

SENATE, No. 985

STATE OF NEW JERSEY
221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:
Senator LINDA R. GREENSTEIN
District 14 (Mercer and Middlesex)
Senator TROY SINGLETON
District 7 (Burlington)

SYNOPSIS

Establishes green infrastructure financing program.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT establishing a green infrastructure financing program,
2 supplementing Title 52 of the Revised Statutes, and amending
3 P.L.1974, c.80.
4

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

8 1. (New section) a. The Legislature finds that:

9 (1) Building New Jersey's clean energy infrastructure at the
10 lowest possible cost is vital to the State reaching its clean energy
11 goals;

12 (2) Significant investment in infrastructure installations is
13 required to achieve the State's goals of energy self-sufficiency,
14 energy security, and energy diversification and to support the
15 achievement of the renewable energy portfolio standards and energy
16 efficiency and conservation program requirements;

17 (3) These green infrastructure investments support New Jersey's
18 evolving energy market and ecosystem and provide affordable
19 energy options for all of New Jersey's consumers. Green
20 infrastructure installations require significant amounts of capital
21 and it is in the public interest to minimize these costs. A key
22 component to minimizing costs is reducing the cost of capital
23 required to finance green infrastructure installations;

24 (4) The upfront costs of green infrastructure equipment are a
25 barrier preventing many electric and gas public utility customers
26 from investing in green infrastructure. Existing programs and
27 incentives do not serve the entire spectrum of the customer market,
28 particularly those customers who lack access to capital or who
29 cannot afford the large upfront costs required to install and use
30 green infrastructure, thus creating an underserved market; and

31 (5) A green infrastructure financing program, administered by
32 the State, that capitalizes on electric and gas public utility customer
33 contributions for green infrastructure equipment would serve a
34 critical role in ensuring these customers receive the greatest
35 opportunity for affordable and clean energy.

36 b. The Legislature further finds that the State would be best
37 served by a State-administered green infrastructure financing
38 program that:

39 (1) Focuses on providing low-cost financing as an alternative
40 means to traditional financing for green infrastructure equipment
41 for New Jersey's electric and gas public utility customers,
42 particularly those customers not able to obtain green technology on
43 reasonable financing terms, including those electric and gas public
44 utility customers receiving a loan from the loan program paying a

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 fee their monthly bills instead of a large up-front payment for the
2 cost of the equipment;

3 (2) Establishes clearly defined program procedures and targets
4 that encourage effective coordination among State agencies,
5 industry, investors, and other critical energy industry stakeholders
6 in order to help the State achieve its clean energy goals and to
7 provide customers affordable energy options; and

8 (3) Utilizes loan program repayment funds as a funding source
9 to finance additional green infrastructure installations, subject to
10 regulatory guidelines and approval of the program.

11 c. The Legislature further finds that the impact and reach of the
12 Board of Public Utilities' existing clean energy financing programs
13 can be greatly enhanced through the use of low-cost capital made
14 available through the green infrastructure financing program
15 established by P.L. , c. (C.) (pending before the Legislature
16 as this bill).

17 d. The Legislature therefore determines that it is in the public
18 interest to make cost-effective green infrastructure equipment
19 options accessible and affordable to electric and gas public utility
20 customers in an equitable way. The manner in which to implement
21 this goal is to establish a regulatory financing structure that
22 authorizes the New Jersey Economic Development Authority, in
23 cooperation with the Board of Public Utilities, to acquire and
24 provide alternative low-cost financing to be deployed through a
25 financing program to make green infrastructure installations
26 accessible and affordable for New Jersey's electric and gas public
27 utility customers, achieve measurable cost savings, and achieve this
28 State's clean energy goals.

29

30 2. (New section) As used in P.L. , c. (C.) (pending
31 before the Legislature as this bill):

32 "Ancillary agreement" means any bond insurance policy, letter of
33 credit, reserve account, surety bond, swap arrangement, hedging
34 arrangement, liquidity or credit support arrangement, or other
35 related bond document or other similar agreement or arrangement,
36 entered into in connection with, the issuance of green infrastructure
37 bonds pursuant to P.L. , c. (C.) (pending before the
38 Legislature as this bill), that is designed to promote the credit
39 quality and marketability of green infrastructure bonds or to
40 mitigate the risk of an increase in interest rates.

41 "Authority" means the New Jersey Economic Development
42 Authority established by section 4 of P.L.1974, c.80 (C.34:1B-4).

43 "Board" means the Board of Public Utilities or any successor
44 agency.

45 "Clean energy technology" means any commercially available
46 technology that enables the State to meet its renewable energy
47 portfolio standards or any energy efficiency or conservation
48 program requirements, demand response technology or energy use

1 reduction or demand-side management infrastructure, programs,
2 and services and approved by a board rule or order.

3 "Financing costs" means any of the following:

4 a. The principal and interest payable on green infrastructure
5 bonds;

6 b. Any payment required pursuant to an ancillary agreement
7 entered into in connection with the issuance of green infrastructure
8 bonds;

9 c. Any amount required to fund or replenish a reserve account
10 or another account established under any indenture, ancillary
11 agreement, or other financing document in connection with the
12 issuance of green infrastructure bonds;

13 d. Any redemption or call premium or cost of redeeming or
14 refunding any existing debt of the authority in connection with
15 either the issuance of, or the use of proceeds from, green
16 infrastructure bonds;

17 e. Any costs incurred by the authority to modify or amend any
18 indenture, financing agreement, security agreement, or similar
19 agreement or instrument securing green infrastructure bonds or any
20 ancillary agreement;

21 f. Any costs incurred by the authority to obtain any consent,
22 release, waiver, or approval from any green infrastructure
23 bondholder or of any party to an ancillary agreement that is
24 necessary to be incurred for the authority to issue green
25 infrastructure bonds;

26 g. Any costs in connection with issuing or servicing green
27 infrastructure bonds or related to obtaining a financing order,
28 including servicing fees and expenses, trustee fees and expenses,
29 legal, accounting, or other professional fees and expenses,
30 administrative fees, placement fees, underwriting fees and
31 discounts, capitalized interest and equity, and rating-agency fees, or
32 loan program administration costs as authorized for recovery under
33 a financing order or orders; or

34 h. Any other costs incident to the issuance, administration, or
35 servicing of green infrastructure bonds that the authority finds
36 appropriate.

37 "Financing order" means an order issued by the board, at the
38 request of the authority, that pursuant to section 8 of
39 P.L. , c. (C.) (pending before the Legislature as this bill)
40 becomes final, and that authorizes the issuance of green
41 infrastructure bonds and the imposition, adjustment from time to
42 time, and collection of green infrastructure fees.

43 "Financing party" means:

44 a. Any trustee, collateral agent, or other person acting for the
45 benefit of the holder of a green infrastructure bond; or

46 b. Any party to an ancillary agreement, the rights and
47 obligations of which agreement relate to or depend upon the
48 existence of green infrastructure property and green infrastructure

1 fees, the enforcement and priority of a security interest in green
2 infrastructure property, the timely collection and payment of green
3 infrastructure fees, or a combination of these factors.

4 "Green infrastructure bond" means any bond, note, or other
5 evidence of indebtedness that is issued by the authority, acting
6 through the board, under a financing order, the proceeds of which
7 are used directly or indirectly to recover, finance, or refinance
8 financing costs of clean energy technology, and that are secured by
9 or payable from green infrastructure property.

10 "Green infrastructure costs" means costs incurred or to be
11 incurred by public utility customers receiving a loan under the
12 program to pay for clean energy technology including, without
13 limitation, the purchase or installation of green infrastructure
14 equipment, programs, and services authorized by the loan program.

15 "Green infrastructure equipment" means infrastructure
16 improvements, equipment, and personal property to be installed to
17 deploy clean energy technology.

18 "Green infrastructure fee" means the non-bypassable bill fee,
19 authorized by a financing order of the board pursuant to section 7 of
20 P.L. , c. (C.) (pending before the Legislature as this bill),
21 imposed on and collected from those customers of a public utility
22 receiving a loan made to finance the purchase or installation of
23 green infrastructure equipment under the loan program established
24 by P.L. , c. (C.) (pending before the Legislature as this bill).

25 "Green infrastructure fund" means the special fund created
26 pursuant to section 5 of P.L. , c. (C.) (pending before the
27 Legislature as this bill).

28 "Green infrastructure loan program" or "program" means the
29 program established by P.L. , c. (C.) (pending before the
30 Legislature as this bill).

31 "Green infrastructure loan program order" means an order issued
32 by the board pursuant to section 16 of P.L. , c. (C.)
33 (pending before the Legislature as this bill) that establishes the
34 use or other disposition of moneys deposited and held in the green
35 infrastructure fund established pursuant to section 5 of P.L. ,
36 c. (C.) (pending before the Legislature as this bill).

37 "Green infrastructure property" means the property, rights, and
38 interests of the holders of green infrastructure bonds issued by the
39 authority and created by the board under a financing order,
40 including the right to impose, charge, and collect from public utility
41 customers subject to the green infrastructure fee that shall be used
42 to pay and secure the payment of green infrastructure bonds and
43 financing costs, including the right to obtain adjustments to the
44 green infrastructure fee, and any revenues, receipts, collections,
45 rights to payment, payments, moneys, claims, or other proceeds
46 arising from the rights and interests created by the board under any
47 financing order.

1 "Public utility" means a public utility, as that term is defined in
2 R.S.48:2-13, that is under the jurisdiction of the Board of Public
3 Utilities, is investor-owned, and distributes either electricity or
4 natural gas to end users within this State.

5 "Successor" means, with respect to any public utility, another
6 public utility or other entity that succeeds voluntarily or by
7 operation of law to the rights and obligations of the prior public
8 utility or other entity pursuant to any bankruptcy, reorganization,
9 restructuring, or other insolvency proceedings; any merger,
10 acquisition, or consolidation; or any sale or transfer of assets,
11 regardless of how any of these actions occurred.

12 "Trustee" means any trustee or fiscal agent appointed under an
13 indenture or certificate of the executive director of the authority
14 executed in connection with the issuance of bonds pursuant to
15 P.L. , c. (C.) (pending before the Legislature as this bill).

16

17 3. (New section) There is established a green infrastructure
18 loan program, which shall be administered by the New Jersey
19 Economic Development Authority, in conjunction with the Board of
20 Public Utilities, for the purpose of acquiring and providing low-cost
21 financing, to be deployed through a financing program, to make
22 green infrastructure equipment and installations accessible and
23 affordable for New Jersey's public utility customers, achieve
24 measurable cost savings, and achieve the State's clean energy goals.
25 The loan program may include loans made to public or private
26 entities, whether corporations, partnerships, limited liability
27 companies, or other persons, which entities may lease or provide
28 green infrastructure equipment to public utility customers, as well
29 as direct loans to public utility customers, on terms approved by the
30 authority.

31

32 4. (New section) In addition to the powers and duties granted
33 to the authority pursuant to section 5 of P.L.1974, c.80 (C.34:1B-5),
34 upon approval by the board pursuant to board order, the authority is
35 authorized to:

36 a. Issue green infrastructure bonds for the purposes established
37 pursuant to P.L. , c. (C.) (pending before the Legislature as
38 this bill);

39 b. Make loans and expend funds to finance the purchase or
40 installation of green infrastructure equipment for clean energy
41 technology;

42 c. Hold and invest moneys in the green infrastructure fund in
43 investments as permitted by law and in accordance with approved
44 investment guidelines established in one or more orders issued by
45 the board pursuant to section 16 of P.L. , c. (C.) (pending
46 before the Legislature as this bill);

- 1 d. Enter into contracts for the rendering of professional and
2 technical assistance and advice necessary and proper for the
3 administration and implementation of the loan program;
- 4 e. Establish loan program guidelines to be approved in one or
5 more orders issued by the board pursuant to section 16 of
6 P.L. , c. (C.) (pending before the Legislature as this bill) to
7 carry out the purposes of P.L. , c. (C.) (pending before the
8 Legislature as this bill); and
- 9 f. Perform all functions necessary to effectuate the purposes of
10 P.L. , c. (C.) (pending before the Legislature as this bill).
- 11
- 12 5. (New section) a. There is established within the authority
13 the green infrastructure fund as a special fund into which shall be
14 deposited:
- 15 (1) The proceeds of green infrastructure bonds, net of issuance
16 costs and reserves, or overcollateralization amounts;
- 17 (2) The proceeds of green infrastructure fees and any green
18 infrastructure property received for the use and services of the loan
19 program, including the repayment of loans made under the loan
20 program;
- 21 (3) All other funds received by the board or the authority and
22 legally available for the purposes of the green infrastructure fund;
- 23 (4) Interest earnings on all amounts in the green infrastructure
24 fund; and
- 25 (5) Such other moneys as the authority may determine as shall
26 be authorized by an order of the board.
- 27 b. Any amounts received from green infrastructure fees or any
28 other net proceeds earned from the allocation, use, expenditure, or
29 other disposition of moneys approved by the board and deposited or
30 held in the green infrastructure fund in excess of moneys necessary
31 for the purposes of subsection c. of this section shall be credited to
32 public utility customers paying a green infrastructure fee as
33 provided in a green infrastructure loan program order or orders.
34 Moneys that are transferred back to the public utility in order to
35 credit a public utility customer under this subsection shall not be
36 considered revenue of the public utility and shall not be subject to
37 any taxes, fees, charges, or assessments established pursuant to
38 State law.
- 39 c. Moneys in the green infrastructure fund may be used, subject
40 to the approval of the board, for the purposes of:
- 41 (1) Making green infrastructure loans;
- 42 (2) Paying administrative costs of the green infrastructure loan
43 program;
- 44 (3) Paying any other costs related to the green infrastructure
45 loan program; and
- 46 (4) Paying financing costs to the extent permitted by the board
47 in a financing order issued pursuant to section 8 of
48 P.L. , c. (C.) (pending before the Legislature as this bill).

1 d. The authority may invest moneys held in the green
2 infrastructure fund in investments as permitted by law, and in
3 accordance with approved investment guidelines established in one
4 or more orders issued by the board pursuant to section 16 of
5 P.L. , c. (C.) (pending before the Legislature as this bill).
6 All moneys in the green infrastructure fund shall be exempt from
7 any taxes, fees, charges, or assessments established pursuant to
8 State law.

9 e. The green infrastructure fund shall be audited annually by a
10 firm of independent certified public accountants selected by the
11 authority, and the results of this audit shall be provided annually to
12 the authority and the board.

13 f. The authority shall appoint a trustee to receive, hold, and
14 disburse all moneys required to be held in the green infrastructure
15 fund upon terms and conditions as set forth in a certificate,
16 indenture, or trust agreement.

17
18 6. (New section) a. The authority shall apply to the board,
19 pursuant to section 15 of P.L. , c. (C.) (pending before the
20 Legislature as this bill), for one or more board orders to effectuate
21 the green infrastructure loan program. Nothing herein shall
22 preclude the authority from applying for a financing order, pursuant
23 to section 7 of P.L. , c. (C.) (pending before the Legislature
24 as this bill), prior to the issuance of an order or orders to effectuate
25 the green infrastructure loan program under section 16 of
26 P.L. , c. (C.) (pending before the Legislature as this bill),
27 or from requesting consolidation of the proceeding for a financing
28 order with a loan program implementation order.

29 b. An application shall be submitted by the authority to the
30 board in accordance with the provisions of section 15 of
31 P.L. , c. (C.) (pending before the Legislature as this bill).

32 c. In accordance with an approved green infrastructure loan
33 program order or orders, the authority shall utilize the proceeds of
34 green infrastructure bonds and other amounts deposited in the green
35 infrastructure fund established pursuant to section 5 of
36 P.L. , c. (C.) (pending before the Legislature as this bill), or
37 to the extent permitted by a financing order, to pay financing costs.

38 d. Within the order or orders issued by the board under section
39 16 of P.L. , c. (C.) (pending before the Legislature as this
40 bill), the authority shall obtain approval from the board requiring a
41 public utility to serve as an agent to bill and collect the green
42 infrastructure fee imposed upon a customer receiving a loan under
43 the program to repay green infrastructure costs and transfer all
44 green infrastructure fees collected to the authority on behalf of the
45 board. Notwithstanding anything to the contrary, a public utility
46 shall not be obligated to bill, collect, or remit a green infrastructure
47 fee from a non-public utility customer.

1 7. (New section) a. In connection with green infrastructure
2 bonds issued pursuant to P.L. , c. (C.) (pending before the
3 Legislature as this bill), the authority may apply to the board for
4 one or more financing orders, each of which financing orders may
5 authorize the following:

6 (1) The imposition, charging, and collection on behalf of the
7 authority of the green infrastructure fee, to become effective upon
8 the issuance of the green infrastructure bonds, and the adjustment of
9 the green infrastructure fee on behalf of the authority in accordance
10 with an adjustment mechanism requested by the authority under
11 P.L. , c. (C.) (pending before the Legislature as this bill) in
12 amounts sufficient to pay the principal of and interest on green
13 infrastructure bonds and all related financing costs on a timely
14 basis;

15 (2) The creation of green infrastructure property under the
16 financing order; and

17 (3) The deposit of the net proceeds of the green infrastructure
18 bonds into the green infrastructure fund.

19 b. The application shall include:

20 (1) The principal amount of the green infrastructure bonds
21 proposed to be issued;

22 (2) An estimate of the date each series of green infrastructure
23 bonds is expected to be issued;

24 (3) The expected term, not to exceed 30 years, during which
25 term the green infrastructure fee associated with the issuance of
26 each series of green infrastructure bonds is expected to be imposed
27 and collected;

28 (4) An estimate of the financing costs associated with the
29 issuance of each series of green infrastructure bonds;

30 (5) An estimate of the amount of the green infrastructure fee
31 revenues necessary to pay the principal and interest on the green
32 infrastructure bonds and related financing costs as set forth in the
33 application and the calculation for that estimate, which calculation
34 shall take into account the estimated date or dates of issuance and
35 the estimated principal amount of each series of green infrastructure
36 bonds;

37 (6) A proposed methodology for allocating the green
38 infrastructure fee among public utilities and customers who are
39 subject to the green infrastructure fee within each public utility;

40 (7) A description of a proposed formulaic adjustment
41 mechanism for the adjustment of the green infrastructure fee to
42 ensure the timely payment of principal and interest on the green
43 infrastructure bonds and related financing costs; and

44 (8) Any other information required by the board.
45

46 8. (New section) a. The board shall issue its financing order as
47 final or if a finding in subsection b. of this section cannot be made,
48 its denial of a financing order, as expeditiously as possible and, in

1 any event, within 90 days from the date the completed application is
2 submitted.

3 b. The board may issue a financing order if the board finds that
4 the creation of the green infrastructure property to secure the
5 payment of the green infrastructure bonds, including the imposition
6 of the green infrastructure fee, will facilitate the acquisition of low-
7 cost financing, pursuant to an application under section 7 of
8 P.L. , c. (C.) (pending before the Legislature as this bill).

9 c. The board shall include all of the following information in a
10 financing order:

11 (1) The maximum money of green infrastructure bonds to be
12 issued by the authority under the financing order;

13 (2) A description of the green infrastructure property, the
14 creation of which property is authorized by the financing order;

15 (3) A description of the financing costs that will be recoverable
16 through green infrastructure fees, including any reserves or
17 overcollateralization amounts required by the authority to secure
18 payment of the green infrastructure bonds;

19 (4) A description of the methodology to be applied by the board,
20 on behalf of the authority, for calculating the green infrastructure
21 fee, including the allocation of financing costs among public
22 utilities whose customers subject to the green infrastructure fee;

23 (5) A procedure to require the board, in accordance with a
24 formula set out in the financing order and approved by the
25 authority, to expeditiously review and approve periodic adjustments
26 to the green infrastructure fee to ensure the payment of the green
27 infrastructure bonds and related financing costs on a timely basis;

28 (6) A description of the formulaic adjustment mechanism to be
29 used by the board, on behalf of the authority, to adjust the green
30 infrastructure fee in order to ensure that the amount of the green
31 infrastructure fee projected to be collected shall be sufficient to pay
32 the principal and interest on the green infrastructure bonds, and all
33 related financing costs on a timely basis, including the funding or
34 maintenance of any reserves required to be maintained by the
35 authority;

36 (7) The term of the green infrastructure bonds, as proposed by
37 the authority, during which term the green infrastructure fee shall
38 continue to be collected and pledged to pay the bonds, which term
39 shall automatically be extended by the term of any refunding bonds,
40 as approved in a subsequent financing order, issued in such
41 principal amounts as the authority may determine to be necessary to
42 refund the green infrastructure bonds that are the subject of the
43 original financing order;

44 (8) A requirement that a public utility serve as an agent to
45 collect the green infrastructure fee and transfer the fees to the
46 trustee or other financing party as required by the financing order
47 and any agreement with the authority;

1 (9) The procedures to be followed by a public utility in the event
2 of non-payment or partial payment of the green infrastructure fee by
3 a public utility customer subject to the green infrastructure fee,
4 which procedures shall be consistent with the board approved
5 procedures for non-payment and partial payment of rates, charges,
6 and fees under the public utilities' tariffs;

7 (10) The distribution of the total amounts collected by each
8 public utility for amounts billed to customers subject to the green
9 infrastructure fee for a public utility's rates, fees, the green
10 infrastructure fee, if applicable, other board-approved fees, and for
11 associated taxes, in the event of partial payments of the billed
12 amounts;

13 (11) Terms satisfactory to the board to ensure that the green
14 infrastructure fee shall be non-bypassable and be paid by a
15 customer of a public utility receiving a loan under the loan program,
16 and that any outstanding obligation by a customer receiving a loan
17 shall be transferred to any other customer who purchases the
18 property where the green infrastructure equipment is installed; and

19 (12) Any other provision the board considers appropriate to
20 ensure the full and timely imposition, charging, collection, and
21 adjustment, pursuant to an approved adjustment mechanism by the
22 board, of the green infrastructure fee described in this subsection.

23 d. A public utility serving as a billing and collecting agent shall
24 be a party to the proceedings in which the financing order or orders
25 are issued.

26 e. The board, in a financing order, may permit the authority
27 flexibility in establishing the terms and conditions for the green
28 infrastructure bonds to accommodate changes in market conditions,
29 including repayment schedules, interest rates, financing costs,
30 collateral requirements, required debt service and other reserves,
31 and the ability of the authority, at its option, to effect a series of
32 issuances of green infrastructure bonds and correlated assignments,
33 sales, pledges, or other transfers of green infrastructure property.
34 Any changes made to the terms and conditions for the green
35 infrastructure bonds shall be in conformance with the financing
36 order.

37 f. At the request of the authority, the board shall determine, in
38 accordance with the adjustment mechanism set forth in the
39 financing order, the initial green infrastructure fee after the
40 determination of the final terms of each series of green
41 infrastructure bonds, so that the green infrastructure fee shall be
42 final and effective upon the issuance of the green infrastructure
43 bonds.

44 g. Any adjustment to the green infrastructure fee made by the
45 board pursuant to the adjustment mechanism approved in the
46 financing order shall be made by board order.

1 9. (New section) Green infrastructure property shall be created
2 simultaneously with the issuance of the green infrastructure bonds
3 and shall immediately vest in the authority, which shall pledge and
4 create a lien on the property, together with all other money in the
5 green infrastructure fund, solely and exclusively in favor of green
6 infrastructure bondholders and financing parties, to secure the
7 payment of green infrastructure bonds, amounts payable to
8 financing parties and green infrastructure bondholders, amounts
9 payable under any ancillary agreement, and other financing costs as
10 provided in the financing documents executed by the authority.
11 Subject to the provisions of this section, the lien and charge on
12 green infrastructure property and all other moneys in the green
13 infrastructure fund for the benefit of any financing party shall be
14 governed by P.L. , c. (C.) (pending before the Legislature
15 as this bill).

16

17 10. (New section) a. A financing order shall remain in effect
18 until the green infrastructure bonds issued under the financing order
19 and all financing costs related to the green infrastructure bonds have
20 been paid in full or otherwise satisfied. A financing order shall
21 remain in effect and unabated notwithstanding the bankruptcy,
22 reorganization, or insolvency of any public utility or any affiliate of
23 the public utility or the commencement of any judicial or
24 nonjudicial proceeding on the financing order.

25 b. Once a financing order has become final as provided by law,
26 the financing order shall become irrevocable. The board may not
27 directly or indirectly, except as provided in the adjustment
28 mechanism approved in the financing order, reduce, impair,
29 postpone, rescind, alter, or terminate the green infrastructure fee
30 authorized in the financing order or impair the green infrastructure
31 property or the collection of the green infrastructure fee so long as
32 any green infrastructure bonds are outstanding or any financing
33 costs remain unpaid.

34

35 11. (New section) a. The board may create, pursuant to a
36 financing order approved pursuant to section 8 of
37 P.L. , c. (C.) (pending before the Legislature as this bill), a
38 green infrastructure fee, which revenues from the fee shall be
39 deposited into the green infrastructure fund and be pledged to
40 secure and be applied to the repayment of green infrastructure
41 bonds and related financing costs as described in
42 P.L. , c. (C.) (pending before the Legislature as this bill).
43 The green infrastructure fee may be a usage-based surcharge, a flat
44 user fee, or a charge, based upon a customer's electric or gas
45 service usage, as determined by the board for each customer class in
46 any financing order. The green infrastructure fee shall be itemized
47 and separately identified on the periodic bill of any public utility
48 customer subject to the fee.

1 b. Nothing in this section shall affect the right to impose,
2 collect, and adjust from time to time the green infrastructure fee
3 imposed on a public utility customer subject to the green
4 infrastructure fee as provided in the financing order and
5 P.L. , c. (C.) (pending before the Legislature as this bill).

6 c. As long as any green infrastructure bonds are outstanding
7 and any financing costs have not been paid in full, the green
8 infrastructure fee authorized under any financing order shall be non-
9 bypassable. Subject to any exceptions provided in a financing
10 order, the green infrastructure fee shall be paid by public utility
11 customers receiving a loan from the loan program.

12 d. The green infrastructure fee shall be collected by a public
13 utility as a collection agent for the authority or the financing parties,
14 in full through a surcharge, fee, or charge that is separate and apart
15 from the public utility's rates.

16 e. A public utility shall not have any ownership or beneficial
17 interest in or any claim or right to the green infrastructure fee, green
18 infrastructure property, or green infrastructure equipment, other
19 than the obligation to bill and collect the green infrastructure fee as
20 agent for the authority or any financing party and remit the
21 collected revenue to the authority or such financing party entitled to
22 receive those surcharges in accordance with the financing order.
23 The board shall ensure that all reasonable costs incurred by a public
24 utility to implement the green infrastructure fee may be recovered
25 as part of the public utility's revenue requirement, including
26 necessary billing system adjustments, costs arising out of the billing
27 and collection of the green infrastructure fee, and any costs for the
28 green infrastructure fee that are not recovered otherwise. The green
29 infrastructure fee or green infrastructure property shall not be
30 considered revenue of any public utility.

31 f. The obligation of any public utility customer subject to the
32 green infrastructure fee to pay the green infrastructure fee and,
33 notwithstanding subsection b. of this section, the obligation of the
34 public utility to collect and remit the green infrastructure fee shall
35 not be subject to any setoff, counterclaim, surcharge, or defense by
36 the public utility or by any public utility customer, or in connection
37 with a bankruptcy of any public utility or any public utility
38 customer.

39
40 12. (New section) Any successor public utility to a public utility
41 subject to a financing order shall be bound by the requirements of
42 P.L. , c. (C.) (pending before the Legislature as this bill).
43 The successor public utility shall perform and satisfy all obligations
44 of the prior public utility under an applicable financing order, in the
45 same manner and to the same extent as the prior public utility,
46 including the obligation to collect and pay the green infrastructure
47 fee to the authority or to any financing party as required by a
48 financing order.

1 13. (New section) a. The ownership, transfer, and pledge of the
2 green infrastructure fee and green infrastructure property and the
3 imposition, charging, collection, and receipt of the green
4 infrastructure fee are exempt from all taxes, fees, charges, and
5 assessments imposed pursuant to State law.

6 b. Green infrastructure bonds issued under a financing order
7 shall not be an obligation of any public utility. The issuance of
8 green infrastructure bonds shall not directly, indirectly, or
9 contingently obligate the public utility for payment of the principal
10 of or interest on the green infrastructure bonds.

11
12 14. (New section) a. The State hereby pledges to and agrees
13 with the green infrastructure bondholders and any financing party
14 under a financing order that the State will not take or permit any
15 action that impairs the value of green infrastructure property under
16 the financing order, or reduce, alter, or impair the green
17 infrastructure fee that is imposed, charged, collected, or remitted for
18 the benefit of the green infrastructure bondholders and any
19 financing party, until any principal, interest, and redemption
20 premium in respect of green infrastructure bonds, all financing
21 costs, and all moneys to be paid to a financing party under an
22 ancillary agreement are paid or performed in full or unless adequate
23 provision has been made by law for the protection of green
24 infrastructure bondholders and any other financing party.

25 b. In issuing the green infrastructure bonds, the authority may
26 include the pledge specified in subsection a. of this section in the
27 green infrastructure bonds, ancillary agreements, and
28 documentation related to the issuance and marketing of the green
29 infrastructure bonds.

30 c. Green infrastructure bonds are revenue bonds issued under
31 the powers of the authority pursuant to P.L.1974, c.80 (C.34:1B-
32 1 et seq.).

33 d. Under a final financing order, the authority shall retain sole
34 discretion to cause green infrastructure bonds to be issued,
35 including the right to defer or postpone such issuance, assignment,
36 sale, or transfer.

37
38 15. (New section) a. The authority shall submit an application
39 to the board for the use or other disposition of moneys deposited or
40 held in the green infrastructure fund established pursuant to section
41 5 of P.L. , c. (C.) (pending before the Legislature as this
42 bill) prior to the allocation, use, expenditure, or other disposition of
43 any such amounts; provided that this subsection shall not apply to
44 the expenditure of moneys deposited or held in the green
45 infrastructure fund that have been reviewed and approved by the
46 board for operational or administrative expenses of the authority
47 pursuant to section 4 of P.L. , c. (C.) (pending before the
48 Legislature as this bill).

- 1 b. An application submitted by the authority to the board under
2 this section shall include the following information:
- 3 (1) A description of the loan program, financing agreement, or
4 other arrangement for which the authority seeks to allocate, use,
5 expend, or otherwise dispose of amounts deposited or held in the
6 green infrastructure fund, including:
- 7 (a) The clean energy technology to be financed;
- 8 (b) A description of the parties, both direct and incidental,
9 intended to benefit from any financing made in connection with the
10 green infrastructure fund amounts requested by the authority in an
11 application submitted to the board under this section;
- 12 (c) A description of the loan programs or other arrangements
13 designed, established, identified, agreed to, agreed to in principle,
14 continued, carried over, or otherwise intended to be effectuated for
15 the use of the green infrastructure fund amounts requested by the
16 authority in an application submitted to the board under this section;
17 and
- 18 (d) Any and all funding or credit sources identified, pledged,
19 dedicated, or otherwise provided to supplement the green
20 infrastructure fund amounts requested by the authority in an
21 application submitted to the board under this section;
- 22 (2) The minimum lending, crediting, or investing criteria in
23 relation to the loan program, financing agreement, or other
24 arrangement described in an application submitted to the board
25 under this section;
- 26 (3) A description of the repayment processes, mechanisms, and
27 applicable calculations for the loan program, financing agreement,
28 or other arrangement described in an application submitted to the
29 board under this section;
- 30 (4) An explanation of the anticipated impacts and benefits to
31 public utility customers of the loan program, financing agreement,
32 or other arrangement described under an application submitted by
33 the authority to the board under this section; and
- 34 (5) Any other additional information determined to be necessary
35 by the board upon the review of an application submitted or
36 resubmitted by the authority under this section.
- 37
- 38 16. (New section) a. The board shall issue a loan program order
39 authorizing the allocation, use, expenditure, or other disposition of
40 any amounts deposited or held in the green infrastructure fund upon
41 the submission by the authority to the board of a completed
42 application as described in this section. A green infrastructure loan
43 program order issued by the board shall include the following
44 information, where determined necessary and applicable by the
45 board:
- 46 (1) An identification and description of the loan program,
47 financing agreement, or other arrangement approved by the board

1 for which amounts deposited or held in the green infrastructure fund
2 may be allocated, used, expended, or otherwise disposed of;

3 (2) The minimum criteria for the lending, crediting, or investing
4 of amounts deposited or held in the green infrastructure fund;

5 (3) A description of the repayment processes, mechanisms, and
6 applicable calculations for the loan program, financing agreement,
7 or other arrangement approved by the board for which amounts
8 deposited or held in the green infrastructure fund may be allocated,
9 used, expended, or otherwise disposed of;

10 (4) A review of the anticipated impacts and benefits to public
11 utility customers receiving a loan under the program, financing
12 agreement, or other arrangement approved under a green
13 infrastructure loan program order; and

14 (5) Any other provision or information determined to be
15 necessary by the board.

16 b. The board shall issue an order under this section as
17 expeditiously as possible and, in any event, within 90 days from the
18 date the board received from the authority a completed application
19 submitted pursuant to section 15 of P.L. , c. (C.) (pending
20 before the Legislature as this bill).

21 c. The order shall specify the following information, including:

22 (1) The procedures to be followed by a public utility in the event
23 of non-payment or partial payment of the green infrastructure fee by
24 a public utility customer subject to the green infrastructure fee,
25 which procedures shall be consistent with the board's approved
26 procedures for non-payment and partial payment of rates, charges,
27 and fees under a public utility's tariffs; and

28 (2) The distribution of the total amounts collected by a public
29 utility for amounts billed to customers for the public utility's rates,
30 fees, and charges, for the green infrastructure fee, for other fees and
31 charges approved by the board, and for associated taxes, in the
32 event of partial payments of the billed amounts.

33 d. A public utility serving as a billing and collecting agent shall
34 be a party to the proceedings in which the order or orders are
35 issued.

36 e. A public utility shall not disconnect electric or gas service to
37 a customer receiving a loan from the program for non-payment of
38 the loan as long as a customer's other outstanding obligations to the
39 public utility have been met and the public utility shall have to
40 follow existing procedures, as provided in current law, to receive
41 payment for those other outstanding obligations.

42

43 17. (New section) a. The board shall ensure that all reasonable
44 costs incurred by a public utility to start and implement the loan
45 program may be recovered as part of the public utility's revenue
46 requirement, including necessary billing system adjustments, costs
47 arising out of the billing and collection of green infrastructure fees,
48 and any costs for green infrastructure fees that are not recovered via

1 participating customers' green infrastructure bill payments, or
2 otherwise.

3 b. The green infrastructure fee shall not be considered revenue
4 of a public utility and accordingly, shall not be subject to any tax,
5 fee, charge, or assessment authorized pursuant to State law.

6 c. The loan program or the act of serving as an agent to bill and
7 to collect the green infrastructure fee shall not cause any public
8 utility to be subject to the laws that regulate financial institutions,
9 escrow depositories, or collection agencies. A public utility shall
10 not be responsible for lending, underwriting, and credit
11 determinations.

12

13 18. (New section) The authority or a financing party shall not
14 be considered a public utility or person providing electric or gas
15 service by virtue of engaging in the transactions described in
16 P.L. , c. (C.) (pending before the Legislature as this bill).

17

18 19. (New section) a. The authority is authorized to issue green
19 infrastructure bonds as revenue bonds pursuant to
20 P.L. , c. (C.) (pending before the Legislature as this bill),
21 in a principal amount not to exceed \$200,000,000 to establish and
22 administer the green infrastructure loan program pursuant to
23 P.L. , c. (C.) (pending before the Legislature as this bill).

24 b. The authority is authorized to issue from time to time
25 refunding bonds in such principal amounts as the authority shall
26 determine to be necessary to refund the green infrastructure bonds
27 authorized under P.L. , c. (C.) (pending before the
28 Legislature as this bill), to the extent permitted by the financing
29 documents.

30

31 20. (New section) a. The authority, jointly with the board, shall
32 conduct a study in the 2018 calendar year to determine:

33 (1) The extent to which the authority's and the board's activities
34 have benefitted the State by advancing the State's renewable energy
35 goals and reducing energy costs for consumers by providing
36 affordable alternative energy options; and

37 (2) Whether the loan program shall be extended, eliminated, or
38 otherwise modified beginning July 1, 2019.

39 The authority, jointly with the board, shall submit a report of its
40 findings from the study to the Governor and, pursuant to section 2
41 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature, no later than
42 June 30, 2019.

43 b. The authority, jointly with the board, shall submit a report to
44 the Governor and, pursuant to section 2 of P.L.1991, c.164
45 (C.52:14-19.1), to the Legislature, on the status of the authority's
46 and the board's activities, including approved loan program
47 description and uses; summary information and analytical data
48 concerning implementation of the loan program; summary

1 information and analytical data concerning the deployment of clean
2 energy technology, demand response technology, and energy use
3 reduction and demand-side management infrastructure, programs,
4 and services; and repayments made or credits provided to public
5 utility customers, no later than May 1 of each year.

6
7 21. (New section) The authority, in consultation with the board,
8 shall adopt, pursuant to the "Administrative Procedure Act,"
9 P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations to
10 effectuate the purposes of P.L. , c. (C.) (pending before the
11 Legislature as this bill).

12
13 22. Section 5 of P.L.1974, c.80 (C.34:1B-5) is amended to read
14 as follows:

15 5. The authority shall have the following powers:

16 a. To adopt bylaws for the regulation of its affairs and the
17 conduct of its business;

18 b. To adopt and have a seal and to alter the same at pleasure;

19 c. To sue and be sued;

20 d. To acquire in the name of the authority by purchase or
21 otherwise, on **[such]** terms and conditions and **[such]** manner as
22 **[it]** the authority may deem proper, or by the exercise of the power
23 of eminent domain in the manner provided by the "Eminent Domain
24 Act of 1971," P.L.1971, c.361 (C.20:3-1 et seq.), any lands or
25 interests therein or other property which **[it]** the authority may
26 determine is reasonably necessary for any project; provided,
27 however, that the authority, in connection with any project, shall
28 not take by exercise of the power of eminent domain any real
29 property except upon consent thereto given by resolution of the
30 governing body of the municipality in which **[such]** the real
31 property is located; and provided further that the authority shall be
32 limited in its exercise of the power of eminent domain in connection
33 with any project in qualifying municipalities, as defined under the
34 provisions of P.L.1978, c.14 (C.52:27D-178 et seq.), or to
35 municipalities which had a population, according to the latest
36 federal decennial census, in excess of 10,000;

37 e. To enter into contracts with a person upon **[such]** terms and
38 conditions as the authority shall determine to be reasonable,
39 including, but not limited to, reimbursement for the planning,
40 designing, financing, construction, reconstruction, improvement,
41 equipping, furnishing, operation, and maintenance of the project
42 and to pay or compromise any claims arising therefrom;

43 f. To establish and maintain reserve and insurance funds with
44 respect to the financing of the project or the school facilities project
45 and any project financed pursuant to the "Municipal Rehabilitation
46 and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-
47 1 et al.);

- 1 g. To sell, convey, or lease to any person all or any portion of a
2 project for **【such】** consideration and upon **【such】** terms as the
3 authority may determine to be reasonable;
- 4 h. To mortgage, pledge, or assign or otherwise encumber all or
5 any portion of a project, or revenues, whenever **【it】** the authority
6 shall find **【such】** that action to be in furtherance of the purposes of
7 **【this act】** P.L.1974, c.80 (C.34:1B-1 et seq.), P.L.2000, c.72
8 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic
9 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007,
10 c.137 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009,
11 c.90 (C.52:27D-489c et al.);
- 12 i. To grant options to purchase or renew a lease for any of
13 **【its】** the authority's projects on such terms as the authority may
14 determine to be reasonable;
- 15 j. To contract for and to accept any gifts or grants or loans of
16 funds or property or financial or other aid in any form from the
17 United States of America or any agency or instrumentality thereof,
18 or from the State or any agency, instrumentality, or political
19 subdivision thereof, or from any other source and to comply,
20 subject to the provisions of P.L.1974, c.80 (C.34:1B-1 et seq.),
21 section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72
22 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic
23 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), and
24 P.L.2007, c.137 (C.52:18A-235 et al.), with the terms and
25 conditions thereof;
- 26 k. In connection with any action undertaken by the authority in
27 the performance of its duties and any application for assistance or
28 commitments therefor and modifications thereof, to require and
29 collect **【such】** fees and charges as the authority shall determine to
30 be reasonable, including, but not limited to, fees and charges for the
31 authority's administrative, organizational, insurance, operating,
32 legal, and other expenses;
- 33 l. To adopt, amend, and repeal regulations to carry out the
34 provisions of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of
35 P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.),
36 the "Municipal Rehabilitation and Economic Recovery Act,"
37 P.L.2002, c.43 (C.52:27BBB-1 et al.), and P.L.2007, c.137
38 (C.52:18A-235 et al.);
- 39 m. To acquire, purchase, manage and operate, hold, and dispose
40 of real and personal property or interests therein, take assignments
41 of rentals and leases, and make and enter into all contracts, leases,
42 agreements, and arrangements necessary or incidental to the
43 performance of **【its】** the authority's duties;
- 44 n. To purchase, acquire, and take assignments of notes,
45 mortgages, and other forms of security and evidences of
46 indebtedness;

- 1 o. To purchase, acquire, attach, seize, accept, or take title to
2 any project or school facilities project by conveyance or by
3 foreclosure, and sell, lease, manage, or operate any project or
4 school facilities project for a use specified in **[this act]** P.L.1974,
5 c.80 (C.34:1B-1 et seq.), P.L.2000, c.72 (C.18A:7G-1 et al.), the
6 "Municipal Rehabilitation and Economic Recovery Act," P.L.2002,
7 c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.),
8 and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);
- 9 p. To borrow money and to issue bonds of the authority and to
10 provide for the rights of the holders thereof, as provided in
11 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401
12 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal
13 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
14 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and
15 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);
- 16 q. To extend credit or make loans to any person for the
17 planning, designing, acquiring, constructing, reconstructing,
18 improving, equipping, and furnishing of a project or school
19 facilities project, which credits or loans may be secured by loan and
20 security agreements, mortgages, leases, and any other instruments,
21 upon **[such]** terms and conditions as the authority shall deem
22 reasonable, including provision for the establishment and
23 maintenance of reserve and insurance funds, and to require the
24 inclusion in any mortgage, lease, contract, loan and security
25 agreement, or other instrument, of **[such]** provisions for the
26 construction, use, operation and maintenance, and financing of a
27 project or school facilities project as the authority may deem
28 necessary or desirable;
- 29 r. To guarantee up to **[90%]** 90 percent of the amount of a
30 loan to a person, if the proceeds of the loan are to be applied to the
31 purchase and installation, in a building devoted to industrial or
32 commercial purposes, or in an office building, of an energy
33 improvement system;
- 34 s. To employ consulting engineers, architects, attorneys, real
35 estate counselors, appraisers, and **[such]** other consultants and
36 employees as may be required in the judgment of the redevelopment
37 utility to carry out the purposes of P.L.1974, c.80 (C.34:1B-1 et
38 seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72
39 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic
40 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007,
41 c.137 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009,
42 c.90 (C.52:27D-489c et al.), and to fix and pay their compensation
43 from funds available to the redevelopment utility therefor, all
44 without regard to the provisions of Title 11A of the New Jersey
45 Statutes;
- 46 t. To do and perform any acts and things authorized by
47 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401

1 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal
2 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
3 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and
4 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.),
5 under, through or by means of its own officers, agents, and
6 employees, or by contract with any person;

7 u. To procure insurance against any losses in connection with
8 **[its]** authority property, operations, or assets in **[such]** amounts
9 and from **[such]** insurers as **[it]** the authority deems desirable;

10 v. To do any and all things necessary or convenient to carry out
11 **[its]** the authority's purposes and exercise the powers given and
12 granted in P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of
13 P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.),
14 the "Municipal Rehabilitation and Economic Recovery Act,"
15 P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-
16 235 et al.), and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-
17 489c et al.);

18 w. To construct, reconstruct, rehabilitate, improve, alter, equip,
19 maintain or repair, or provide for the construction, reconstruction,
20 improvement, alteration, equipping or maintenance, or repair of any
21 development property and lot, award and enter into construction
22 contracts, purchase orders, and other contracts with respect thereto,
23 upon **[such]** terms and conditions as the authority shall determine
24 to be reasonable, including, but not limited to, reimbursement for
25 the planning, designing, financing, construction, reconstruction,
26 improvement, equipping, furnishing, operation, and maintenance of
27 **[any such]** the development property and the settlement of any
28 claims arising therefrom, and the establishment and maintenance of
29 reserve funds with respect to the financing of **[such]** the
30 development property;

31 x. When authorized by the governing body of a municipality
32 exercising jurisdiction over an urban growth zone, to construct,
33 cause to be constructed, or to provide financial assistance to
34 projects in an urban growth zone which shall be exempt from the
35 terms and requirements of the land use ordinances and regulations,
36 including, but not limited to, the master plan and zoning ordinances,
37 of **[such]** the municipality;

38 y. To enter into business employment incentive agreements as
39 provided in the "Business Employment Incentive Program Act,"
40 P.L.1996, c.26 (C.34:1B-124 et al.);

41 z. To enter into agreements or contracts, execute instruments,
42 and do and perform all acts or things necessary, convenient, or
43 desirable for the purposes of the redevelopment utility to carry out
44 any power expressly provided pursuant to P.L.1974, c.80 (C.34:1B-
45 1 et seq.), P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007, c.137
46 (C.52:18A-235 et al.), including, but not limited to, entering into
47 contracts with the State Treasurer, the Commissioner of Education,

1 districts, the New Jersey Schools Development Authority, and any
2 other entity which may be required in order to carry out the
3 provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), P.L.2007, c.137
4 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009, c.90
5 (C.52:27D-489c et al.);

6 aa. (Deleted by amendment, P.L.2007, c.137);

7 bb. To make and contract to make loans to local units to finance
8 the cost of school facilities projects and to acquire and contract to
9 acquire bonds, notes, or other obligations issued or to be issued by
10 local units to evidence the loans, all in accordance with the
11 provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007,
12 c.137 (C.52:18A-235 et al.);

13 cc. Subject to any agreement with holders of **[its]** authority
14 bonds issued to finance a project or school facilities project, to
15 obtain as security, or to provide liquidity for payment of all or any
16 part of the principal of and interest and premium on the bonds of
17 the authority or for the purchase upon tender or otherwise of the
18 bonds, lines of credit, letters of credit, reimbursement agreements,
19 interest rate exchange agreements, currency exchange agreements,
20 interest rate floors or caps, options, puts, or calls to hedge payment,
21 currency, rate, spread, or similar exposure or similar agreements,
22 float agreements, forward agreements, insurance contract, surety
23 bond, commitment to purchase or sell bonds, purchase, or sale
24 agreement, or commitments or other contracts or agreements, and
25 other security agreements or instruments in any amounts and upon
26 any terms as the authority may determine and pay any fees and
27 expenses required in connection therewith;

28 dd. To charge to and collect from local units, the State, and any
29 other person, any fees and charges in connection with the
30 authority's actions undertaken with respect to school facilities
31 projects, including, but not limited to, fees and charges for the
32 authority's administrative, organization, insurance, operating, and
33 other expenses incident to the financing of school facilities projects;

34 ee. To make loans to refinance solid waste facility bonds
35 through the issuance of bonds or other obligations and the execution
36 of any agreements with counties or public authorities to effect the
37 refunding or rescheduling of solid waste facility bonds, or otherwise
38 provide for the payment of all or a portion of any series of solid
39 waste facility bonds. Any county or public authority refunding or
40 rescheduling its solid waste facility bonds pursuant to this
41 subsection shall provide for the payment of not less than fifty
42 percent of the aggregate debt service for the refunded or
43 rescheduled debt of the particular county or public authority for the
44 duration of the loan; except that, whenever the solid waste facility
45 bonds to be refinanced were issued by a public authority and the
46 county solid waste facility was utilized as a regional county solid
47 waste facility, as designated in the respective adopted district solid
48 waste management plans of the participating counties as approved

1 by the department prior to November 10, 1997, and the utilization
2 of the facility was established pursuant to tonnage obligations set
3 forth in their respective interdistrict agreements, the public
4 authority refunding or rescheduling its solid waste facility bonds,
5 pursuant to this subsection, shall provide for the payment of a
6 percentage of the aggregate debt service for the refunded or
7 rescheduled debt of the public authority not to exceed the
8 percentage of the specified tonnage obligation of the host county for
9 the duration of the loan. Whenever the solid waste facility bonds
10 are the obligation of a public authority, the relevant county shall
11 execute a deficiency agreement with the authority, which shall
12 provide that the county pledges to cover any shortfall and to pay
13 deficiencies in scheduled repayment obligations of the public
14 authority. All costs associated with the issuance of bonds pursuant
15 to this subsection may be paid by the authority from the proceeds of
16 these bonds. Any county or public authority is hereby authorized to
17 enter into any agreement with the authority necessary, desirable, or
18 convenient to effectuate the provisions of this subsection.

19 The authority shall not issue bonds or other obligations to effect
20 the refunding or rescheduling of solid waste facility bonds after
21 December 31, 2002. The authority may refund its own bonds issued
22 for the purposes herein at any time;

23 ff. To pool loans for any local government units that are
24 refunding bonds and do and perform any and all acts or things
25 necessary, convenient, or desirable for the purpose of the authority
26 to achieve more favorable interest rates and terms for those local
27 governmental units;

28 gg. To finance projects approved by the board, provide staff
29 support to the board, oversee and monitor progress on the part of
30 the board in carrying out the revitalization, economic development,
31 and restoration projects authorized pursuant to the "Municipal
32 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
33 (C.52:27BBB-1 et al.) and otherwise fulfilling its responsibilities
34 pursuant thereto;

35 hh. To offer financial assistance to qualified film production
36 companies as provided in the "New Jersey Film Production
37 Assistance Act," P.L.2003, c.182 (C.34:1B-178 et al.); **[and]**

38 ii. To finance or develop private or public parking facilities or
39 structures, which may include the use of solar photovoltaic
40 equipment, in municipalities qualified to receive State aid pursuant
41 to the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.) and
42 municipalities that contain areas designated pursuant to P.L.1985,
43 c.398 (C.52:18A-196 et al.) as Planning Area 1 (Metropolitan),
44 Planning Area 2 (Suburban), or a town center, and to provide
45 appropriate assistance, including but not limited to, extensions of
46 credit, loans, and guarantees, to municipalities qualified to receive
47 State aid pursuant to the provisions of P.L.1978, c.14 (C.52:27D-
48 178 et seq.) and municipalities that contain areas designated

1 pursuant to P.L.1985, c.398 (C.52:18A-196 et seq.) as Planning
2 Area 1 (Metropolitan), Planning Area 2 (Suburban), or a town
3 center, and their agencies and instrumentalities or to private entities
4 whose projects are located in those municipalities, in order to
5 facilitate the financing and development of parking facilities or
6 structures in such municipalities. The authority may serve as the
7 issuing agent of bonds to finance the undertaking of a project for
8 the purposes of this subsection; and

9 jj. To establish and maintain the green infrastructure loan
10 program and green infrastructure fund, and to issue green
11 infrastructure bonds pursuant to P.L. , c. (C.) (pending
12 before the Legislature as this bill) for the purposes set forth therein.
13 (cf: P.L.2010, c.28, s.3)

14
15 23. This act shall take effect immediately, but shall remain
16 inoperative for 60 days following the date of enactment.

17 18 19 STATEMENT

20
21 This bill establishes a regulatory financing structure that
22 authorizes New Jersey Economic Development Authority
23 (authority), in conjunction with the Board of Public Utilities
24 (board), to acquire and provide low-cost financing, to be deployed
25 through a financing program to make green infrastructure
26 equipment and installations accessible and affordable for New
27 Jersey's electric and gas public utility (utility) customers desiring
28 financing for this purpose, achieve measurable cost savings, and
29 attain the State's clean energy goals. Green infrastructure
30 equipment is infrastructure improvements, equipment, and personal
31 property to be installed to deploy clean energy technology, demand
32 response technology, and energy use reduction and demand side
33 management infrastructure.

34 Specifically, the bill: 1) establishes a green infrastructure loan
35 program (loan program) for the purpose of acquiring and providing
36 alternative low-cost financing for green infrastructure equipment
37 and installations accessible and affordable for utility customers,
38 through a financing program administered by the authority, and may
39 include loans made to private entities who may lease or provide
40 green infrastructure equipment to utility customers, as well as direct
41 loans to utility customers, on terms approved by the authority; 2)
42 authorizes the creation of green infrastructure property consisting of
43 all property, rights, and interests of the loan program, which shall
44 vest in the authority for the purpose of securing bond amounts
45 payable under the loan program, and other financing costs; 3)
46 establishes a green infrastructure fee, a non-bypassable bill fee
47 imposed on and collected from those utility customers receiving a
48 loan made to finance the purchase or installation of green

1 infrastructure equipment on the property enhanced by the
2 equipment under the loan program and, if there is an outstanding
3 obligation on the loan, that obligation is to be transferred to the new
4 property owner; 4) authorizes the authority to issue revenue bonds
5 to finance the loan program; 5) establishes a green infrastructure
6 fund to be administered by the authority and to receive the proceeds
7 of the green infrastructure fee, green infrastructure property, the
8 loan program and other monies expended on the operations of the
9 loan program, including through credits to utility customers subject
10 to the green infrastructure fee for reimbursement of excess green
11 infrastructure fees collected; and 6) authorizes the authority to issue
12 up to \$200,000,000 in revenue bonds to establish and administer the
13 loan program.

14 Up-front costs of green infrastructure equipment are a barrier
15 preventing many utility customers from investing in these
16 installations and thereby achieving lower energy costs. Existing
17 programs may not serve the entire spectrum of New Jersey's energy
18 market, particularly those utility customers who lack access to
19 capital or who cannot afford these up-front costs, thereby creating
20 an underserved market. This measure will establish a means of
21 acquiring and providing alternative low-cost financing to
22 underserved markets, enabling the installation of green
23 infrastructure equipment in those markets.

24 Significant investment in green infrastructure equipment will
25 help the State achieve its goals of energy self-sufficiency and
26 greater energy security and diversification, support its efforts to
27 meet the State's renewable portfolio standards and energy
28 efficiency requirements as its energy market is evolving, and
29 provide affordable and accessible energy options for New Jersey
30 utility customers.