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LAW/RWH

P.L.2011, CHAPTER 216, *approved January 17, 2012*
Assembly, No. 2528 (*Second Reprint*)

1 AN ACT ²[concerning societal benefits charge revenues,]²
2 providing for a credit against the societal benefits charge, and
3 ²[amending and]² supplementing P.L.1999, c.23 (C.48:3-49 et
4 al.).

5

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

8

9 ²[1.Section 12 of P.L.1999, c.23 (C.48:3-60) is amended to read
10 as follows:

11 12. a. Simultaneously with the starting date for the
12 implementation of retail choice as determined by the board pursuant
13 to subsection a. of section 5 of **[this act]** P.L.1999, c.23 (C.48:3-
14 53) and consistent with the provisions of P.L. , c. (C.)
15 (pending before the Legislature as this bill), the board shall permit
16 each electric public utility and gas public utility to recover some or
17 all of the following costs through a societal benefits charge that
18 shall be collected as a non-bypassable charge imposed on all
19 electric public utility customers and gas public utility customers, as
20 appropriate:

21 (1) The costs for the social programs for which rate recovery
22 was approved by the board prior to April 30, 1997. For the purpose
23 of establishing initial unbundled rates pursuant to section 4 of **[this**
24 **act]** P.L.1999, c.23 (C.48:3-52), the societal benefits charge shall
25 be set to recover the same level of social program costs as is being
26 collected in the bundled rates of the electric public utility on the
27 effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.). The
28 board may subsequently order, pursuant to its rules and regulations,
29 an increase or decrease in the societal benefits charge to reflect
30 changes in the costs to the utility of administering existing social
31 programs. Nothing in **[this act]** P.L.1999, c.23 shall be construed
32 to abolish or change any social program required by statute or board
33 order or rule or regulation to be provided by an electric public
34 utility. Any such social program shall continue to be provided by
35 the utility until otherwise provided by law, unless the board
36 determines that it is no longer appropriate for the electric public
37 utility to provide the program, or the board chooses to modify the
38 program;

39 (2) Nuclear plant decommissioning costs;

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly floor amendments adopted November 22, 2010.

²Senate SEN committee amendments adopted December 12, 2011.

1 (3) The costs of demand side management programs that were
2 approved by the board pursuant to its demand side management
3 regulations prior to April 30, 1997. For the purpose of establishing
4 initial unbundled rates pursuant to section 4 of **[this act]** P.L.1999,
5 c.23 (C.48:3-52), the societal benefits charge shall be set to recover
6 the same level of demand side management program costs as is
7 being collected in the bundled rates of the electric public utility on
8 the effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.).
9 Within four months of the effective date of **[this act]** P.L.1999,
10 c.23, and every four years thereafter, the board shall initiate a
11 proceeding and cause to be undertaken a comprehensive resource
12 analysis of energy programs, and within eight months of initiating
13 such proceeding and after notice, provision of the opportunity for
14 public comment, and public hearing, the board, in consultation with
15 the Department of Environmental Protection, shall determine the
16 appropriate level of funding for energy efficiency and Class I
17 renewable energy programs that provide environmental benefits
18 above and beyond those provided by standard offer or similar
19 programs in effect as of the effective date of **[this act]** P.L.1999,
20 c.23; provided that the funding for such programs be no less than
21 50% of the total Statewide amount being collected in public electric
22 and gas utility rates for demand side management programs on the
23 effective date of **[this act]** P.L.1999, c.23 for an initial period of
24 four years from the issuance of the first comprehensive resource
25 analysis following the effective date of **[this act]** P.L.1999, c.23,
26 and provided that 25% of this amount shall be used to provide
27 funding for Class I renewable energy projects in the State. In each
28 of the following fifth through eighth years, the Statewide funding
29 for such programs shall be no less than 50 percent of the total
30 Statewide amount being collected in public electric and gas utility
31 rates for demand side management programs on the effective date
32 of **[this act]** P.L.1999, c.23, except that as additional funds are
33 made available as a result of the expiration of past standard offer or
34 similar commitments, the minimum amount of funding for such
35 programs shall increase by an additional amount equal to 50 percent
36 of the additional funds made available, until the minimum amount
37 of funding dedicated to such programs reaches \$140,000,000 total.
38 After the eighth year the board shall make a determination as to the
39 appropriate level of funding for these programs. Such programs
40 shall include a program to provide financial incentives for the
41 installation of Class I renewable energy projects in the State, and
42 the board, in consultation with the Department of Environmental
43 Protection, shall determine the level and total amount of such
44 incentives as well as the renewable technologies eligible for such
45 incentives which shall include, at a minimum, photovoltaic, wind,
46 and fuel cells. The board shall simultaneously determine, as a result
47 of the comprehensive resource analysis, the programs to be funded

1 by the societal benefits charge, the level of cost recovery and
2 performance incentives for old and new programs and whether the
3 recovery of demand side management programs' costs currently
4 approved by the board may be reduced or extended over a longer
5 period of time. The board shall make these determinations taking
6 into consideration existing market barriers and environmental
7 benefits, with the objective of transforming markets, capturing lost
8 opportunities, making energy services more affordable for low
9 income customers and eliminating subsidies for programs that can
10 be delivered in the marketplace without electric public utility and
11 gas public utility customer funding;

12 (4) Manufactured gas plant remediation costs, which shall be
13 determined initially in a manner consistent with mechanisms in the
14 remediation adjustment clauses for the electric public utility and gas
15 public utility adopted by the board; and

16 (5) The cost, of consumer education, as determined by the
17 board, which shall be in an amount that, together with the consumer
18 education surcharge imposed on electric power supplier license fees
19 pursuant to subsection h. of section 29 of **[this act]** P.L.1999, c.23
20 (C.48:3-78) and the consumer education surcharge imposed on gas
21 supplier license fees pursuant to subsection g. of section 30 of **[this**
22 **act]** P.L.1999, c.23 (C.48:3-79), shall be sufficient to fund the
23 consumer education program established pursuant to section 36 of
24 **[this act]** P.L.1999, c.23 (C.48:3-85).

25 b. There is established in the Board of Public Utilities a
26 nonlapsing fund to be known as the "Universal Service Fund." The
27 board shall determine: the level of funding and the appropriate
28 administration of the fund; the purposes and programs to be funded
29 with monies from the fund; which social programs shall be provided
30 by an electric public utility as part of the provision of its regulated
31 services which provide a public benefit; whether the funds
32 appropriated to fund the "Lifeline Credit Program" established
33 pursuant to P.L.1979, c.197 (C.48:2-29.15 et seq.), the "Tenants'
34 Lifeline Assistance Program" established pursuant to P.L.1981,
35 c.210 (C.48:2-29.31 et seq.), the funds received pursuant to the Low
36 Income Home Energy Assistance Program established pursuant to
37 42 U.S.C. s. 8621 et seq., and funds collected by electric and natural
38 gas utilities, as authorized by the board, to offset uncollectible
39 electricity and natural gas bills should be deposited in the fund; and
40 whether new charges should be imposed to fund new or expanded
41 social programs.

42 c. (1) The board shall establish an "Energy Efficiency, Clean
43 Energy and Renewable Energy Programs Fund," which fund shall
44 consist of ¹[an "Energy Assistance Account – Residential";]¹ an
45 "Energy Efficiency, Clean Energy and Renewable Energy Programs
46 Account – Residential"; an "Energy Efficiency, Clean Energy and
47 Renewable Energy Programs Account – Small Commercial"; and an

1 "Energy Efficiency, Clean Energy and Renewable Energy Programs
2 Account - Large Commercial and Industrial." In establishing the
3 fund and the accounts, the board shall follow any guidelines for the
4 establishment of such fund and accounts as the State Treasurer, in
5 consultation with the Director of the Division of Budget and
6 Accounting in the Department of the Treasury, may recommend to
7 the board. After June 30, 2010, all expenditures by the board to pay
8 any of the costs or to support any of the programs described in
9 paragraph (3) of subsection a. of this section, whether those costs
10 are incurred or those programs are administered directly by the
11 board or by others reimbursed by the board, shall be made solely
12 from the fund. Expenditures funding the costs or programs under
13 paragraph (3) of that subsection a. that benefit residential customers
14 of electric public utilities and gas public utilities shall be made from
15 the "Energy Efficiency, Clean Energy and Renewable Energy
16 Programs Account – Residential"; expenditures funding the costs or
17 programs under paragraph (3) of that subsection a. that benefit
18 small commercial customers of electric public utilities and gas
19 public utilities shall be made from the "Energy Efficiency, Clean
20 Energy and Renewable Energy Programs Account – Small
21 Commercial"; and expenditures funding the costs or programs
22 under paragraph (3) of that subsection a. that benefit large
23 commercial or industrial customers of electric public utilities and
24 gas public utilities shall be made from the "Energy Efficiency,
25 Clean Energy and Renewable Energy Programs Account - Large
26 Commercial and Industrial."

27 (2) On and after July 1, 2010, each electric public utility and
28 each gas public utility shall include, with its remittance to the board
29 of any payment of monies collected as a societal benefits charge
30 under subsection a. of this section, a statement identifying the
31 portion of the payment so remitted that is derived from charges
32 imposed upon residential customers of the utility, the portion of the
33 payment derived from charges imposed upon small commercial
34 customers of the utility, and the portion of the payment derived
35 from charges imposed upon large commercial and industrial
36 customers of the utility. The board shall adopt regulations, pursuant
37 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
38 1 et seq.), delineating for each type of utility the class of residential
39 customers, the class of small commercial customers, and the class
40 of large commercial and industrial customers, and prescribing
41 uniform rules under which the utilities shall compute the amount of
42 societal benefits charge paid by each class of customers for
43 purposes of preparing the statement.

44 (3) The board shall, prior to the commencement of each State
45 fiscal year, determine the amount of revenue from the societal
46 benefits charge anticipated to be required during that State fiscal
47 year to pay the costs and to support the programs described in
48 paragraph (3) of subsection a. of this section. The total amount of

1 such revenue deposited during that State fiscal year into the Energy
2 Efficiency, Clean Energy and Renewable Energy Programs Fund
3 shall not be less than the amount so determined. After ¹[such
4 amount has been deposited into the “Energy Assistance Account –
5 Residential”, the balance remaining from]¹ the ¹amount of funds
6 determined by the board as sufficient to fund the programs set forth
7 in subsection b. of this section has been deposited into the Universal
8 Services Fund, the¹ total amount deposited into the Energy
9 Efficiency, Clean Energy and Renewable Energy Programs Fund
10 pursuant to this paragraph shall be deposited during the State fiscal
11 year in the following accounts: (a) there shall be deposited into the
12 “Energy Efficiency, Clean Energy and Renewable Energy Programs
13 Account – Residential” an amount bearing the same proportion to
14 that balance as the proportion between the amount of revenue from
15 the societal benefits charge, remitted to the board in the preceding
16 State fiscal year, that was identified to the board as having been
17 collected from residential customers and the total amount of such
18 revenue so remitted in that preceding State fiscal year; (b) there
19 shall be deposited into the “Energy Efficiency, Clean Energy and
20 Renewable Energy Programs Account – Small Commercial” an
21 amount bearing the same proportion to that balance as the
22 proportion between the amount of revenue from the societal
23 benefits charge, remitted to the board in the preceding State fiscal
24 year, that was identified to the board as having been collected from
25 small commercial customers and the total amount of such revenue
26 so remitted in that preceding State fiscal year; and (c) there shall be
27 deposited into the “Energy Efficiency, Clean Energy and
28 Renewable Energy Programs Account – Large Commercial and
29 Industrial” an amount bearing the same proportion to that balance
30 as the proportion between the amount of revenue from the societal
31 benefits charge, remitted to the board in the preceding State fiscal
32 year, that was identified to the board as having been collected from
33 large commercial and industrial customers and the total amount of
34 such revenue so remitted in that preceding State fiscal year.

35 (cf: P.L.1999, c.23, s.12)]²

36
37 ²[2.(New section) a. For the purpose of determining, under
38 paragraph (3) of subsection c. of section 12 of P.L.1999, c.23
39 (C.48:3-60), for the State fiscal year commencing July 1, 2010, the
40 amount of revenue from the societal benefits charge that is to be
41 deposited during that fiscal year into the "Energy Efficiency, Clean
42 Energy and Renewable Energy Programs Account – Residential";
43 the "Energy Efficiency, Clean Energy and Renewable Energy
44 Programs Account – Small Commercial"; and the "Energy
45 Efficiency, Clean Energy and Renewable Energy Programs Account
46 – Large Commercial and Industrial," the board shall estimate the
47 proportion of the total revenue from that charge, remitted to the

1 board in the fiscal year commencing July 1, 2009, that was
2 collected from residential, from small commercial and from large
3 commercial and industrial customers, respectively.

4 b. For the purpose of determining, under paragraph (3) of
5 subsection c. of section 12 of P.L.1999, c.23 (C.48:3-60), for the
6 State fiscal year commencing July 1, 2011, the amount of revenue
7 from the societal benefits charge that is to be deposited during that
8 fiscal year into the "Energy Efficiency, Clean Energy and
9 Renewable Energy Programs Account – Residential"; the "Energy
10 Efficiency, Clean Energy and Renewable Energy Programs Account
11 – Small Commercial"; and the "Energy Efficiency, Clean Energy
12 and Renewable Energy Programs Account – Large Commercial and
13 Industrial," the board shall, if necessary, estimate the proportion of
14 the total revenue from that charge, remitted to the board in the fiscal
15 year commencing July 1, 2010, that was collected from residential,
16 from small commercial and from large commercial and industrial
17 customers, respectively.】²

18

19 ²【3. (New section)】 1.² a. On and after January 1 next
20 following the ²date of² enactment of P.L. , c. (C.) (pending
21 before the Legislature as this bill), a ²【corporation】 commercial or
22 industrial ratepayer² shall be allowed a credit against the societal
23 benefits charge imposed pursuant to section 12 of P.L.1999, c.23
24 (C.48:3-60), and collected as a non-bypassable charge by the
25 electric public utility or gas public utility, as appropriate, providing
26 service to the ²【corporation】 commercial or industrial ratepayer².

27 b. The amount of the credit authorized pursuant to subsection
28 a. of this section shall be equal to ²one-half of² that portion of the
29 costs incurred by the ²【corporation】 commercial or industrial
30 ratepayer² during the preceding calendar year for the purchase and
31 installation of products or services that are intended for energy
32 efficiency ²【or renewable energy】² purposes, that would be eligible
33 for incentives under programs that the board shall have determined
34 to fund by the societal benefits charge pursuant to paragraph (3) of
35 subsection a. of section 12 of P.L.1999, c.23 (C.48:3-60).

36 c. The amount of the credit to be allowed under this section in
37 any calendar year against the societal benefits charge for each
38 ²【corporation】 commercial or industrial ratepayer² that is subject to
39 such charge pursuant to section 12 of P.L.1999, c.23 (C.48:3-60)
40 shall be determined by the board.

41 d. The maximum amount of the credit to be applied under this
42 section against the societal benefits charge imposed pursuant to
43 section 12 of P.L.1999, c.23 (C.48:3-60) shall not exceed 100
44 percent of the ²【corporation's】 commercial or industrial
45 ratepayer's² liability for such charge that would otherwise be due in
46 each calendar year.

1 e. The amount of the credit against the societal benefits charge
2 otherwise allowable under this section which cannot be applied for
3 the calendar year due to the limitations of ²[subsection b. and
4 subsection] subsections b. and² d. of this section may be carried
5 over, if necessary, to a maximum of ²[ten] 10² calendar years
6 immediately following the initial year in which the credit is first
7 applied to a ²[corporation's] commercial or industrial ratepayer's²
8 liability for societal benefits charges.

9 f. The electric ²public utility² or gas public utility providing
10 service to a ²[corporation] commercial or industrial ratepayer²
11 shall disclose in a written notice to the ²[corporation] commercial
12 or industrial ratepayer², upon request from the ²[corporation]
13 commercial or industrial ratepayer², the amount of societal benefits
14 charges collected by the utility from the ²[corporation] commercial
15 or industrial ratepayer² pursuant to section 12 of P.L.1999, c.23
16 (C.48:3-60) for each calendar year specified in the request from the
17 ²[corporation] commercial or industrial ratepayer².

18

19 ²[4.] 2. ² This act shall take effect immediately ²[, and sections
20 1 and 2 shall be applicable for State fiscal years commencing on or
21 after July 1, 2010]².

22

23

24

25

26 Establishes credit for commercial or industrial ratepayers against
27 societal benefits charge for costs of certain products or services.

ASSEMBLY, No. 2528

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED MARCH 16, 2010

Sponsored by:

Assemblyman UPENDRA J. CHIVUKULA

District 17 (Middlesex and Somerset)

Assemblywoman ANNETTE QUIJANO

District 20 (Union)

SYNOPSIS

Provides for allocation of societal benefits charge among residential, small commercial and large commercial and industrial utility customers; establishes a credit against societal benefits charge.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/21/2010)

A2528 CHIVUKULA, QUIJANO

2

1 AN ACT concerning societal benefits charge revenues, providing for
2 a credit against the societal benefits charge, and amending and
3 supplementing P.L.1999, c.23 (C.48:3-49 et al.).
4

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

8 1. Section 12 of P.L.1999, c.23 (C.48:3-60) is amended to read
9 as follows:

10 12. a. Simultaneously with the starting date for the
11 implementation of retail choice as determined by the board pursuant
12 to subsection a. of section 5 of **[this act] P.L.1999, c.23 (C.48:3-**
13 **53)** and consistent with the provisions of P.L. _____,
14 c. (C. _____)(pending before the Legislature as this bill), the board
15 shall permit each electric public utility and gas public utility to
16 recover some or all of the following costs through a societal
17 benefits charge that shall be collected as a non-bypassable charge
18 imposed on all electric public utility customers and gas public
19 utility customers, as appropriate:

20 (1) The costs for the social programs for which rate recovery
21 was approved by the board prior to April 30, 1997. For the purpose
22 of establishing initial unbundled rates pursuant to section 4 of **[this**
23 **act] P.L.1999, c.23 (C.48:3-52)**, the societal benefits charge shall
24 be set to recover the same level of social program costs as is being
25 collected in the bundled rates of the electric public utility on the
26 effective date of **[this act] P.L.1999, c.23 (C.48:3-49 et al.)**. The
27 board may subsequently order, pursuant to its rules and regulations,
28 an increase or decrease in the societal benefits charge to reflect
29 changes in the costs to the utility of administering existing social
30 programs. Nothing in **[this act] P.L.1999, c.23** shall be construed
31 to abolish or change any social program required by statute or board
32 order or rule or regulation to be provided by an electric public
33 utility. Any such social program shall continue to be provided by
34 the utility until otherwise provided by law, unless the board
35 determines that it is no longer appropriate for the electric public
36 utility to provide the program, or the board chooses to modify the
37 program;

38 (2) Nuclear plant decommissioning costs;

39 (3) The costs of demand side management programs that were
40 approved by the board pursuant to its demand side management
41 regulations prior to April 30, 1997. For the purpose of establishing
42 initial unbundled rates pursuant to section 4 of **[this act] P.L.1999,**
43 **c.23 (C.48:3-52)**, the societal benefits charge shall be set to recover
44 the same level of demand side management program costs as is

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 being collected in the bundled rates of the electric public utility on
2 the effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.).
3 Within four months of the effective date of **[this act]** P.L.1999,
4 c.23, and every four years thereafter, the board shall initiate a
5 proceeding and cause to be undertaken a comprehensive resource
6 analysis of energy programs, and within eight months of initiating
7 such proceeding and after notice, provision of the opportunity for
8 public comment, and public hearing, the board, in consultation with
9 the Department of Environmental Protection, shall determine the
10 appropriate level of funding for energy efficiency and Class I
11 renewable energy programs that provide environmental benefits
12 above and beyond those provided by standard offer or similar
13 programs in effect as of the effective date of **[this act]** P.L.1999,
14 c.23; provided that the funding for such programs be no less than
15 50% of the total Statewide amount being collected in public electric
16 and gas utility rates for demand side management programs on the
17 effective date of **[this act]** P.L.1999, c.23 for an initial period of
18 four years from the issuance of the first comprehensive resource
19 analysis following the effective date of **[this act]** P.L.1999, c.23,
20 and provided that 25% of this amount shall be used to provide
21 funding for Class I renewable energy projects in the State. In each
22 of the following fifth through eighth years, the Statewide funding
23 for such programs shall be no less than 50 percent of the total
24 Statewide amount being collected in public electric and gas utility
25 rates for demand side management programs on the effective date
26 of **[this act]** P.L.1999, c.23, except that as additional funds are
27 made available as a result of the expiration of past standard offer or
28 similar commitments, the minimum amount of funding for such
29 programs shall increase by an additional amount equal to 50 percent
30 of the additional funds made available, until the minimum amount
31 of funding dedicated to such programs reaches \$140,000,000 total.
32 After the eighth year the board shall make a determination as to the
33 appropriate level of funding for these programs. Such programs
34 shall include a program to provide financial incentives for the
35 installation of Class I renewable energy projects in the State, and
36 the board, in consultation with the Department of Environmental
37 Protection, shall determine the level and total amount of such
38 incentives as well as the renewable technologies eligible for such
39 incentives which shall include, at a minimum, photovoltaic, wind,
40 and fuel cells. The board shall simultaneously determine, as a result
41 of the comprehensive resource analysis, the programs to be funded
42 by the societal benefits charge, the level of cost recovery and
43 performance incentives for old and new programs and whether the
44 recovery of demand side management programs' costs currently
45 approved by the board may be reduced or extended over a longer
46 period of time. The board shall make these determinations taking
47 into consideration existing market barriers and environmental

1 benefits, with the objective of transforming markets, capturing lost
2 opportunities, making energy services more affordable for low
3 income customers and eliminating subsidies for programs that can
4 be delivered in the marketplace without electric public utility and
5 gas public utility customer funding;

6 (4) Manufactured gas plant remediation costs, which shall be
7 determined initially in a manner consistent with mechanisms in the
8 remediation adjustment clauses for the electric public utility and gas
9 public utility adopted by the board; and

10 (5) The cost, of consumer education, as determined by the
11 board, which shall be in an amount that, together with the consumer
12 education surcharge imposed on electric power supplier license fees
13 pursuant to subsection h. of section 29 of **[this act]** P.L.1999, c.23
14 (C.48:3-78) and the consumer education surcharge imposed on gas
15 supplier license fees pursuant to subsection g. of section 30 of **[this**
16 **act]** P.L.1999, c.23 (C.48:3-79), shall be sufficient to fund the
17 consumer education program established pursuant to section 36 of
18 **[this act]** P.L.1999, c.23 (C.48:3-85).

19 b. There is established in the Board of Public Utilities a
20 nonlapsing fund to be known as the "Universal Service Fund." The
21 board shall determine: the level of funding and the appropriate
22 administration of the fund; the purposes and programs to be funded
23 with monies from the fund; which social programs shall be provided
24 by an electric public utility as part of the provision of its regulated
25 services which provide a public benefit; whether the funds
26 appropriated to fund the "Lifeline Credit Program" established
27 pursuant to P.L.1979, c.197 (C.48:2-29.15 et seq.), the "Tenants'
28 Lifeline Assistance Program" established pursuant to P.L.1981,
29 c.210 (C.48:2-29.31 et seq.), the funds received pursuant to the Low
30 Income Home Energy Assistance Program established pursuant to
31 42 U.S.C. s. 8621 et seq., and funds collected by electric and natural
32 gas utilities, as authorized by the board, to offset uncollectible
33 electricity and natural gas bills should be deposited in the fund; and
34 whether new charges should be imposed to fund new or expanded
35 social programs.

36 c. (1) The board shall establish an "Energy Efficiency, Clean
37 Energy and Renewable Energy Programs Fund," which fund shall
38 consist of an "Energy Assistance Account – Residential"; an
39 "Energy Efficiency, Clean Energy and Renewable Energy Programs
40 Account – Residential"; an "Energy Efficiency, Clean Energy and
41 Renewable Energy Programs Account – Small Commercial"; and an
42 "Energy Efficiency, Clean Energy and Renewable Energy Programs
43 Account - Large Commercial and Industrial." In establishing the
44 fund and the accounts, the board shall follow any guidelines for the
45 establishment of such fund and accounts as the State Treasurer, in
46 consultation with the Director of the Division of Budget and
47 Accounting in the Department of the Treasury, may recommend to
48 the board. After June 30, 2010, all expenditures by the board to pay

1 any of the costs or to support any of the programs described in
2 paragraph (3) of subsection a. of this section, whether those costs
3 are incurred or those programs are administered directly by the
4 board or by others reimbursed by the board, shall be made solely
5 from the fund. Expenditures funding the costs or programs under
6 paragraph (3) of that subsection a. that benefit residential customers
7 of electric public utilities and gas public utilities shall be made from
8 the “Energy Efficiency, Clean Energy and Renewable Energy
9 Programs Account – Residential”; expenditures funding the costs or
10 programs under paragraph (3) of that subsection a. that benefit
11 small commercial customers of electric public utilities and gas
12 public utilities shall be made from the “Energy Efficiency, Clean
13 Energy and Renewable Energy Programs Account – Small
14 Commercial”; and expenditures funding the costs or programs
15 under paragraph (3) of that subsection a. that benefit large
16 commercial or industrial customers of electric public utilities and
17 gas public utilities shall be made from the “Energy Efficiency,
18 Clean Energy and Renewable Energy Programs Account - Large
19 Commercial and Industrial.”

20 (2) On and after July 1, 2010, each electric public utility and
21 each gas public utility shall include, with its remittance to the board
22 of any payment of monies collected as a societal benefits charge
23 under subsection a. of this section, a statement identifying the
24 portion of the payment so remitted that is derived from charges
25 imposed upon residential customers of the utility, the portion of the
26 payment derived from charges imposed upon small commercial
27 customers of the utility, and the portion of the payment derived
28 from charges imposed upon large commercial and industrial
29 customers of the utility. The board shall adopt regulations, pursuant
30 to the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-
31 1 et seq.), delineating for each type of utility the class of residential
32 customers, the class of small commercial customers, and the class
33 of large commercial and industrial customers, and prescribing
34 uniform rules under which the utilities shall compute the amount of
35 societal benefits charge paid by each class of customers for
36 purposes of preparing the statement.

37 (3) The board shall, prior to the commencement of each State
38 fiscal year, determine the amount of revenue from the societal
39 benefits charge anticipated to be required during that State fiscal
40 year to pay the costs and to support the programs described in
41 paragraph (3) of subsection a. of this section. The total amount of
42 such revenue deposited during that State fiscal year into the Energy
43 Efficiency, Clean Energy and Renewable Energy Programs Fund
44 shall not be less than the amount so determined. After such amount
45 has been deposited into the “Energy Assistance Account –
46 Residential”, the balance remaining from the total amount deposited
47 into the Energy Efficiency, Clean Energy and Renewable Energy
48 Programs Fund pursuant to this paragraph shall be deposited during

1 the State fiscal year in the following accounts: (a) there shall be
2 deposited into the "Energy Efficiency, Clean Energy and
3 Renewable Energy Programs Account – Residential" an amount
4 bearing the same proportion to that balance as the proportion
5 between the amount of revenue from the societal benefits charge,
6 remitted to the board in the preceding State fiscal year, that was
7 identified to the board as having been collected from residential
8 customers and the total amount of such revenue so remitted in that
9 preceding State fiscal year; (b) there shall be deposited into the
10 "Energy Efficiency, Clean Energy and Renewable Energy Programs
11 Account – Small Commercial" an amount bearing the same
12 proportion to that balance as the proportion between the amount of
13 revenue from the societal benefits charge, remitted to the board in
14 the preceding State fiscal year, that was identified to the board as
15 having been collected from small commercial customers and the
16 total amount of such revenue so remitted in that preceding State
17 fiscal year; and (c) there shall be deposited into the "Energy
18 Efficiency, Clean Energy and Renewable Energy Programs Account
19 – Large Commercial and Industrial" an amount bearing the same
20 proportion to that balance as the proportion between the amount of
21 revenue from the societal benefits charge, remitted to the board in
22 the preceding State fiscal year, that was identified to the board as
23 having been collected from large commercial and industrial
24 customers and the total amount of such revenue so remitted in that
25 preceding State fiscal year.

26 (cf: P.L.1999, c.23, s.12)

27

28 2. (New section) a. For the purpose of determining, under
29 paragraph (3) of subsection c. of section 12 of P.L.1999, c.23
30 (C.48:3-60), for the State fiscal year commencing July 1, 2010, the
31 amount of revenue from the societal benefits charge that is to be
32 deposited during that fiscal year into the "Energy Efficiency, Clean
33 Energy and Renewable Energy Programs Account – Residential";
34 the "Energy Efficiency, Clean Energy and Renewable Energy
35 Programs Account – Small Commercial"; and the "Energy
36 Efficiency, Clean Energy and Renewable Energy Programs Account
37 – Large Commercial and Industrial," the board shall estimate the
38 proportion of the total revenue from that charge, remitted to the
39 board in the fiscal year commencing July 1, 2009, that was
40 collected from residential, from small commercial and from large
41 commercial and industrial customers, respectively.

42 b. For the purpose of determining, under paragraph (3) of
43 subsection c. of section 12 of P.L.1999, c.23 (C.48:3-60), for the
44 State fiscal year commencing July 1, 2011, the amount of revenue
45 from the societal benefits charge that is to be deposited during that
46 fiscal year into the "Energy Efficiency, Clean Energy and
47 Renewable Energy Programs Account – Residential"; the "Energy
48 Efficiency, Clean Energy and Renewable Energy Programs Account

1 – Small Commercial"; and the "Energy Efficiency, Clean Energy
2 and Renewable Energy Programs Account – Large Commercial and
3 Industrial," the board shall, if necessary, estimate the proportion of
4 the total revenue from that charge, remitted to the board in the fiscal
5 year commencing July 1, 2010, that was collected from residential,
6 from small commercial and from large commercial and industrial
7 customers, respectively.

8

9 3. (New section) a. On and after January 1 next following the
10 enactment of P.L. , c. (C.) (pending before the Legislature
11 as this bill), a corporation shall be allowed a credit against the
12 societal benefits charge imposed pursuant to section 12 of P.L.1999,
13 c.23 (C.48:3-60), and collected as a non-bypassable charge by the
14 electric public utility or gas public utility, as appropriate, providing
15 service to the corporation.

16 b. The amount of the credit authorized pursuant to subsection
17 a. of this section shall be equal to that portion of the costs incurred
18 by the corporation during the preceding calendar year for the
19 purchase and installation of products or services that are intended
20 for energy efficiency or renewable energy purposes, that would be
21 eligible for incentives under programs that the board shall have
22 determined to fund by the societal benefits charge pursuant to
23 paragraph (3) of subsection a. of section 12 of P.L.1999, c.23
24 (C.48:3-60).

25 c. The amount of the credit to be allowed under this section in
26 any calendar year against the societal benefits charge for each
27 corporation that is subject to such charge pursuant to section 12 of
28 P.L.1999, c.23 (C.48:3-60) shall be determined by the board.

29 d. The maximum amount of the credit to be applied under this
30 section against the societal benefits charge imposed pursuant to
31 section 12 of P.L.1999, c.23 (C.48:3-60) shall not exceed 100
32 percent of the corporation's liability for such charge that would
33 otherwise be due in each calendar year.

34 e. The amount of the credit against the societal benefits charge
35 otherwise allowable under this section which cannot be applied for
36 the calendar year due to the limitations of subsection b. and
37 subsection d. of this section may be carried over, if necessary, to a
38 maximum of ten calendar years immediately following the initial
39 year in which the credit is first applied to a corporation's liability
40 for societal benefits charges.

41 f. The electric or gas public utility providing service to a
42 corporation shall disclose in a written notice to the corporation,
43 upon request from the corporation, the amount of societal benefits
44 charges collected by the utility from the corporation pursuant to
45 section 12 of P.L.1999, c.23 (C.48:3-60) for each calendar year
46 specified in the request from the corporation.

1 4. This act shall take effect immediately, and sections 1 and 2
2 shall be applicable for State fiscal years commencing on or after
3 July 1, 2010.

4

5

6

STATEMENT

7

8 This bill establishes an allocation of the benefits under energy
9 efficiency, clean energy and renewable energy programs funded
10 from the societal benefits charge imposed on utility customers
11 pursuant to regulations of the Board of Public Utilities (the
12 “board”).

13 The bill provides that these benefits shall be allocated between
14 residential customers, small commercial customers, and large
15 commercial and industrial customers in the same proportion as the
16 allocation of liability for the societal benefits charge between those
17 classes of customers.

18 This bill also establishes a credit to be applied against the
19 liability of a business for payment of the societal benefits charge
20 under section 12 of P.L.1999, c.23 (C.48:3-60).

21 The credit shall be equal to the costs incurred by a business for
22 the purchase and installation of certain energy efficiency or
23 renewable energy products or services during the preceding
24 calendar year provided that the amount of such credit to be allowed
25 shall be determined by the board.

26 The credit provided for by section 3 of the bill is intended to
27 encourage businesses to purchase and install energy saving products
28 and services by allowing the businesses to claim a credit against the
29 societal benefits charge.

ASSEMBLY TELECOMMUNICATIONS AND UTILITIES
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2528

STATE OF NEW JERSEY

DATED: SEPTEMBER 20, 2010

The Assembly Telecommunications and Utilities Committee reports favorably Assembly Bill No. 2528.

As reported, this bill establishes an allocation of the benefits under energy efficiency, clean energy and renewable energy programs funded from the societal benefits charge imposed on utility customers pursuant to regulations of the Board of Public Utilities (the “board”).

The bill provides that these benefits shall be allocated between residential customers, small commercial customers, and large commercial and industrial customers in the same proportion as the allocation of liability for the societal benefits charge between those classes of customers.

This bill also establishes a credit to be applied against the liability of a business for payment of the societal benefits charge under section 12 of P.L.1999, c.23 (C.48:3-60). The credit shall be equal to the costs incurred by a business for the purchase and installation of certain energy efficiency or renewable energy products or services during the preceding calendar year provided that the amount of such credit to be allowed shall be determined by the board and shall not exceed a business's total liability for the societal benefits charge in a calendar year. The amount of the credit which cannot be applied for a given calendar year may be carried over to a maximum of ten years immediately following the year in which the credit is first applied.

The credit provided for by section 3 of the bill is intended to encourage businesses to purchase and install energy saving products and services by allowing the businesses to claim a credit against the societal benefits charge.

STATEMENT TO
ASSEMBLY, No. 2528

with Assembly Floor Amendments
(Proposed by Assemblyman CHIVUKULA)

ADOPTED: NOVEMBER 22, 2010

These assembly amendments amend Assembly Bill No. 2528 to clarify that the “Energy Efficiency, Clean Energy and Renewable Energy Programs Fund” to be established pursuant to the bill would not receive deposits from, or in any way effect the Board of Public Utilities mandate to fund, the “Universal Services Fund,” established pursuant to subsection b. of section 12 of P.L.1999, c.23 (C.48:3-60).

The amendments also make a technical correction to the bill by deleting reference to the “Energy Assistance Account – Residential” which is not relevant to the bill’s provisions.

SENATE ENVIRONMENT AND ENERGY COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 2528

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 12, 2011

The Senate Environment and Energy Committee favorably reports Assembly Bill No. 2528 (1R) with committee amendments.

This bill, as amended, establishes a credit to be applied against the liability of a commercial or industrial ratepayer for payment of the societal benefits charge under section 12 of P.L.1999, c.23 (C.48:3-60). The credit would be equal to one-half of the costs incurred by a commercial or industrial ratepayer for the purchase and installation of certain energy efficiency products or services during the preceding calendar year, provided that the amount of the credit to be allowed would be determined by the board and would not exceed a business's total liability for the societal benefits charge in a calendar year. The amount of the credit which cannot be applied for a given calendar year may be carried over to a maximum of 10 years immediately following the year in which the credit is first applied.

The committee amendments would:

(1) delete those provisions of the bill that establish an allocation of the benefits under energy efficiency, clean energy and renewable energy programs funded from the societal benefits charge imposed on utility customers;

(2) delete those provisions that allocate benefits between residential customers, small commercial customers, and large commercial and industrial customers in the same proportion as the allocation of liability for the societal benefits charge between those classes of customers;

(3) provide that the credit available against the societal benefits charge for projects would be available to commercial or industrial ratepayers, rather than corporations;

(4) eliminate the availability of the credit against the societal benefits charge for renewable energy products or services;

(5) limit the allowable credit against the societal benefits charge to one-half of the costs incurred for eligible products or services; and

(6) make technical changes to the bill.

As amended, this bill is identical to Senate Bill No. 2344, as amended and released by the committee.

SENATE, No. 2344

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED OCTOBER 14, 2010

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator JENNIFER BECK

District 12 (Mercer and Monmouth)

SYNOPSIS

Provides for allocation of societal benefits charge among residential, small commercial and large commercial and industrial utility customers; establishes a credit against societal benefits charge.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning societal benefits charge revenues, providing for
2 a credit against the societal benefits charge, and amending and
3 supplementing P.L.1999, c.23 (C.48:3-49 et al.).
4

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

8 1. Section 12 of P.L.1999, c.23 (C.48:3-60) is amended to read
9 as follows:

10 12. a. Simultaneously with the starting date for the
11 implementation of retail choice as determined by the board pursuant
12 to subsection a. of section 5 of **[this act] P.L.1999, c.23 (C.48:3-**
13 **53)** and consistent with the provisions of P.L. _____,
14 c. (C. _____)(pending before the Legislature as this bill), the board
15 shall permit each electric public utility and gas public utility to
16 recover some or all of the following costs through a societal
17 benefits charge that shall be collected as a non-bypassable charge
18 imposed on all electric public utility customers and gas public
19 utility customers, as appropriate:

20 (1) The costs for the social programs for which rate recovery
21 was approved by the board prior to April 30, 1997. For the purpose
22 of establishing initial unbundled rates pursuant to section 4 of **[this**
23 **act] P.L.1999, c.23 (C.48:3-52)**, the societal benefits charge shall
24 be set to recover the same level of social program costs as is being
25 collected in the bundled rates of the electric public utility on the
26 effective date of **[this act] P.L.1999, c.23 (C.48:3-49 et al.)**. The
27 board may subsequently order, pursuant to its rules and regulations,
28 an increase or decrease in the societal benefits charge to reflect
29 changes in the costs to the utility of administering existing social
30 programs. Nothing in **[this act] P.L.1999, c.23** shall be construed
31 to abolish or change any social program required by statute or board
32 order or rule or regulation to be provided by an electric public
33 utility. Any such social program shall continue to be provided by
34 the utility until otherwise provided by law, unless the board
35 determines that it is no longer appropriate for the electric public
36 utility to provide the program, or the board chooses to modify the
37 program;

38 (2) Nuclear plant decommissioning costs;

39 (3) The costs of demand side management programs that were
40 approved by the board pursuant to its demand side management
41 regulations prior to April 30, 1997. For the purpose of establishing
42 initial unbundled rates pursuant to section 4 of **[this act] P.L.1999,**
43 **c.23 (C.48:3-52)**, the societal benefits charge shall be set to recover
44 the same level of demand side management program costs as is

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 being collected in the bundled rates of the electric public utility on
2 the effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.).
3 Within four months of the effective date of **[this act]** P.L.1999,
4 c.23, and every four years thereafter, the board shall initiate a
5 proceeding and cause to be undertaken a comprehensive resource
6 analysis of energy programs, and within eight months of initiating
7 such proceeding and after notice, provision of the opportunity for
8 public comment, and public hearing, the board, in consultation with
9 the Department of Environmental Protection, shall determine the
10 appropriate level of funding for energy efficiency and Class I
11 renewable energy programs that provide environmental benefits
12 above and beyond those provided by standard offer or similar
13 programs in effect as of the effective date of **[this act]** P.L.1999,
14 c.23; provided that the funding for such programs be no less than
15 50% of the total Statewide amount being collected in public electric
16 and gas utility rates for demand side management programs on the
17 effective date of **[this act]** P.L.1999, c.23 for an initial period of
18 four years from the issuance of the first comprehensive resource
19 analysis following the effective date of **[this act]** P.L.1999, c.23,
20 and provided that 25% of this amount shall be used to provide
21 funding for Class I renewable energy projects in the State. In each
22 of the following fifth through eighth years, the Statewide funding
23 for such programs shall be no less than 50 percent of the total
24 Statewide amount being collected in public electric and gas utility
25 rates for demand side management programs on the effective date
26 of **[this act]** P.L.1999, c.23, except that as additional funds are
27 made available as a result of the expiration of past standard offer or
28 similar commitments, the minimum amount of funding for such
29 programs shall increase by an additional amount equal to 50 percent
30 of the additional funds made available, until the minimum amount
31 of funding dedicated to such programs reaches \$140,000,000 total.
32 After the eighth year the board shall make a determination as to the
33 appropriate level of funding for these programs. Such programs
34 shall include a program to provide financial incentives for the
35 installation of Class I renewable energy projects in the State, and
36 the board, in consultation with the Department of Environmental
37 Protection, shall determine the level and total amount of such
38 incentives as well as the renewable technologies eligible for such
39 incentives which shall include, at a minimum, photovoltaic, wind,
40 and fuel cells. The board shall simultaneously determine, as a
41 result of the comprehensive resource analysis, the programs to be
42 funded by the societal benefits charge, the level of cost recovery
43 and performance incentives for old and new programs and whether
44 the recovery of demand side management programs' costs currently
45 approved by the board may be reduced or extended over a longer
46 period of time. The board shall make these determinations taking
47 into consideration existing market barriers and environmental

1 benefits, with the objective of transforming markets, capturing lost
2 opportunities, making energy services more affordable for low
3 income customers and eliminating subsidies for programs that can
4 be delivered in the marketplace without electric public utility and
5 gas public utility customer funding;

6 (4) Manufactured gas plant remediation costs, which shall be
7 determined initially in a manner consistent with mechanisms in the
8 remediation adjustment clauses for the electric public utility and gas
9 public utility adopted by the board; and

10 (5) The cost, of consumer education, as determined by the
11 board, which shall be in an amount that, together with the consumer
12 education surcharge imposed on electric power supplier license fees
13 pursuant to subsection h. of section 29 of **[this act]** P.L.1999, c.23
14 (C.48:3-78) and the consumer education surcharge imposed on gas
15 supplier license fees pursuant to subsection g. of section 30 of **[this**
16 **act]** P.L.1999, c.23 (C.48:3-79), shall be sufficient to fund the
17 consumer education program established pursuant to section 36 of
18 **[this act]** P.L.1999, c.23 (C.48:3-85).

19 b. There is established in the Board of Public Utilities a
20 nonlapsing fund to be known as the "Universal Service Fund." The
21 board shall determine: the level of funding and the appropriate
22 administration of the fund; the purposes and programs to be funded
23 with monies from the fund; which social programs shall be provided
24 by an electric public utility as part of the provision of its regulated
25 services which provide a public benefit; whether the funds
26 appropriated to fund the "Lifeline Credit Program" established
27 pursuant to P.L.1979, c.197 (C.48:2-29.15 et seq.), the "Tenants'
28 Lifeline Assistance Program" established pursuant to P.L.1981,
29 c.210 (C.48:2-29.31 et seq.), the funds received pursuant to the Low
30 Income Home Energy Assistance Program established pursuant to
31 42 U.S.C. s. 8621 et seq., and funds collected by electric and natural
32 gas utilities, as authorized by the board, to offset uncollectible
33 electricity and natural gas bills should be deposited in the fund; and
34 whether new charges should be imposed to fund new or expanded
35 social programs.

36 c. (1) The board shall establish an "Energy Efficiency, Clean
37 Energy and Renewable Energy Programs Fund," which fund shall
38 consist of an "Energy Assistance Account – Residential"; an
39 "Energy Efficiency, Clean Energy and Renewable Energy Programs
40 Account – Residential"; an "Energy Efficiency, Clean Energy and
41 Renewable Energy Programs Account – Small Commercial"; and an
42 "Energy Efficiency, Clean Energy and Renewable Energy Programs
43 Account - Large Commercial and Industrial." In establishing the
44 fund and the accounts, the board shall follow any guidelines for the
45 establishment of such fund and accounts as the State Treasurer, in
46 consultation with the Director of the Division of Budget and
47 Accounting in the Department of the Treasury, may recommend to
48 the board. After June 30, 2010, all expenditures by the board to pay

1 any of the costs or to support any of the programs described in
2 paragraph (3) of subsection a. of this section, whether those costs
3 are incurred or those programs are administered directly by the
4 board or by others reimbursed by the board, shall be made solely
5 from the fund. Expenditures funding the costs or programs under
6 paragraph (3) of that subsection a. that benefit residential customers
7 of electric public utilities and gas public utilities shall be made from
8 the “Energy Efficiency, Clean Energy and Renewable Energy
9 Programs Account – Residential”; expenditures funding the costs or
10 programs under paragraph (3) of that subsection a. that benefit
11 small commercial customers of electric public utilities and gas
12 public utilities shall be made from the “Energy Efficiency, Clean
13 Energy and Renewable Energy Programs Account – Small
14 Commercial”; and expenditures funding the costs or programs
15 under paragraph (3) of that subsection a. that benefit large
16 commercial or industrial customers of electric public utilities and
17 gas public utilities shall be made from the “Energy Efficiency,
18 Clean Energy and Renewable Energy Programs Account - Large
19 Commercial and Industrial.”

20 (2) On and after July 1, 2010, each electric public utility and
21 each gas public utility shall include, with its remittance to the board
22 of any payment of monies collected as a societal benefits charge
23 under subsection a. of this section, a statement identifying the
24 portion of the payment so remitted that is derived from charges
25 imposed upon residential customers of the utility, the portion of the
26 payment derived from charges imposed upon small commercial
27 customers of the utility, and the portion of the payment derived
28 from charges imposed upon large commercial and industrial
29 customers of the utility. The board shall adopt regulations, pursuant
30 to the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-
31 1 et seq.), delineating for each type of utility the class of residential
32 customers, the class of small commercial customers, and the class
33 of large commercial and industrial customers, and prescribing
34 uniform rules under which the utilities shall compute the amount of
35 societal benefits charge paid by each class of customers for
36 purposes of preparing the statement.

37 (3) The board shall, prior to the commencement of each State
38 fiscal year, determine the amount of revenue from the societal
39 benefits charge anticipated to be required during that State fiscal
40 year to pay the costs and to support the programs described in
41 paragraph (3) of subsection a. of this section. The total amount of
42 such revenue deposited during that State fiscal year into the Energy
43 Efficiency, Clean Energy and Renewable Energy Programs Fund
44 shall not be less than the amount so determined. After such amount
45 has been deposited into the “Energy Assistance Account –
46 Residential”, the balance remaining from the total amount deposited
47 into the Energy Efficiency, Clean Energy and Renewable Energy
48 Programs Fund pursuant to this paragraph shall be deposited during

1 the State fiscal year in the following accounts: (a) there shall be
2 deposited into the "Energy Efficiency, Clean Energy and
3 Renewable Energy Programs Account – Residential" an amount
4 bearing the same proportion to that balance as the proportion
5 between the amount of revenue from the societal benefits charge,
6 remitted to the board in the preceding State fiscal year, that was
7 identified to the board as having been collected from residential
8 customers and the total amount of such revenue so remitted in that
9 preceding State fiscal year; (b) there shall be deposited into the
10 "Energy Efficiency, Clean Energy and Renewable Energy Programs
11 Account – Small Commercial" an amount bearing the same
12 proportion to that balance as the proportion between the amount of
13 revenue from the societal benefits charge, remitted to the board in
14 the preceding State fiscal year, that was identified to the board as
15 having been collected from small commercial customers and the
16 total amount of such revenue so remitted in that preceding State
17 fiscal year; and (c) there shall be deposited into the "Energy
18 Efficiency, Clean Energy and Renewable Energy Programs Account
19 – Large Commercial and Industrial" an amount bearing the same
20 proportion to that balance as the proportion between the amount of
21 revenue from the societal benefits charge, remitted to the board in
22 the preceding State fiscal year, that was identified to the board as
23 having been collected from large commercial and industrial
24 customers and the total amount of such revenue so remitted in that
25 preceding State fiscal year.

26 (cf: P.L.1999, c.23, s.12)

27

28 2. (New section) a. For the purpose of determining, under
29 paragraph (3) of subsection c. of section 12 of P.L.1999, c.23
30 (C.48:3-60), for the State fiscal year commencing July 1, 2010, the
31 amount of revenue from the societal benefits charge that is to be
32 deposited during that fiscal year into the "Energy Efficiency, Clean
33 Energy and Renewable Energy Programs Account – Residential";
34 the "Energy Efficiency, Clean Energy and Renewable Energy
35 Programs Account – Small Commercial"; and the "Energy
36 Efficiency, Clean Energy and Renewable Energy Programs Account
37 – Large Commercial and Industrial," the board shall estimate the
38 proportion of the total revenue from that charge, remitted to the
39 board in the fiscal year commencing July 1, 2009, that was
40 collected from residential, from small commercial and from large
41 commercial and industrial customers, respectively.

42 b. For the purpose of determining, under paragraph (3) of
43 subsection c. of section 12 of P.L.1999, c.23 (C.48:3-60), for the
44 State fiscal year commencing July 1, 2011, the amount of revenue
45 from the societal benefits charge that is to be deposited during that
46 fiscal year into the "Energy Efficiency, Clean Energy and
47 Renewable Energy Programs Account – Residential"; the "Energy
48 Efficiency, Clean Energy and Renewable Energy Programs Account

1 – Small Commercial"; and the "Energy Efficiency, Clean Energy
2 and Renewable Energy Programs Account – Large Commercial and
3 Industrial," the board shall, if necessary, estimate the proportion of
4 the total revenue from that charge, remitted to the board in the fiscal
5 year commencing July 1, 2010, that was collected from residential,
6 from small commercial and from large commercial and industrial
7 customers, respectively.

8

9 3. (New section) a. On and after January 1 next following the
10 enactment of P.L. , c. (C.) (pending before the Legislature
11 as this bill), a corporation shall be allowed a credit against the
12 societal benefits charge imposed pursuant to section 12 of P.L.1999,
13 c.23 (C.48:3-60), and collected as a non-bypassable charge by the
14 electric public utility or gas public utility, as appropriate, providing
15 service to the corporation.

16 b. The amount of the credit authorized pursuant to subsection
17 a. of this section shall be equal to that portion of the costs incurred
18 by the corporation during the preceding calendar year for the
19 purchase and installation of products or services that are intended
20 for energy efficiency or renewable energy purposes, that would be
21 eligible for incentives under programs that the board shall have
22 determined to fund by the societal benefits charge pursuant to
23 paragraph (3) of subsection a. of section 12 of P.L.1999, c.23
24 (C.48:3-60).

25 c. The amount of the credit to be allowed under this section in
26 any calendar year against the societal benefits charge for each
27 corporation that is subject to such charge pursuant to section 12 of
28 P.L.1999, c.23 (C.48:3-60) shall be determined by the board.

29 d. The maximum amount of the credit to be applied under this
30 section against the societal benefits charge imposed pursuant to
31 section 12 of P.L.1999, c.23 (C.48:3-60) shall not exceed 100
32 percent of the corporation's liability for such charge that would
33 otherwise be due in each calendar year.

34 e. The amount of the credit against the societal benefits charge
35 otherwise allowable under this section which cannot be applied for
36 the calendar year due to the limitations of subsection b. and
37 subsection d. of this section may be carried over, if necessary, to a
38 maximum of ten calendar years immediately following the initial
39 year in which the credit is first applied to a corporation's liability
40 for societal benefits charges.

41 f. The electric or gas public utility providing service to a
42 corporation shall disclose in a written notice to the corporation,
43 upon request from the corporation, the amount of societal benefits
44 charges collected by the utility from the corporation pursuant to
45 section 12 of P.L.1999, c.23 (C.48:3-60) for each calendar year
46 specified in the request from the corporation.

1 4. This act shall take effect immediately, and sections 1 and 2
2 shall be applicable for State fiscal years commencing on or after
3 July 1, 2010.

4

5

6

STATEMENT

7

8 This bill establishes an allocation of the benefits under energy
9 efficiency, clean energy and renewable energy programs funded
10 from the societal benefits charge imposed on utility customers
11 pursuant to regulations of the Board of Public Utilities (the
12 “board”).

13 The bill provides that these benefits shall be allocated between
14 residential customers, small commercial customers, and large
15 commercial and industrial customers in the same proportion as the
16 allocation of liability for the societal benefits charge between those
17 classes of customers.

18 This bill also establishes a credit to be applied against the
19 liability of a business for payment of the societal benefits charge
20 under section 12 of P.L.1999, c.23 (C.48:3-60).

21 The credit shall be equal to the costs incurred by a business for
22 the purchase and installation of certain energy efficiency or
23 renewable energy products or services during the preceding
24 calendar year provided that the amount of such credit to be allowed
25 shall be determined by the board.

26 The credit provided for by section 3 of the bill is intended to
27 encourage businesses to purchase and install energy saving products
28 and services by allowing the businesses to claim a credit against the
29 societal benefits charge.

SENATE ENVIRONMENT AND ENERGY COMMITTEE

STATEMENT TO

SENATE, No. 2344

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 12, 2011

The Senate Environment and Energy Committee favorably reports Senate Bill No. 2344 with committee amendments.

This bill, as amended, establishes a credit to be applied against the liability of a commercial or industrial ratepayer for payment of the societal benefits charge under section 12 of P.L.1999, c.23 (C.48:3-60). The credit would be equal to one-half of the costs incurred by a commercial or industrial ratepayer for the purchase and installation of certain energy efficiency products or services during the preceding calendar year, provided that the amount of the credit to be allowed would be determined by the board and would not exceed a business's total liability for the societal benefits charge in a calendar year. The amount of the credit which cannot be applied for a given calendar year may be carried over to a maximum of 10 years immediately following the year in which the credit is first applied.

The committee amendments would:

(1) delete those provisions of the bill that establish an allocation of the benefits under energy efficiency, clean energy and renewable energy programs funded from the societal benefits charge imposed on utility customers;

(2) delete those provisions that allocate benefits between residential customers, small commercial customers, and large commercial and industrial customers in the same proportion as the allocation of liability for the societal benefits charge between those classes of customers;

(3) provide that the credit available against the societal benefits charge for projects would be available to commercial or industrial ratepayers, rather than corporations;

(4) eliminate the availability of the credit against the societal benefits charge for renewable energy products or services;

(5) limit the allowable credit against the societal benefits charge to one-half of the costs incurred for eligible products or services; and

(6) make technical changes to the bill.

As amended, this bill is identical to Assembly Bill No. 2528 (1R), as amended and released by the committee.