SENATE, No. 4546

STATE OF NEW JERSEY

222nd LEGISLATURE

INTRODUCED SEPTEMBER 28, 2026

Sponsored by:
Senator NILSA I. CRUZ-PEREZ
District 5 (Camden and Gloucester)

SYNOPSIS

Establishes targets for roadside solar projects in State's solar energy incentive program.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning solar energy development and amending P.L.1999, c.23 and P.L. 2021, c.169.

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

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

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

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

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

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

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

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

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

"Basic generation service transition costs" means the amount by which the payments by an electric public utility for the procurement of power for basic generation service and related ancillary and 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Commissioner” means the Commissioner of Transportation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Registration program" means an administrative process developed by the board pursuant to subsection u. of section 38 of P.L.1999, c.23 (C.48:3-87) that requires all owners of solar electric power generation facilities connected to the distribution system that

intend to generate SRECs, to file with the board documents detailing the size, location, interconnection plan, land use, and other project information as required by the board.

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

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

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

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

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

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

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

"Restructuring related costs" means reasonably incurred costs directly related to the restructuring of the electric power industry, including the closure, sale, functional separation, and divestiture of generation and other competitive utility assets by a public utility, or

the provision of competitive services as those costs are determined by the board, and which are not stranded costs as defined in P.L.1999, c.23 (C.48:3-49 et al.) but may include, but not be limited to, investments in management information systems, and which shall include expenses related to employees affected by restructuring which result in efficiencies and which result in benefits to ratepayers, such as training or retraining at the level equivalent to one year's training at a vocational or technical school or county community college, the provision of severance pay of two weeks of base pay for each year of full-time employment, and a maximum of 24 months' continued health care coverage. Except as to expenses related to employees affected by restructuring, "restructuring related costs" shall not include going forward costs.

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

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

"Roadside right-of-way" means land on either side of a roadway, including the shoulder and surrounding vegetation, reserved for road maintenance, future expansion, stormwater drainage, and vehicle safety. The roadside right-of-way must include area within a boundary between 30 and 100 feet from the road centerline, within the range of State control over land adjacent to the public road system, and within such an area that ensures that public safety, road maintenance, and future expansions are not impaired.

"Roadside right-of-way solar energy facility" means the energy generation facilities, structures, and equipment for the production of electric power from solar photovoltaic panels located on roadside right-of-way areas that allow for the continued simultaneous use of the roads below and adjacent to the panels.

"Sales representative" means a person employed by, acting on behalf of, or as an independent contractor for, an electric power supplier, gas supplier, broker, energy agent, marketer, or private aggregator who, by any means, solicits a potential residential

customer for the provision of electric generation service or gas supply service.

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

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

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

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

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

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

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

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

"Solar renewable energy certificate" or "SREC" means a certificate issued by the board or its designee, representing one megawatt hour (MWh) of solar energy that is generated by a facility

connected to the distribution system in this State and has value based upon, and driven by, the energy market.

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

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

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

"Standard offer capacity agreement" or "SOCA" means a financially-settled transaction agreement, approved by board order, that provides for eligible generators to receive payments from the electric public utilities for a defined amount of electric capacity for a term to be determined by the board but not to exceed 15 years, and for such payments to be a fully non-bypassable charge, with such an order, once issued, being irrevocable.

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

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

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

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

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

"Telemarketing sales call" means a telephone call made by a telemarketer to a potential residential customer as part of a plan, program, or campaign to encourage the customer to change the

customer's electric power supplier or gas supplier. A telephone call made to an existing customer of an electric power supplier, gas supplier, broker, energy agent, marketer, private aggregator, or sales representative, for the sole purpose of collecting on accounts or following up on contractual obligations, shall not be deemed a telemarketing sales call. A telephone call made in response to an express written request of a customer shall not be deemed a telemarketing sales call.

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

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

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

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

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

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

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

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

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

3. a. The board shall develop, as part of the SREC-II program, a small solar facilities incentive program to award SREC-IIs to the owners of community solar facilities, solar facilities up to five megawatts in size that participate in the remote net metering program established pursuant to section 6 of P.L.2018, c.17 (C.48:3-87.12), roadside right-of-way solar energy facility, and net metered solar facilities less than five megawatts in size, as measured in direct current, or another size specified by the board. The small solar facilities incentive program shall aim to provide SREC-IIs for the generation of at least 300 megawatts of net-metered solar facilities per year, 50 megawatts of roadside right-of-way solar energy facilities per year, and 150 megawatts of community solar facilities per year, and 50 megawatts of solar facilities in the remote net metering program, for each of the five years after the establishment of the SREC-II program.

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

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

(1) the size of the facility;

(2) the costs and revenues associated with representative facilities;

(3) for community solar facilities, the economic and demographic characteristics of the area served by the facility,

including whether it is located in an overburdened community, as that term is defined in section 2 of P.L.2020, c.92 (C.13:1D-158);

(4) whether the facility is located on already developed land or the built environment;

(5) the facility's eligibility for net metering pursuant to subsection e. of section 38 of P.L.1999, c.23 (C.48:3-87) or participation in the community solar program established pursuant to subsection f. of section 5 of P.L.2018, c.17 (C.48:3-87.11); **[**and**]**

(6) the rate class of the facility, as determined by the appropriate New Jersey electric public utility or local government unit; and

(7) for roadside right-of-way solar energy facilities, the traffic volume and emissions burden of adjacent road systems.

(cf: P.L.2023, c.190, s.2.)

3. Section 4 of P.L.2021, c.169 (C.48:3-117) is amended to read as follows:

4. a. The board shall develop and administer, as part of the SREC-II program, a transparent, fair, and competitive solicitation process for awarding SREC-II contracts to promote the construction of solar electric power generation facilities.

(1) In order to be eligible to participate in the solicitation process, a solar electric power generation facility shall be:

(a) a grid supply solar facility**[** or**]**, net metered solar facility greater than five megawatts in size, as measured in direct current, or another size specified by the board, or a roadside right of way solar energy facility;

(b) constructed after the effective date of P.L.2021, c.169 (C.48:3-114 et al.);

(c) interconnected to a distribution or transmission system operated by a New Jersey electric public utility or local government unit; and

(d) sited in conformance with the siting criteria established by the board pursuant to section 6 of P.L.2021, c.169 (C.48:3-119).

(2) The board shall develop additional eligibility criteria and application processes for participation in the solicitation process.

b. The board may establish a system of distinct bidding categories within the competitive solicitation process set forth in this section, such that only bids from the same category compete with one another. The category system may take into account the size of the facility, location of the facility on a contaminated site or landfill, the traffic patterns and emissions burden of adjacent road systems, as determined by the board in consultation with the Department of Environmental Protection, or any other feature of a facility, provided that the category system enhances the continued diversification of the energy resources used to meet consumer demand in this State and results in environmental and public health benefits to New Jersey residents, as determined by the board. The

board may revise the category system as it deems appropriate after each solicitation round.

c. Solicitation rounds shall occur at least as frequently as once every 18 months, beginning on the effective date of P.L.2021, c.169 (C.48:3-114 et al.) and ending no earlier than January 1, 2026. The solicitation process shall:

(1) be open on a non-discriminatory basis to any entity seeking to construct a solar electric power generation facility that complies with the provisions of subsection a. of this section;

(2) be carried out in accordance with criteria developed by the board and applied equally to all responses to the solicitation;

(3) award contracts for SREC-IIs to promote the construction of solar electric power generation facilities for no less than an average of 300 megawatts per year, and roadside right-of-way solar energy facilities for no less than 50 megawatts per year, for five years, with the first awards made no later than 18 months after the effective date of P.L.2021, c.169 (C.48:3-114 et al.);

(4) award projects selected as part of the competitive solicitation process the right to receive a renewable energy incentive payment, in the form of an SREC-II value per megawatt-hour established by the board, for the environmental attribute produced by the solar electric power generation facility, for a duration to be established by the board. The SREC-II value per megawatt-hour may include the value of the environmental and other benefits to the State provided by the facility or project, as determined by the board;

(5) ensure that the length of any award is sufficient to encourage low financing rates, reasonable risks to ratepayers, and to enable the development of affordable renewable energy resources;

(6) mitigate price and delivery risks for consumers;

(7) include requirements designed to ensure successful completion of projects, including, but not limited to, the imposition of appropriate escrow fees, bid maturity requirements, required interconnection milestones, and conditions on when a project must achieve commercial operation; and

(8) ensure that the environmental and public health benefits of solar electric power generation facilities on contaminated sites or landfills are recognized, including accommodating the long development timescale for these projects.

d. The board may establish confidential high and low bid thresholds prior to conducting a competitive solicitation pursuant to this section, provided that the thresholds promote fiscal responsibility for the State and the likelihood of successful bids, as determined by the board. The thresholds may include a cap on the renewable energy incentive payments required pursuant to paragraph (4) of subsection c. of this section. The board may also procure more than the minimum quantity of solar power required by this section if bids are below the predetermined bid threshold.

e. The board shall determine, in consultation with the Department of Environmental Protection, if a solar electric power generation facility or roadside right-of-way solar energy facility may be sited on a contaminated site or landfill for the purposes of this section. If the board authorizes a facility to be sited on a contaminated site or landfill, the facility shall be afforded the protections provided in paragraph (2) of subsection t. of section 38 of P.L.1999, c.23 (C.48:3-87).

f. At the end of each bidding round, the board shall:

(1) rank all bids received based on the bid price, or, pursuant to subsection b. of this section, based on the bid price within each category;

(2) select bids in ranked order, up to the procurement budget set by the board, or, pursuant to subsection b. of this section, the procurement budget of each category; and

(3) adjust quantities awarded if prices are above or below any confidential pre-determined thresholds established pursuant to subsection d. of this section.

g. Any moneys placed in escrow by an applicant as part of the competitive solicitation process shall be reimbursed to the applicant in full or in part upon meeting the conditions set forth by the board when the board established the escrow requirement, including, but not limited to, selection in the competitive solicitation or commencement of commercial operation of the solar electric power generation facility. The escrow amount shall be forfeited to the General Fund if the facility does not meet the conditions set forth by the board when the board established the escrow requirement, including, but not limited to, commencing commercial operation within the term specified by the board's requirements established pursuant to paragraph (7) of subsection c. of this section, including any extensions as may be granted pursuant to procedures established by the board.

h. The costs of the competitive solicitation process, including the issuance of renewable energy incentive payments pursuant to paragraph (4) of subsection c. of this section, shall not be subject to the Class I renewable energy requirement cost cap established by paragraph (2) of subsection d. of section 38 of P.L.1999, c.23 (C.48:3-87).

(cf: P.L.2021, c.169, s.4)

4. Section 6 of P.L.2021, c.169 (C.48:3-119) is amended to read as follows:

6. a. The board shall not authorize a grid supply solar facility, a roadside right-of-way solar energy facility, or a net metered solar facility greater than five megawatts in size to commence operation, or to interconnect to an electric distribution or transmission system, unless it meets the siting criteria developed pursuant to this section.

b. The board shall develop, in consultation with the Department of Environmental Protection and the Secretary of Agriculture, siting criteria for grid supply solar facilities, roadside right-of-way solar energy facilities, and net metered solar facilities greater than five megawatts in size. In addition to implementing the provisions of subsections c. through f. of this section, the siting criteria shall:

(1) facilitate the State's commitment to affordable, clean, and renewable energy, and the carbon dioxide emissions reduction goals established by P.L.2007, c.112 (C.26:2C-37 et al.);

(2) minimize, as much as is practicable, potential adverse environmental impacts; and

(3) where appropriate, include consideration of:

(a) existing and prior land uses of the property;

(b) whether the property contains a contaminated site or landfill;

(c) any conservation or agricultural designations associated with the property;

(d) the amount of soil disturbance, impervious surface, and tree cover on the property; **[**and**]**

(e) other site-specific criteria**[**.**]**; and

(f) the traffic patterns or emissions burden of adjacent road or highway systems.

c. Unless authorized pursuant to subsection f. of this section, a grid supply solar facility, a roadside right-of-way solar energy facility, or a net metered solar facility greater than five megawatts in size shall not be sited on:

(1) land preserved under the Green Acres Program;

(2) land located within the preservation area of the pinelands area, as designated in subsection b. of section 10 of P.L.1979, c.111 (C.13:18A-11);

(3) land designated as forest area in the pinelands comprehensive management plan adopted pursuant to P.L.1979, c.111 (C.13:18A-1 et seq.);

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

(5) lands located within the Highlands preservation area as designated in subsection b. of section 7 of P.L.2004, c.120 (C.13:20-7);

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

(7) prime agricultural soils and soils of Statewide importance, as identified by the United States Department of Agriculture's Natural Resources Conservation Service, which are located in Agricultural Development Areas certified by the State Agriculture Development Committee, in excess of the Statewide threshold of 2.5 percent of such soils established by paragraph (1) of subsection d. of this section.

d. (1) A grid supply solar facility, a roadside right-of-way solar energy facility, or a net metered solar facility greater than five megawatts in size sited on prime agricultural soils or soils of Statewide importance, as identified by the United States Department of Agriculture's Natural Resources Conservation Service, which are located in Agricultural Development Areas certified by the State Agriculture Development Committee, shall not require a waiver pursuant to subsection f. of this section until the board determines, pursuant to paragraph (2) of this subsection, that 2.5 percent of such lands in the State have been approved by the board pursuant to P.L.2021, c.169 (C.48:3-114 et al.) to be utilized by a grid supply solar facility or a net metered solar facility greater than five megawatts in size. After the board makes this determination, a grid supply solar facility or a net metered solar facility greater than five megawatts in size shall not be sited on prime agricultural soils or soils of Statewide importance, as identified by the United States Department of Agriculture's Natural Resources Conservation Service, which are located in Agricultural Development Areas certified by the State Agriculture Development Committee, unless authorized pursuant to subsection f. of this section.

(2) The board, in consultation with the Secretary of Agriculture, shall track and record the Statewide area of prime agricultural soils or soils of Statewide importance, which are located in Agricultural Development Areas certified by the State Agriculture Development Committee, and which are utilized for solar energy production by grid supply solar facilities, roadside right-of-way solar energy facility, and net metered solar facilities greater than five megawatts in size, in order to implement the provisions of this section.

e. (1) In no case shall a grid supply solar facility be located on preserved farmland.

(2) Nothing in P.L.2021, c.169 (C.48:3-114 et al.) shall be construed to affect the provisions of P.L.2009, c.213 (C.4:1C-32.4 et al.), including those related to the construction of solar electric power generation facilities on preserved farmland.

f. A developer may petition the board for a waiver to site a solar power electric generation facility in an area proscribed by subsection c. of this section. The petition shall set out the unique factors that make the project consistent with the character of the specific parcel, including whether the property is a contaminated site or landfill, otherwise marginal land, or whether the project utilizes existing development or existing areas of impervious coverage. The board shall, in consultation with the Department of Environmental Protection or Secretary of Agriculture, as appropriate, consider the petition and may grant a waiver to a project deemed to be in the public interest. However, in no case shall the projects approved by the board pursuant to this section

occupy more than five percent of the unpreserved land containing prime agricultural soils and soils of Statewide importance, as identified by the United States Department of Agriculture's Natural Resources Conservation Service, located within any county's designated Agricultural Development Area, as determined by the State Agriculture Development Committee.

g. No later than five years after the adoption of rules and regulations pursuant to section 2 of P.L.2021, c.169 (C.48:3-115), the board, in consultation with the Department of Environmental Protection and the Secretary of Agriculture, shall conduct a review of the rules and regulations to assess program performance, identify problems, and recommend changes to the siting criteria to better effectuate the policy goals set forth in subsection a. of this section. The board shall prepare a report summarizing this review and submit it to the Governor and to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1).

(cf: P.L.2021, c.169, s.6)

5. Section 7 of P.L.2021, c.169 (C.48:3-120) is amended to read as follows:

7. The board shall submit a report on the SREC-II program to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature no later than 12 months after the adoption of rules and regulations pursuant to section 2 of P.L.2021, c.169 (C.48:3-115), and annually thereafter. The report shall include, but not be limited to:

a. information about the number and price of SREC-IIs distributed;

b. information about the progress of the program towards meeting its solar energy generation goals, including the individual goals for net-metered solar facilities, <u>roadside right-of-way solar energy facility,</u> community solar facilities, and grid supply solar facilities;

c. an assessment of the competitive solicitation process, including any recommendations to improve the functioning of the program; and

d. a summary of the siting criteria developed pursuant to section 6 of P.L.2021, c.169 (C.48:3-119), including any recommendations to improve the criteria<u>; and</u>

<u>e. information about future public-private partnerships or opportunities to expand clean energy generation on the roadside right-of-way</u>.

(cf: P.L.2021, c.169, s.8)

6. This act shall take effect immediately.

STATEMENT

This bill would amend the "SREC-II" program, developed pursuant to P.L.2021, c.169 (C.48:3-114 et al.), to direct the Board of Public Utilities (board) to establish a solar energy incentive program for solar energy projects on roadside right-of-way areas.

The bill would include roadside right-of-way solar developments in SREC-II program incentives, such that project owners would qualify for credits. The bill would also specify criteria by which solar photovoltaic developments on roadside right-of-way areas would be considered for the small solar facilities incentive program, which would include the impact of the development on the traffic volume and emissions burden of adjacent road systems. Roadside right-of-way solar energy facilities would be subject to the same qualification criteria as other solar facilities, including but not limited to the size of the facility, the solar project's eligibility for net metering, incentives available to the project, and the rate class of the facility.

The 2019 Energy Master Plan ("EMP") found that the State could achieve its 100 percent clean energy and 80 percent greenhouse gas reduction goals with net savings and little added cost when health benefits and climate change mitigation benefits are taken into account, by maximizing the development of in-State renewable energy generation, including 17,000 megawatts of solar energy by 2035 and 32 gigawatts by 2050. Under the least cost path identified by the EMP, solar energy could meet percent of the State's clean energy needs by 2050. The EMP further determined that to embark on this least cost path the State should add at least 400 megawatts of in-State solar energy each year through 2030. In 2021, Governor Murphy signed Executive Order 274 (EO 274), establishing an interim greenhouse gas reduction target of 50 percent by 2030.

The Department of Environmental Protection's resultant Global Warming Reduction Act 80x50 report analyzes New Jersey's emissions reductions to date, and presents strategies across seven emissions sectors to ensure that the State achieves an 80 percent emissions reduction by 2050. The modeling performed in developing the 2019 EMP shows that the least cost scenario can meet the 80x50 goal, as well as Governor Murphy's goal of 100 percent clean energy by 2050, in part by replacing fossil fuels in the electric generation sector with renewable energy sources. The report indicates that wind and solar photovoltaic (PV) technologies are available at competitive prices, which can reduce electric generation sector emissions and help meet increasing electricity demands across the State.