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RH/CL

P.L. 2017, CHAPTER 357, *approved January 16, 2018*
Assembly, No. 2204 (*Second Reprint*)

1 AN ACT concerning certain electric generation facilities, ¹and¹
2 supplementing P.L.1999, c.23 (C.48:3-49 et al).
3

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

7 1. As used in P.L. , c. (C.) (pending before the
8 Legislature as this bill):

9 “Facility” means a small scale hydropower facility put into
10 service after the effective date of P.L.2012, c.24 with a capacity of
11 three megawatts or less ²or a resource recovery facility².

12 ²”Resource recovery facility” shall have the same meaning as
13 provided in section 3 of P.L.1999, c.23 (C.48:3-51).²

14 “Standby charge” means a charge imposed by an electric public
15 utility upon ¹[(1)]¹ a facility that delivers or sells power to an
16 end-use customer ¹[(2)]¹ or ¹[(2)]¹ upon¹ an end-use customer of
17 that power, for the recovery of costs necessary to make power
18 available to the facility or the end-use customer during a facility
19 power outage including, but not limited to, the allocation of
20 reasonable capital investment costs and operating and maintenance
21 expenses associated with the electric public utility’s infrastructure
22 needed to provide the standby power.

23 “Standby power” means power made available during a facility
24 outage to a facility or to an end-use customer who uses power
25 generated by the facility.
26

27 2. At the request of an owner of a facility, an electric public
28 utility shall install distribution lines to connect the facility with the
29 electric public utility’s distribution network. The electric public
30 utility may charge the owner of the facility for the entire amount of
31 costs incurred to connect the facility.
32

33 3. a. (1) An electric power supplier or a basic generation
34 service provider shall offer a facility net metering at a non-
35 discriminatory rate. If the amount of electricity generated by the
36 facility, plus any kilowatt hour credits held over from previous
37 billing periods, exceeds the electricity supplied by the electric

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 AEN committee amendments adopted June 15, 2017.

²Senate SEG committee amendments adopted November 30, 2017.

1 power supplier or basic generation service provider, then the
2 electric power supplier or basic generation service provider shall
3 credit the facility for the excess kilowatt hours until the end of the
4 annualized period. If any kilowatt hour credit remains at the end of
5 the annualized period, the facility shall be compensated by the
6 electric power supplier or basic generation service provider for any
7 remaining credits or, if the facility chooses, have the electric power
8 supplier or a basic generation service provider credit the facility on
9 a real-time basis, at the electric power supplier's or basic generation
10 service provider's avoided cost of wholesale power or the PJM
11 electric power pool's real-time locational marginal pricing rate,
12 adjusted for losses, for the respective zone in the PJM electric
13 power pool.

14 (2) In the event that the facility elects not to receive a credit
15 pursuant to paragraph (1) of this subsection, the facility may
16 execute a bilateral agreement with an electric power supplier or
17 basic generation service provider for the sale and purchase of the
18 facility's excess generation. The facility may be credited on a real-
19 time basis, if the facility follows applicable rules prescribed by the
20 PJM electric power pool for its capacity requirements for the net
21 amount of electricity supplied by the electric power supplier or
22 basic generation service provider.

23 b. A facility may deliver or sell power to up to 10 end-use
24 customers, who are located within 10 miles of the facility and net-
25 metered within the service territory of a single electric public
26 utility, and designate the end-use customers to be credited by the
27 electric power supplier or basic generation service provider with the
28 excess generation of the facility. The facility may designate the
29 proportionate share of the excess electricity generated to credit each
30 of the designated end-use customers.

31 c. The owner of a facility who sells or delivers power to an
32 end-use customer pursuant to the provisions of this section shall not
33 be considered a public utility pursuant to R.S.48:2-13 or P.L.1999,
34 c.23 (C.48:3-49 et al.).

35
36 4. a. Upon request to an electric public utility, electric power
37 supplier, or ¹**[a]** basic generation service provider for standby
38 power by ¹**[; (1)]** a facility that supplies power to an end-use
39 customer pursuant to section 3 of P.L. , c. (C.) (pending
40 before the Legislature as this bill) ¹**[;]** or ¹**[(2)]** the end-use
41 customer of that power, the electric public utility, electric power
42 supplier, or basic generation provider ¹, as applicable, shall impose
43 and assess a standby charge.

44 b. The ¹**[board]** Board of Public Utilities¹ shall, within 120
45 days after the effective date of P.L. , c. (C.) (pending before
46 the Legislature as this bill), establish criteria for an electric public
47 utility, electric power supplier, or ¹**[a]** basic generation provider to
48 assess and impose a standby charge.

1 5. This act shall take effect immediately.

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6 Authorizes virtual net metering for certain electric public utility
7 customers connected to certain hydropower facilities and resource
8 recovery facilities.

ASSEMBLY, No. 2204

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED JANUARY 27, 2016

Sponsored by:

Assemblyman TIM EUSTACE

District 38 (Bergen and Passaic)

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Assemblyman ANDREW ZWICKER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

SYNOPSIS

Authorizes virtual net metering for certain electric public utility customers who are connected to certain hydropower facilities.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/11/2017)

1 AN ACT concerning certain electric generation facilities,
2 supplementing P.L.1999, c.23 (C.48:3-49 et al).

3

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

6

7 1. As used in P.L. , c. (C.) (pending before the
8 Legislature as this bill):

9 “Facility” means a small scale hydropower facility put into
10 service after the effective date of P.L.2012, c.24 with a capacity of
11 three megawatts or less.

12 “Standby charge” means a charge imposed by an electric public
13 utility upon: (1) a facility that delivers or sells power to an end-use
14 customer; or (2) an end-use customer of that power, for the
15 recovery of costs necessary to make power available to the facility
16 or the end-use customer during a facility power outage including,
17 but not limited to, the allocation of reasonable capital investment
18 costs and operating and maintenance expenses associated with the
19 electric public utility’s infrastructure needed to provide the standby
20 power.

21 “Standby power” means power made available during a facility
22 outage to a facility or to an end-use customer who uses power
23 generated by the facility.

24

25 2. At the request of an owner of a facility, an electric public
26 utility shall install distribution lines to connect the facility with the
27 electric public utility’s distribution network. The electric public
28 utility may charge the owner of the facility for the entire amount of
29 costs incurred to connect the facility.

30

31 3. a. (1) An electric power supplier or a basic generation
32 service provider shall offer a facility net metering at a non-
33 discriminatory rate. If the amount of electricity generated by the
34 facility, plus any kilowatt hour credits held over from previous
35 billing periods, exceeds the electricity supplied by the electric
36 power supplier or basic generation service provider, then the
37 electric power supplier or basic generation service provider shall
38 credit the facility for the excess kilowatt hours until the end of the
39 annualized period. If any kilowatt hour credit remains at the end of
40 the annualized period, the facility shall be compensated by the
41 electric power supplier or basic generation service provider for any
42 remaining credits or, if the facility chooses, have the electric power
43 supplier or a basic generation service provider credit the facility on
44 a real-time basis, at the electric power supplier’s or basic generation
45 service provider’s avoided cost of wholesale power or the PJM
46 electric power pool’s real-time locational marginal pricing rate,
47 adjusted for losses, for the respective zone in the PJM electric
48 power pool.

1 (2) In the event that the facility elects not to receive a credit
2 pursuant to paragraph (1) of this subsection, the facility may
3 execute a bilateral agreement with an electric power supplier or
4 basic generation service provider for the sale and purchase of the
5 facility's excess generation. The facility may be credited on a real-
6 time basis, if the facility follows applicable rules prescribed by the
7 PJM electric power pool for its capacity requirements for the net
8 amount of electricity supplied by the electric power supplier or
9 basic generation service provider.

10 b. A facility may deliver or sell power to up to 10 end-use
11 customers, who are located within 10 miles of the facility and net-
12 metered within the service territory of a single electric public
13 utility, and designate the end-use customers to be credited by the
14 electric power supplier or basic generation service provider with the
15 excess generation of the facility. The facility may designate the
16 proportionate share of the excess electricity generated to credit each
17 of the designated end-use customers.

18 c. The owner of a facility who sells or delivers power to an
19 end-use customer pursuant to the provisions of this section shall not
20 be considered a public utility pursuant to R.S.48:2-13 or P.L.1999,
21 c.23 (C.48:3-49 et al.).

22
23 4. a. Upon request to an electric public utility, electric power
24 supplier, or a basic generation service provider for standby power
25 by: (1) a facility that supplies power to an end-use customer
26 pursuant to section 3 of P.L. , c. (C.) (pending before the
27 Legislature as this bill); or (2) the end-use customer of that power,
28 the electric public utility, electric power supplier, or basic
29 generation provider shall impose and assess a standby charge.

30 b. The board shall, within 120 days after the effective date of
31 P.L. , c. (C.) (pending before the Legislature as this bill),
32 establish criteria for an electric public utility, electric power
33 supplier, or a basic generation provider to assess and impose a
34 standby charge.

35
36 5. This act shall take effect immediately.

37
38

39 STATEMENT

40

41 This bill authorizes "virtual" net metering for certain customers
42 of an electric public utility (utility).

43 Under the bill, a small scale hydropower facility put into service
44 after the effective date of P.L.2012, c.24 with a capacity of three
45 megawatts or less (facility) is eligible for net metering. The bill
46 authorizes a facility to deliver or sell power to up to 10 end-use
47 customers, who are located within 10 miles of the facility and net-
48 metered within the service territory of a single electric public

A2204 EUSTACE, BENSON

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1 utility, and designate the end-use customers to be credited by the
2 electric power supplier or basic generation service provider with the
3 excess generation of the facility.

4 The bill requires an electric public utility, electric power
5 supplier, or a basic generation service provider to provide standby
6 power at the request of a facility or an end-use customer who uses
7 power generated by the facility. Under the bill, “standby power”
8 means power made available during a facility outage to a facility or
9 to an end-use customer who uses power generated by the facility.

ASSEMBLY ENVIRONMENT AND SOLID WASTE
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 2204

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 15, 2017

The Assembly Environment and Solid Waste Committee reports favorably and with committee amendments Assembly Bill No. 2204.

This bill, as amended by the committee, would authorize “virtual” net metering for certain customers of an electric public utility. Under the bill, a small scale hydropower facility put into service after July 23, 2012, i.e., the effective date of P.L.2012, c.24, with a capacity of three megawatts or less (facility) would be eligible for net metering. The bill would authorize a facility to deliver or sell power to up to 10 end-use customers, who are located within 10 miles of the facility and net-metered within the service territory of a single electric public utility, and designate the end-use customers to be credited by the electric power supplier or basic generation service provider with the excess generation of the facility.

The bill would require an electric public utility, electric power supplier, or basic generation service provider to provide standby power at the request of a facility or an end-use customer who uses power generated by the facility. The electric public utility, electric power supplier, or basic generation service provider, as applicable, would impose and assess a standby charge for the standby power. Under the bill, “standby power” means power made available during a facility outage to a facility or to an end-use customer who uses power generated by the facility.

Lastly, the bill would require the Board of Public Utilities, within 120 days after the bill is enacted into law, to establish criteria for an electric public utility, electric power supplier, or basic generation provider to assess and impose a standby charge.

COMMITTEE AMENDMENTS

The committee amendments make technical corrections to the bill.

SENATE ECONOMIC GROWTH COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 2204

with committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 30, 2017

The Senate Economic Growth Committee reports favorably and with committee amendments Assembly Bill No. 2204 (1R).

As amended and reported, this bill authorizes “virtual” net metering for certain customers of an electric public utility (utility).

Under the bill, a small scale hydropower facility put into service after the effective date of P.L.2012, c.24 with a capacity of three megawatts or less or a resource recovery facility (facility) are eligible for net metering. The bill authorizes a facility to deliver or sell power to up to 10 end-use customers, who are located within 10 miles of the facility and net-metered within the service territory of a single electric public utility, and designate the end-use customers to be credited by the electric power supplier or basic generation service provider with the excess generation of the facility.

The bill requires an electric public utility, electric power supplier, or a basic generation service provider to provide standby power at the request of the facility or an end-use customer who uses power generated by the facility. Under the bill, “standby power” means power made available during a facility outage to a facility or to an end-use customer who uses power generated by the facility.

The committee amended the bill to include a resource recovery facility to be eligible for “virtual” net metering.

As amended and reported, Assembly Bill No. 2204 (1R) is identical to Senate Bill No. 3355, which was also amended and reported by the committee on this date.

SENATE, No. 3355

STATE OF NEW JERSEY
217th LEGISLATURE

INTRODUCED JUNE 22, 2017

Sponsored by:

Senator ROBERT M. GORDON

District 38 (Bergen and Passaic)

Senator NILSA CRUZ-PEREZ

District 5 (Camden and Gloucester)

SYNOPSIS

Authorizes virtual net metering for certain electric public utility customers who are connected to certain hydropower facilities.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/1/2017)

1 AN ACT concerning certain electric generation facilities,
2 supplementing P.L.1999, c.23 (C.48:3-49 et al).

3

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

6

7 1. As used in P.L. , c. (C.) (pending before the
8 Legislature as this bill):

9 “Facility” means a small scale hydropower facility put into
10 service after the effective date of P.L.2012, c.24 with a capacity of
11 three megawatts or less.

12 “Standby charge” means a charge imposed by an electric public
13 utility upon: (1) a facility that delivers or sells power to an end-use
14 customer; or (2) an end-use customer of that power, for the
15 recovery of costs necessary to make power available to the facility
16 or the end-use customer during a facility power outage including,
17 but not limited to, the allocation of reasonable capital investment
18 costs and operating and maintenance expenses associated with the
19 electric public utility’s infrastructure needed to provide the standby
20 power.

21 “Standby power” means power made available during a facility
22 outage to a facility or to an end-use customer who uses power
23 generated by the facility.

24

25 2. At the request of an owner of a facility, an electric public
26 utility shall install distribution lines to connect the facility with the
27 electric public utility’s distribution network. The electric public
28 utility may charge the owner of the facility for the entire amount of
29 costs incurred to connect the facility.

30

31 3. a. (1) An electric power supplier or a basic generation
32 service provider shall offer a facility net metering at a non-
33 discriminatory rate. If the amount of electricity generated by the
34 facility, plus any kilowatt hour credits held over from previous
35 billing periods, exceeds the electricity supplied by the electric
36 power supplier or basic generation service provider, then the
37 electric power supplier or basic generation service provider shall
38 credit the facility for the excess kilowatt hours until the end of the
39 annualized period. If any kilowatt hour credit remains at the end of
40 the annualized period, the facility shall be compensated by the
41 electric power supplier or basic generation service provider for any
42 remaining credits or, if the facility chooses, have the electric power
43 supplier or a basic generation service provider credit the facility on
44 a real-time basis, at the electric power supplier’s or basic generation
45 service provider’s avoided cost of wholesale power or the PJM
46 electric power pool’s real-time locational marginal pricing rate,
47 adjusted for losses, for the respective zone in the PJM electric
48 power pool.

1 (2) In the event that the facility elects not to receive a credit
2 pursuant to paragraph (1) of this subsection, the facility may
3 execute a bilateral agreement with an electric power supplier or
4 basic generation service provider for the sale and purchase of the
5 facility's excess generation. The facility may be credited on a real-
6 time basis, if the facility follows applicable rules prescribed by the
7 PJM electric power pool for its capacity requirements for the net
8 amount of electricity supplied by the electric power supplier or
9 basic generation service provider.

10 b. A facility may deliver or sell power to up to 10 end-use
11 customers, who are located within 10 miles of the facility and net-
12 metered within the service territory of a single electric public
13 utility, and designate the end-use customers to be credited by the
14 electric power supplier or basic generation service provider with the
15 excess generation of the facility. The facility may designate the
16 proportionate share of the excess electricity generated to credit each
17 of the designated end-use customers.

18 c. The owner of a facility who sells or delivers power to an
19 end-use customer pursuant to the provisions of this section shall not
20 be considered a public utility pursuant to R.S.48:2-13 or P.L.1999,
21 c.23 (C.48:3-49 et al.).

22
23 4. a. Upon request to an electric public utility, electric power
24 supplier, or a basic generation service provider for standby power
25 by: (1) a facility that supplies power to an end-use customer
26 pursuant to section 3 of P.L. , c. (C.) (pending before the
27 Legislature as this bill); or (2) the end-use customer of that power,
28 the electric public utility, electric power supplier, or basic
29 generation provider shall impose and assess a standby charge.

30 b. The board shall, within 120 days after the effective date of
31 P.L. , c. (C.) (pending before the Legislature as this bill),
32 establish criteria for an electric public utility, electric power
33 supplier, or a basic generation provider to assess and impose a
34 standby charge.

35
36 5. This act shall take effect immediately.

37
38

39 STATEMENT

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41 This bill authorizes "virtual" net metering for certain customers
42 of an electric public utility (utility).

43 Under the bill, a small scale hydropower facility put into service
44 after the effective date of P.L.2012, c.24 with a capacity of three
45 megawatts or less (facility) is eligible for net metering. The bill
46 authorizes a facility to deliver or sell power to up to 10 end-use
47 customers, who are located within 10 miles of the facility and net-
48 metered within the service territory of a single electric public

S3355 GORDON, CRUZ-PEREZ

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1 utility, and designate the end-use customers to be credited by the
2 electric power supplier or basic generation service provider with the
3 excess generation of the facility.

4 The bill requires an electric public utility, electric power
5 supplier, or a basic generation service provider to provide standby
6 power at the request of a facility or an end-use customer who uses
7 power generated by the facility. Under the bill, “standby power”
8 means power made available during a facility outage to a facility or
9 to an end-use customer who uses power generated by the facility.

SENATE ECONOMIC GROWTH COMMITTEE

STATEMENT TO

SENATE, No. 3355

with committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 30, 2017

The Senate Economic Growth Committee reports favorably and with committee amendments Senate Bill No. 3355.

As amended and reported, this bill authorizes “virtual” net metering for certain customers of an electric public utility (utility).

Under the bill, a small scale hydropower facility put into service after the effective date of P.L.2012, c.24 with a capacity of three megawatts or less or a resource recovery facility (facility) are eligible for net metering. The bill authorizes a facility to deliver or sell power to up to 10 end-use customers, who are located within 10 miles of the facility and net-metered within the service territory of a single electric public utility, and designate the end-use customers to be credited by the electric power supplier or basic generation service provider with the excess generation of the facility.

The bill requires an electric public utility, electric power supplier, or a basic generation service provider to provide standby power at the request of the facility or an end-use customer who uses power generated by the facility. Under the bill, “standby power” means power made available during a facility outage to a facility or to an end-use customer who uses power generated by the facility.

The committee amended the bill to include a resource recovery facility to be eligible for “virtual” net metering and to make technical changes.

As amended and reported, Senate Bill No. 3355 is identical to Assembly Bill No. 2204 (1R), which was also amended and reported by the committee on this date.