

**48:3-87**  
**LEGISLATIVE HISTORY CHECKLIST**

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**LAWS OF:** 2015                    **CHAPTER:** 94

**NJSA:** 48:3-87 (Increases electric power net metering capacity threshold to 2.9 percent of total annual kilowatt-hours sold in State.)

**BILL NO:** S2420                    (Substituted for A3838 (1R))

**SPONSOR(S)** Smith, Bob, and others

**DATE INTRODUCED:** September 18, 2014

**COMMITTEE:**                    **ASSEMBLY:** Telecommunications and Utilities

**SENATE:** Environment and Energy

**AMENDED DURING PASSAGE:** Yes

**DATE OF PASSAGE:**                    **ASSEMBLY:** 6/25/2015

**SENATE:** 6/29/2015

**DATE OF APPROVAL:** August 10, 2015

**FOLLOWING ARE ATTACHED IF AVAILABLE:**

**FINAL TEXT OF BILL** (Second Reprint enacted)                    Yes

**S2420**

**INTRODUCED BILL:** (Includes sponsor(s) statement)                    Yes

**COMMITTEE STATEMENT:**                    **ASSEMBLY:** Yes

**SENATE:** Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:**                    Yes

**LEGISLATIVE FISCAL ESTIMATE:**                    No

**A3838 (1R)**

**INTRODUCED BILL:** (Includes sponsor(s) statement)                    Yes

**COMMITTEE STATEMENT:**                    **ASSEMBLY:** Yes

**SENATE:** No

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**FLOOR AMENDMENT STATEMENT:** Yes

**LEGISLATIVE FISCAL ESTIMATE:** No

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** Yes

**FOLLOWING WERE PRINTED:**

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**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** No

end

P.L.2015, CHAPTER 94, *approved August 10, 2015*  
Senate, No. 2420 (*Second Reprint*)

1 AN ACT concerning electric power net metering and amending  
2 P.L.1999, c.23.

3

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

6

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

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

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

17 (2) Its emissions, in pounds per megawatt hour, of sulfur  
18 dioxide, carbon dioxide, oxides of nitrogen, and any other pollutant  
19 that the board may determine to pose an environmental or health  
20 hazard, or an emissions default to be determined by the board; and

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

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

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

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

36 (3) A uniform emissions disclosure format that is graphic in  
37 nature and easily understandable by consumers. The board shall  
38 periodically review the disclosure requirements to determine if  
39 revisions to the environmental disclosure system as implemented  
40 are necessary.

41 Such standards shall be effective as regulations immediately  
42 upon filing with the Office of Administrative Law and shall be  
43 effective for a period not to exceed 18 months, and may, thereafter,

1 be amended, adopted or readopted by the board in accordance with  
2 the provisions of the "Administrative Procedure Act."

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

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

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

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

21 (a) Allow a transition period, either before or after the effective  
22 date of the regulation to mitigate leakage, for a basic generation  
23 service provider or electric power supplier to either meet the  
24 emissions portfolio standard or other regulatory mechanism to  
25 mitigate leakage, or to transfer any customer to a basic generation  
26 service provider or electric power supplier that meets the emissions  
27 portfolio standard or other regulatory mechanism to mitigate  
28 leakage. If the transition period allowed pursuant to this  
29 subparagraph occurs after the implementation of an emissions  
30 portfolio standard or other regulatory mechanism to mitigate  
31 leakage, the transition period shall be no longer than three years;  
32 and

33 (b) Exempt the provision of basic generation service pursuant to  
34 a basic generation service purchase and sale agreement effective  
35 prior to the date of the regulation.

36 Unless the Attorney General or the Attorney General's designee  
37 determines that a greenhouse gas emissions portfolio standard  
38 would unconstitutionally burden interstate commerce or would be  
39 preempted by federal law, the adoption by the board of an electric  
40 energy efficiency portfolio standard pursuant to subsection g. of this  
41 section, a gas energy efficiency portfolio standard pursuant to  
42 subsection h. of this section, or any other enhanced energy  
43 efficiency policies to mitigate leakage shall not be considered  
44 sufficient to fulfill the requirement of this subsection for the  
45 adoption of a greenhouse gas emissions portfolio standard or any  
46 other regulatory mechanism to mitigate leakage.

47 d. Notwithstanding any provisions of the "Administrative  
48 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the

1 contrary, the board shall initiate a proceeding and shall adopt, after  
 2 notice, provision of the opportunity for comment, and public  
 3 hearing, renewable energy portfolio standards that shall require:

4 (1) that two and one-half percent of the kilowatt hours sold in  
 5 this State by each electric power supplier and each basic generation  
 6 service provider be from Class I or Class II renewable energy  
 7 sources;

8 (2) beginning on January 1, 2001, that one-half of one percent  
 9 of the kilowatt hours sold in this State by each electric power  
 10 supplier and each basic generation service provider be from Class I  
 11 renewable energy sources. The board shall increase the required  
 12 percentage for Class I renewable energy sources so that by January  
 13 1, 2006, one percent of the kilowatt hours sold in this State by each  
 14 electric power supplier and each basic generation service provider  
 15 shall be from Class I renewable energy sources and shall  
 16 additionally increase the required percentage for Class I renewable  
 17 energy sources by one-half of one percent each year until January 1,  
 18 2012, when four percent of the kilowatt hours sold in this State by  
 19 each electric power supplier and each basic generation service  
 20 provider shall be from Class I renewable energy sources.

21 An electric power supplier or basic generation service provider  
 22 may satisfy the requirements of this subsection by participating in a  
 23 renewable energy trading program approved by the board in  
 24 consultation with the Department of Environmental Protection;

25 (3) that the board establish a multi-year schedule, applicable to  
 26 each electric power supplier or basic generation service provider in  
 27 this State, beginning with the one-year period commencing on June  
 28 1, 2010, and continuing for each subsequent one-year period up to  
 29 and including, the one-year period commencing on June 1, 2028,  
 30 that requires the following number or percentage, as the case may  
 31 be, of kilowatt-hours sold in this State by each electric power  
 32 supplier and each basic generation service provider to be from solar  
 33 electric power generators connected to the distribution system in  
 34 this State:

35	EY 2011	306 Gigawatthours (Gwhrs)
36	EY 2012	442 Gwhrs
37	EY 2013	596 Gwhrs
38	EY 2014	2.050%
39	EY 2015	2.450%
40	EY 2016	2.750%
41	EY 2017	3.000%
42	EY 2018	3.200%
43	EY 2019	3.290%
44	EY 2020	3.380%
45	EY 2021	3.470%
46	EY 2022	3.560%
47	EY 2023	3.650%
48	EY 2024	3.740%

1	EY 2025	3.830%
2	EY 2026	3.920%
3	EY 2027	4.010%

4 EY 2028 4.100%, and for every energy year thereafter, at least  
5 4.100% per energy year to reflect an increasing number of kilowatt-  
6 hours to be purchased by suppliers or providers from solar electric  
7 power generators connected to the distribution system in this State,  
8 and to establish a framework within which, of the electricity that the  
9 generators sell in this State, suppliers and providers shall each  
10 obtain at least 3.470% in the energy year 2021 and 4.100% in the  
11 energy year 2028 from solar electric power generators connected to  
12 the distribution system in this State, provided, however, that:

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

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

24 (c) The solar renewable portfolio standards requirements in this  
25 paragraph shall exempt those existing supply contracts which are  
26 effective prior to the date of enactment of P.L.2012, c.24 from any  
27 increase beyond the number of SRECs mandated by the solar  
28 renewable portfolio standards requirements that were in effect on  
29 the date that the providers executed their existing supply contracts.  
30 This limited exemption for providers' existing supply contracts shall  
31 not be construed to lower the Statewide solar sourcing requirements  
32 set forth in this paragraph. Such incremental requirements that  
33 would have otherwise been imposed on exempt providers shall be  
34 distributed over the providers not subject to the existing supply  
35 contract exemption until such time as existing supply contracts  
36 expire and all providers are subject to the new requirement in a  
37 manner that is competitively neutral among all providers and  
38 suppliers. The board shall implement the provisions of this  
39 subsection in a manner so as to prevent any subsidies between  
40 suppliers and providers and to promote competition in the  
41 electricity supply industry.

42 An electric power supplier or basic generation service provider  
43 may satisfy the requirements of this subsection by participating in a  
44 renewable energy trading program approved by the board in  
45 consultation with the Department of Environmental Protection, or  
46 compliance with the requirements of this subsection may be  
47 demonstrated to the board by suppliers or providers through the  
48 purchase of SRECs.

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

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

15 (4) within 180 days after the date of enactment of P.L.2010,  
16 c.57 (C.48:3-87.1 et al.), that the board establish an offshore wind  
17 renewable energy certificate program to require that a percentage of  
18 the kilowatt hours sold in this State by each electric power supplier  
19 and each basic generation service provider be from offshore wind  
20 energy in order to support at least 1,100 megawatts of generation  
21 from qualified offshore wind projects.

22 The percentage established by the board pursuant to this  
23 paragraph shall serve as an offset to the renewable energy portfolio  
24 standard established pursuant to paragraphs (1) and (2) of this  
25 subsection and shall reduce the corresponding Class I renewable  
26 energy requirement.

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

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

45 The rules established by the board pursuant to this paragraph  
46 shall be effective as regulations immediately upon filing with the  
47 Office of Administrative Law and shall be effective for a period not  
48 to exceed 18 months, and may, thereafter, be amended, adopted or

1 readopted by the board in accordance with the provisions of the  
2 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
3 seq.).

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

9 (1) net metering standards for electric power suppliers and basic  
10 generation service providers. The standards shall require electric  
11 power suppliers and basic generation service providers to offer net  
12 metering at non-discriminatory rates to industrial, large  
13 commercial, residential and small commercial customers, as those  
14 customers are classified or defined by the board, that generate  
15 electricity, on the customer's side of the meter, using a Class I  
16 renewable energy source, for the net amount of electricity supplied  
17 by the electric power supplier or basic generation service provider  
18 over an annualized period. Systems of any sized capacity, as  
19 measured in watts, are eligible for net metering. If the amount of  
20 electricity generated by the customer-generator, plus any kilowatt  
21 hour credits held over from the previous billing periods, exceeds the  
22 electricity supplied by the electric power supplier or basic  
23 generation service provider, then the electric power supplier or  
24 basic generation service provider, as the case may be, shall credit  
25 the customer-generator for the excess kilowatt hours until the end of  
26 the annualized period at which point the customer-generator will be  
27 compensated for any remaining credits or, if the customer-generator  
28 chooses, credit the customer-generator on a real-time basis, at the  
29 electric power supplier's or basic generation service provider's  
30 avoided cost of wholesale power or the PJM electric power pool's  
31 real-time locational marginal pricing rate, adjusted for losses, for  
32 the respective zone in the PJM electric power pool. Alternatively,  
33 the customer-generator may execute a bilateral agreement with an  
34 electric power supplier or basic generation service provider for the  
35 sale and purchase of the customer-generator's excess generation.  
36 The customer-generator may be credited on a real-time basis, so  
37 long as the customer-generator follows applicable rules prescribed  
38 by the PJM electric power pool for its capacity requirements for the  
39 net amount of electricity supplied by the electric power supplier or  
40 basic generation service provider. The board may authorize an  
41 electric power supplier or basic generation service provider to cease  
42 offering net metering <sup>1</sup>to customers that are not already net  
43 metered<sup>1</sup> whenever the total rated generating capacity owned and  
44 operated by net metering customer-generators Statewide equals  
45 **[2.5] <sup>1</sup>[7.5] <sup>2</sup>[4<sup>1</sup>] 2.9<sup>2</sup>** percent of the <sup>1</sup>**[State's peak electricity**  
46 **demand]** total annual kilowatt-hours sold in this State by each



1 electric power supplier and each basic generation service provider  
2 during the prior one-year period<sup>1</sup>;

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

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

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

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

1 usage of the qualified customer facilities, and the qualified  
2 customer facilities shall all be in the same customer rate class  
3 under the applicable electric public utility tariff. For the customer's  
4 facility or property on which the solar electric generation system is  
5 installed, the electricity generated from the customer's solar electric  
6 generation system shall be accounted for pursuant to the provisions  
7 of paragraph (1) of this subsection to provide that the electricity  
8 generated in excess of the electricity supplied by the electric power  
9 supplier or the basic generation service provider, as the case may  
10 be, for the customer's facility on which the solar electric generation  
11 system is installed, over the annualized period, is credited at the  
12 electric power supplier's or the basic generation service provider's  
13 avoided cost of wholesale power or the PJM electric power pool  
14 real-time locational marginal pricing rate. All electricity used by  
15 the customer's qualified facilities, with the exception of the facility  
16 or property on which the solar electric power generation system is  
17 installed, shall be billed at the full retail rate pursuant to the electric  
18 public utility tariff applicable to the customer class of the customer  
19 using the electricity. A customer may contract with a third party to  
20 operate a solar electric power generation system, for the purpose of  
21 net metering aggregation. Any contractual relationship entered into  
22 for operation of a solar electric power generation system related to  
23 net metering aggregation shall include contractual protections that  
24 provide for adequate performance and provision for construction  
25 and operation for the term of the contract, including any appropriate  
26 bonding or escrow requirements. Any incremental cost to an  
27 electric public utility for net metering aggregation shall be fully and  
28 timely recovered in a manner to be determined by the board. The  
29 board shall adopt net metering aggregation standards within 270  
30 days after the effective date of P.L.2012, c.24.

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

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

44 f. The board may assess, by written order and after notice and  
45 opportunity for comment, a separate fee to cover the cost of  
46 implementing and overseeing an emission disclosure system or  
47 emission portfolio standard, which fee shall be assessed based on an  
48 electric power supplier's or basic generation service provider's share

1 of the retail electricity supply market. The board shall not impose a  
2 fee for the cost of implementing and overseeing a greenhouse gas  
3 emissions portfolio standard adopted pursuant to paragraph (2) of  
4 subsection c. of this section, the electric energy efficiency portfolio  
5 standard adopted pursuant to subsection g. of this section, or the gas  
6 energy efficiency portfolio standard adopted pursuant to subsection  
7 h. of this section.

8 g. The board may adopt, pursuant to the "Administrative  
9 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), an electric  
10 energy efficiency portfolio standard that may require each electric  
11 public utility to implement energy efficiency measures that reduce  
12 electricity usage in the State by 2020 to a level that is 20 percent  
13 below the usage projected by the board in the absence of such a  
14 standard. Nothing in this section shall be construed to prevent an  
15 electric public utility from meeting the requirements of this section  
16 by contracting with another entity for the performance of the  
17 requirements.

18 h. The board may adopt, pursuant to the "Administrative  
19 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), a gas energy  
20 efficiency portfolio standard that may require each gas public utility  
21 to implement energy efficiency measures that reduce natural gas  
22 usage for heating in the State by 2020 to a level that is 20 percent  
23 below the usage projected by the board in the absence of such a  
24 standard. Nothing in this section shall be construed to prevent a gas  
25 public utility from meeting the requirements of this section by  
26 contracting with another entity for the performance of the  
27 requirements.

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

37 j. The board shall determine an appropriate level of solar  
38 alternative compliance payment, and permit each supplier or  
39 provider to submit an SACP to comply with the solar electric  
40 generation requirements of paragraph (3) of subsection d. of this  
41 section. The value of the SACP for each Energy Year, for Energy  
42 Years 2014 through 2028 per megawatt hour from solar electric  
43 generation required pursuant to this section, shall be:

44	EY 2014	\$339
45	EY 2015	\$331
46	EY 2016	\$323
47	EY 2017	\$315
48	EY 2018	\$308

1	EY 2019	\$300
2	EY 2020	\$293
3	EY 2021	\$286
4	EY 2022	\$279
5	EY 2023	\$272
6	EY 2024	\$266
7	EY 2025	\$260
8	EY 2026	\$253
9	EY 2027	\$250
10	EY 2028	\$239.

11 The board may initiate subsequent proceedings and adopt, after  
12 appropriate notice and opportunity for public comment and public  
13 hearing, an increase in solar alternative compliance payments,  
14 provided that the board shall not reduce previously established  
15 levels of solar alternative compliance payments, nor shall the board  
16 provide relief from the obligation of payment of the SACP by the  
17 electric power suppliers or basic generation service providers in any  
18 form. Any SACP payments collected shall be refunded directly to  
19 the ratepayers by the electric public utilities.

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

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

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

38 (2) maintain adequate regulatory authority over non-competitive  
39 public utility services;

40 (3) consider alternative forms of regulation in order to address  
41 changes in the technology and structure of electric public utilities;

42 (4) promote energy efficiency and Class I renewable energy  
43 market development, taking into consideration environmental  
44 benefits and market barriers;

45 (5) make energy services more affordable for low and moderate  
46 income customers;

1 (6) attempt to transform the renewable energy market into one  
2 that can move forward without subsidies from the State or public  
3 utilities;

4 (7) achieve the goals put forth under the renewable energy  
5 portfolio standards;

6 (8) promote the lowest cost to ratepayers; and

7 (9) allow all market segments to participate.

8 m. The board shall ensure the availability of financial incentives  
9 under its jurisdiction, including, but not limited to, long-term  
10 contracts, loans, SRECs, or other financial support, to ensure  
11 market diversity, competition, and appropriate coverage across all  
12 ratepayer segments, including, but not limited to, residential,  
13 commercial, industrial, non-profit, farms, schools, and public entity  
14 customers.

15 n. For projects which are owned, or directly invested in, by a  
16 public utility pursuant to section 13 of P.L.2007, c.340 (C.48:3-  
17 98.1), the board shall determine the number of SRECs with which  
18 such projects shall be credited; and in determining such number the  
19 board shall ensure that the market for SRECs does not detrimentally  
20 affect the development of non-utility solar projects and shall  
21 consider how its determination may impact the ratepayers.

22 o. The board, in consultation with the Department of  
23 Environmental Protection, electric public utilities, the Division of  
24 Rate Counsel in, but not of, the Department of the Treasury,  
25 affected members of the solar energy industry, and relevant  
26 stakeholders, shall periodically consider increasing the renewable  
27 energy portfolio standards beyond the minimum amounts set forth  
28 in subsection d. of this section, taking into account the cost impacts  
29 and public benefits of such increases including, but not limited to:

30 (1) reductions in air pollution, water pollution, land disturbance,  
31 and greenhouse gas emissions;

32 (2) reductions in peak demand for electricity and natural gas,  
33 and the overall impact on the costs to customers of electricity and  
34 natural gas;

35 (3) increases in renewable energy development, manufacturing,  
36 investment, and job creation opportunities in this State; and

37 (4) reductions in State and national dependence on the use of  
38 fossil fuels.

39 p. Class I RECs and ORECs shall be eligible for use in  
40 renewable energy portfolio standards compliance in the energy year  
41 in which they are generated, and for the following two energy years.  
42 SRECs shall be eligible for use in renewable energy portfolio  
43 standards compliance in the energy year in which they are  
44 generated, and for the following four energy years.

45 q. (1) During the energy years of 2014, 2015, and 2016, a solar  
46 electric power generation facility project that is not: (a) net  
47 metered; (b) an on-site generation facility; (c) qualified for net  
48 metering aggregation; or (d) certified as being located on a

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

24 (2) If the proposed solar electric power generation facility does  
25 not commence commercial operations within two years following  
26 the date of the designation by the board pursuant to this subsection,  
27 the designation of the facility shall be deemed to be null and void,  
28 and the facility shall not be considered connected to the distribution  
29 system thereafter.

30 r. (1) For all proposed solar electric power generation facility  
31 projects except for those solar electric power generation facility  
32 projects approved pursuant to subsection q. of this section, and for  
33 all projects proposed in each energy year following energy year  
34 2016, a proposed solar electric power generation facility that is  
35 neither net metered nor an on-site generation facility, may be  
36 considered "connected to the distribution system" only upon  
37 designation as such by the board, after notice to the public and  
38 opportunity for public comment or hearing. A proposed solar  
39 power electric generation facility seeking board designation as  
40 "connected to the distribution system" shall submit an application to  
41 the board that includes for the proposed facility: the nameplate  
42 capacity; the estimated energy and number of SRECs to be  
43 produced and sold per year; the estimated annual rate impact on  
44 ratepayers; the estimated capacity of the generator as defined by  
45 PJM for sale in the PJM capacity market; the point of  
46 interconnection; the total project acreage and location; the current  
47 land use designation of the property; the type of solar technology to  
48 be used; and such other information as the board shall require.

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

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

7 (b) the approval of the designation of the proposed facility  
8 would not significantly impact the preservation of open space in  
9 this State;

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

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

16 (3) The board shall act within 90 days of its receipt of a  
17 completed application for designation of a solar power electric  
18 generation facility as "connected to the distribution system," to  
19 either approve, conditionally approve, or disapprove the  
20 application. If the proposed solar electric power generation facility  
21 does not commence commercial operations within two years  
22 following the date of the designation by the board pursuant to this  
23 subsection, the designation of the facility as "connected to the  
24 distribution system" shall be deemed to be null and void, and the  
25 facility shall thereafter be considered not "connected to the  
26 distribution system."

27 s. In addition to any other requirements of P.L.1999, c.23 or  
28 any other law, rule, regulation or order, a solar electric power  
29 generation facility that is not net metered or an on-site generation  
30 facility and which is located on land that has been actively devoted  
31 to agricultural or horticultural use that is valued, assessed, and  
32 taxed pursuant to the "Farmland Assessment Act of 1964,"  
33 P.L.1964, c.48 (C.54:4-23.1 et seq.) at any time within the 10-year  
34 period prior to the effective date of P.L.2012, c.24, shall only be  
35 considered "connected to the distribution system" if (1) the board  
36 approves the facility's designation pursuant to subsection q. of this  
37 section; or (2) (a) PJM issued a System Impact Study for the facility  
38 on or before June 30, 2011, (b) the facility files a notice with the  
39 board within 60 days of the effective date of P.L.2012, c.24,  
40 indicating its intent to qualify under this subsection, and (c) the  
41 facility has been approved as "connected to the distribution system"  
42 by the board. Nothing in this subsection shall limit the board's  
43 authority concerning the review and oversight of facilities, unless  
44 such facilities are exempt from such review as a result of having  
45 been approved pursuant to subsection q. of this section.

46 t. (1) No more than 180 days after the date of enactment of  
47 P.L.2012, c.24, the board shall, in consultation with the Department  
48 of Environmental Protection and the New Jersey Economic

1 Development Authority, and, after notice and opportunity for public  
2 comment and public hearing, complete a proceeding to establish a  
3 program to provide SRECs to owners of solar electric power  
4 generation facility projects certified by the board, in consultation  
5 with the Department of Environmental Protection, as being located  
6 on a brownfield, on an area of historic fill or on a properly closed  
7 sanitary landfill facility, including those owned or operated by an  
8 electric public utility and approved pursuant to section 13 of  
9 P.L.2007, c.340 (C.48:3-98.1). Projects certified under this  
10 subsection shall be considered "connected to the distribution  
11 system", shall not require such designation by the board, and shall  
12 not be subject to board review required pursuant to subsections q.  
13 and r. of this section. Notwithstanding the provisions of section 3  
14 of P.L.1999, c.23 (C.48:3-51) or any other law, rule, regulation, or  
15 order to the contrary, for projects certified under this subsection, the  
16 board shall establish a financial incentive that is designed to  
17 supplement the SRECs generated by the facility in order to cover  
18 the additional cost of constructing and operating a solar electric  
19 power generation facility on a brownfield, on an area of historic fill  
20 or on a properly closed sanitary landfill facility. Any financial  
21 benefit realized in relation to a project owned or operated by an  
22 electric public utility and approved by the board pursuant to section  
23 13 of P.L.2007, c.340 (C.48:3-98.1), as a result of the provision of a  
24 financial incentive established by the board pursuant to this  
25 subsection, shall be credited to ratepayers. The issuance of SRECs  
26 for all solar electric power generation facility projects pursuant to  
27 this subsection shall be deemed "Board of Public Utilities financial  
28 assistance" as provided under section 1 of P.L.2009, c.89 (C.48:2-  
29 29.47).

30 (2) Notwithstanding the provisions of the "Spill Compensation  
31 and Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.) or any  
32 other law, rule, regulation, or order to the contrary, the board, in  
33 consultation with the Department of Environmental Protection, may  
34 find that a person who operates a solar electric power generation  
35 facility project that has commenced operation on or after the  
36 effective date of P.L.2012, c.24, which project is certified by the  
37 board, in consultation with the Department of Environmental  
38 Protection pursuant to paragraph (1) of this subsection, as being  
39 located on a brownfield for which a final remediation document has  
40 been issued, on an area of historic fill or on a properly closed  
41 sanitary landfill facility, which projects shall include, but not be  
42 limited to projects located on a brownfield for which a final  
43 remediation document has been issued, on an area of historic fill or  
44 on a properly closed sanitary landfill facility owned or operated by  
45 an electric public utility and approved pursuant to section 13 of  
46 P.L.2007, c.340 (C.48:3-98.1), or a person who owns property  
47 acquired on or after the effective date of P.L.2012, c.24 on which  
48 such a solar electric power generation facility project is constructed



1 and operated, shall not be liable for cleanup and removal costs to  
2 the Department of Environmental Protection or to any other person  
3 for the discharge of a hazardous substance provided that:

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

6 (b) the person did not discharge the hazardous substance, is not  
7 in any way responsible for the hazardous substance, and is not a  
8 successor to the discharger or to any person in any way responsible  
9 for the hazardous substance or to anyone liable for cleanup and  
10 removal costs pursuant to section 8 of P.L.1976, c.141 (C.58:10-  
11 23.11g);

12 (c) the person, within 30 days after acquisition of the property,  
13 gave notice of the discharge to the Department of Environmental  
14 Protection in a manner the Department of Environmental Protection  
15 prescribes;

16 (d) the person does not disrupt or change, without prior written  
17 permission from the Department of Environmental Protection, any  
18 engineering or institutional control that is part of a remedial action  
19 for the contaminated site or any landfill closure or post-closure  
20 requirement;

21 (e) the person does not exacerbate the contamination at the  
22 property;

23 (f) the person does not interfere with any necessary remediation  
24 of the property;

25 (g) the person complies with any regulations and any permit the  
26 Department of Environmental Protection issues pursuant to section  
27 19 of P.L.2009, c.60 (C.58:10C-19) or paragraph (2) of subsection  
28 a. of section 6 of P.L.1970, c.39 (C.13:1E-6);

29 (h) with respect to an area of historic fill, the person has  
30 demonstrated pursuant to a preliminary assessment and site  
31 investigation, that hazardous substances have not been discharged;  
32 and

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

39 Only the person who is liable to clean up and remove the  
40 contamination pursuant to section 8 of P.L.1976, c.141 (C.58:10-  
41 23.11g) and who does not have a defense to liability pursuant to  
42 subsection d. of that section shall be liable for cleanup and removal  
43 costs.

44 u. No more than 180 days after the date of enactment of  
45 P.L.2012, c.24, the board shall complete a proceeding to establish a  
46 registration program. The registration program shall require the  
47 owners of solar electric power generation facility projects  
48 connected to the distribution system to make periodic milestone

1 filings with the board in a manner and at such times as determined  
2 by the board to provide full disclosure and transparency regarding  
3 the overall level of development and construction activity of those  
4 projects Statewide.

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

11 w. No more than 270 days after the date of enactment of  
12 P.L.2012, c.24, the board shall, after notice and opportunity for  
13 public comment and public hearing, complete a proceeding to  
14 consider whether to establish a program to provide, to owners of  
15 solar electric power generation facility projects certified by the  
16 board as being three megawatts or greater in capacity and being net  
17 metered, including facilities which are owned or operated by an  
18 electric public utility and approved by the board pursuant to section  
19 13 of P.L.2007, c.340 (C.48:3-98.1), a financial incentive that is  
20 designed to supplement the SRECs generated by the facility to  
21 further the goal of improving the economic competitiveness of  
22 commercial and industrial customers taking power from such  
23 projects. If the board determines to establish such a program  
24 pursuant to this subsection, the board may establish a financial  
25 incentive to provide that the board shall issue one SREC for no less  
26 than every 750 kilowatt-hours of solar energy generated by the  
27 certified projects. Any financial benefit realized in relation to a  
28 project owned or operated by an electric public utility and approved  
29 by the board pursuant to section 13 of P.L.2007, c.340 (C.48:3-  
30 98.1), as a result of the provisions of a financial incentive  
31 established by the board pursuant to this subsection, shall be  
32 credited to ratepayers.

33 x. Solar electric power generation facility projects that are  
34 located on an existing or proposed commercial, retail, industrial,  
35 municipal, professional, recreational, transit, commuter,  
36 entertainment complex, multi-use, or mixed-use parking lot with a  
37 capacity to park 350 or more vehicles where the area to be utilized  
38 for the facility is paved, or an impervious surface may be owned or  
39 operated by an electric public utility and may be approved by the  
40 board pursuant to section 13 of P.L.2007, c.340 (C.48:3-98.1).  
41 (cf: P.L.2012, c.24, s.2)

42

43 2. This act shall take effect immediately.

44

45

46

47 \_\_\_\_\_  
48 Increases electric power net metering capacity threshold to 2.9  
percent of total annual kilowatt-hours sold in State.

# SENATE, No. 2420

## STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED SEPTEMBER 18, 2014

**Sponsored by:**

**Senator BOB SMITH**

**District 17 (Middlesex and Somerset)**

**Senator CHRISTOPHER "KIP" BATEMAN**

**District 16 (Hunterdon, Mercer, Middlesex and Somerset)**

**Co-Sponsored by:**

**Senator Greenstein**

**SYNOPSIS**

Increases electric power net metering capacity threshold to 7.5 percent of Statewide demand.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning electric power net metering and amending  
2 P.L.1999, c.23.

3

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

6

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

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

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

17 (2) Its emissions, in pounds per megawatt hour, of sulfur  
18 dioxide, carbon dioxide, oxides of nitrogen, and any other pollutant  
19 that the board may determine to pose an environmental or health  
20 hazard, or an emissions default to be determined by the board; and

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

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

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

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

36 (3) A uniform emissions disclosure format that is graphic in  
37 nature and easily understandable by consumers. The board shall  
38 periodically review the disclosure requirements to determine if  
39 revisions to the environmental disclosure system as implemented  
40 are necessary.

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

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

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

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

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

19 (a) Allow a transition period, either before or after the effective  
20 date of the regulation to mitigate leakage, for a basic generation  
21 service provider or electric power supplier to either meet the  
22 emissions portfolio standard or other regulatory mechanism to  
23 mitigate leakage, or to transfer any customer to a basic generation  
24 service provider or electric power supplier that meets the emissions  
25 portfolio standard or other regulatory mechanism to mitigate  
26 leakage. If the transition period allowed pursuant to this  
27 subparagraph occurs after the implementation of an emissions  
28 portfolio standard or other regulatory mechanism to mitigate  
29 leakage, the transition period shall be no longer than three years;  
30 and

31 (b) Exempt the provision of basic generation service pursuant to  
32 a basic generation service purchase and sale agreement effective  
33 prior to the date of the regulation.

34 Unless the Attorney General or the Attorney General's designee  
35 determines that a greenhouse gas emissions portfolio standard  
36 would unconstitutionally burden interstate commerce or would be  
37 preempted by federal law, the adoption by the board of an electric  
38 energy efficiency portfolio standard pursuant to subsection g. of this  
39 section, a gas energy efficiency portfolio standard pursuant to  
40 subsection h. of this section, or any other enhanced energy  
41 efficiency policies to mitigate leakage shall not be considered  
42 sufficient to fulfill the requirement of this subsection for the  
43 adoption of a greenhouse gas emissions portfolio standard or any  
44 other regulatory mechanism to mitigate leakage.

45 d. Notwithstanding any provisions of the "Administrative  
46 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the  
47 contrary, the board shall initiate a proceeding and shall adopt, after

1 notice, provision of the opportunity for comment, and public  
2 hearing, renewable energy portfolio standards that shall require:

3 (1) that two and one-half percent of the kilowatt hours sold in  
4 this State by each electric power supplier and each basic generation  
5 service provider be from Class I or Class II renewable energy  
6 sources;

7 (2) beginning on January 1, 2001, that one-half of one percent  
8 of the kilowatt hours sold in this State by each electric power  
9 supplier and each basic generation service provider be from Class I  
10 renewable energy sources. The board shall increase the required  
11 percentage for Class I renewable energy sources so that by January  
12 1, 2006, one percent of the kilowatt hours sold in this State by each  
13 electric power supplier and each basic generation service provider  
14 shall be from Class I renewable energy sources and shall  
15 additionally increase the required percentage for Class I renewable  
16 energy sources by one-half of one percent each year until January 1,  
17 2012, when four percent of the kilowatt hours sold in this State by  
18 each electric power supplier and each basic generation service  
19 provider shall be from Class I renewable energy sources.

20 An electric power supplier or basic generation service provider  
21 may satisfy the requirements of this subsection by participating in a  
22 renewable energy trading program approved by the board in  
23 consultation with the Department of Environmental Protection;

24 (3) that the board establish a multi-year schedule, applicable to  
25 each electric power supplier or basic generation service provider in  
26 this State, beginning with the one-year period commencing on June  
27 1, 2010, and continuing for each subsequent one-year period up to  
28 and including, the one-year period commencing on June 1, 2028,  
29 that requires the following number or percentage, as the case may  
30 be, of kilowatt-hours sold in this State by each electric power  
31 supplier and each basic generation service provider to be from solar  
32 electric power generators connected to the distribution system in  
33 this State:

34	EY 2011	306 Gigawatthours (Gwhrs)
35	EY 2012	442 Gwhrs
36	EY 2013	596 Gwhrs
37	EY 2014	2.050%
38	EY 2015	2.450%
39	EY 2016	2.750%
40	EY 2017	3.000%
41	EY 2018	3.200%
42	EY 2019	3.290%
43	EY 2020	3.380%
44	EY 2021	3.470%
45	EY 2022	3.560%
46	EY 2023	3.650%
47	EY 2024	3.740%
48	EY 2025	3.830%

1 EY 2026 3.920%

2 EY 2027 4.010%

3 EY 2028 4.100%, and for every energy year thereafter, at least  
4 4.100% per energy year to reflect an increasing number of kilowatt-  
5 hours to be purchased by suppliers or providers from solar electric  
6 power generators connected to the distribution system in this State,  
7 and to establish a framework within which, of the electricity that the  
8 generators sell in this State, suppliers and providers shall each  
9 obtain at least 3.470% in the energy year 2021 and 4.100% in the  
10 energy year 2028 from solar electric power generators connected to  
11 the distribution system in this State, provided, however, that:

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

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

23 (c) The solar renewable portfolio standards requirements in this  
24 paragraph shall exempt those existing supply contracts which are  
25 effective prior to the date of enactment of P.L.2012, c.24 from any  
26 increase beyond the number of SRECs mandated by the solar  
27 renewable portfolio standards requirements that were in effect on  
28 the date that the providers executed their existing supply contracts.  
29 This limited exemption for providers' existing supply contracts shall  
30 not be construed to lower the Statewide solar sourcing requirements  
31 set forth in this paragraph. Such incremental requirements that  
32 would have otherwise been imposed on exempt providers shall be  
33 distributed over the providers not subject to the existing supply  
34 contract exemption until such time as existing supply contracts  
35 expire and all providers are subject to the new requirement in a  
36 manner that is competitively neutral among all providers and  
37 suppliers. The board shall implement the provisions of this  
38 subsection in a manner so as to prevent any subsidies between  
39 suppliers and providers and to promote competition in the  
40 electricity supply industry.

41 An electric power supplier or basic generation service provider  
42 may satisfy the requirements of this subsection by participating in a  
43 renewable energy trading program approved by the board in  
44 consultation with the Department of Environmental Protection, or  
45 compliance with the requirements of this subsection may be  
46 demonstrated to the board by suppliers or providers through the  
47 purchase of SRECs.

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

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

15 (4) within 180 days after the date of enactment of P.L.2010,  
16 c.57 (C.48:3-87.1 et al.), that the board establish an offshore wind  
17 renewable energy certificate program to require that a percentage of  
18 the kilowatt hours sold in this State by each electric power supplier  
19 and each basic generation service provider be from offshore wind  
20 energy in order to support at least 1,100 megawatts of generation  
21 from qualified offshore wind projects.

22 The percentage established by the board pursuant to this  
23 paragraph shall serve as an offset to the renewable energy portfolio  
24 standard established pursuant to paragraphs (1) and (2) of this  
25 subsection and shall reduce the corresponding Class I renewable  
26 energy requirement.

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

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

45 The rules established by the board pursuant to this paragraph  
46 shall be effective as regulations immediately upon filing with the  
47 Office of Administrative Law and shall be effective for a period not  
48 to exceed 18 months, and may, thereafter, be amended, adopted or



1 readopted by the board in accordance with the provisions of the  
2 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
3 seq.).

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

9 (1) net metering standards for electric power suppliers and basic  
10 generation service providers. The standards shall require electric  
11 power suppliers and basic generation service providers to offer net  
12 metering at non-discriminatory rates to industrial, large  
13 commercial, residential and small commercial customers, as those  
14 customers are classified or defined by the board, that generate  
15 electricity, on the customer's side of the meter, using a Class I  
16 renewable energy source, for the net amount of electricity supplied  
17 by the electric power supplier or basic generation service provider  
18 over an annualized period. Systems of any sized capacity, as  
19 measured in watts, are eligible for net metering. If the amount of  
20 electricity generated by the customer-generator, plus any kilowatt  
21 hour credits held over from the previous billing periods, exceeds the  
22 electricity supplied by the electric power supplier or basic  
23 generation service provider, then the electric power supplier or  
24 basic generation service provider, as the case may be, shall credit  
25 the customer-generator for the excess kilowatt hours until the end of  
26 the annualized period at which point the customer-generator will be  
27 compensated for any remaining credits or, if the customer-generator  
28 chooses, credit the customer-generator on a real-time basis, at the  
29 electric power supplier's or basic generation service provider's  
30 avoided cost of wholesale power or the PJM electric power pool's  
31 real-time locational marginal pricing rate, adjusted for losses, for  
32 the respective zone in the PJM electric power pool. Alternatively,  
33 the customer-generator may execute a bilateral agreement with an  
34 electric power supplier or basic generation service provider for the  
35 sale and purchase of the customer-generator's excess generation.  
36 The customer-generator may be credited on a real-time basis, so  
37 long as the customer-generator follows applicable rules prescribed  
38 by the PJM electric power pool for its capacity requirements for the  
39 net amount of electricity supplied by the electric power supplier or  
40 basic generation service provider. The board may authorize an  
41 electric power supplier or basic generation service provider to cease  
42 offering net metering whenever the total rated generating capacity  
43 owned and operated by net metering customer-generators Statewide  
44 equals **[2.5]** 7.5 percent of the State's peak electricity demand;

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

1       Such standards or rules shall take into consideration the goals of  
2 the New Jersey Energy Master Plan, applicable industry standards,  
3 and the standards of other states and the Institute of Electrical and  
4 Electronic Engineers. The board shall allow electric public utilities  
5 to recover the costs of any new net meters, upgraded net meters,  
6 system reinforcements or upgrades, and interconnection costs  
7 through either their regulated rates or from the net metering  
8 customer-generator;

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

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

1 generation system shall be accounted for pursuant to the provisions  
2 of paragraph (1) of this subsection to provide that the electricity  
3 generated in excess of the electricity supplied by the electric power  
4 supplier or the basic generation service provider, as the case may  
5 be, for the customer's facility on which the solar electric generation  
6 system is installed, over the annualized period, is credited at the  
7 electric power supplier's or the basic generation service provider's  
8 avoided cost of wholesale power or the PJM electric power pool  
9 real-time locational marginal pricing rate. All electricity used by  
10 the customer's qualified facilities, with the exception of the facility  
11 or property on which the solar electric power generation system is  
12 installed, shall be billed at the full retail rate pursuant to the electric  
13 public utility tariff applicable to the customer class of the customer  
14 using the electricity. A customer may contract with a third party to  
15 operate a solar electric power generation system, for the purpose of  
16 net metering aggregation. Any contractual relationship entered into  
17 for operation of a solar electric power generation system related to  
18 net metering aggregation shall include contractual protections that  
19 provide for adequate performance and provision for construction  
20 and operation for the term of the contract, including any appropriate  
21 bonding or escrow requirements. Any incremental cost to an  
22 electric public utility for net metering aggregation shall be fully and  
23 timely recovered in a manner to be determined by the board. The  
24 board shall adopt net metering aggregation standards within 270  
25 days after the effective date of P.L.2012, c.24.

26 Such rules shall require the board or its designee to issue a credit  
27 or other incentive to those generators that do not use a net meter but  
28 otherwise generate electricity derived from a Class I renewable  
29 energy source and to issue an enhanced credit or other incentive,  
30 including, but not limited to, a solar renewable energy credit, to  
31 those generators that generate electricity derived from solar  
32 technologies.

33 Such standards or rules shall be effective as regulations  
34 immediately upon filing with the Office of Administrative Law and  
35 shall be effective for a period not to exceed 18 months, and may,  
36 thereafter, be amended, adopted or readopted by the board in  
37 accordance with the provisions of the "Administrative Procedure  
38 Act."

39 f. The board may assess, by written order and after notice and  
40 opportunity for comment, a separate fee to cover the cost of  
41 implementing and overseeing an emission disclosure system or  
42 emission portfolio standard, which fee shall be assessed based on an  
43 electric power supplier's or basic generation service provider's share  
44 of the retail electricity supply market. The board shall not impose a  
45 fee for the cost of implementing and overseeing a greenhouse gas  
46 emissions portfolio standard adopted pursuant to paragraph (2) of  
47 subsection c. of this section, the electric energy efficiency portfolio  
48 standard adopted pursuant to subsection g. of this section, or the gas

1 energy efficiency portfolio standard adopted pursuant to subsection  
2 h. of this section.

3 g. The board may adopt, pursuant to the "Administrative  
4 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), an electric  
5 energy efficiency portfolio standard that may require each electric  
6 public utility to implement energy efficiency measures that reduce  
7 electricity usage in the State by 2020 to a level that is 20 percent  
8 below the usage projected by the board in the absence of such a  
9 standard. Nothing in this section shall be construed to prevent an  
10 electric public utility from meeting the requirements of this section  
11 by contracting with another entity for the performance of the  
12 requirements.

13 h. The board may adopt, pursuant to the "Administrative  
14 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), a gas energy  
15 efficiency portfolio standard that may require each gas public utility  
16 to implement energy efficiency measures that reduce natural gas  
17 usage for heating in the State by 2020 to a level that is 20 percent  
18 below the usage projected by the board in the absence of such a  
19 standard. Nothing in this section shall be construed to prevent a gas  
20 public utility from meeting the requirements of this section by  
21 contracting with another entity for the performance of the  
22 requirements.

23 i. After the board establishes a schedule of solar kilowatt-hour  
24 sale or purchase requirements pursuant to paragraph (3) of  
25 subsection d. of this section, the board may initiate subsequent  
26 proceedings and adopt, after appropriate notice and opportunity for  
27 public comment and public hearing, increased minimum solar  
28 kilowatt-hour sale or purchase requirements, provided that the  
29 board shall not reduce previously established minimum solar  
30 kilowatt-hour sale or purchase requirements, or otherwise impose  
31 constraints that reduce the requirements by any means.

32 j. The board shall determine an appropriate level of solar  
33 alternative compliance payment, and permit each supplier or  
34 provider to submit an SACP to comply with the solar electric  
35 generation requirements of paragraph (3) of subsection d. of this  
36 section. The value of the SACP for each Energy Year, for Energy  
37 Years 2014 through 2028 per megawatt hour from solar electric  
38 generation required pursuant to this section, shall be:

39 EY 2014	\$339
40 EY 2015	\$331
41 EY 2016	\$323
42 EY 2017	\$315
43 EY 2018	\$308
44 EY 2019	\$300
45 EY 2020	\$293
46 EY 2021	\$286
47 EY 2022	\$279
48 EY 2023	\$272

1	EY 2024	\$266
2	EY 2025	\$260
3	EY 2026	\$253
4	EY 2027	\$250
5	EY 2028	\$239.

6 The board may initiate subsequent proceedings and adopt, after  
7 appropriate notice and opportunity for public comment and public  
8 hearing, an increase in solar alternative compliance payments,  
9 provided that the board shall not reduce previously established  
10 levels of solar alternative compliance payments, nor shall the board  
11 provide relief from the obligation of payment of the SACP by the  
12 electric power suppliers or basic generation service providers in any  
13 form. Any SACP payments collected shall be refunded directly to  
14 the ratepayers by the electric public utilities.

15 k. The board may allow electric public utilities to offer long-  
16 term contracts through a competitive process, direct electric public  
17 utility investment and other means of financing, including but not  
18 limited to loans, for the purchase of SRECs and the resale of SRECs  
19 to suppliers or providers or others, provided that after such  
20 contracts have been approved by the board, the board's approvals  
21 shall not be modified by subsequent board orders. If the board  
22 allows the offering of contracts pursuant to this subsection, the  
23 board may establish a process, after hearing, and opportunity for  
24 public comment, to provide that a designated segment of the  
25 contracts approved pursuant to this subsection shall be contracts  
26 involving solar electric power generation facility projects with a  
27 capacity of up to 250 kilowatts.

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

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

33 (2) maintain adequate regulatory authority over non-competitive  
34 public utility services;

35 (3) consider alternative forms of regulation in order to address  
36 changes in the technology and structure of electric public utilities;

37 (4) promote energy efficiency and Class I renewable energy  
38 market development, taking into consideration environmental  
39 benefits and market barriers;

40 (5) make energy services more affordable for low and moderate  
41 income customers;

42 (6) attempt to transform the renewable energy market into one  
43 that can move forward without subsidies from the State or public  
44 utilities;

45 (7) achieve the goals put forth under the renewable energy  
46 portfolio standards;

47 (8) promote the lowest cost to ratepayers; and

48 (9) allow all market segments to participate.

1 m. The board shall ensure the availability of financial incentives  
2 under its jurisdiction, including, but not limited to, long-term  
3 contracts, loans, SRECs, or other financial support, to ensure  
4 market diversity, competition, and appropriate coverage across all  
5 ratepayer segments, including, but not limited to, residential,  
6 commercial, industrial, non-profit, farms, schools, and public entity  
7 customers.

8 n. For projects which are owned, or directly invested in, by a  
9 public utility pursuant to section 13 of P.L.2007, c.340 (C.48:3-  
10 98.1), the board shall determine the number of SRECs with which  
11 such projects shall be credited; and in determining such number the  
12 board shall ensure that the market for SRECs does not detrimentally  
13 affect the development of non-utility solar projects and shall  
14 consider how its determination may impact the ratepayers.

15 o. The board, in consultation with the Department of  
16 Environmental Protection, electric public utilities, the Division of  
17 Rate Counsel in, but not of, the Department of the Treasury,  
18 affected members of the solar energy industry, and relevant  
19 stakeholders, shall periodically consider increasing the renewable  
20 energy portfolio standards beyond the minimum amounts set forth  
21 in subsection d. of this section, taking into account the cost impacts  
22 and public benefits of such increases including, but not limited to:

23 (1) reductions in air pollution, water pollution, land disturbance,  
24 and greenhouse gas emissions;

25 (2) reductions in peak demand for electricity and natural gas,  
26 and the overall impact on the costs to customers of electricity and  
27 natural gas;

28 (3) increases in renewable energy development, manufacturing,  
29 investment, and job creation opportunities in this State; and

30 (4) reductions in State and national dependence on the use of  
31 fossil fuels.

32 p. Class I RECs and ORECs shall be eligible for use in  
33 renewable energy portfolio standards compliance in the energy year  
34 in which they are generated, and for the following two energy years.  
35 SRECs shall be eligible for use in renewable energy portfolio  
36 standards compliance in the energy year in which they are  
37 generated, and for the following four energy years.

38 q. (1) During the energy years of 2014, 2015, and 2016, a solar  
39 electric power generation facility project that is not: (a) net  
40 metered; (b) an on-site generation facility; (c) qualified for net  
41 metering aggregation; or (d) certified as being located on a  
42 brownfield, on an area of historic fill or on a properly closed  
43 sanitary landfill facility, as provided pursuant to subsection t. of this  
44 section may file an application with the board for approval of a  
45 designation pursuant to this subsection that the facility is connected  
46 to the distribution system. An application filed pursuant to this  
47 subsection shall include a notice escrow of \$40,000 per megawatt of  
48 the proposed capacity of the facility. The board shall approve the

1 designation if: the facility has filed a notice in writing with the  
2 board applying for designation pursuant to this subsection, together  
3 with the notice escrow; and the capacity of the facility, when added  
4 to the capacity of other facilities that have been previously  
5 approved for designation prior to the facility's filing under this  
6 subsection, does not exceed 80 megawatts in the aggregate for each  
7 year. The capacity of any one solar electric power supply project  
8 approved pursuant to this subsection shall not exceed 10 megawatts.  
9 No more than 90 days after its receipt of a completed application  
10 for designation pursuant to this subsection, the board shall approve,  
11 conditionally approve, or disapprove the application. The notice  
12 escrow shall be reimbursed to the facility in full upon either  
13 rejection by the board or the facility entering commercial operation,  
14 or shall be forfeited to the State if the facility is designated pursuant  
15 to this subsection but does not enter commercial operation pursuant  
16 to paragraph (2) of this subsection.

17 (2) If the proposed solar electric power generation facility does  
18 not commence commercial operations within two years following  
19 the date of the designation by the board pursuant to this subsection,  
20 the designation of the facility shall be deemed to be null and void,  
21 and the facility shall not be considered connected to the distribution  
22 system thereafter.

23 r. (1) For all proposed solar electric power generation facility  
24 projects except for those solar electric power generation facility  
25 projects approved pursuant to subsection q. of this section, and for  
26 all projects proposed in each energy year following energy year  
27 2016, a proposed solar electric power generation facility that is  
28 neither net metered nor an on-site generation facility, may be  
29 considered "connected to the distribution system" only upon  
30 designation as such by the board, after notice to the public and  
31 opportunity for public comment or hearing. A proposed solar  
32 power electric generation facility seeking board designation as  
33 "connected to the distribution system" shall submit an application to  
34 the board that includes for the proposed facility: the nameplate  
35 capacity; the estimated energy and number of SRECs to be  
36 produced and sold per year; the estimated annual rate impact on  
37 ratepayers; the estimated capacity of the generator as defined by  
38 PJM for sale in the PJM capacity market; the point of  
39 interconnection; the total project acreage and location; the current  
40 land use designation of the property; the type of solar technology to  
41 be used; and such other information as the board shall require.

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

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

1 (b) the approval of the designation of the proposed facility  
2 would not significantly impact the preservation of open space in  
3 this State;

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

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

10 (3) The board shall act within 90 days of its receipt of a  
11 completed application for designation of a solar power electric  
12 generation facility as "connected to the distribution system," to  
13 either approve, conditionally approve, or disapprove the  
14 application. If the proposed solar electric power generation facility  
15 does not commence commercial operations within two years  
16 following the date of the designation by the board pursuant to this  
17 subsection, the designation of the facility as "connected to the  
18 distribution system" shall be deemed to be null and void, and the  
19 facility shall thereafter be considered not "connected to the  
20 distribution system."

21 s. In addition to any other requirements of P.L.1999, c.23 or  
22 any other law, rule, regulation or order, a solar electric power  
23 generation facility that is not net metered or an on-site generation  
24 facility and which is located on land that has been actively devoted  
25 to agricultural or horticultural use that is valued, assessed, and  
26 taxed pursuant to the "Farmland Assessment Act of 1964,"  
27 P.L.1964, c.48 (C.54:4-23.1 et seq.) at any time within the 10-year  
28 period prior to the effective date of P.L.2012, c.24, shall only be  
29 considered "connected to the distribution system" if (1) the board  
30 approves the facility's designation pursuant to subsection q. of this  
31 section; or (2) (a) PJM issued a System Impact Study for the facility  
32 on or before June 30, 2011, (b) the facility files a notice with the  
33 board within 60 days of the effective date of P.L.2012, c.24,  
34 indicating its intent to qualify under this subsection, and (c) the  
35 facility has been approved as "connected to the distribution system"  
36 by the board. Nothing in this subsection shall limit the board's  
37 authority concerning the review and oversight of facilities, unless  
38 such facilities are exempt from such review as a result of having  
39 been approved pursuant to subsection q. of this section.

40 t. (1) No more than 180 days after the date of enactment of  
41 P.L.2012, c.24, the board shall, in consultation with the Department  
42 of Environmental Protection and the New Jersey Economic  
43 Development Authority, and, after notice and opportunity for public  
44 comment and public hearing, complete a proceeding to establish a  
45 program to provide SRECs to owners of solar electric power  
46 generation facility projects certified by the board, in consultation  
47 with the Department of Environmental Protection, as being located  
48 on a brownfield, on an area of historic fill or on a properly closed



1 sanitary landfill facility, including those owned or operated by an  
2 electric public utility and approved pursuant to section 13 of  
3 P.L.2007, c.340 (C.48:3-98.1). Projects certified under this  
4 subsection shall be considered "connected to the distribution  
5 system", shall not require such designation by the board, and shall  
6 not be subject to board review required pursuant to subsections q.  
7 and r. of this section. Notwithstanding the provisions of section 3  
8 of P.L.1999, c.23 (C.48:3-51) or any other law, rule, regulation, or  
9 order to the contrary, for projects certified under this subsection, the  
10 board shall establish a financial incentive that is designed to  
11 supplement the SRECs generated by the facility in order to cover  
12 the additional cost of constructing and operating a solar electric  
13 power generation facility on a brownfield, on an area of historic fill  
14 or on a properly closed sanitary landfill facility. Any financial  
15 benefit realized in relation to a project owned or operated by an  
16 electric public utility and approved by the board pursuant to section  
17 13 of P.L.2007, c.340 (C.48:3-98.1), as a result of the provision of a  
18 financial incentive established by the board pursuant to this  
19 subsection, shall be credited to ratepayers. The issuance of SRECs  
20 for all solar electric power generation facility projects pursuant to  
21 this subsection shall be deemed "Board of Public Utilities financial  
22 assistance" as provided under section 1 of P.L.2009, c.89 (C.48:2-  
23 29.47).

24 (2) Notwithstanding the provisions of the "Spill Compensation  
25 and Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.) or any  
26 other law, rule, regulation, or order to the contrary, the board, in  
27 consultation with the Department of Environmental Protection, may  
28 find that a person who operates a solar electric power generation  
29 facility project that has commenced operation on or after the  
30 effective date of P.L.2012, c.24, which project is certified by the  
31 board, in consultation with the Department of Environmental  
32 Protection pursuant to paragraph (1) of this subsection, as being  
33 located on a brownfield for which a final remediation document has  
34 been issued, on an area of historic fill or on a properly closed  
35 sanitary landfill facility, which projects shall include, but not be  
36 limited to projects located on a brownfield for which a final  
37 remediation document has been issued, on an area of historic fill or  
38 on a properly closed sanitary landfill facility owned or operated by  
39 an electric public utility and approved pursuant to section 13 of  
40 P.L.2007, c.340 (C.48:3-98.1), or a person who owns property  
41 acquired on or after the effective date of P.L.2012, c.24 on which  
42 such a solar electric power generation facility project is constructed  
43 and operated, shall not be liable for cleanup and removal costs to  
44 the Department of Environmental Protection or to any other person  
45 for the discharge of a hazardous substance provided that:

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

1 (b) the person did not discharge the hazardous substance, is not  
2 in any way responsible for the hazardous substance, and is not a  
3 successor to the discharger or to any person in any way responsible  
4 for the hazardous substance or to anyone liable for cleanup and  
5 removal costs pursuant to section 8 of P.L.1976, c.141 (C.58:10-  
6 23.11g);

7 (c) the person, within 30 days after acquisition of the property,  
8 gave notice of the discharge to the Department of Environmental  
9 Protection in a manner the Department of Environmental Protection  
10 prescribes;

11 (d) the person does not disrupt or change, without prior written  
12 permission from the Department of Environmental Protection, any  
13 engineering or institutional control that is part of a remedial action  
14 for the contaminated site or any landfill closure or post-closure  
15 requirement;

16 (e) the person does not exacerbate the contamination at the  
17 property;

18 (f) the person does not interfere with any necessary remediation  
19 of the property;

20 (g) the person complies with any regulations and any permit the  
21 Department of Environmental Protection issues pursuant to section  
22 19 of P.L.2009, c.60 (C.58:10C-19) or paragraph (2) of subsection  
23 a. of section 6 of P.L.1970, c.39 (C.13:1E-6);

24 (h) with respect to an area of historic fill, the person has  
25 demonstrated pursuant to a preliminary assessment and site  
26 investigation, that hazardous substances have not been discharged;  
27 and

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

34 Only the person who is liable to clean up and remove the  
35 contamination pursuant to section 8 of P.L.1976, c.141 (C.58:10-  
36 23.11g) and who does not have a defense to liability pursuant to  
37 subsection d. of that section shall be liable for cleanup and removal  
38 costs.

39 u. No more than 180 days after the date of enactment of  
40 P.L.2012, c.24, the board shall complete a proceeding to establish a  
41 registration program. The registration program shall require the  
42 owners of solar electric power generation facility projects  
43 connected to the distribution system to make periodic milestone  
44 filings with the board in a manner and at such times as determined  
45 by the board to provide full disclosure and transparency regarding  
46 the overall level of development and construction activity of those  
47 projects Statewide.

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

7 w. No more than 270 days after the date of enactment of  
8 P.L.2012, c.24, the board shall, after notice and opportunity for  
9 public comment and public hearing, complete a proceeding to  
10 consider whether to establish a program to provide, to owners of  
11 solar electric power generation facility projects certified by the  
12 board as being three megawatts or greater in capacity and being net  
13 metered, including facilities which are owned or operated by an  
14 electric public utility and approved by the board pursuant to section  
15 13 of P.L.2007, c.340 (C.48:3-98.1), a financial incentive that is  
16 designed to supplement the SRECs generated by the facility to  
17 further the goal of improving the economic competitiveness of  
18 commercial and industrial customers taking power from such  
19 projects. If the board determines to establish such a program  
20 pursuant to this subsection, the board may establish a financial  
21 incentive to provide that the board shall issue one SREC for no less  
22 than every 750 kilowatt-hours of solar energy generated by the  
23 certified projects. Any financial benefit realized in relation to a  
24 project owned or operated by an electric public utility and approved  
25 by the board pursuant to section 13 of P.L.2007, c.340 (C.48:3-  
26 98.1), as a result of the provisions of a financial incentive  
27 established by the board pursuant to this subsection, shall be  
28 credited to ratepayers.

29 x. Solar electric power generation facility projects that are  
30 located on an existing or proposed commercial, retail, industrial,  
31 municipal, professional, recreational, transit, commuter,  
32 entertainment complex, multi-use, or mixed-use parking lot with a  
33 capacity to park 350 or more vehicles where the area to be utilized  
34 for the facility is paved, or an impervious surface may be owned or  
35 operated by an electric public utility and may be approved by the  
36 board pursuant to section 13 of P.L.2007, c.340 (C.48:3-98.1).  
37 (cf: P.L.2012, c.24, s.2)

38  
39 2. This act shall take effect immediately.  
40  
41

42 STATEMENT  
43

44 This bill would increase the electric power net metering capacity  
45 threshold established in section 38 of the "Electric Discount and  
46 Energy Competition Act," P.L.1999, c.23 (C.48:3-87).

47 Net metering allows electricity customers who generate their  
48 own electricity using solar, wind, biopower, and other forms of

1 renewable energy to “bank” excess electricity on the grid in the  
2 form of kilowatt hour credits. These credits can be used by  
3 customers as needed. Under current law, electric power (EP)  
4 suppliers and basic generation service (BGS) providers are required  
5 to offer net metering to industrial, large commercial, residential and  
6 small commercial customers. The law also authorizes EP suppliers  
7 and BGS providers to cease offering net metering to customer-  
8 generators whenever the total rated generating capacity owned and  
9 operated by net metering customer-generators Statewide equals 2.5  
10 percent of the State’s peak electricity demand. This bill would  
11 increase the net metering capacity threshold to 7.5 percent of the  
12 Statewide peak electricity demand.

# SENATE ENVIRONMENT AND ENERGY COMMITTEE

## STATEMENT TO

### **SENATE, No. 2420**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: OCTOBER 9, 2014

The Senate Environment and Energy Committee favorably reports Senate Bill No. 2420 with committee amendments.

This bill would increase the electric power net metering capacity threshold established in section 38 of the “Electric Discount and Energy Competition Act,” P.L.1999, c.23 (C.48:3-87).

Net metering allows electricity customers who generate their own electricity using solar, wind, and other forms of renewable energy to “bank” excess electricity on the grid in the form of kilowatt hour credits. These credits can be used by customers as needed. Under current law, electric power (EP) suppliers and basic generation service (BGS) providers are required to offer net metering to industrial, large commercial, residential and small commercial customers. The law also allows the Board of Public Utilities to authorize EP suppliers and BGS providers to cease offering net metering to customer-generators whenever the total rated generating capacity owned and operated by net metering customer-generators Statewide equals 2.5 percent of the State’s peak electricity demand. This bill, as amended, would increase the threshold at which the board may authorize EP suppliers and BGS providers to cease offering net metering to customers that are not already net metered to whenever the total rated generating capacity owned and operated by the net metering customer-generators Statewide equals 4 percent of the total annual kilowatt-hours sold in this State by each EP supplier and each BGS provider for the prior one-year period.

The committee amended the bill to change the threshold at which the BPU may authorize the cessation of net metering from 7.5 percent of peak electricity demand to 4 percent of total annual kilowatt-hours sold in the State for the prior one-year period. The committee amendments would also clarify that the board may authorize an EP supplier or BGS provider to cease offering net metering to customers that are not already net metered when the 4% limit is reached.

ASSEMBLY TELECOMMUNICATIONS AND UTILITIES  
COMMITTEE

STATEMENT TO

[First Reprint]  
**SENATE, No. 2420**

**STATE OF NEW JERSEY**

DATED: JUNE 1, 2015

The Assembly Telecommunications and Utilities Committee reports favorably Senate Bill No. 2420 (1R).

As reported, this bill increases the electric power net metering capacity threshold established in the “Electric Discount and Energy Competition Act,” P.L.1999, c.23 (C.48:3-87).

Net metering allows electricity customers who generate their own electricity using solar, wind, and other forms of renewable energy to “bank” excess electricity on the grid in the form of kilowatt hour credits. These credits can be used by customers as needed. Under current law, electric power (EP) suppliers and basic generation service (BGS) providers are required to offer net metering to industrial, large commercial, residential, and small commercial customers. The law also allows the Board of Public Utilities (board) to authorize EP suppliers and BGS providers to cease offering net metering to customer-generators whenever the total rated generating capacity owned and operated by net metering customer-generators Statewide equals 2.5 percent of the State’s peak electricity demand. This bill increases the threshold at which the board may authorize EP suppliers and BGS providers to cease offering net metering to customers that are not already net metered. The bill provides that the new threshold is met when the total rated generating capacity owned and operated by the net metering customer-generators Statewide equals four percent of the total annual kilowatt-hours sold in this State by each EP supplier and each BGS provider for the prior one-year period.

As reported, Senate Bill No. 2420 (1R) is identical to Assembly Bill No. 3838 which was also reported by the committee on this date.

STATEMENT TO  
[First Reprint]  
**SENATE, No. 2420**

with Assembly Floor Amendments  
(Proposed by Assemblyman MCKEON)

ADOPTED: JUNE 11, 2015

This floor amendment would change the electric power net metering capacity threshold established in the bill from four percent of total annual kilowatt-hours sold in the State to 2.9 percent.

# ASSEMBLY, No. 3838

## STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED OCTOBER 23, 2014

**Sponsored by:**

**Assemblyman JOHN F. MCKEON**

**District 27 (Essex and Morris)**

**SYNOPSIS**

Increases electric power net metering capacity threshold to 4 percent of total annual kilowatt-hours sold in State.

**CURRENT VERSION OF TEXT**

As introduced.





1 AN ACT concerning electric power net metering and amending  
2 P.L.1999, c.23.

3

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

6

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

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

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

17 (2) Its emissions, in pounds per megawatt hour, of sulfur  
18 dioxide, carbon dioxide, oxides of nitrogen, and any other pollutant  
19 that the board may determine to pose an environmental or health  
20 hazard, or an emissions default to be determined by the board; and

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

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

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

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

36 (3) A uniform emissions disclosure format that is graphic in  
37 nature and easily understandable by consumers. The board shall  
38 periodically review the disclosure requirements to determine if  
39 revisions to the environmental disclosure system as implemented  
40 are necessary.

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

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

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

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

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

19 (a) Allow a transition period, either before or after the effective  
20 date of the regulation to mitigate leakage, for a basic generation  
21 service provider or electric power supplier to either meet the  
22 emissions portfolio standard or other regulatory mechanism to  
23 mitigate leakage, or to transfer any customer to a basic generation  
24 service provider or electric power supplier that meets the emissions  
25 portfolio standard or other regulatory mechanism to mitigate  
26 leakage. If the transition period allowed pursuant to this  
27 subparagraph occurs after the implementation of an emissions  
28 portfolio standard or other regulatory mechanism to mitigate  
29 leakage, the transition period shall be no longer than three years;  
30 and

31 (b) Exempt the provision of basic generation service pursuant to  
32 a basic generation service purchase and sale agreement effective  
33 prior to the date of the regulation.

34 Unless the Attorney General or the Attorney General's designee  
35 determines that a greenhouse gas emissions portfolio standard  
36 would unconstitutionally burden interstate commerce or would be  
37 preempted by federal law, the adoption by the board of an electric  
38 energy efficiency portfolio standard pursuant to subsection g. of this  
39 section, a gas energy efficiency portfolio standard pursuant to  
40 subsection h. of this section, or any other enhanced energy  
41 efficiency policies to mitigate leakage shall not be considered  
42 sufficient to fulfill the requirement of this subsection for the  
43 adoption of a greenhouse gas emissions portfolio standard or any  
44 other regulatory mechanism to mitigate leakage.

45 d. Notwithstanding any provisions of the "Administrative  
46 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the  
47 contrary, the board shall initiate a proceeding and shall adopt, after

1 notice, provision of the opportunity for comment, and public  
2 hearing, renewable energy portfolio standards that shall require:

3 (1) that two and one-half percent of the kilowatt hours sold in  
4 this State by each electric power supplier and each basic generation  
5 service provider be from Class I or Class II renewable energy  
6 sources;

7 (2) beginning on January 1, 2001, that one-half of one percent  
8 of the kilowatt hours sold in this State by each electric power  
9 supplier and each basic generation service provider be from Class I  
10 renewable energy sources. The board shall increase the required  
11 percentage for Class I renewable energy sources so that by January  
12 1, 2006, one percent of the kilowatt hours sold in this State by each  
13 electric power supplier and each basic generation service provider  
14 shall be from Class I renewable energy sources and shall  
15 additionally increase the required percentage for Class I renewable  
16 energy sources by one-half of one percent each year until January 1,  
17 2012, when four percent of the kilowatt hours sold in this State by  
18 each electric power supplier and each basic generation service  
19 provider shall be from Class I renewable energy sources.

20 An electric power supplier or basic generation service provider  
21 may satisfy the requirements of this subsection by participating in a  
22 renewable energy trading program approved by the board in  
23 consultation with the Department of Environmental Protection;

24 (3) that the board establish a multi-year schedule, applicable to  
25 each electric power supplier or basic generation service provider in  
26 this State, beginning with the one-year period commencing on June  
27 1, 2010, and continuing for each subsequent one-year period up to  
28 and including, the one-year period commencing on June 1, 2028,  
29 that requires the following number or percentage, as the case may  
30 be, of kilowatt-hours sold in this State by each electric power  
31 supplier and each basic generation service provider to be from solar  
32 electric power generators connected to the distribution system in  
33 this State:

34	EY 2011	306 Gigawatthours (Gwhrs)
35	EY 2012	442 Gwhrs
36	EY 2013	596 Gwhrs
37	EY 2014	2.050%
38	EY 2015	2.450%
39	EY 2016	2.750%
40	EY 2017	3.000%
41	EY 2018	3.200%
42	EY 2019	3.290%
43	EY 2020	3.380%
44	EY 2021	3.470%
45	EY 2022	3.560%
46	EY 2023	3.650%
47	EY 2024	3.740%
48	EY 2025	3.830%

1 EY 2026 3.920%

2 EY 2027 4.010%

3 EY 2028 4.100%, and for every energy year thereafter, at least  
4 4.100% per energy year to reflect an increasing number of kilowatt-  
5 hours to be purchased by suppliers or providers from solar electric  
6 power generators connected to the distribution system in this State,  
7 and to establish a framework within which, of the electricity that the  
8 generators sell in this State, suppliers and providers shall each  
9 obtain at least 3.470% in the energy year 2021 and 4.100% in the  
10 energy year 2028 from solar electric power generators connected to  
11 the distribution system in this State, provided, however, that:

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

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

23 (c) The solar renewable portfolio standards requirements in this  
24 paragraph shall exempt those existing supply contracts which are  
25 effective prior to the date of enactment of P.L.2012, c.24 from any  
26 increase beyond the number of SRECs mandated by the solar  
27 renewable portfolio standards requirements that were in effect on  
28 the date that the providers executed their existing supply contracts.  
29 This limited exemption for providers' existing supply contracts shall  
30 not be construed to lower the Statewide solar sourcing requirements  
31 set forth in this paragraph. Such incremental requirements that  
32 would have otherwise been imposed on exempt providers shall be  
33 distributed over the providers not subject to the existing supply  
34 contract exemption until such time as existing supply contracts  
35 expire and all providers are subject to the new requirement in a  
36 manner that is competitively neutral among all providers and  
37 suppliers. The board shall implement the provisions of this  
38 subsection in a manner so as to prevent any subsidies between  
39 suppliers and providers and to promote competition in the  
40 electricity supply industry.

41 An electric power supplier or basic generation service provider  
42 may satisfy the requirements of this subsection by participating in a  
43 renewable energy trading program approved by the board in  
44 consultation with the Department of Environmental Protection, or  
45 compliance with the requirements of this subsection may be  
46 demonstrated to the board by suppliers or providers through the  
47 purchase of SRECs.

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

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

15 (4) within 180 days after the date of enactment of P.L.2010,  
16 c.57 (C.48:3-87.1 et al.), that the board establish an offshore wind  
17 renewable energy certificate program to require that a percentage of  
18 the kilowatt hours sold in this State by each electric power supplier  
19 and each basic generation service provider be from offshore wind  
20 energy in order to support at least 1,100 megawatts of generation  
21 from qualified offshore wind projects.

22 The percentage established by the board pursuant to this  
23 paragraph shall serve as an offset to the renewable energy portfolio  
24 standard established pursuant to paragraphs (1) and (2) of this  
25 subsection and shall reduce the corresponding Class I renewable  
26 energy requirement.

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

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

45 The rules established by the board pursuant to this paragraph  
46 shall be effective as regulations immediately upon filing with the  
47 Office of Administrative Law and shall be effective for a period not  
48 to exceed 18 months, and may, thereafter, be amended, adopted or

1 readopted by the board in accordance with the provisions of the  
2 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
3 seq.).

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

9 (1) net metering standards for electric power suppliers and basic  
10 generation service providers. The standards shall require electric  
11 power suppliers and basic generation service providers to offer net  
12 metering at non-discriminatory rates to industrial, large  
13 commercial, residential and small commercial customers, as those  
14 customers are classified or defined by the board, that generate  
15 electricity, on the customer's side of the meter, using a Class I  
16 renewable energy source, for the net amount of electricity supplied  
17 by the electric power supplier or basic generation service provider  
18 over an annualized period. Systems of any sized capacity, as  
19 measured in watts, are eligible for net metering. If the amount of  
20 electricity generated by the customer-generator, plus any kilowatt  
21 hour credits held over from the previous billing periods, exceeds the  
22 electricity supplied by the electric power supplier or basic  
23 generation service provider, then the electric power supplier or  
24 basic generation service provider, as the case may be, shall credit  
25 the customer-generator for the excess kilowatt hours until the end of  
26 the annualized period at which point the customer-generator will be  
27 compensated for any remaining credits or, if the customer-generator  
28 chooses, credit the customer-generator on a real-time basis, at the  
29 electric power supplier's or basic generation service provider's  
30 avoided cost of wholesale power or the PJM electric power pool's  
31 real-time locational marginal pricing rate, adjusted for losses, for  
32 the respective zone in the PJM electric power pool. Alternatively,  
33 the customer-generator may execute a bilateral agreement with an  
34 electric power supplier or basic generation service provider for the  
35 sale and purchase of the customer-generator's excess generation.  
36 The customer-generator may be credited on a real-time basis, so  
37 long as the customer-generator follows applicable rules prescribed  
38 by the PJM electric power pool for its capacity requirements for the  
39 net amount of electricity supplied by the electric power supplier or  
40 basic generation service provider. The board may authorize an  
41 electric power supplier or basic generation service provider to cease  
42 offering net metering to customers that are not already net metered  
43 whenever the total rated generating capacity owned and operated by  
44 net metering customer-generators Statewide equals **【2.5】 4** percent  
45 of the **【State's peak electricity demand】** total annual kilowatt-hours  
46 sold in this State by each electric power supplier and each basic  
47 generation service provider during the prior one-year period;

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

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

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

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

1 the applicable electric public utility tariff. For the customer's  
2 facility or property on which the solar electric generation system is  
3 installed, the electricity generated from the customer's solar electric  
4 generation system shall be accounted for pursuant to the provisions  
5 of paragraph (1) of this subsection to provide that the electricity  
6 generated in excess of the electricity supplied by the electric power  
7 supplier or the basic generation service provider, as the case may  
8 be, for the customer's facility on which the solar electric generation  
9 system is installed, over the annualized period, is credited at the  
10 electric power supplier's or the basic generation service provider's  
11 avoided cost of wholesale power or the PJM electric power pool  
12 real-time locational marginal pricing rate. All electricity used by  
13 the customer's qualified facilities, with the exception of the facility  
14 or property on which the solar electric power generation system is  
15 installed, shall be billed at the full retail rate pursuant to the electric  
16 public utility tariff applicable to the customer class of the customer  
17 using the electricity. A customer may contract with a third party to  
18 operate a solar electric power generation system, for the purpose of  
19 net metering aggregation. Any contractual relationship entered into  
20 for operation of a solar electric power generation system related to  
21 net metering aggregation shall include contractual protections that  
22 provide for adequate performance and provision for construction  
23 and operation for the term of the contract, including any appropriate  
24 bonding or escrow requirements. Any incremental cost to an  
25 electric public utility for net metering aggregation shall be fully and  
26 timely recovered in a manner to be determined by the board. The  
27 board shall adopt net metering aggregation standards within 270  
28 days after the effective date of P.L.2012, c.24.

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

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

42 f. The board may assess, by written order and after notice and  
43 opportunity for comment, a separate fee to cover the cost of  
44 implementing and overseeing an emission disclosure system or  
45 emission portfolio standard, which fee shall be assessed based on an  
46 electric power supplier's or basic generation service provider's share  
47 of the retail electricity supply market. The board shall not impose a  
48 fee for the cost of implementing and overseeing a greenhouse gas



1 emissions portfolio standard adopted pursuant to paragraph (2) of  
2 subsection c. of this section, the electric energy efficiency portfolio  
3 standard adopted pursuant to subsection g. of this section, or the gas  
4 energy efficiency portfolio standard adopted pursuant to subsection  
5 h. of this section.

6 g. The board may adopt, pursuant to the "Administrative  
7 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), an electric  
8 energy efficiency portfolio standard that may require each electric  
9 public utility to implement energy efficiency measures that reduce  
10 electricity usage in the State by 2020 to a level that is 20 percent  
11 below the usage projected by the board in the absence of such a  
12 standard. Nothing in this section shall be construed to prevent an  
13 electric public utility from meeting the requirements of this section  
14 by contracting with another entity for the performance of the  
15 requirements.

16 h. The board may adopt, pursuant to the "Administrative  
17 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), a gas energy  
18 efficiency portfolio standard that may require each gas public utility  
19 to implement energy efficiency measures that reduce natural gas  
20 usage for heating in the State by 2020 to a level that is 20 percent  
21 below the usage projected by the board in the absence of such a  
22 standard. Nothing in this section shall be construed to prevent a gas  
23 public utility from meeting the requirements of this section by  
24 contracting with another entity for the performance of the  
25 requirements.

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

35 j. The board shall determine an appropriate level of solar  
36 alternative compliance payment, and permit each supplier or  
37 provider to submit an SACP to comply with the solar electric  
38 generation requirements of paragraph (3) of subsection d. of this  
39 section. The value of the SACP for each Energy Year, for Energy  
40 Years 2014 through 2028 per megawatt hour from solar electric  
41 generation required pursuant to this section, shall be:

42 EY 2014	\$339
43 EY 2015	\$331
44 EY 2016	\$323
45 EY 2017	\$315
46 EY 2018	\$308
47 EY 2019	\$300
48 EY 2020	\$293

1	EY 2021	\$286
2	EY 2022	\$279
3	EY 2023	\$272
4	EY 2024	\$266
5	EY 2025	\$260
6	EY 2026	\$253
7	EY 2027	\$250
8	EY 2028	\$239.

9 The board may initiate subsequent proceedings and adopt, after  
10 appropriate notice and opportunity for public comment and public  
11 hearing, an increase in solar alternative compliance payments,  
12 provided that the board shall not reduce previously established  
13 levels of solar alternative compliance payments, nor shall the board  
14 provide relief from the obligation of payment of the SACP by the  
15 electric power suppliers or basic generation service providers in any  
16 form. Any SACP payments collected shall be refunded directly to  
17 the ratepayers by the electric public utilities.

18 k. The board may allow electric public utilities to offer long-  
19 term contracts through a competitive process, direct electric public  
20 utility investment and other means of financing, including but not  
21 limited to loans, for the purchase of SRECs and the resale of SRECs  
22 to suppliers or providers or others, provided that after such  
23 contracts have been approved by the board, the board's approvals  
24 shall not be modified by subsequent board orders. If the board  
25 allows the offering of contracts pursuant to this subsection, the  
26 board may establish a process, after hearing, and opportunity for  
27 public comment, to provide that a designated segment of the  
28 contracts approved pursuant to this subsection shall be contracts  
29 involving solar electric power generation facility projects with a  
30 capacity of up to 250 kilowatts.

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

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

36 (2) maintain adequate regulatory authority over non-competitive  
37 public utility services;

38 (3) consider alternative forms of regulation in order to address  
39 changes in the technology and structure of electric public utilities;

40 (4) promote energy efficiency and Class I renewable energy  
41 market development, taking into consideration environmental  
42 benefits and market barriers;

43 (5) make energy services more affordable for low and moderate  
44 income customers;

45 (6) attempt to transform the renewable energy market into one  
46 that can move forward without subsidies from the State or public  
47 utilities;

1 (7) achieve the goals put forth under the renewable energy  
2 portfolio standards;

3 (8) promote the lowest cost to ratepayers; and

4 (9) allow all market segments to participate.

5 m. The board shall ensure the availability of financial incentives  
6 under its jurisdiction, including, but not limited to, long-term  
7 contracts, loans, SRECs, or other financial support, to ensure  
8 market diversity, competition, and appropriate coverage across all  
9 ratepayer segments, including, but not limited to, residential,  
10 commercial, industrial, non-profit, farms, schools, and public entity  
11 customers.

12 n. For projects which are owned, or directly invested in, by a  
13 public utility pursuant to section 13 of P.L.2007, c.340 (C.48:3-  
14 98.1), the board shall determine the number of SRECs with which  
15 such projects shall be credited; and in determining such number the  
16 board shall ensure that the market for SRECs does not detrimentally  
17 affect the development of non-utility solar projects and shall  
18 consider how its determination may impact the ratepayers.

19 o. The board, in consultation with the Department of  
20 Environmental Protection, electric public utilities, the Division of  
21 Rate Counsel in, but not of, the Department of the Treasury,  
22 affected members of the solar energy industry, and relevant  
23 stakeholders, shall periodically consider increasing the renewable  
24 energy portfolio standards beyond the minimum amounts set forth  
25 in subsection d. of this section, taking into account the cost impacts  
26 and public benefits of such increases including, but not limited to:

27 (1) reductions in air pollution, water pollution, land disturbance,  
28 and greenhouse gas emissions;

29 (2) reductions in peak demand for electricity and natural gas,  
30 and the overall impact on the costs to customers of electricity and  
31 natural gas;

32 (3) increases in renewable energy development, manufacturing,  
33 investment, and job creation opportunities in this State; and

34 (4) reductions in State and national dependence on the use of  
35 fossil fuels.

36 p. Class I RECs and ORECs shall be eligible for use in  
37 renewable energy portfolio standards compliance in the energy year  
38 in which they are generated, and for the following two energy years.  
39 SRECs shall be eligible for use in renewable energy portfolio  
40 standards compliance in the energy year in which they are  
41 generated, and for the following four energy years.

42 q. (1) During the energy years of 2014, 2015, and 2016, a solar  
43 electric power generation facility project that is not: (a) net  
44 metered; (b) an on-site generation facility; (c) qualified for net  
45 metering aggregation; or (d) certified as being located on a  
46 brownfield, on an area of historic fill or on a properly closed  
47 sanitary landfill facility, as provided pursuant to subsection t. of this  
48 section may file an application with the board for approval of a

1 designation pursuant to this subsection that the facility is connected  
2 to the distribution system. An application filed pursuant to this  
3 subsection shall include a notice escrow of \$40,000 per megawatt of  
4 the proposed capacity of the facility. The board shall approve the  
5 designation if: the facility has filed a notice in writing with the  
6 board applying for designation pursuant to this subsection, together  
7 with the notice escrow; and the capacity of the facility, when added  
8 to the capacity of other facilities that have been previously  
9 approved for designation prior to the facility's filing under this  
10 subsection, does not exceed 80 megawatts in the aggregate for each  
11 year. The capacity of any one solar electric power supply project  
12 approved pursuant to this subsection shall not exceed 10 megawatts.  
13 No more than 90 days after its receipt of a completed application  
14 for designation pursuant to this subsection, the board shall approve,  
15 conditionally approve, or disapprove the application. The notice  
16 escrow shall be reimbursed to the facility in full upon either  
17 rejection by the board or the facility entering commercial operation,  
18 or shall be forfeited to the State if the facility is designated pursuant  
19 to this subsection but does not enter commercial operation pursuant  
20 to paragraph (2) of this subsection.

21 (2) If the proposed solar electric power generation facility does  
22 not commence commercial operations within two years following  
23 the date of the designation by the board pursuant to this subsection,  
24 the designation of the facility shall be deemed to be null and void,  
25 and the facility shall not be considered connected to the distribution  
26 system thereafter.

27 r. (1) For all proposed solar electric power generation facility  
28 projects except for those solar electric power generation facility  
29 projects approved pursuant to subsection q. of this section, and for  
30 all projects proposed in each energy year following energy year  
31 2016, a proposed solar electric power generation facility that is  
32 neither net metered nor an on-site generation facility, may be  
33 considered "connected to the distribution system" only upon  
34 designation as such by the board, after notice to the public and  
35 opportunity for public comment or hearing. A proposed solar  
36 power electric generation facility seeking board designation as  
37 "connected to the distribution system" shall submit an application to  
38 the board that includes for the proposed facility: the nameplate  
39 capacity; the estimated energy and number of SRECs to be  
40 produced and sold per year; the estimated annual rate impact on  
41 ratepayers; the estimated capacity of the generator as defined by  
42 PJM for sale in the PJM capacity market; the point of  
43 interconnection; the total project acreage and location; the current  
44 land use designation of the property; the type of solar technology to  
45 be used; and such other information as the board shall require.

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

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

4 (b) the approval of the designation of the proposed facility  
5 would not significantly impact the preservation of open space in  
6 this State;

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

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

13 (3) The board shall act within 90 days of its receipt of a  
14 completed application for designation of a solar power electric  
15 generation facility as "connected to the distribution system," to  
16 either approve, conditionally approve, or disapprove the  
17 application. If the proposed solar electric power generation facility  
18 does not commence commercial operations within two years  
19 following the date of the designation by the board pursuant to this  
20 subsection, the designation of the facility as "connected to the  
21 distribution system" shall be deemed to be null and void, and the  
22 facility shall thereafter be considered not "connected to the  
23 distribution system."

24 s. In addition to any other requirements of P.L.1999, c.23 or  
25 any other law, rule, regulation or order, a solar electric power  
26 generation facility that is not net metered or an on-site generation  
27 facility and which is located on land that has been actively devoted  
28 to agricultural or horticultural use that is valued, assessed, and  
29 taxed pursuant to the "Farmland Assessment Act of 1964,"  
30 P.L.1964, c.48 (C.54:4-23.1 et seq.) at any time within the 10-year  
31 period prior to the effective date of P.L.2012, c.24, shall only be  
32 considered "connected to the distribution system" if (1) the board  
33 approves the facility's designation pursuant to subsection q. of this  
34 section; or (2) (a) PJM issued a System Impact Study for the facility  
35 on or before June 30, 2011, (b) the facility files a notice with the  
36 board within 60 days of the effective date of P.L.2012, c.24,  
37 indicating its intent to qualify under this subsection, and (c) the  
38 facility has been approved as "connected to the distribution system"  
39 by the board. Nothing in this subsection shall limit the board's  
40 authority concerning the review and oversight of facilities, unless  
41 such facilities are exempt from such review as a result of having  
42 been approved pursuant to subsection q. of this section.

43 t. (1) No more than 180 days after the date of enactment of  
44 P.L.2012, c.24, the board shall, in consultation with the Department  
45 of Environmental Protection and the New Jersey Economic  
46 Development Authority, and, after notice and opportunity for public  
47 comment and public hearing, complete a proceeding to establish a  
48 program to provide SRECs to owners of solar electric power

1 generation facility projects certified by the board, in consultation  
2 with the Department of Environmental Protection, as being located  
3 on a brownfield, on an area of historic fill or on a properly closed  
4 sanitary landfill facility, including those owned or operated by an  
5 electric public utility and approved pursuant to section 13 of  
6 P.L.2007, c.340 (C.48:3-98.1). Projects certified under this  
7 subsection shall be considered "connected to the distribution  
8 system", shall not require such designation by the board, and shall  
9 not be subject to board review required pursuant to subsections q.  
10 and r. of this section. Notwithstanding the provisions of section 3  
11 of P.L.1999, c.23 (C.48:3-51) or any other law, rule, regulation, or  
12 order to the contrary, for projects certified under this subsection, the  
13 board shall establish a financial incentive that is designed to  
14 supplement the SRECs generated by the facility in order to cover  
15 the additional cost of constructing and operating a solar electric  
16 power generation facility on a brownfield, on an area of historic fill  
17 or on a properly closed sanitary landfill facility. Any financial  
18 benefit realized in relation to a project owned or operated by an  
19 electric public utility and approved by the board pursuant to section  
20 13 of P.L.2007, c.340 (C.48:3-98.1), as a result of the provision of a  
21 financial incentive established by the board pursuant to this  
22 subsection, shall be credited to ratepayers. The issuance of SRECs  
23 for all solar electric power generation facility projects pursuant to  
24 this subsection shall be deemed "Board of Public Utilities financial  
25 assistance" as provided under section 1 of P.L.2009, c.89 (C.48:2-  
26 29.47).

27 (2) Notwithstanding the provisions of the "Spill Compensation  
28 and Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.) or any  
29 other law, rule, regulation, or order to the contrary, the board, in  
30 consultation with the Department of Environmental Protection, may  
31 find that a person who operates a solar electric power generation  
32 facility project that has commenced operation on or after the  
33 effective date of P.L.2012, c.24, which project is certified by the  
34 board, in consultation with the Department of Environmental  
35 Protection pursuant to paragraph (1) of this subsection, as being  
36 located on a brownfield for which a final remediation document has  
37 been issued, on an area of historic fill or on a properly closed  
38 sanitary landfill facility, which projects shall include, but not be  
39 limited to projects located on a brownfield for which a final  
40 remediation document has been issued, on an area of historic fill or  
41 on a properly closed sanitary landfill facility owned or operated by  
42 an electric public utility and approved pursuant to section 13 of  
43 P.L.2007, c.340 (C.48:3-98.1), or a person who owns property  
44 acquired on or after the effective date of P.L.2012, c.24 on which  
45 such a solar electric power generation facility project is constructed  
46 and operated, shall not be liable for cleanup and removal costs to  
47 the Department of Environmental Protection or to any other person  
48 for the discharge of a hazardous substance provided that:

- 1 (a) the person acquired or leased the real property after the  
2 discharge of that hazardous substance at the real property;
- 3 (b) the person did not discharge the hazardous substance, is not  
4 in any way responsible for the hazardous substance, and is not a  
5 successor to the discharger or to any person in any way responsible  
6 for the hazardous substance or to anyone liable for cleanup and  
7 removal costs pursuant to section 8 of P.L.1976, c.141 (C.58:10-  
8 23.11g);
- 9 (c) the person, within 30 days after acquisition of the property,  
10 gave notice of the discharge to the Department of Environmental  
11 Protection in a manner the Department of Environmental Protection  
12 prescribes;
- 13 (d) the person does not disrupt or change, without prior written  
14 permission from the Department of Environmental Protection, any  
15 engineering or institutional control that is part of a remedial action  
16 for the contaminated site or any landfill closure or post-closure  
17 requirement;
- 18 (e) the person does not exacerbate the contamination at the  
19 property;
- 20 (f) the person does not interfere with any necessary remediation  
21 of the property;
- 22 (g) the person complies with any regulations and any permit the  
23 Department of Environmental Protection issues pursuant to section  
24 19 of P.L.2009, c.60 (C.58:10C-19) or paragraph (2) of subsection  
25 a. of section 6 of P.L.1970, c.39 (C.13:1E-6);
- 26 (h) with respect to an area of historic fill, the person has  
27 demonstrated pursuant to a preliminary assessment and site  
28 investigation, that hazardous substances have not been discharged;  
29 and
- 30 (i) with respect to a properly closed sanitary landfill facility, no  
31 person who owns or controls the facility receives, has received, or  
32 will receive, with respect to such facility, any funds from any post-  
33 closure escrow account established pursuant to section 10 of  
34 P.L.1981, c.306 (C.13:1E-109) for the closure and monitoring of  
35 the facility.
- 36 Only the person who is liable to clean up and remove the  
37 contamination pursuant to section 8 of P.L.1976, c.141 (C.58:10-  
38 23.11g) and who does not have a defense to liability pursuant to  
39 subsection d. of that section shall be liable for cleanup and removal  
40 costs.
- 41 u. No more than 180 days after the date of enactment of  
42 P.L.2012, c.24, the board shall complete a proceeding to establish a  
43 registration program. The registration program shall require the  
44 owners of solar electric power generation facility projects  
45 connected to the distribution system to make periodic milestone  
46 filings with the board in a manner and at such times as determined  
47 by the board to provide full disclosure and transparency regarding

1 the overall level of development and construction activity of those  
2 projects Statewide.

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

9 w. No more than 270 days after the date of enactment of  
10 P.L.2012, c.24, the board shall, after notice and opportunity for  
11 public comment and public hearing, complete a proceeding to  
12 consider whether to establish a program to provide, to owners of  
13 solar electric power generation facility projects certified by the  
14 board as being three megawatts or greater in capacity and being net  
15 metered, including facilities which are owned or operated by an  
16 electric public utility and approved by the board pursuant to section  
17 13 of P.L.2007, c.340 (C.48:3-98.1), a financial incentive that is  
18 designed to supplement the SRECs generated by the facility to  
19 further the goal of improving the economic competitiveness of  
20 commercial and industrial customers taking power from such  
21 projects. If the board determines to establish such a program  
22 pursuant to this subsection, the board may establish a financial  
23 incentive to provide that the board shall issue one SREC for no less  
24 than every 750 kilowatt-hours of solar energy generated by the  
25 certified projects. Any financial benefit realized in relation to a  
26 project owned or operated by an electric public utility and approved  
27 by the board pursuant to section 13 of P.L.2007, c.340 (C.48:3-  
28 98.1), as a result of the provisions of a financial incentive  
29 established by the board pursuant to this subsection, shall be  
30 credited to ratepayers.

31 x. Solar electric power generation facility projects that are  
32 located on an existing or proposed commercial, retail, industrial,  
33 municipal, professional, recreational, transit, commuter,  
34 entertainment complex, multi-use, or mixed-use parking lot with a  
35 capacity to park 350 or more vehicles where the area to be utilized  
36 for the facility is paved, or an impervious surface may be owned or  
37 operated by an electric public utility and may be approved by the  
38 board pursuant to section 13 of P.L.2007, c.340 (C.48:3-98.1).  
39 (cf: P.L.2012, c.24, s.2)

40

41 2. This act shall take effect immediately.

42

43

44

#### STATEMENT

45

46 This bill would increase the electric power net metering capacity  
47 threshold established in section 38 of the "Electric Discount and  
48 Energy Competition Act," P.L.1999, c.23 (C.48:3-87).



1 Net metering allows electricity customers who generate their  
2 own electricity using solar, wind, and other forms of renewable  
3 energy to “bank” excess electricity on the grid in the form of  
4 kilowatt hour credits. These credits can be used by customers as  
5 needed. Under current law, electric power (EP) suppliers and basic  
6 generation service (BGS) providers are required to offer net  
7 metering to industrial, large commercial, residential and small  
8 commercial customers. The law also allows the Board of Public  
9 Utilities to authorize EP suppliers and BGS providers to cease  
10 offering net metering to customer-generators whenever the total  
11 rated generating capacity owned and operated by net metering  
12 customer-generators Statewide equals 2.5 percent of the State’s  
13 peak electricity demand. This bill would increase the threshold at  
14 which the board may authorize EP suppliers and BGS providers to  
15 cease offering net metering to customers that are not already net  
16 metered to whenever the total rated generating capacity owned and  
17 operated by the net metering customer-generators Statewide equals  
18 4 percent of the total annual kilowatt-hours sold in this State by  
19 each EP supplier and each BGS provider for the prior one-year  
20 period.

ASSEMBLY TELECOMMUNICATIONS AND UTILITIES  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3838**

**STATE OF NEW JERSEY**

DATED: JUNE 1, 2015

The Assembly Telecommunications and Utilities Committee reports favorably Assembly Bill No. 3838.

As reported, this bill increases the electric power net metering capacity threshold established in the “Electric Discount and Energy Competition Act,” P.L.1999, c.23 (C.48:3-87).

Net metering allows electricity customers who generate their own electricity using solar, wind, and other forms of renewable energy to “bank” excess electricity on the grid in the form of kilowatt hour credits. These credits can be used by customers as needed. Under current law, electric power (EP) suppliers and basic generation service (BGS) providers are required to offer net metering to industrial, large commercial, residential, and small commercial customers. The law also allows the Board of Public Utilities (board) to authorize EP suppliers and BGS providers to cease offering net metering to customer-generators whenever the total rated generating capacity owned and operated by net metering customer-generators Statewide equals 2.5 percent of the State’s peak electricity demand. This bill increases the threshold at which the board may authorize EP suppliers and BGS providers to cease offering net metering to customers that are not already net metered. The bill provides that the new threshold is met when the total rated generating capacity owned and operated by the net metering customer-generators Statewide equals four percent of the total annual kilowatt-hours sold in this State by each EP supplier and each BGS provider for the prior one-year period.

As reported, Assembly Bill No. 3838 is identical to Senate Bill No. 2420 (1R) which was also reported by the committee on this date.

STATEMENT TO  
**ASSEMBLY, No. 3838**

with Assembly Floor Amendments  
(Proposed by Assemblyman MCKEON)

ADOPTED: JUNE 11, 2015

This floor amendment would change the electric power net metering capacity threshold established in the bill from four percent of total annual kilowatt-hours sold in the State to 2.9 percent.

## Governor Chris Christie Signs Bills To Expand Substance Abuse Recovery Efforts

Monday, August 10, 2015

Tags: [Addiction Taskforce](#)



### *Governor Christie Also Takes Action On Other Pending Legislation*

Trenton, NJ – Affirming the administration’s commitment to helping those impacted by drug abuse and addiction reclaim their lives, Governor Chris Christie has signed measures to further assist the treatment and recovery process.

“We remain firmly committed to confronting the stigma of drug abuse and addiction in the Garden State,” said Governor Christie. “The legislation I have signed continues our efforts on these important fronts by providing a substance abuse housing recovery program for impacted students at our public colleges and universities as well as allowing medication-assisted treatment as part of our larger drug court treatment programs. These measures are another bold step to help people reclaim their lives and I want to thank Senator Vitale for his advocacy on these issues.”

S-2377/A-3719 (Senators Barnes, Vitale/Assemblymembers Pinkin, Mukherji) requires four-year public colleges and universities to establish a substance abuse recovery housing program within four years. The college may designate a floor, wing, or other area within a dormitory for the program, rather than an entire dorm. The legislation applies to Rutgers New Brunswick, Ramapo College, The College of New Jersey, Montclair State University, Rowan University, and Richard Stockton College of New Jersey. The Rutgers New Brunswick campus already has implemented a similar policy. Additionally, in December, the College of New Jersey received grant funding to establish a recovery housing program.

“New Jersey created the nation’s first college-based recovery housing programs and they have been a great success. Now, with the Governor’s signature, many more New Jersey college students in recovery will have a much greater opportunity to maintain their sobriety and to succeed in school and in life,” said Senator Joseph F. Vitale.

The second bill, S-2381/A-3723 (Senators Lesniak, Vitale/Assemblymembers Conaway, Mukherjee, Sumter, and Jimenez), allows for the completion of a special probation drug court program with use of medication-assisted treatment (MAT). The legislation further clarifies that any urine test for drug or alcohol use conducted in the course of the drug court program that shows a positive result for an individual using medication-assisted treatment would not constitute a program violation unless the positive test result is for substances unrelated to the individual’s MAT. Through this bill, the treatment provider rather than a judge can now decide whether narcotic-based treatment should be permitted for convicted offenders who have been admitted to the Drug Court program for drug abuse.

“Medication assisted treatment for Drug Court attendees, like all other clinical decisions made by a provider for their patient, is a critical component in a person’s treatment and recovery plan. I thank the Governor for his support of this legislation and his continued leadership and support of Drug Court programs,” Vitale added.

**The Governor also took the following action on other pending legislation:**

#### **BILL SIGNINGS:**

**S-122/A-4149** (A.R. Bucco, Addiego/Angelini, Simon, Vainieri Huttle, Wimberly) – Expands number of safe havens for leaving newborn infants

**SCS for S-573/ACS for A-2443 (Smith, Sweeney/Burzichelli, Space, McHose)** – Establishes apprentice firearm hunting license and apprentice bow and arrow license

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**S-685/A-4306 (Lesniak, Whelan/Burzichelli, O'Scanlon)** – Reduces number of voters for whom person can serve as messenger; limits to three number of voted mail-in ballots transmittable by bearer; modifies conviction standard under vote by mail law

**S-736/ACS for A-3037, 2547, 3596, 2422 (T. Kean, Lesniak/Andrzejczak, Mukherji, Munoz, Lagana, Garcia, Jimenez, Dancer, Webber)** – Establishes crimes of dog fighting and leader of a dog fighting network, and updates crime of animal fighting; amends RICO concerning dog fighting

**S-756/A-3151 (Sarlo/Prieto, Jimenez)** – Creates sporting facility license governing sale of alcoholic beverages under certain circumstances

**S-1760/A-4212 (Allen, Ruiz, Turner/Vainieri Huttle, Angelini, Jasey)** – Recognizes American Sign Language as a world language for meeting high school graduation requirements

**S-1813/A-3123 (Whelan, Oroho/Burzichelli, Eustace, Andrzejczak, Mazzeo, Webber)** – Requires each State agency to review permits issued by agency and make necessary changes to expedite and facilitate permitting

**S-2003/ACS for A-4299 (Pou/Sumter, Mainor, Wimberly, Rodriguez-Gregg)** – Makes certain reforms to juvenile justice system

**S-2109/A-3344 (Oroho, O'Toole/McHose, Space)** – Clarifies that county sheriff may simultaneously hold position of emergency management coordinator

**S-2165/A-4374 (Cunningham, Pou/Sumter, Jasey)** – Requires Secretary of Higher Education to adopt new comprehensive master plan within six months and every seven years thereafter

**S-2377/A-3719 (Barnes, Vitale/Pinkin, Mukherji)** – Directs certain four-year public institutions of higher education to establish substance abuse recovery housing program

**SCS for S-2381/ACS for A-3723 (Lesniak, Vitale/Conaway, Mukherji, Sumter, Jimenez)** – Permits successful completion of special probation drug court program notwithstanding use of medication-assisted treatment

**S-2420/A-3838 (Smith, Bateman/McKeon, Eustace, Gusciora, Benson)** – Increases electric power net metering capacity threshold to 2.9 percent of total annual kilowatt-hours sold in State

**S-2454/A-3791 (Van Drew, Oroho/Stender, Auth, Andrzejczak, Clifton, Eustace, Garcia)** – Streamlines responsibilities of Division of Local Government Services and local governments; designated as the Division of Local Government Services Modernization and Local Mandate Relief Act of 2015

**S-2484/A-3845 (Codey, Turner/Jasey, Benson, Vainieri Huttle, McKeon)** – Requires DOE to conduct study on options and benefits of instituting later school start time in middle school and high school

**S-2508/A-3798 (Oroho, Whelan/McHose, Space)** – Authorizes certain county veteran identification cards to serve as proof of status for veteran designation on driver's license or identification card

**S-2559/A-4016 (Sweeney, Weinberg, O'Toole/Lagana, Mazzeo, Mosquera, Vainieri Huttle)** – Removes presumption of nonimprisonment in certain assault cases involving domestic violence victims; expands criminal coercion statute; revises Pretrial Intervention procedures in certain criminal cases

**SCS for S-2567/AS for A-4025 (Sweeney, Oroho, Smith, Greenstein, Thompson/Mazzeo, Andrzejczak, Space, McHose, Pinkin)** – Creates "Fishing Buddy License"

**S-2583/A-3836 (Allen, Bateman/Coughlin, Webber, Pinkin, Wilson, A.M. Bucco, Mukherji)** – Upgrades simple assault to aggravated assault if committed against certain law enforcement officers and employees because of job status

**S-2599/A-4121 (Bateman, Smith/Spencer, Schepisi)** – Provides certain definitions for biofuels under "Motor Fuel Tax Act"

**S-2825/A-4316 (Sweeney, Greenstein/Mazzeo)** – Increases efficiency and transparency in distribution of Superstorm Sandy aid money

**S-2995/A-3959 (Gordon/Eustace, Johnson, Caride, Vainieri Huttle)** – Revises requirements for establishment of central municipal courts

**S-3023/A-4558 (Ruiz, Oroho/McKeon, Spencer, Wimberly)** – Appropriates \$4,750,000 from various Green Acres funds for grants to certain nonprofit entities to acquire or develop lands for recreation and conservation purposes

**SJR-17/AJR-79 (Beck, T. Kean/Angelini, Vainieri Huttle, McKeon, Mosquera, Pinkin, Coughlin, Wimberly)** – Designates September of each year as "Hunger Action Month" in New Jersey

**SJR-40/AJR-44 (Beach, Doherty/Wilson, McHose, Mazzeo, Tucker, DeAngelo)** – Designates September as "Gold Star Mothers Appreciation Month"

**SJR-60/AJR-83 (Beach/DeAngelo, Space)** – Designates October of each year as "Lineman Appreciation Month"

**A-4559/S-3022 (McKeon, Spencer, Wimberly/Codey, Doherty)** – Appropriates \$88,592,361 from "Garden State Green Acres Preservation Trust Fund" and various Green Acres bond funds for local government open space acquisition and park development projects

**BILLS VETOED:**

**S-300/A-4119 (Rice, Greenstein/Jasey, Quijano, DeCroce, Sumter, Wimberly) – CONDITIONAL** – Establishes "New Jersey Out-of-School Time Advisory Commission" to review before-school, after-school, and summer programs

**S-1195/A-2659 (Vitale, Allen, Weinberg/Vainieri Huttie, Gusciora, Jasey, Mosquera, McKeon) – ABSOLUTE** - Revises procedure for issuance of amended birth certificate for person who has undergone change in sex

**S-1593/A-213 (Turner, Ruiz/Gusciora, Eustace, Jasey, Quijano, Wimberly, Muoio) – ABSOLUTE** – Establishes "Police Officer, Firefighter, Public School Teacher, Corrections Officer, and Sanitation Worker Home-buyer Assistance Act"; appropriates \$5 million

**S-1621/A-2926 (Sweeney, Barnes/Lagana, Coughlin, Mosquera, Webber, Pinkin, Danielsen) – CONDITIONAL** – Gives priority in training programs to long-term unemployed

**S-1857/A-2699 (Codey, Turner/Vainieri Huttie, Jasey, Caputo, Wimberly) – CONDITIONAL** – Establishes measures to deter steroid use among students; appropriates \$45,000 to DOE for New Jersey State Interscholastic Athletic Association testing of student-athletes for steroids and other performance enhancing substances

**S-2049/A-3635 (Rice/Tucker, Caputo) – ABSOLUTE** – Requires chairs of certain ward political party committees to have same rights and responsibilities as chairs of municipal political party committees; specifies certain cities not required to have municipal chairs

**S-2058/A-3738 (Lesniak/Diegnan, Sumter) – CONDITIONAL** – Authorizes establishment of three pilot recovery alternative high schools that provide high school education and substance dependency plan of recovery to test the effectiveness of this model

**S-2360/A-3593 (Madden, Holzapfel/Johnson, Lagana, Bramnick, Danielsen, Wimberly, Jimenez) – CONDITIONAL** – Requires notification of local law enforcement prior to expungement of certain mental health records of prospective firearms purchasers

**S-2489/ACS for A-3859 (Sweeney, Whelan, Oroho/Greenwald, Coughlin, Bramnick, Singleton, Rible, Lagana) - CONDITIONAL** – Permits public-private partnership agreements for certain building and highway infrastructure projects; provides for EDA oversight

**S-2784/A-3856 (Van Drew, Whelan/Andrzejczak, Johnson) – CONDITIONAL** – Provides maximum sales and use tax imposition amount for sales and uses of boats and vessels; establishes grace period for imposition of use tax on certain boats and vessels used by resident purchasers

**S-2787/A-4273 (Sweeney/Singleton, Burzichelli, Giblin, Wilson, Prieto, Wimberly) – CONDITIONAL** – Establishes vocational training pilot program in DOC; provides for inmate compensation for education and workforce training participation

**S-3100/A-4605 (Gordon, Greenstein/Wimberly, Lagana, Singleton, Mazzeo) – ABSOLUTE** – Requires State to pay its pension contributions on quarterly basis by August 1, November 1, February 1 and May 1 of each year

**S-3107/A-4606 (Sweeney, Greenstein/Prieto, Singleton) – ABSOLUTE** – Makes FY 2015 supplemental State appropriations totaling \$300,000,000 for prepayment of portion of FY 2016 employer contributions to State-administered public employee defined benefit retirement systems

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