Office of
8 Administrative Law and shall be effective for a period not to exceed
9 18 months, and may, thereafter, be amended, adopted or readopted
10 by the board in accordance with the provisions of the
11 "Administrative Procedure Act."

12 The renewable energy portfolio standards adopted by the board
13 pursuant to this paragraph shall be effective as regulations
14 immediately upon filing with the Office of Administrative Law and
15 shall be effective for a period not to exceed 30 months after such
16 filing, and shall, thereafter, be amended, adopted or readopted by
17 the board in accordance with the "Administrative Procedure Act" **【;**
18 **and】** .

19 (4) **【within】** Within 180 days after the date of enactment of
20 P.L.2010, c.57 (C.48:3-87.1 et al.), **【that】** the board shall establish
21 an offshore wind renewable energy certificate program to require
22 that a percentage of the kilowatt hours sold in this State by each
23 electric power supplier and each basic generation service provider
24 be from offshore wind energy in order to support at least 3,500
25 megawatts of generation from qualified offshore wind projects.

26 The percentage established by the board pursuant to this
27 paragraph shall serve as an offset to the renewable energy portfolio
28 standard established pursuant to paragraph (2) of this subsection
29 and shall reduce the corresponding Class I renewable energy
30 requirement.

31 The percentage established by the board pursuant to this
32 paragraph shall reflect the projected OREC production of each
33 qualified offshore wind project, approved by the board pursuant to
34 section 3 of P.L.2010, c.57 (C.48:3-87.1), for 20 years from the
35 commercial operation start date of the qualified offshore wind
36 project which production projection and OREC purchase
37 requirement, once approved by the board, shall not be subject to
38 reduction.

39 An electric power supplier or basic generation service provider
40 shall comply with the OREC program established pursuant to this
41 paragraph through the purchase of offshore wind renewable energy
42 certificates at a price and for the time period required by the board.
43 In the event there are insufficient offshore wind renewable energy
44 certificates available, the electric power supplier or basic generation
45 service provider shall pay an offshore wind alternative compliance
46 payment established by the board. Any offshore wind alternative

1 compliance payments collected shall be refunded directly to the
2 ratepayers by the electric public utilities.

3 The rules established by the board pursuant to this paragraph
4 shall be effective as regulations immediately upon filing with the
5 Office of Administrative Law and shall be effective for a period not
6 to exceed 18 months, and may, thereafter, be amended, adopted or
7 readopted by the board in accordance with the provisions of the
8 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
9 seq.).

10 e. Notwithstanding any provisions of the "Administrative
11 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
12 contrary, the board shall initiate a proceeding and shall adopt, after
13 notice, provision of the opportunity for comment, and public
14 hearing:

15 (1) net metering standards for electric power suppliers and basic
16 generation service providers. The standards shall require electric
17 power suppliers and basic generation service providers to offer net
18 metering at non-discriminatory rates to industrial, large
19 commercial, residential and small commercial customers, as those
20 customers are classified or defined by the board, that generate
21 electricity, on the customer's side of the meter, using a Class I
22 renewable energy source, for the net amount of electricity supplied
23 by the electric power supplier or basic generation service provider
24 over an annualized period. Systems of any sized capacity, as
25 measured in watts, are eligible for net metering. If the amount of
26 electricity generated by the customer-generator, plus any kilowatt
27 hour credits held over from the previous billing periods, exceeds the
28 electricity supplied by the electric power supplier or basic
29 generation service provider, then the electric power supplier or
30 basic generation service provider, as the case may be, shall credit
31 the customer-generator for the excess kilowatt hours until the end of
32 the annualized period at which point the customer-generator will be
33 compensated for any remaining credits or, if the customer-generator
34 chooses, credit the customer-generator on a real-time basis, at the
35 electric power supplier's or basic generation service provider's
36 avoided cost of wholesale power or the PJM electric power pool's
37 real-time locational marginal pricing rate, adjusted for losses, for
38 the respective zone in the PJM electric power pool. Alternatively,
39 the customer-generator may execute a bilateral agreement with an
40 electric power supplier or basic generation service provider for the
41 sale and purchase of the customer-generator's excess generation.
42 The customer-generator may be credited on a real-time basis, so
43 long as the customer-generator follows applicable rules prescribed
44 by the PJM electric power pool for its capacity requirements for the
45 net amount of electricity supplied by the electric power supplier or
46 basic generation service provider. The board may authorize an
47 electric power supplier or basic generation service provider to cease
48 offering net metering to customers that are not already net metered

1 whenever the total rated generating capacity owned and operated by
2 net metering customer-generators Statewide equals 5.8 percent of
3 the total annual kilowatt-hours sold in this State by each electric
4 power supplier and each basic generation service provider during
5 the prior one-year period;

6 (2) safety and power quality interconnection standards for Class
7 I renewable energy source systems used by a customer-generator
8 that shall be eligible for net metering.

9 Such standards or rules shall take into consideration the goals of
10 the New Jersey Energy Master Plan, applicable industry standards,
11 and the standards of other states and the Institute of Electrical and
12 Electronics Engineers. The board shall allow electric public
13 utilities to recover the costs of any new net meters, upgraded net
14 meters, system reinforcements or upgrades, and interconnection
15 costs through either their regulated rates or from the net metering
16 customer-generator;

17 (3) credit or other incentive rules for generators using Class I
18 renewable energy generation systems that connect to New Jersey's
19 electric public utilities' distribution system but who do not net
20 meter; and

21 (4) net metering aggregation standards to require electric public
22 utilities to provide net metering aggregation to single electric public
23 utility customers that operate a solar electric power generation
24 system installed at one of the customer's facilities or on property
25 owned by the customer, provided that any such customer is a State
26 entity, school district, county, county agency, county authority,
27 municipality, municipal agency, or municipal authority. The
28 standards shall provide that, in order to qualify for net metering
29 aggregation, the customer must operate a solar electric power
30 generation system using a net metering billing account, which
31 system is located on property owned by the customer, provided that:
32 (a) the property is not land that has been actively devoted to
33 agricultural or horticultural use and that is valued, assessed, and
34 taxed pursuant to the "Farmland Assessment Act of 1964,"
35 P.L.1964, c.48 (C.54:4-23.1 et seq.) at any time within the 10-year
36 period prior to the effective date of P.L.2012, c.24, provided,
37 however, that the municipal planning board of a municipality in
38 which a solar electric power generation system is located may
39 waive the requirement of this subparagraph (a), (b) the system is not
40 an on-site generation facility, (c) all of the facilities of the single
41 customer combined for the purpose of net metering aggregation are
42 facilities owned or operated by the single customer and are located
43 within its territorial jurisdiction except that all of the facilities of a
44 State entity engaged in net metering aggregation shall be located
45 within five miles of one another, and (d) all of those facilities are
46 within the service territory of a single electric public utility and are
47 all served by the same basic generation service provider or by the
48 same electric power supplier. The standards shall provide that, in

1 order to qualify for net metering aggregation, the customer's solar
2 electric power generation system shall be sized so that its annual
3 generation does not exceed the combined metered annual energy
4 usage of the qualified customer facilities, and the qualified
5 customer facilities shall all be in the same customer rate class under
6 the applicable electric public utility tariff. For the customer's
7 facility or property on which the solar electric generation system is
8 installed, the electricity generated from the customer's solar electric
9 generation system shall be accounted for pursuant to the provisions
10 of paragraph (1) of this subsection to provide that the electricity
11 generated in excess of the electricity supplied by the electric power
12 supplier or the basic generation service provider, as the case may
13 be, for the customer's facility on which the solar electric generation
14 system is installed, over the annualized period, is credited at the
15 electric power supplier's or the basic generation service provider's
16 avoided cost of wholesale power or the PJM electric power pool
17 real-time locational marginal pricing rate. All electricity used by
18 the customer's qualified facilities, with the exception of the facility
19 or property on which the solar electric power generation system is
20 installed, shall be billed at the full retail rate pursuant to the electric
21 public utility tariff applicable to the customer class of the customer
22 using the electricity. A customer may contract with a third party to
23 operate a solar electric power generation system, for the purpose of
24 net metering aggregation. Any contractual relationship entered into
25 for operation of a solar electric power generation system related to
26 net metering aggregation shall include contractual protections that
27 provide for adequate performance and provision for construction
28 and operation for the term of the contract, including any appropriate
29 bonding or escrow requirements. Any incremental cost to an
30 electric public utility for net metering aggregation shall be fully and
31 timely recovered in a manner to be determined by the board. The
32 board shall adopt net metering aggregation standards within 270
33 days after the effective date of P.L.2012, c.24.

34 Such rules shall require the board or its designee to issue a credit
35 or other incentive to those generators that do not use a net meter but
36 otherwise generate electricity derived from a Class I renewable
37 energy source and to issue an enhanced credit or other incentive,
38 including, but not limited to, a solar renewable energy credit, to
39 those generators that generate electricity derived from solar
40 technologies.

41 Such standards or rules shall be effective as regulations
42 immediately upon filing with the Office of Administrative Law and
43 shall be effective for a period not to exceed 18 months, and may,
44 thereafter, be amended, adopted or readopted by the board in
45 accordance with the provisions of the "Administrative Procedure
46 Act."

47 f. The board may assess, by written order and after notice and
48 opportunity for comment, a separate fee to cover the cost of

1 implementing and overseeing an emission disclosure system or
2 emission portfolio standard, which fee shall be assessed based on an
3 electric power supplier's or basic generation service provider's share
4 of the retail electricity supply market. The board shall not impose a
5 fee for the cost of implementing and overseeing a greenhouse gas
6 emissions portfolio standard adopted pursuant to paragraph (2) of
7 subsection c. of this section.

8 g. The board shall adopt, pursuant to the "Administrative
9 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), an electric
10 energy efficiency program in order to ensure investment in cost-
11 effective energy efficiency measures, ensure universal access to
12 energy efficiency measures, and serve the needs of low-income
13 communities that shall require each electric public utility to
14 implement energy efficiency measures that reduce electricity usage
15 in the State pursuant to section 3 of P.L.2018, c.17 (C.48:3-87.9).
16 Nothing in this subsection shall be construed to prevent an electric
17 public utility from meeting the requirements of this subsection by
18 contracting with another entity for the performance of the
19 requirements.

20 h. The board shall adopt, pursuant to the "Administrative
21 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), a gas energy
22 efficiency program in order to ensure investment in cost-effective
23 energy efficiency measures, ensure universal access to energy
24 efficiency measures, and serve the needs of low-income
25 communities that shall require each gas public utility to implement
26 energy efficiency measures that reduce natural gas usage in the
27 State pursuant to section 3 of P.L.2018, c.17 (C.48:3-87.9).
28 Nothing in this subsection shall be construed to prevent a gas public
29 utility from meeting the requirements of this subsection by
30 contracting with another entity for the performance of the
31 requirements.

32 i. After the board establishes a schedule of solar kilowatt-hour
33 sale or purchase requirements pursuant to paragraph (3) of
34 subsection d. of this section, the board may initiate subsequent
35 proceedings and adopt, after appropriate notice and opportunity for
36 public comment and public hearing, increased minimum solar
37 kilowatt-hour sale or purchase requirements, provided that the
38 board shall not reduce previously established minimum solar
39 kilowatt-hour sale or purchase requirements, or otherwise impose
40 constraints that reduce the requirements by any means.

41 j. The board shall determine an appropriate level of solar
42 alternative compliance payment, and permit each supplier or
43 provider to submit an SACP to comply with the solar electric
44 generation requirements of paragraph (3) of subsection d. of this
45 section. The value of the SACP for each Energy Year, for Energy
46 Years 2014 through 2033 per megawatt hour from solar electric
47 generation required pursuant to this section, shall be:

48 EY 2014 \$339

1	EY 2015	\$331
2	EY 2016	\$323
3	EY 2017	\$315
4	EY 2018	\$308
5	EY 2019	\$268
6	EY 2020	\$258
7	EY 2021	\$248
8	EY 2022	\$238
9	EY 2023	\$228
10	EY 2024	\$218
11	EY 2025	\$208
12	EY 2026	\$198
13	EY 2027	\$188
14	EY 2028	\$178
15	EY 2029	\$168
16	EY 2030	\$158
17	EY 2031	\$148
18	EY 2032	\$138
19	EY 2033	\$128.

20 The board may initiate subsequent proceedings and adopt, after
21 appropriate notice and opportunity for public comment and public
22 hearing, an increase in solar alternative compliance payments,
23 provided that the board shall not reduce previously established
24 levels of solar alternative compliance payments, nor shall the board
25 provide relief from the obligation of payment of the SACP by the
26 electric power suppliers or basic generation service providers in any
27 form. Any SACP payments collected shall be refunded directly to
28 the ratepayers by the electric public utilities.

29 k. The board may allow electric public utilities to offer long-
30 term contracts through a competitive process, direct electric public
31 utility investment and other means of financing, including but not
32 limited to loans, for the purchase of SRECs and the resale of SRECs
33 to suppliers or providers or others, provided that after such
34 contracts have been approved by the board, the board's approvals
35 shall not be modified by subsequent board orders. If the board
36 allows the offering of contracts pursuant to this subsection, the
37 board may establish a process, after hearing, and opportunity for
38 public comment, to provide that a designated segment of the
39 contracts approved pursuant to this subsection shall be contracts
40 involving solar electric power generation facility projects with a
41 capacity of up to 250 kilowatts.

42 1. The board shall implement its responsibilities under the
43 provisions of this section in such a manner as to:

44 (1) place greater reliance on competitive markets, with the
45 explicit goal of encouraging and ensuring the emergence of new
46 entrants that can foster innovations and price competition;

47 (2) maintain adequate regulatory authority over non-competitive
48 public utility services;

- 1 (3) consider alternative forms of regulation in order to address
- 2 changes in the technology and structure of electric public utilities;
- 3 (4) promote energy efficiency and Class I renewable energy
- 4 market development, taking into consideration environmental
- 5 benefits and market barriers;
- 6 (5) make energy services more affordable for low and moderate
- 7 income customers;
- 8 (6) attempt to transform the renewable energy market into one
- 9 that can move forward without subsidies from the State or public
- 10 utilities;
- 11 (7) achieve the goals put forth under the renewable energy
- 12 portfolio standards;
- 13 (8) promote the lowest cost to ratepayers; and
- 14 (9) allow all market segments to participate.
- 15 m. The board shall ensure the availability of financial incentives
- 16 under its jurisdiction, including, but not limited to, long-term
- 17 contracts, loans, SRECs, or other financial support, to ensure
- 18 market diversity, competition, and appropriate coverage across all
- 19 ratepayer segments, including, but not limited to, residential,
- 20 commercial, industrial, non-profit, farms, schools, and public entity
- 21 customers.
- 22 n. For projects which are owned, or directly invested in, by a
- 23 public utility pursuant to section 13 of P.L.2007, c.340 (C.48:3-
- 24 98.1), the board shall determine the number of SRECs with which
- 25 such projects shall be credited; and in determining such number the
- 26 board shall ensure that the market for SRECs does not detrimentally
- 27 affect the development of non-utility solar projects and shall
- 28 consider how its determination may impact the ratepayers.
- 29 o. The board, in consultation with the Department of
- 30 Environmental Protection, electric public utilities, the Division of
- 31 Rate Counsel in, but not of, the Department of the Treasury,
- 32 affected members of the solar energy industry, and relevant
- 33 stakeholders, shall periodically consider increasing the renewable
- 34 energy portfolio standards beyond the minimum amounts set forth
- 35 in subsection d. of this section, taking into account the cost impacts
- 36 and public benefits of such increases including, but not limited to:
- 37 (1) reductions in air pollution, water pollution, land disturbance,
- 38 and greenhouse gas emissions;
- 39 (2) reductions in peak demand for electricity and natural gas,
- 40 and the overall impact on the costs to customers of electricity and
- 41 natural gas;
- 42 (3) increases in renewable energy development, manufacturing,
- 43 investment, and job creation opportunities in this State; and
- 44 (4) reductions in State and national dependence on the use of
- 45 fossil fuels.
- 46 p. Class I RECs and ORECs shall be eligible for use in
- 47 renewable energy portfolio standards compliance in the energy year
- 48 in which they are generated, and for the following two energy years.

1 SRECs shall be eligible for use in renewable energy portfolio
2 standards compliance in the energy year in which they are
3 generated, and for the following four energy years.

4 q. (1) During the energy years of 2014, 2015, and 2016, a solar
5 electric power generation facility project that is not: (a) net
6 metered; (b) an on-site generation facility; (c) qualified for net
7 metering aggregation; or (d) certified as being located on a
8 brownfield, on an area of historic fill or on a properly closed
9 sanitary landfill facility, as provided pursuant to subsection t. of this
10 section may file an application with the board for approval of a
11 designation pursuant to this subsection that the facility is connected
12 to the distribution system. An application filed pursuant to this
13 subsection shall include a notice escrow of \$40,000 per megawatt of
14 the proposed capacity of the facility. The board shall approve the
15 designation if: the facility has filed a notice in writing with the
16 board applying for designation pursuant to this subsection, together
17 with the notice escrow; and the capacity of the facility, when added
18 to the capacity of other facilities that have been previously
19 approved for designation prior to the facility's filing under this
20 subsection, does not exceed 80 megawatts in the aggregate for each
21 year. The capacity of any one solar electric power supply project
22 approved pursuant to this subsection shall not exceed 10 megawatts.
23 No more than 90 days after its receipt of a completed application
24 for designation pursuant to this subsection, the board shall approve,
25 conditionally approve, or disapprove the application. The notice
26 escrow shall be reimbursed to the facility in full upon either
27 rejection by the board or the facility entering commercial operation,
28 or shall be forfeited to the State if the facility is designated pursuant
29 to this subsection but does not enter commercial operation pursuant
30 to paragraph (2) of this subsection.

31 (2) If the proposed solar electric power generation facility does
32 not commence commercial operations within two years following
33 the date of the designation by the board pursuant to this subsection,
34 the designation of the facility shall be deemed to be null and void,
35 and the facility shall not be considered connected to the distribution
36 system thereafter.

37 (3) Notwithstanding the provisions of paragraph (2) of this
38 subsection, a solar electric power generation facility project that as
39 of May 31, 2017 was designated as "connected to the distribution
40 system," but failed to commence commercial operations as of that
41 date, shall maintain that designation if it commences commercial
42 operations by May 31, 2018.

43 r. (1) For all proposed solar electric power generation facility
44 projects except for those solar electric power generation facility
45 projects approved pursuant to subsection q. of this section, and for
46 all projects proposed in energy year 2019 and energy year 2020, the
47 board may approve projects for up to 50 megawatts annually in
48 auctioned capacity in two auctions per year as long as the board is

1 accepting applications. If the board approves projects for less than
2 50 megawatts in energy year 2019 or less than 50 megawatts in
3 energy year 2020, the difference in each year shall be carried over
4 into the successive energy year until 100 megawatts of auctioned
5 capacity has been approved by the board pursuant to this
6 subsection. A proposed solar electric power generation facility that
7 is neither net metered nor an on-site generation facility, may be
8 considered "connected to the distribution system" only upon
9 designation as such by the board, after notice to the public and
10 opportunity for public comment or hearing. A proposed solar
11 electric power generation facility seeking board designation as
12 "connected to the distribution system" shall submit an application to
13 the board that includes for the proposed facility: the nameplate
14 capacity; the estimated energy and number of SRECs to be
15 produced and sold per year; the estimated annual rate impact on
16 ratepayers; the estimated capacity of the generator as defined by
17 PJM for sale in the PJM capacity market; the point of
18 interconnection; the total project acreage and location; the current
19 land use designation of the property; the type of solar technology to
20 be used; and such other information as the board shall require.

21 (2) The board shall approve the designation of the proposed
22 solar electric power generation facility as "connected to the
23 distribution system" if the board determines that:

24 (a) the SRECs forecasted to be produced by the facility do not
25 have a detrimental impact on the SREC market or on the
26 appropriate development of solar power in the State;

27 (b) the approval of the designation of the proposed facility
28 would not significantly impact the preservation of open space in
29 this State;

30 (c) the impact of the designation on electric rates and economic
31 development is beneficial; and

32 (d) there will be no impingement on the ability of an electric
33 public utility to maintain its property and equipment in such a
34 condition as to enable it to provide safe, adequate, and proper
35 service to each of its customers.

36 (3) The board shall act within 90 days of its receipt of a
37 completed application for designation of a solar electric power
38 generation facility as "connected to the distribution system," to
39 either approve, conditionally approve, or disapprove the
40 application. If the proposed solar electric power generation facility
41 does not commence commercial operations within two years
42 following the date of the designation by the board pursuant to this
43 subsection, the designation of the facility as "connected to the
44 distribution system" shall be deemed to be null and void, and the
45 facility shall thereafter be considered not "connected to the
46 distribution system."

47 s. In addition to any other requirements of P.L.1999, c.23 or
48 any other law, rule, regulation or order, a solar electric power

1 generation facility that is not net metered or an on-site generation
2 facility and which is located on land that has been actively devoted
3 to agricultural or horticultural use that is valued, assessed, and
4 taxed pursuant to the "Farmland Assessment Act of 1964,"
5 P.L.1964, c.48 (C.54:4-23.1 et seq.) at any time within the 10-year
6 period prior to the effective date of P.L.2012, c.24, shall only be
7 considered "connected to the distribution system" if (1) the board
8 approves the facility's designation pursuant to subsection q. of this
9 section; or (2) (a) PJM issued a System Impact Study for the facility
10 on or before June 30, 2011, (b) the facility files a notice with the
11 board within 60 days of the effective date of P.L.2012, c.24,
12 indicating its intent to qualify under this subsection, and (c) the
13 facility has been approved as "connected to the distribution system"
14 by the board. Nothing in this subsection shall limit the board's
15 authority concerning the review and oversight of facilities, unless
16 such facilities are exempt from such review as a result of having
17 been approved pursuant to subsection q. of this section.

18 t. (1) No more than 180 days after the date of enactment of
19 P.L.2012, c.24, the board shall, in consultation with the Department
20 of Environmental Protection and the New Jersey Economic
21 Development Authority, and, after notice and opportunity for public
22 comment and public hearing, complete a proceeding to establish a
23 program to provide SRECs to owners of solar electric power
24 generation facility projects certified by the board, in consultation
25 with the Department of Environmental Protection, as being located
26 on a brownfield, on an area of historic fill or on a properly closed
27 sanitary landfill facility, including those owned or operated by an
28 electric public utility and approved pursuant to section 13 of
29 P.L.2007, c.340 (C.48:3-98.1). Projects certified under this
30 subsection shall be considered "connected to the distribution
31 system", shall not require such designation by the board, and shall
32 not be subject to board review required pursuant to subsections q.
33 and r. of this section. Notwithstanding the provisions of section 3
34 of P.L.1999, c.23 (C.48:3-51) or any other law, rule, regulation, or
35 order to the contrary, for projects certified under this subsection, the
36 board shall establish a financial incentive that is designed to
37 supplement the SRECs generated by the facility in order to cover
38 the additional cost of constructing and operating a solar electric
39 power generation facility on a brownfield, on an area of historic fill
40 or on a properly closed sanitary landfill facility. Any financial
41 benefit realized in relation to a project owned or operated by an
42 electric public utility and approved by the board pursuant to section
43 13 of P.L.2007, c.340 (C.48:3-98.1), as a result of the provision of a
44 financial incentive established by the board pursuant to this
45 subsection, shall be credited to ratepayers. The issuance of SRECs
46 for all solar electric power generation facility projects pursuant to
47 this subsection shall be deemed "Board of Public Utilities financial

1 assistance" as provided under section 1 of P.L.2009, c.89 (C.48:2-
2 29.47).

3 (2) Notwithstanding the provisions of the "Spill Compensation
4 and Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.) or any
5 other law, rule, regulation, or order to the contrary, the board, in
6 consultation with the Department of Environmental Protection, may
7 find that a person who operates a solar electric power generation
8 facility project that has commenced operation on or after the
9 effective date of P.L.2012, c.24, which project is certified by the
10 board, in consultation with the Department of Environmental
11 Protection pursuant to paragraph (1) of this subsection, as being
12 located on a brownfield for which a final remediation document has
13 been issued, on an area of historic fill or on a properly closed
14 sanitary landfill facility, which projects shall include, but not be
15 limited to projects located on a brownfield for which a final
16 remediation document has been issued, on an area of historic fill or
17 on a properly closed sanitary landfill facility owned or operated by
18 an electric public utility and approved pursuant to section 13 of
19 P.L.2007, c.340 (C.48:3-98.1), or a person who owns property
20 acquired on or after the effective date of P.L.2012, c.24 on which
21 such a solar electric power generation facility project is constructed
22 and operated, shall not be liable for cleanup and removal costs to
23 the Department of Environmental Protection or to any other person
24 for the discharge of a hazardous substance provided that:

25 (a) the person acquired or leased the real property after the
26 discharge of that hazardous substance at the real property;

27 (b) the person did not discharge the hazardous substance, is not
28 in any way responsible for the hazardous substance, and is not a
29 successor to the discharger or to any person in any way responsible
30 for the hazardous substance or to anyone liable for cleanup and
31 removal costs pursuant to section 8 of P.L.1976, c.141 (C.58:10-
32 23.11g);

33 (c) the person, within 30 days after acquisition of the property,
34 gave notice of the discharge to the Department of Environmental
35 Protection in a manner the Department of Environmental Protection
36 prescribes;

37 (d) the person does not disrupt or change, without prior written
38 permission from the Department of Environmental Protection, any
39 engineering or institutional control that is part of a remedial action
40 for the contaminated site or any landfill closure or post-closure
41 requirement;

42 (e) the person does not exacerbate the contamination at the
43 property;

44 (f) the person does not interfere with any necessary remediation
45 of the property;

46 (g) the person complies with any regulations and any permit the
47 Department of Environmental Protection issues pursuant to section

1 19 of P.L.2009, c.60 (C.58:10C-19) or paragraph (2) of subsection
2 a. of section 6 of P.L.1970, c.39 (C.13:1E-6);

3 (h) with respect to an area of historic fill, the person has
4 demonstrated pursuant to a preliminary assessment and site
5 investigation, that hazardous substances have not been discharged;
6 and

7 (i) with respect to a properly closed sanitary landfill facility, no
8 person who owns or controls the facility receives, has received, or
9 will receive, with respect to such facility, any funds from any post-
10 closure escrow account established pursuant to section 10 of
11 P.L.1981, c.306 (C.13:1E-109) for the closure and monitoring of
12 the facility.

13 Only the person who is liable to clean up and remove the
14 contamination pursuant to section 8 of P.L.1976, c.141 (C.58:10-
15 23.11g) and who does not have a defense to liability pursuant to
16 subsection d. of that section shall be liable for cleanup and removal
17 costs.

18 u. No more than 180 days after the date of enactment of
19 P.L.2012, c.24, the board shall complete a proceeding to establish a
20 registration program. The registration program shall require the
21 owners of solar electric power generation facility projects
22 connected to the distribution system to make periodic milestone
23 filings with the board in a manner and at such times as determined
24 by the board to provide full disclosure and transparency regarding
25 the overall level of development and construction activity of those
26 projects Statewide.

27 v. The issuance of SRECs for all solar electric power
28 generation facility projects pursuant to this section, for projects
29 connected to the distribution system with a capacity of one
30 megawatt or greater, shall be deemed "Board of Public Utilities
31 financial assistance" as provided pursuant to section 1 of P.L.2009,
32 c.89 (C.48:2-29.47).

33 w. No more than 270 days after the date of enactment of
34 P.L.2012, c.24, the board shall, after notice and opportunity for
35 public comment and public hearing, complete a proceeding to
36 consider whether to establish a program to provide, to owners of
37 solar electric power generation facility projects certified by the
38 board as being three megawatts or greater in capacity and being net
39 metered, including facilities which are owned or operated by an
40 electric public utility and approved by the board pursuant to section
41 13 of P.L.2007, c.340 (C.48:3-98.1), a financial incentive that is
42 designed to supplement the SRECs generated by the facility to
43 further the goal of improving the economic competitiveness of
44 commercial and industrial customers taking power from such
45 projects. If the board determines to establish such a program
46 pursuant to this subsection, the board may establish a financial
47 incentive to provide that the board shall issue one SREC for no less
48 than every 750 kilowatt-hours of solar energy generated by the

1 certified projects. Any financial benefit realized in relation to a
2 project owned or operated by an electric public utility and approved
3 by the board pursuant to section 13 of P.L.2007, c.340 (C.48:3-
4 98.1), as a result of the provisions of a financial incentive
5 established by the board pursuant to this subsection, shall be
6 credited to ratepayers.

7 x. Solar electric power generation facility projects that are
8 located on an existing or proposed commercial, retail, industrial,
9 municipal, professional, recreational, transit, commuter,
10 entertainment complex, multi-use, or mixed-use parking lot with a
11 capacity to park 350 or more vehicles where the area to be utilized
12 for the facility is paved, or an impervious surface may be owned or
13 operated by an electric public utility and may be approved by the
14 board pursuant to section 13 of P.L.2007, c.340 (C.48:3-98.1).
15 (cf: P.L.2021, c.169, s.10)

16

17 3. This act shall take effect immediately.

18

19

20

STATEMENT

21

22 This bill would revise the State's renewable energy portfolio
23 standards (RPS), the provisions in law that require each electric
24 power supplier and basic generation service provider to sell a
25 certain percentage of electricity from renewable energy sources
26 each year.

27 Specifically, the bill would provide that, beginning in 2030, the
28 RPS for Class I renewable energy (Class I RPS) would apply to the
29 total electricity sold in the State after subtracting the amount of
30 electricity generated by existing nuclear power plants and "zero-
31 carbon" electricity sources that begin operation after 2030. The bill
32 would define a "zero-carbon electric generating facility" as "any
33 electric power generation facility that does not emit carbon dioxide
34 as a by-product of combusting fuel to generate electricity." The bill
35 would also require that, beginning in 2030, at least 50 percent of the
36 renewable energy certificates (RECs) used by an entity to satisfy
37 the Class I RPS be generated in New Jersey.

38 The bill would also extend the Class I RPS to require that,
39 beginning in 2045, 100 percent of the energy sold at retail in the
40 State be from Class I renewable energy sources. The bill would
41 also provide that the current RPS for Class II renewable energy,
42 which requires that 2.5 percent of energy sold at retail be from
43 Class II renewable energy sources, would expire in 2045. Finally,
44 the bill would clarify that the Class I RPS may be satisfied by
45 purchasing and retiring RECs.