



**COMMITTEE STATEMENT:**

**ASSEMBLY:** Yes

**SENATE:** No

(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:** No

**LEGISLATIVE FISCAL ESTIMATE:** Yes

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**REPORTS:** No

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**NEWSPAPER ARTICLES:** No

RWH/JA

P.L. 2019, CHAPTER 448, *approved January 21, 2020*

Senate, No. 4275

1 **AN ACT** concerning the cost to customers of Class I renewable  
2 energy and amending 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

**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 effective for a period not to exceed 18 months, and may, thereafter,  
2 be amended, adopted or readopted by the board in accordance with  
3 the provisions of the "Administrative Procedure Act."

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

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

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

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

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

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

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

1 d. Notwithstanding any provisions of the "Administrative  
2 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the  
3 contrary, the board shall initiate a proceeding and shall adopt, after  
4 notice, provision of the opportunity for comment, and public  
5 hearing, renewable energy portfolio standards that shall require:

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

9 (2) beginning on January 1, 2020, that 21 percent of the  
10 kilowatt hours sold in this State by each electric power supplier and  
11 each basic generation service provider be from Class I renewable  
12 energy sources. The board shall increase the required percentage  
13 for Class I renewable energy sources so that by January 1, 2025, 35  
14 percent of the kilowatt hours sold in this State by each electric  
15 power supplier and each basic generation service provider shall be  
16 from Class I renewable energy sources, and by January 1, 2030, 50  
17 percent of the kilowatt hours sold in this State by each electric  
18 power supplier and each basic generation service provider shall be  
19 from Class I renewable energy sources. Notwithstanding the  
20 requirements of this subsection, the board shall ensure that the cost  
21 to customers of the Class I renewable energy requirement imposed  
22 pursuant to this subsection shall not exceed nine percent of the total  
23 paid for electricity by all customers in the State for energy year  
24 2019, energy year 2020, and energy year 2021, respectively, and  
25 shall not exceed seven percent of the total paid for electricity by all  
26 customers in the State in any energy year thereafter ; provided that,  
27 if in energy years 2019 through 2021 the cost to customers of the  
28 Class I renewable energy requirement is less than nine percent of  
29 the total paid for electricity by all customers in the State, the board  
30 may increase the cost to customers of the Class I renewable energy  
31 requirement in energy years 2022 through 2024 to a rate greater  
32 than seven percent, as long as the total costs to customers for  
33 energy years 2019 through 2024 does not exceed the sum of nine  
34 percent of the total paid for electricity by all customers in the State  
35 in energy years 2019 through 2021 and seven percent of the total  
36 paid for electricity by all customers in the State in energy years  
37 2022 through 2024 . In calculating the cost to customers of the  
38 Class I renewable energy requirement imposed pursuant to this  
39 subsection, the board shall not include the costs of the offshore  
40 wind energy certificate program established pursuant to paragraph  
41 (4) of this subsection. The board shall take any steps necessary to  
42 prevent the exceedance of the cap on the cost to customers  
43 including, but not limited to, adjusting the Class I renewable energy  
44 requirement.

45 An electric power supplier or basic generation service provider  
46 may satisfy the requirements of this subsection by participating in a

1 renewable energy trading program approved by the board in  
2 consultation with the Department of Environmental Protection;

3 (3) that the board establish a multi-year schedule, applicable to  
4 each electric power supplier or basic generation service provider in  
5 this State, beginning with the one-year period commencing on June  
6 1, 2010, and continuing for each subsequent one-year period up to  
7 and including, the one-year period commencing on June 1, 2033,  
8 that requires the following number or percentage, as the case may  
9 be, of kilowatt-hours sold in this State by each electric power  
10 supplier and each basic generation service provider to be from solar  
11 electric power generators connected to the distribution system in  
12 this State:

13	EY 2011	306 Gigawatthours (Gwhrs)
14	EY 2012	442 Gwhrs
15	EY 2013	596 Gwhrs
16	EY 2014	2.050%
17	EY 2015	2.450%
18	EY 2016	2.750%
19	EY 2017	3.000%
20	EY 2018	3.200%
21	EY 2019	4.300%
22	EY 2020	4.900%
23	EY 2021	5.100%
24	EY 2022	5.100%
25	EY 2023	5.100%
26	EY 2024	4.900%
27	EY 2025	4.800%
28	EY 2026	4.500%
29	EY 2027	4.350%
30	EY 2028	3.740%
31	EY 2029	3.070%
32	EY 2030	2.210%
33	EY 2031	1.580%
34	EY 2032	1.400%
35	EY 2033	1.100%

36 No later than 180 days after the date of enactment of P.L.2018,  
37 c.17 (C.48:3-87.8 et al.), the board shall adopt rules and regulations  
38 to close the SREC program to new applications upon the attainment  
39 of 5.1 percent of the kilowatt-hours sold in the State by each  
40 electric power supplier and each basic generation provider from  
41 solar electric power generators connected to the distribution system.  
42 The board shall continue to consider any application filed before the  
43 date of enactment of P.L.2018, c.17 (C.48:3-87.8 et al.). The board  
44 shall provide for an orderly and transparent mechanism that will  
45 result in the closing of the existing SREC program on a date certain  
46 but no later than June 1, 2021.

1 No later than 24 months after the date of enactment of P.L.2018,  
2 c.17 (C.48:3-87.8 et al.), the board shall complete a study that  
3 evaluates how to modify or replace the SREC program to encourage  
4 the continued efficient and orderly development of solar renewable  
5 energy generating sources throughout the State. The board shall  
6 submit the written report thereon to the Governor and, pursuant to  
7 section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature. The  
8 board shall consult with public utilities, industry experts, regional  
9 grid operators, solar power providers and financiers, and other State  
10 agencies to determine whether the board can modify the SREC  
11 program such that the program will:

- 12 - continually reduce, where feasible, the cost of achieving the  
13 solar energy goals set forth in this subsection;
- 14 - provide an orderly transition from the SREC program to a  
15 new or modified program;
- 16 - develop megawatt targets for grid connected and distribution  
17 systems, including residential and small commercial rooftop  
18 systems, community solar systems, and large scale behind the meter  
19 systems, as a share of the overall solar energy requirement, which  
20 targets the board may modify periodically based on the cost,  
21 feasibility, or social impacts of different types of projects;
- 22 - establish and update market-based maximum incentive  
23 payment caps periodically for each of the above categories of solar  
24 electric power generation facilities;
- 25 - encourage and facilitate market-based cost recovery through  
26 long-term contracts and energy market sales; and
- 27 - where cost recovery is needed for any portion of an efficient  
28 solar electric power generation facility when costs are not  
29 recoverable through wholesale market sales and direct payments  
30 from customers, utilize competitive processes such as competitive  
31 procurement and long-term contracts where possible to ensure such  
32 recovery, without exceeding the maximum incentive payment cap  
33 for that category of facility.

34 The board shall approve, conditionally approve, or disapprove  
35 any application for designation as connected to the distribution  
36 system of a solar electric power generation facility filed with the  
37 board after the date of enactment of P.L.2018, c.17 (C.48:3-  
38 87.8 et al.), no more than 90 days after receipt by the board of a  
39 completed application. For any such application for a project  
40 greater than 25 kilowatts, the board shall require the applicant to  
41 post a notice escrow with the board in an amount of \$40 per  
42 kilowatt of DC nameplate capacity of the facility, not to exceed  
43 \$40,000. The notice escrow amount shall be reimbursed to the  
44 applicant in full upon either denial of the application by the board  
45 or upon commencement of commercial operation of the solar  
46 electric power generation facility. The escrow amount shall be  
47 forfeited to the State if the facility is designated as connected to the

1 distribution system pursuant to this subsection but does not  
2 commence commercial operation within two years following the  
3 date of the designation by the board.

4 For all applications for designation as connected to the  
5 distribution system of a solar electric power generation facility filed  
6 with the board after the date of enactment of P.L.2018, c.17  
7 (C.48:3-87.8 et al.), the SREC term shall be 10 years.

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

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

19 (c) The solar renewable portfolio standards requirements in this  
20 paragraph shall exempt those existing supply contracts which are  
21 effective prior to the date of enactment of P.L.2018, c.17 (C.48:3-  
22 87.8 et al.) from any increase beyond the number of SRECs  
23 mandated by the solar renewable energy portfolio standards  
24 requirements that were in effect on the date that the providers  
25 executed their existing supply contracts. This limited exemption for  
26 providers' existing supply contracts shall not be construed to lower  
27 the Statewide solar sourcing requirements set forth in this  
28 paragraph. Such incremental requirements that would have  
29 otherwise been imposed on exempt providers shall be distributed  
30 over the providers not subject to the existing supply contract  
31 exemption until such time as existing supply contracts expire and  
32 all providers are subject to the new requirement in a manner that is  
33 competitively neutral among all providers and suppliers.  
34 Notwithstanding any rule or regulation to the contrary, the board  
35 shall recognize these new solar purchase obligations as a change  
36 required by operation of law and implement the provisions of this  
37 subsection in a manner so as to prevent any subsidies between  
38 suppliers and providers and to promote competition in the  
39 electricity supply industry.

40 An electric power supplier or basic generation service provider  
41 may satisfy the requirements of this subsection by participating in a  
42 renewable energy trading program approved by the board in  
43 consultation with the Department of Environmental Protection, or  
44 compliance with the requirements of this subsection may be  
45 demonstrated to the board by suppliers or providers through the  
46 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 3,500 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 paragraph (2) of this subsection  
25 and shall reduce the corresponding Class I renewable energy  
26 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 20 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

1 to exceed 18 months, and may, thereafter, be amended, adopted or  
2 readopted by the board in accordance with the provisions of the  
3 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-  
4 1 et seq.).

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

10 (1) net metering standards for electric power suppliers and basic  
11 generation service providers. The standards shall require electric  
12 power suppliers and basic generation service providers to offer net  
13 metering at non-discriminatory rates to industrial, large  
14 commercial, residential and small commercial customers, as those  
15 customers are classified or defined by the board, that generate  
16 electricity, on the customer's side of the meter, using a Class I  
17 renewable energy source, for the net amount of electricity supplied  
18 by the electric power supplier or basic generation service provider  
19 over an annualized period. Systems of any sized capacity, as  
20 measured in watts, are eligible for net metering. If the amount of  
21 electricity generated by the customer-generator, plus any kilowatt  
22 hour credits held over from the previous billing periods, exceeds the  
23 electricity supplied by the electric power supplier or basic  
24 generation service provider, then the electric power supplier or  
25 basic generation service provider, as the case may be, shall credit  
26 the customer-generator for the excess kilowatt hours until the end of  
27 the annualized period at which point the customer-generator will be  
28 compensated for any remaining credits or, if the customer-generator  
29 chooses, credit the customer-generator on a real-time basis, at the  
30 electric power supplier's or basic generation service provider's  
31 avoided cost of wholesale power or the PJM electric power pool's  
32 real-time locational marginal pricing rate, adjusted for losses, for  
33 the respective zone in the PJM electric power pool. Alternatively,  
34 the customer-generator may execute a bilateral agreement with an  
35 electric power supplier or basic generation service provider for the  
36 sale and purchase of the customer-generator's excess generation.  
37 The customer-generator may be credited on a real-time basis, so  
38 long as the customer-generator follows applicable rules prescribed  
39 by the PJM electric power pool for its capacity requirements for the  
40 net amount of electricity supplied by the electric power supplier or  
41 basic generation service provider. The board may authorize an  
42 electric power supplier or basic generation service provider to cease  
43 offering net metering to customers that are not already net metered  
44 whenever the total rated generating capacity owned and operated by  
45 net metering customer-generators Statewide equals 5.8 percent of  
46 the total annual kilowatt-hours sold in this State by each electric

1 power supplier and each basic generation service provider during  
2 the prior one-year period;

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 Electronics 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

1 generation does not exceed the combined metered annual energy  
2 usage of the qualified customer facilities, and the qualified  
3 customer facilities shall all be in the same customer rate class under  
4 the applicable electric public utility tariff. For the customer's  
5 facility or property on which the solar electric generation system is  
6 installed, the electricity generated from the customer's solar electric  
7 generation system shall be accounted for pursuant to the provisions  
8 of paragraph (1) of this subsection to provide that the electricity  
9 generated in excess of the electricity supplied by the electric power  
10 supplier or the basic generation service provider, as the case may  
11 be, for the customer's facility on which the solar electric generation  
12 system is installed, over the annualized period, is credited at the  
13 electric power supplier's or the basic generation service provider's  
14 avoided cost of wholesale power or the PJM electric power pool  
15 real-time locational marginal pricing rate. All electricity used by  
16 the customer's qualified facilities, with the exception of the facility  
17 or property on which the solar electric power generation system is  
18 installed, shall be billed at the full retail rate pursuant to the electric  
19 public utility tariff applicable to the customer class of the customer  
20 using the electricity. A customer may contract with a third party to  
21 operate a solar electric power generation system, for the purpose of  
22 net metering aggregation. Any contractual relationship entered into  
23 for operation of a solar electric power generation system related to  
24 net metering aggregation shall include contractual protections that  
25 provide for adequate performance and provision for construction  
26 and operation for the term of the contract, including any appropriate  
27 bonding or escrow requirements. Any incremental cost to an  
28 electric public utility for net metering aggregation shall be fully and  
29 timely recovered in a manner to be determined by the board. The  
30 board shall adopt net metering aggregation standards within 270  
31 days after the effective date of P.L.2012, c.24.

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

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

45 f. The board may assess, by written order and after notice and  
46 opportunity for comment, a separate fee to cover the cost of  
47 implementing and overseeing an emission disclosure system or

1 emission portfolio standard, which fee shall be assessed based on an  
2 electric power supplier's or basic generation service provider's share  
3 of the retail electricity supply market. The board shall not impose a  
4 fee for the cost of implementing and overseeing a greenhouse gas  
5 emissions portfolio standard adopted pursuant to paragraph (2) of  
6 subsection c. of this section.

7 g. The board shall adopt, pursuant to the "Administrative  
8 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), an electric  
9 energy efficiency program in order to ensure investment in cost-  
10 effective energy efficiency measures, ensure universal access to  
11 energy efficiency measures, and serve the needs of low-income  
12 communities that shall require each electric public utility to  
13 implement energy efficiency measures that reduce electricity usage  
14 in the State pursuant to section 3 of P.L.2018, c.17 (C.48:3-87.9).  
15 Nothing in this subsection shall be construed to prevent an electric  
16 public utility from meeting the requirements of this subsection by  
17 contracting with another entity for the performance of the  
18 requirements.

19 h. The board shall adopt, pursuant to the "Administrative  
20 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), a gas energy  
21 efficiency program in order to ensure investment in cost-effective  
22 energy efficiency measures, ensure universal access to energy  
23 efficiency measures, and serve the needs of low-income  
24 communities that shall require each gas public utility to implement  
25 energy efficiency measures that reduce natural gas usage in the  
26 State pursuant to section 3 of P.L.2018, c.17 (C.48:3-87.9).  
27 Nothing in this subsection shall be construed to prevent a gas public  
28 utility from meeting the requirements of this subsection by  
29 contracting with another entity for the performance of the  
30 requirements.

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

40 j. The board shall determine an appropriate level of solar  
41 alternative compliance payment, and permit each supplier or  
42 provider to submit an SACP to comply with the solar electric  
43 generation requirements of paragraph (3) of subsection d. of this  
44 section. The value of the SACP for each Energy Year, for Energy  
45 Years 2014 through 2033 per megawatt hour from solar electric  
46 generation required pursuant to this section, shall be:

47 EY 2014 \$339

1	EY 2015	\$331
2	EY 2016	\$323
3	EY 2017	\$315
4	EY 2018	\$308
5	EY 2019	\$268
6	EY 2020	\$258
7	EY 2021	\$248
8	EY 2022	\$238
9	EY 2023	\$228
10	EY 2024	\$218
11	EY 2025	\$208
12	EY 2026	\$198
13	EY 2027	\$188
14	EY 2028	\$178
15	EY 2029	\$168
16	EY 2030	\$158
17	EY 2031	\$148
18	EY 2032	\$138
19	EY 2033	\$128.

20 The board may initiate subsequent proceedings and adopt, after  
21 appropriate notice and opportunity for public comment and public  
22 hearing, an increase in solar alternative compliance payments,  
23 provided that the board shall not reduce previously established  
24 levels of solar alternative compliance payments, nor shall the board  
25 provide relief from the obligation of payment of the SACP by the  
26 electric power suppliers or basic generation service providers in any  
27 form. Any SACP payments collected shall be refunded directly to  
28 the ratepayers by the electric public utilities.

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

42 l. The board shall implement its responsibilities under the  
43 provisions of this section in such a manner as to:

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

- 1 (2) maintain adequate regulatory authority over non-competitive  
2 public utility services;
- 3 (3) consider alternative forms of regulation in order to address  
4 changes in the technology and structure of electric public utilities;
- 5 (4) promote energy efficiency and Class I renewable energy  
6 market development, taking into consideration environmental  
7 benefits and market barriers;
- 8 (5) make energy services more affordable for low and moderate  
9 income customers;
- 10 (6) attempt to transform the renewable energy market into one  
11 that can move forward without subsidies from the State or public  
12 utilities;
- 13 (7) achieve the goals put forth under the renewable energy  
14 portfolio standards;
- 15 (8) promote the lowest cost to ratepayers; and
- 16 (9) allow all market segments to participate.
- 17 m. The board shall ensure the availability of financial incentives  
18 under its jurisdiction, including, but not limited to, long-term  
19 contracts, loans, SRECs, or other financial support, to ensure  
20 market diversity, competition, and appropriate coverage across all  
21 ratepayer segments, including, but not limited to, residential,  
22 commercial, industrial, non-profit, farms, schools, and public entity  
23 customers.
- 24 n. For projects which are owned, or directly invested in, by a  
25 public utility pursuant to section 13 of P.L.2007, c.340 (C.48:3-  
26 98.1), the board shall determine the number of SRECs with which  
27 such projects shall be credited; and in determining such number the  
28 board shall ensure that the market for SRECs does not detrimentally  
29 affect the development of non-utility solar projects and shall  
30 consider how its determination may impact the ratepayers.
- 31 o. The board, in consultation with the Department of  
32 Environmental Protection, electric public utilities, the Division of  
33 Rate Counsel in, but not of, the Department of the Treasury,  
34 affected members of the solar energy industry, and relevant  
35 stakeholders, shall periodically consider increasing the renewable  
36 energy portfolio standards beyond the minimum amounts set forth  
37 in subsection d. of this section, taking into account the cost impacts  
38 and public benefits of such increases including, but not limited to:
- 39 (1) reductions in air pollution, water pollution, land disturbance,  
40 and greenhouse gas emissions;
- 41 (2) reductions in peak demand for electricity and natural gas,  
42 and the overall impact on the costs to customers of electricity and  
43 natural gas;
- 44 (3) increases in renewable energy development, manufacturing,  
45 investment, and job creation opportunities in this State; and
- 46 (4) reductions in State and national dependence on the use of  
47 fossil fuels.

1 p. Class I RECs and ORECs shall be eligible for use in  
2 renewable energy portfolio standards compliance in the energy year  
3 in which they are generated, and for the following two energy years.  
4 SRECs shall be eligible for use in renewable energy portfolio  
5 standards compliance in the energy year in which they are  
6 generated, and for the following four energy years.

7 q. (1) During the energy years of 2014, 2015, and 2016, a solar  
8 electric power generation facility project that is not: (a) net  
9 metered; (b) an on-site generation facility; (c) qualified for net  
10 metering aggregation; or (d) certified as being located on a  
11 brownfield, on an area of historic fill or on a properly closed  
12 sanitary landfill facility, as provided pursuant to subsection t. of this  
13 section may file an application with the board for approval of a  
14 designation pursuant to this subsection that the facility is connected  
15 to the distribution system. An application filed pursuant to this  
16 subsection shall include a notice escrow of \$40,000 per megawatt of  
17 the proposed capacity of the facility. The board shall approve the  
18 designation if: the facility has filed a notice in writing with the  
19 board applying for designation pursuant to this subsection, together  
20 with the notice escrow; and the capacity of the facility, when added  
21 to the capacity of other facilities that have been previously  
22 approved for designation prior to the facility's filing under this  
23 subsection, does not exceed 80 megawatts in the aggregate for each  
24 year. The capacity of any one solar electric power supply project  
25 approved pursuant to this subsection shall not exceed 10 megawatts.  
26 No more than 90 days after its receipt of a completed application  
27 for designation pursuant to this subsection, the board shall approve,  
28 conditionally approve, or disapprove the application. The notice  
29 escrow shall be reimbursed to the facility in full upon either  
30 rejection by the board or the facility entering commercial operation,  
31 or shall be forfeited to the State if the facility is designated pursuant  
32 to this subsection but does not enter commercial operation pursuant  
33 to paragraph (2) of this subsection.

34 (2) If the proposed solar electric power generation facility does  
35 not commence commercial operations within two years following  
36 the date of the designation by the board pursuant to this subsection,  
37 the designation of the facility shall be deemed to be null and void,  
38 and the facility shall not be considered connected to the distribution  
39 system thereafter.

40 (3) Notwithstanding the provisions of paragraph (2) of this  
41 subsection, a solar electric power generation facility project that as  
42 of May 31, 2017 was designated as "connected to the distribution  
43 system," but failed to commence commercial operations as of that  
44 date, shall maintain that designation if it commences commercial  
45 operations by May 31, 2018.

46 r. (1) For all proposed solar electric power generation facility  
47 projects except for those solar electric power generation facility



1 projects approved pursuant to subsection q. of this section, and for  
2 all projects proposed in energy year 2019 and energy year 2020, the  
3 board may approve projects for up to 50 megawatts annually in  
4 auctioned capacity in two auctions per year as long as the board is  
5 accepting applications. If the board approves projects for less than  
6 50 megawatts in energy year 2019 or less than 50 megawatts in  
7 energy year 2020, the difference in each year shall be carried over  
8 into the successive energy year until 100 megawatts of auctioned  
9 capacity has been approved by the board pursuant to this  
10 subsection. A proposed solar electric power generation facility that  
11 is neither net metered nor an on-site generation facility, may be  
12 considered "connected to the distribution system" only upon  
13 designation as such by the board, after notice to the public and  
14 opportunity for public comment or hearing. A proposed solar  
15 power electric generation facility seeking board designation as  
16 "connected to the distribution system" shall submit an application to  
17 the board that includes for the proposed facility: the nameplate  
18 capacity; the estimated energy and number of SRECs to be  
19 produced and sold per year; the estimated annual rate impact on  
20 ratepayers; the estimated capacity of the generator as defined by  
21 PJM for sale in the PJM capacity market; the point of  
22 interconnection; the total project acreage and location; the current  
23 land use designation of the property; the type of solar technology to  
24 be used; and such other information as the board shall require.

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

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

31 (b) the approval of the designation of the proposed facility  
32 would not significantly impact the preservation of open space in  
33 this State;

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

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

40 (3) The board shall act within 90 days of its receipt of a  
41 completed application for designation of a solar power electric  
42 generation facility as "connected to the distribution system," to  
43 either approve, conditionally approve, or disapprove the  
44 application. If the proposed solar electric power generation facility  
45 does not commence commercial operations within two years  
46 following the date of the designation by the board pursuant to this  
47 subsection, the designation of the facility as "connected to the

1 distribution system" shall be deemed to be null and void, and the  
2 facility shall thereafter be considered not "connected to the  
3 distribution system."

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

23 t. (1) No more than 180 days after the date of enactment of  
24 P.L.2012, c.24, the board shall, in consultation with the Department  
25 of Environmental Protection and the New Jersey Economic  
26 Development Authority, and, after notice and opportunity for public  
27 comment and public hearing, complete a proceeding to establish a  
28 program to provide SRECs to owners of solar electric power  
29 generation facility projects certified by the board, in consultation  
30 with the Department of Environmental Protection, as being located  
31 on a brownfield, on an area of historic fill or on a properly closed  
32 sanitary landfill facility, including those owned or operated by an  
33 electric public utility and approved pursuant to section 13 of  
34 P.L.2007, c.340 (C.48:3-98.1). Projects certified under this  
35 subsection shall be considered "connected to the distribution  
36 system", shall not require such designation by the board, and shall  
37 not be subject to board review required pursuant to subsections q.  
38 and r. of this section. Notwithstanding the provisions of section 3  
39 of P.L.1999, c.23 (C.48:3-51) or any other law, rule, regulation, or  
40 order to the contrary, for projects certified under this subsection, the  
41 board shall establish a financial incentive that is designed to  
42 supplement the SRECs generated by the facility in order to cover  
43 the additional cost of constructing and operating a solar electric  
44 power generation facility on a brownfield, on an area of historic fill  
45 or on a properly closed sanitary landfill facility. Any financial  
46 benefit realized in relation to a project owned or operated by an  
47 electric public utility and approved by the board pursuant to section

1 13 of P.L.2007, c.340 (C.48:3-98.1), as a result of the provision of a  
2 financial incentive established by the board pursuant to this  
3 subsection, shall be credited to ratepayers. The issuance of SRECs  
4 for all solar electric power generation facility projects pursuant to  
5 this subsection shall be deemed "Board of Public Utilities financial  
6 assistance" as provided under section 1 of P.L.2009, c.89 (C.48:2-  
7 29.47).

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

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

32 (b) the person did not discharge the hazardous substance, is not  
33 in any way responsible for the hazardous substance, and is not a  
34 successor to the discharger or to any person in any way responsible  
35 for the hazardous substance or to anyone liable for cleanup and  
36 removal costs pursuant to section 8 of P.L.1976, c.141 (C.58:10-  
37 23.11g);

38 (c) the person, within 30 days after acquisition of the property,  
39 gave notice of the discharge to the Department of Environmental  
40 Protection in a manner the Department of Environmental Protection  
41 prescribes;

42 (d) the person does not disrupt or change, without prior written  
43 permission from the Department of Environmental Protection, any  
44 engineering or institutional control that is part of a remedial action  
45 for the contaminated site or any landfill closure or post-closure  
46 requirement;

- 1 (e) the person does not exacerbate the contamination at the  
2 property;
- 3 (f) the person does not interfere with any necessary remediation  
4 of the property;
- 5 (g) the person complies with any regulations and any permit the  
6 Department of Environmental Protection issues pursuant to section  
7 19 of P.L.2009, c.60 (C.58:10C-19) or paragraph (2) of subsection  
8 a. of section 6 of P.L.1970, c.39 (C.13:1E-6);
- 9 (h) with respect to an area of historic fill, the person has  
10 demonstrated pursuant to a preliminary assessment and site  
11 investigation, that hazardous substances have not been discharged;  
12 and
- 13 (i) with respect to a properly closed sanitary landfill facility, no  
14 person who owns or controls the facility receives, has received, or  
15 will receive, with respect to such facility, any funds from any post-  
16 closure escrow account established pursuant to section 10 of  
17 P.L.1981, c.306 (C.13:1E-109) for the closure and monitoring of  
18 the facility.
- 19 Only the person who is liable to clean up and remove the  
20 contamination pursuant to section 8 of P.L.1976, c.141 (C.58:10-  
21 23.11g) and who does not have a defense to liability pursuant to  
22 subsection d. of that section shall be liable for cleanup and removal  
23 costs.
- 24 u. No more than 180 days after the date of enactment of  
25 P.L.2012, c.24, the board shall complete a proceeding to establish a  
26 registration program. The registration program shall require the  
27 owners of solar electric power generation facility projects  
28 connected to the distribution system to make periodic milestone  
29 filings with the board in a manner and at such times as determined  
30 by the board to provide full disclosure and transparency regarding  
31 the overall level of development and construction activity of those  
32 projects Statewide.
- 33 v. The issuance of SRECs for all solar electric power  
34 generation facility projects pursuant to this section, for projects  
35 connected to the distribution system with a capacity of one  
36 megawatt or greater, shall be deemed "Board of Public Utilities  
37 financial assistance" as provided pursuant to section 1 of P.L.2009,  
38 c.89 (C.48:2-29.47).
- 39 w. No more than 270 days after the date of enactment of  
40 P.L.2012, c.24, the board shall, after notice and opportunity for  
41 public comment and public hearing, complete a proceeding to  
42 consider whether to establish a program to provide, to owners of  
43 solar electric power generation facility projects certified by the  
44 board as being three megawatts or greater in capacity and being net  
45 metered, including facilities which are owned or operated by an  
46 electric public utility and approved by the board pursuant to section  
47 13 of P.L.2007, c.340 (C.48:3-98.1), a financial incentive that is

1 designed to supplement the SRECs generated by the facility to  
2 further the goal of improving the economic competitiveness of  
3 commercial and industrial customers taking power from such  
4 projects. If the board determines to establish such a program  
5 pursuant to this subsection, the board may establish a financial  
6 incentive to provide that the board shall issue one SREC for no less  
7 than every 750 kilowatt-hours of solar energy generated by the  
8 certified projects. Any financial benefit realized in relation to a  
9 project owned or operated by an electric public utility and approved  
10 by the board pursuant to section 13 of P.L.2007, c.340 (C.48:3-  
11 98.1), as a result of the provisions of a financial incentive  
12 established by the board pursuant to this subsection, shall be  
13 credited to ratepayers.

14 x. Solar electric power generation facility projects that are  
15 located on an existing or proposed commercial, retail, industrial,  
16 municipal, professional, recreational, transit, commuter,  
17 entertainment complex, multi-use, or mixed-use parking lot with a  
18 capacity to park 350 or more vehicles where the area to be utilized  
19 for the facility is paved, or an impervious surface may be owned or  
20 operated by an electric public utility and may be approved by the  
21 board pursuant to section 13 of P.L.2007, c.340 (C.48:3-98.1).

22 (cf: P.L.2018, c.17, s.2)

23

24 2. This act shall take effect immediately.

25

26

27

## STATEMENT

28

29 This bill would allow the Board of Public Utilities (BPU) to  
30 increase the cost to customers of the State's Class I renewable  
31 energy requirement during energy years 2022 through 2024 above  
32 the current limit of seven percent of the total paid for electricity by  
33 all customers in the State, under certain conditions.

34 Under the bill, the BPU could only make this increase if the cost  
35 of the Class I renewable energy requirement is less than nine  
36 percent of total energy costs during energy years 2019 through 2021  
37 (the limit set by current law). In addition, the total amount paid by  
38 customers during energy years 2019 through 2024 could not exceed  
39 the sum of: (1) nine percent of total energy costs during energy  
40 years 2019 through 2021; and (2) seven percent of total energy  
41 costs during energy years 2022 through 2024, i.e. the maximum  
42 amount allowed by current law over that six-year period.

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

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Allows BPU to increase cost to customers of Class I renewable energy requirement for energy years 2022 through 2024, under certain conditions.

**SENATE, No. 4275**

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**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

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INTRODUCED DECEMBER 5, 2019

**Sponsored by:**

**Senator BOB SMITH**

**District 17 (Middlesex and Somerset)**

**Senator LINDA R. GREENSTEIN**

**District 14 (Mercer and Middlesex)**

**Assemblyman JOHN J. BURZICHELLI**

**District 3 (Cumberland, Gloucester and Salem)**

**SYNOPSIS**

Allows BPU to increase cost to customers of Class I renewable energy requirement for energy years 2022 through 2024, under certain conditions.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 1/14/2020)**

1 AN ACT concerning the cost to customers of Class I renewable  
2 energy and amending 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-  
13 1 et 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 II renewable energy sources;

6 (2) beginning on January 1, 2020, that 21 percent of the  
7 kilowatt hours sold in this State by each electric power supplier and  
8 each basic generation service provider be from Class I renewable  
9 energy sources. The board shall increase the required percentage  
10 for Class I renewable energy sources so that by January 1, 2025, 35  
11 percent of the kilowatt hours sold in this State by each electric  
12 power supplier and each basic generation service provider shall be  
13 from Class I renewable energy sources, and by January 1, 2030, 50  
14 percent of the kilowatt hours sold in this State by each electric  
15 power supplier and each basic generation service provider shall be  
16 from Class I renewable energy sources. Notwithstanding the  
17 requirements of this subsection, the board shall ensure that the cost  
18 to customers of the Class I renewable energy requirement imposed  
19 pursuant to this subsection shall not exceed nine percent of the total  
20 paid for electricity by all customers in the State for energy year  
21 2019, energy year 2020, and energy year 2021, respectively, and  
22 shall not exceed seven percent of the total paid for electricity by all  
23 customers in the State in any energy year thereafter ; provided that,  
24 if in energy years 2019 through 2021 the cost to customers of the  
25 Class I renewable energy requirement is less than nine percent of  
26 the total paid for electricity by all customers in the State, the board  
27 may increase the cost to customers of the Class I renewable energy  
28 requirement in energy years 2022 through 2024 to a rate greater  
29 than seven percent, as long as the total costs to customers for  
30 energy years 2019 through 2024 does not exceed the sum of nine  
31 percent of the total paid for electricity by all customers in the State  
32 in energy years 2019 through 2021 and seven percent of the total  
33 paid for electricity by all customers in the State in energy years  
34 2022 through 2024 . In calculating the cost to customers of the  
35 Class I renewable energy requirement imposed pursuant to this  
36 subsection, the board shall not include the costs of the offshore  
37 wind energy certificate program established pursuant to paragraph  
38 (4) of this subsection. The board shall take any steps necessary to  
39 prevent the exceedance of the cap on the cost to customers  
40 including, but not limited to, adjusting the Class I renewable energy  
41 requirement.

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;

46 (3) that the board establish a multi-year schedule, applicable to  
47 each electric power supplier or basic generation service provider in

1 this State, beginning with the one-year period commencing on June  
2 1, 2010, and continuing for each subsequent one-year period up to  
3 and including, the one-year period commencing on June 1, 2033,  
4 that requires the following number or percentage, as the case may  
5 be, of kilowatt-hours sold in this State by each electric power  
6 supplier and each basic generation service provider to be from solar  
7 electric power generators connected to the distribution system in  
8 this State:

9	EY 2011	306 Gigawatthours (Gwhrs)
10	EY 2012	442 Gwhrs
11	EY 2013	596 Gwhrs
12	EY 2014	2.050%
13	EY 2015	2.450%
14	EY 2016	2.750%
15	EY 2017	3.000%
16	EY 2018	3.200%
17	EY 2019	4.300%
18	EY 2020	4.900%
19	EY 2021	5.100%
20	EY 2022	5.100%
21	EY 2023	5.100%
22	EY 2024	4.900%
23	EY 2025	4.800%
24	EY 2026	4.500%
25	EY 2027	4.350%
26	EY 2028	3.740%
27	EY 2029	3.070%
28	EY 2030	2.210%
29	EY 2031	1.580%
30	EY 2032	1.400%
31	EY 2033	1.100%

32 No later than 180 days after the date of enactment of P.L.2018,  
33 c.17 (C.48:3-87.8 et al.), the board shall adopt rules and regulations  
34 to close the SREC program to new applications upon the attainment  
35 of 5.1 percent of the kilowatt-hours sold in the State by each  
36 electric power supplier and each basic generation provider from  
37 solar electric power generators connected to the distribution system.  
38 The board shall continue to consider any application filed before the  
39 date of enactment of P.L.2018, c.17 (C.48:3-87.8 et al.). The board  
40 shall provide for an orderly and transparent mechanism that will  
41 result in the closing of the existing SREC program on a date certain  
42 but no later than June 1, 2021.

43 No later than 24 months after the date of enactment of P.L.2018,  
44 c.17 (C.48:3-87.8 et al.), the board shall complete a study that  
45 evaluates how to modify or replace the SREC program to encourage  
46 the continued efficient and orderly development of solar renewable  
47 energy generating sources throughout the State. The board shall

1 submit the written report thereon to the Governor and, pursuant to  
2 section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature. The  
3 board shall consult with public utilities, industry experts, regional  
4 grid operators, solar power providers and financiers, and other State  
5 agencies to determine whether the board can modify the SREC  
6 program such that the program will:

- 7 - continually reduce, where feasible, the cost of achieving the  
8 solar energy goals set forth in this subsection;
- 9 - provide an orderly transition from the SREC program to a  
10 new or modified program;
- 11 - develop megawatt targets for grid connected and distribution  
12 systems, including residential and small commercial rooftop  
13 systems, community solar systems, and large scale behind the meter  
14 systems, as a share of the overall solar energy requirement, which  
15 targets the board may modify periodically based on the cost,  
16 feasibility, or social impacts of different types of projects;
- 17 - establish and update market-based maximum incentive  
18 payment caps periodically for each of the above categories of solar  
19 electric power generation facilities;
- 20 - encourage and facilitate market-based cost recovery through  
21 long-term contracts and energy market sales; and
- 22 - where cost recovery is needed for any portion of an efficient  
23 solar electric power generation facility when costs are not  
24 recoverable through wholesale market sales and direct payments  
25 from customers, utilize competitive processes such as competitive  
26 procurement and long-term contracts where possible to ensure such  
27 recovery, without exceeding the maximum incentive payment cap  
28 for that category of facility.

29 The board shall approve, conditionally approve, or disapprove  
30 any application for designation as connected to the distribution  
31 system of a solar electric power generation facility filed with the  
32 board after the date of enactment of P.L.2018, c.17 (C.48:3-  
33 87.8 et al.), no more than 90 days after receipt by the board of a  
34 completed application. For any such application for a project  
35 greater than 25 kilowatts, the board shall require the applicant to  
36 post a notice escrow with the board in an amount of \$40 per  
37 kilowatt of DC nameplate capacity of the facility, not to exceed  
38 \$40,000. The notice escrow amount shall be reimbursed to the  
39 applicant in full upon either denial of the application by the board  
40 or upon commencement of commercial operation of the solar  
41 electric power generation facility. The escrow amount shall be  
42 forfeited to the State if the facility is designated as connected to the  
43 distribution system pursuant to this subsection but does not  
44 commence commercial operation within two years following the  
45 date of the designation by the board.

46 For all applications for designation as connected to the  
47 distribution system of a solar electric power generation facility filed

1 with the board after the date of enactment of P.L.2018, c.17  
2 (C.48:3-87.8 et al.), the SREC term shall be 10 years.

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

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

14 (c) The solar renewable portfolio standards requirements in this  
15 paragraph shall exempt those existing supply contracts which are  
16 effective prior to the date of enactment of P.L.2018, c.17 (C.48:3-  
17 87.8 et al.) from any increase beyond the number of SRECs  
18 mandated by the solar renewable energy portfolio standards  
19 requirements that were in effect on the date that the providers  
20 executed their existing supply contracts. This limited exemption for  
21 providers' existing supply contracts shall not be construed to lower  
22 the Statewide solar sourcing requirements set forth in this  
23 paragraph. Such incremental requirements that would have  
24 otherwise been imposed on exempt providers shall be distributed  
25 over the providers not subject to the existing supply contract  
26 exemption until such time as existing supply contracts expire and  
27 all providers are subject to the new requirement in a manner that is  
28 competitively neutral among all providers and suppliers.  
29 Notwithstanding any rule or regulation to the contrary, the board  
30 shall recognize these new solar purchase obligations as a change  
31 required by operation of law and implement the provisions of this  
32 subsection in a manner so as to prevent any subsidies between  
33 suppliers and providers and to promote competition in the  
34 electricity supply industry.

35 An electric power supplier or basic generation service provider  
36 may satisfy the requirements of this subsection by participating in a  
37 renewable energy trading program approved by the board in  
38 consultation with the Department of Environmental Protection, or  
39 compliance with the requirements of this subsection may be  
40 demonstrated to the board by suppliers or providers through the  
41 purchase of SRECs.

42 The renewable energy portfolio standards adopted by the board  
43 pursuant to paragraphs (1) and (2) of this subsection shall be  
44 effective as regulations immediately upon filing with the Office of  
45 Administrative Law and shall be effective for a period not to exceed  
46 18 months, and may, thereafter, be amended, adopted or readopted

1 by the board in accordance with the provisions of the  
2 "Administrative Procedure Act."

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

10 (4) within 180 days after the date of enactment of P.L.2010,  
11 c.57 (C.48:3-87.1 et al.), that the board establish an offshore wind  
12 renewable energy certificate program to require that a percentage of  
13 the kilowatt hours sold in this State by each electric power supplier  
14 and each basic generation service provider be from offshore wind  
15 energy in order to support at least 3,500 megawatts of generation  
16 from qualified offshore wind projects.

17 The percentage established by the board pursuant to this  
18 paragraph shall serve as an offset to the renewable energy portfolio  
19 standard established pursuant to paragraph (2) of this subsection  
20 and shall reduce the corresponding Class I renewable energy  
21 requirement.

22 The percentage established by the board pursuant to this  
23 paragraph shall reflect the projected OREC production of each  
24 qualified offshore wind project, approved by the board pursuant to  
25 section 3 of P.L.2010, c.57 (C.48:3-87.1), for 20 years from the  
26 commercial operation start date of the qualified offshore wind  
27 project which production projection and OREC purchase  
28 requirement, once approved by the board, shall not be subject to  
29 reduction.

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

40 The rules established by the board pursuant to this paragraph  
41 shall be effective as regulations immediately upon filing with the  
42 Office of Administrative Law and shall be effective for a period not  
43 to exceed 18 months, and may, thereafter, be amended, adopted or  
44 readopted by the board in accordance with the provisions of the  
45 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-  
46 1 et seq.).

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

6 (1) net metering standards for electric power suppliers and basic  
7 generation service providers. The standards shall require electric  
8 power suppliers and basic generation service providers to offer net  
9 metering at non-discriminatory rates to industrial, large  
10 commercial, residential and small commercial customers, as those  
11 customers are classified or defined by the board, that generate  
12 electricity, on the customer's side of the meter, using a Class I  
13 renewable energy source, for the net amount of electricity supplied  
14 by the electric power supplier or basic generation service provider  
15 over an annualized period. Systems of any sized capacity, as  
16 measured in watts, are eligible for net metering. If the amount of  
17 electricity generated by the customer-generator, plus any kilowatt  
18 hour credits held over from the previous billing periods, exceeds the  
19 electricity supplied by the electric power supplier or basic  
20 generation service provider, then the electric power supplier or  
21 basic generation service provider, as the case may be, shall credit  
22 the customer-generator for the excess kilowatt hours until the end of  
23 the annualized period at which point the customer-generator will be  
24 compensated for any remaining credits or, if the customer-generator  
25 chooses, credit the customer-generator on a real-time basis, at the  
26 electric power supplier's or basic generation service provider's  
27 avoided cost of wholesale power or the PJM electric power pool's  
28 real-time locational marginal pricing rate, adjusted for losses, for  
29 the respective zone in the PJM electric power pool. Alternatively,  
30 the customer-generator may execute a bilateral agreement with an  
31 electric power supplier or basic generation service provider for the  
32 sale and purchase of the customer-generator's excess generation.  
33 The customer-generator may be credited on a real-time basis, so  
34 long as the customer-generator follows applicable rules prescribed  
35 by the PJM electric power pool for its capacity requirements for the  
36 net amount of electricity supplied by the electric power supplier or  
37 basic generation service provider. The board may authorize an  
38 electric power supplier or basic generation service provider to cease  
39 offering net metering to customers that are not already net metered  
40 whenever the total rated generating capacity owned and operated by  
41 net metering customer-generators Statewide equals 5.8 percent of  
42 the total annual kilowatt-hours sold in this State by each electric  
43 power supplier and each basic generation service provider during  
44 the prior one-year period;

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 Electronics 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 under  
46 the applicable electric public utility tariff. For the customer's  
47 facility or property on which the solar electric generation system is



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

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

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

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

3 g. The board shall adopt, pursuant to the "Administrative  
4 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), an electric  
5 energy efficiency program in order to ensure investment in cost-  
6 effective energy efficiency measures, ensure universal access to  
7 energy efficiency measures, and serve the needs of low-income  
8 communities that shall require each electric public utility to  
9 implement energy efficiency measures that reduce electricity usage  
10 in the State pursuant to section 3 of P.L.2018, c.17 (C.48:3-87.9).  
11 Nothing in this subsection shall be construed to prevent an electric  
12 public utility from meeting the requirements of this subsection by  
13 contracting with another entity for the performance of the  
14 requirements.

15 h. The board shall adopt, pursuant to the "Administrative  
16 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), a gas energy  
17 efficiency program in order to ensure investment in cost-effective  
18 energy efficiency measures, ensure universal access to energy  
19 efficiency measures, and serve the needs of low-income  
20 communities that shall require each gas public utility to implement  
21 energy efficiency measures that reduce natural gas usage in the  
22 State pursuant to section 3 of P.L.2018, c.17 (C.48:3-87.9).  
23 Nothing in this subsection shall be construed to prevent a gas public  
24 utility from meeting the requirements of this subsection by  
25 contracting with another entity for the performance of the  
26 requirements.

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

36 j. The board shall determine an appropriate level of solar  
37 alternative compliance payment, and permit each supplier or  
38 provider to submit an SACP to comply with the solar electric  
39 generation requirements of paragraph (3) of subsection d. of this  
40 section. The value of the SACP for each Energy Year, for Energy  
41 Years 2014 through 2033 per megawatt hour from solar electric  
42 generation required pursuant to this section, shall be:

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

1	EY 2019	\$268
2	EY 2020	\$258
3	EY 2021	\$248
4	EY 2022	\$238
5	EY 2023	\$228
6	EY 2024	\$218
7	EY 2025	\$208
8	EY 2026	\$198
9	EY 2027	\$188
10	EY 2028	\$178
11	EY 2029	\$168
12	EY 2030	\$158
13	EY 2031	\$148
14	EY 2032	\$138
15	EY 2033	\$128.

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

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

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

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

43 (2) maintain adequate regulatory authority over non-competitive  
44 public utility services;

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

- 1 (4) promote energy efficiency and Class I renewable energy
- 2 market development, taking into consideration environmental
- 3 benefits and market barriers;
- 4 (5) make energy services more affordable for low and moderate
- 5 income customers;
- 6 (6) attempt to transform the renewable energy market into one
- 7 that can move forward without subsidies from the State or public
- 8 utilities;
- 9 (7) achieve the goals put forth under the renewable energy
- 10 portfolio standards;
- 11 (8) promote the lowest cost to ratepayers; and
- 12 (9) allow all market segments to participate.
- 13 m. The board shall ensure the availability of financial incentives
- 14 under its jurisdiction, including, but not limited to, long-term
- 15 contracts, loans, SRECs, or other financial support, to ensure
- 16 market diversity, competition, and appropriate coverage across all
- 17 ratepayer segments, including, but not limited to, residential,
- 18 commercial, industrial, non-profit, farms, schools, and public entity
- 19 customers.
- 20 n. For projects which are owned, or directly invested in, by a
- 21 public utility pursuant to section 13 of P.L.2007, c.340 (C.48:3-
- 22 98.1), the board shall determine the number of SRECs with which
- 23 such projects shall be credited; and in determining such number the
- 24 board shall ensure that the market for SRECs does not detrimentally
- 25 affect the development of non-utility solar projects and shall
- 26 consider how its determination may impact the ratepayers.
- 27 o. The board, in consultation with the Department of
- 28 Environmental Protection, electric public utilities, the Division of
- 29 Rate Counsel in, but not of, the Department of the Treasury,
- 30 affected members of the solar energy industry, and relevant
- 31 stakeholders, shall periodically consider increasing the renewable
- 32 energy portfolio standards beyond the minimum amounts set forth
- 33 in subsection d. of this section, taking into account the cost impacts
- 34 and public benefits of such increases including, but not limited to:
- 35 (1) reductions in air pollution, water pollution, land disturbance,
- 36 and greenhouse gas emissions;
- 37 (2) reductions in peak demand for electricity and natural gas,
- 38 and the overall impact on the costs to customers of electricity and
- 39 natural gas;
- 40 (3) increases in renewable energy development, manufacturing,
- 41 investment, and job creation opportunities in this State; and
- 42 (4) reductions in State and national dependence on the use of
- 43 fossil fuels.
- 44 p. Class I RECs and ORECs shall be eligible for use in
- 45 renewable energy portfolio standards compliance in the energy year
- 46 in which they are generated, and for the following two energy years.
- 47 SRECs shall be eligible for use in renewable energy portfolio

1 standards compliance in the energy year in which they are  
2 generated, and for the following four energy years.

3 q. (1) During the energy years of 2014, 2015, and 2016, a solar  
4 electric power generation facility project that is not: (a) net  
5 metered; (b) an on-site generation facility; (c) qualified for net  
6 metering aggregation; or (d) certified as being located on a  
7 brownfield, on an area of historic fill or on a properly closed  
8 sanitary landfill facility, as provided pursuant to subsection t. of this  
9 section may file an application with the board for approval of a  
10 designation pursuant to this subsection that the facility is connected  
11 to the distribution system. An application filed pursuant to this  
12 subsection shall include a notice escrow of \$40,000 per megawatt of  
13 the proposed capacity of the facility. The board shall approve the  
14 designation if: the facility has filed a notice in writing with the  
15 board applying for designation pursuant to this subsection, together  
16 with the notice escrow; and the capacity of the facility, when added  
17 to the capacity of other facilities that have been previously  
18 approved for designation prior to the facility's filing under this  
19 subsection, does not exceed 80 megawatts in the aggregate for each  
20 year. The capacity of any one solar electric power supply project  
21 approved pursuant to this subsection shall not exceed 10 megawatts.  
22 No more than 90 days after its receipt of a completed application  
23 for designation pursuant to this subsection, the board shall approve,  
24 conditionally approve, or disapprove the application. The notice  
25 escrow shall be reimbursed to the facility in full upon either  
26 rejection by the board or the facility entering commercial operation,  
27 or shall be forfeited to the State if the facility is designated pursuant  
28 to this subsection but does not enter commercial operation pursuant  
29 to paragraph (2) of this subsection.

30 (2) If the proposed solar electric power generation facility does  
31 not commence commercial operations within two years following  
32 the date of the designation by the board pursuant to this subsection,  
33 the designation of the facility shall be deemed to be null and void,  
34 and the facility shall not be considered connected to the distribution  
35 system thereafter.

36 (3) Notwithstanding the provisions of paragraph (2) of this  
37 subsection, a solar electric power generation facility project that as  
38 of May 31, 2017 was designated as "connected to the distribution  
39 system," but failed to commence commercial operations as of that  
40 date, shall maintain that designation if it commences commercial  
41 operations by May 31, 2018.

42 r. (1) For all proposed solar electric power generation facility  
43 projects except for those solar electric power generation facility  
44 projects approved pursuant to subsection q. of this section, and for  
45 all projects proposed in energy year 2019 and energy year 2020, the  
46 board may approve projects for up to 50 megawatts annually in  
47 auctioned capacity in two auctions per year as long as the board is

1 accepting applications. If the board approves projects for less than  
2 50 megawatts in energy year 2019 or less than 50 megawatts in  
3 energy year 2020, the difference in each year shall be carried over  
4 into the successive energy year until 100 megawatts of auctioned  
5 capacity has been approved by the board pursuant to this  
6 subsection. A proposed solar electric power generation facility that  
7 is neither net metered nor an on-site generation facility, may be  
8 considered "connected to the distribution system" only upon  
9 designation as such by the board, after notice to the public and  
10 opportunity for public comment or hearing. A proposed solar  
11 power electric generation facility seeking board designation as  
12 "connected to the distribution system" shall submit an application to  
13 the board that includes for the proposed facility: the nameplate  
14 capacity; the estimated energy and number of SRECs to be  
15 produced and sold per year; the estimated annual rate impact on  
16 ratepayers; the estimated capacity of the generator as defined by  
17 PJM for sale in the PJM capacity market; the point of  
18 interconnection; the total project acreage and location; the current  
19 land use designation of the property; the type of solar technology to  
20 be used; and such other information as the board shall require.

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

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

27 (b) the approval of the designation of the proposed facility  
28 would not significantly impact the preservation of open space in  
29 this State;

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

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

36 (3) The board shall act within 90 days of its receipt of a  
37 completed application for designation of a solar power electric  
38 generation facility as "connected to the distribution system," to  
39 either approve, conditionally approve, or disapprove the  
40 application. If the proposed solar electric power generation facility  
41 does not commence commercial operations within two years  
42 following the date of the designation by the board pursuant to this  
43 subsection, the designation of the facility as "connected to the  
44 distribution system" shall be deemed to be null and void, and the  
45 facility shall thereafter be considered not "connected to the  
46 distribution system."

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

20 t. (1) No more than 180 days after the date of enactment of  
21 P.L.2012, c.24, the board shall, in consultation with the Department  
22 of Environmental Protection and the New Jersey Economic  
23 Development Authority, and, after notice and opportunity for public  
24 comment and public hearing, complete a proceeding to establish a  
25 program to provide SRECs to owners of solar electric power  
26 generation facility projects certified by the board, in consultation  
27 with the Department of Environmental Protection, as being located  
28 on a brownfield, on an area of historic fill or on a properly closed  
29 sanitary landfill facility, including those owned or operated by an  
30 electric public utility and approved pursuant to section 13 of  
31 P.L.2007, c.340 (C.48:3-98.1). Projects certified under this  
32 subsection shall be considered "connected to the distribution  
33 system", shall not require such designation by the board, and shall  
34 not be subject to board review required pursuant to subsections q.  
35 and r. of this section. Notwithstanding the provisions of section 3  
36 of P.L.1999, c.23 (C.48:3-51) or any other law, rule, regulation, or  
37 order to the contrary, for projects certified under this subsection, the  
38 board shall establish a financial incentive that is designed to  
39 supplement the SRECs generated by the facility in order to cover  
40 the additional cost of constructing and operating a solar electric  
41 power generation facility on a brownfield, on an area of historic fill  
42 or on a properly closed sanitary landfill facility. Any financial  
43 benefit realized in relation to a project owned or operated by an  
44 electric public utility and approved by the board pursuant to section  
45 13 of P.L.2007, c.340 (C.48:3-98.1), as a result of the provision of a  
46 financial incentive established by the board pursuant to this  
47 subsection, shall be credited to ratepayers. The issuance of SRECs

1 for all solar electric power generation facility projects pursuant to  
2 this subsection shall be deemed "Board of Public Utilities financial  
3 assistance" as provided under section 1 of P.L.2009, c.89 (C.48:2-  
4 29.47).

5 (2) Notwithstanding the provisions of the "Spill Compensation  
6 and Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.) or any  
7 other law, rule, regulation, or order to the contrary, the board, in  
8 consultation with the Department of Environmental Protection, may  
9 find that a person who operates a solar electric power generation  
10 facility project that has commenced operation on or after the  
11 effective date of P.L.2012, c.24, which project is certified by the  
12 board, in consultation with the Department of Environmental  
13 Protection pursuant to paragraph (1) of this subsection, as being  
14 located on a brownfield for which a final remediation document has  
15 been issued, on an area of historic fill or on a properly closed  
16 sanitary landfill facility, which projects shall include, but not be  
17 limited to projects located on a brownfield for which a final  
18 remediation document has been issued, on an area of historic fill or  
19 on a properly closed sanitary landfill facility owned or operated by  
20 an electric public utility and approved pursuant to section 13 of  
21 P.L.2007, c.340 (C.48:3-98.1), or a person who owns property  
22 acquired on or after the effective date of P.L.2012, c.24 on which  
23 such a solar electric power generation facility project is constructed  
24 and operated, shall not be liable for cleanup and removal costs to  
25 the Department of Environmental Protection or to any other person  
26 for the discharge of a hazardous substance provided that:

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

29 (b) the person did not discharge the hazardous substance, is not  
30 in any way responsible for the hazardous substance, and is not a  
31 successor to the discharger or to any person in any way responsible  
32 for the hazardous substance or to anyone liable for cleanup and  
33 removal costs pursuant to section 8 of P.L.1976, c.141 (C.58:10-  
34 23.11g);

35 (c) the person, within 30 days after acquisition of the property,  
36 gave notice of the discharge to the Department of Environmental  
37 Protection in a manner the Department of Environmental Protection  
38 prescribes;

39 (d) the person does not disrupt or change, without prior written  
40 permission from the Department of Environmental Protection, any  
41 engineering or institutional control that is part of a remedial action  
42 for the contaminated site or any landfill closure or post-closure  
43 requirement;

44 (e) the person does not exacerbate the contamination at the  
45 property;

46 (f) the person does not interfere with any necessary remediation  
47 of the property;



1 (g) the person complies with any regulations and any permit the  
2 Department of Environmental Protection issues pursuant to section  
3 19 of P.L.2009, c.60 (C.58:10C-19) or paragraph (2) of subsection  
4 a. of section 6 of P.L.1970, c.39 (C.13:1E-6);

5 (h) with respect to an area of historic fill, the person has  
6 demonstrated pursuant to a preliminary assessment and site  
7 investigation, that hazardous substances have not been discharged;  
8 and

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

15 Only the person who is liable to clean up and remove the  
16 contamination pursuant to section 8 of P.L.1976, c.141 (C.58:10-  
17 23.11g) and who does not have a defense to liability pursuant to  
18 subsection d. of that section shall be liable for cleanup and removal  
19 costs.

20 u. No more than 180 days after the date of enactment of  
21 P.L.2012, c.24, the board shall complete a proceeding to establish a  
22 registration program. The registration program shall require the  
23 owners of solar electric power generation facility projects  
24 connected to the distribution system to make periodic milestone  
25 filings with the board in a manner and at such times as determined  
26 by the board to provide full disclosure and transparency regarding  
27 the overall level of development and construction activity of those  
28 projects Statewide.

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

35 w. No more than 270 days after the date of enactment of  
36 P.L.2012, c.24, the board shall, after notice and opportunity for  
37 public comment and public hearing, complete a proceeding to  
38 consider whether to establish a program to provide, to owners of  
39 solar electric power generation facility projects certified by the  
40 board as being three megawatts or greater in capacity and being net  
41 metered, including facilities which are owned or operated by an  
42 electric public utility and approved by the board pursuant to section  
43 13 of P.L.2007, c.340 (C.48:3-98.1), a financial incentive that is  
44 designed to supplement the SRECs generated by the facility to  
45 further the goal of improving the economic competitiveness of  
46 commercial and industrial customers taking power from such  
47 projects. If the board determines to establish such a program

1 pursuant to this subsection, the board may establish a financial  
2 incentive to provide that the board shall issue one SREC for no less  
3 than every 750 kilowatt-hours of solar energy generated by the  
4 certified projects. Any financial benefit realized in relation to a  
5 project owned or operated by an electric public utility and approved  
6 by the board pursuant to section 13 of P.L.2007, c.340 (C.48:3-  
7 98.1), as a result of the provisions of a financial incentive  
8 established by the board pursuant to this subsection, shall be  
9 credited to ratepayers.

10 x. Solar electric power generation facility projects that are  
11 located on an existing or proposed commercial, retail, industrial,  
12 municipal, professional, recreational, transit, commuter,  
13 entertainment complex, multi-use, or mixed-use parking lot with a  
14 capacity to park 350 or more vehicles where the area to be utilized  
15 for the facility is paved, or an impervious surface may be owned or  
16 operated by an electric public utility and may be approved by the  
17 board pursuant to section 13 of P.L.2007, c.340 (C.48:3-98.1).  
18 (cf: P.L.2018, c.17, s.2)

19

20 2. This act shall take effect immediately.

21

22

23

#### STATEMENT

24

25 This bill would allow the Board of Public Utilities (BPU) to  
26 increase the cost to customers of the State's Class I renewable  
27 energy requirement during energy years 2022 through 2024 above  
28 the current limit of seven percent of the total paid for electricity by  
29 all customers in the State, under certain conditions.

30 Under the bill, the BPU could only make this increase if the cost  
31 of the Class I renewable energy requirement is less than nine  
32 percent of total energy costs during energy years 2019 through 2021  
33 (the limit set by current law). In addition, the total amount paid by  
34 customers during energy years 2019 through 2024 could not exceed  
35 the sum of: (1) nine percent of total energy costs during energy  
36 years 2019 through 2021; and (2) seven percent of total energy  
37 costs during energy years 2022 through 2024, i.e. the maximum  
38 amount allowed by current law over that six-year period.

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

# SENATE ENVIRONMENT AND ENERGY COMMITTEE

## STATEMENT TO

### SENATE, No. 4275

# STATE OF NEW JERSEY

DATED: DECEMBER 9, 2019

The Senate Environment and Energy Committee favorably reports Senate Bill No. 4275.

This bill would allow the Board of Public Utilities (BPU) to increase the cost to customers of the State's Class I renewable energy requirement during energy years 2022 through 2024 above the current limit of seven percent of the total cost paid for electricity by all customers in the State, under certain conditions.

Under the bill, the BPU would only be authorized to make this increase if the cost of the Class I renewable energy requirement is less than nine percent of total energy costs during energy years 2019 through 2021 (the limit set by current law). In addition, the total amount paid by customers during energy years 2019 through 2024 could not exceed the sum of: (1) nine percent of total energy costs during energy years 2019 through 2021; and (2) seven percent of total energy costs during energy years 2022 through 2024, i.e. the maximum amount allowed by current law over that six-year period.

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

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 4275

# STATE OF NEW JERSEY

DATED: JANUARY 9, 2020

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 4275.

This bill would allow the Board of Public Utilities (BPU) to increase the cost to customers of the State's Class I renewable energy requirement during energy years 2022 through 2024 above the current limit of seven percent of the total cost paid for electricity by all customers in the State, under certain conditions.

Under the bill, the BPU would only be authorized to make this increase if the cost of the Class I renewable energy requirement is less than nine percent of total energy costs during energy years 2019 through 2021 (the limit set by current law). In addition, the total amount paid by customers during energy years 2019 through 2024 could not exceed the sum of: (1) nine percent of total energy costs during energy years 2019 through 2021; and (2) seven percent of total energy costs during energy years 2022 through 2024, i.e. the maximum amount allowed by current law over that six-year period.

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

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) cannot determine whether the bill will have a positive or negative fiscal net impact on State government. The inability to determine the direction and magnitude of the fiscal impact is rooted in a lack of information concerning whether the BPU will increase the cost to customers of the State's Class I renewable energy requirement as provided in the bill.

If the BPU increases the above-mentioned cost, the bill will result in a possible indeterminate increase in State and local expenditures from higher retail prices for electricity. The amount of the price increase attributable to the bill is contingent, in part, on the decision made by the BPU, which the OLS cannot anticipate. An increase in the price of electricity will yield indeterminate additional State revenues, given that the increase paid by all ratepayers will be subject to the State sales and use tax.

If the BPU increases the above-mentioned cost, the OLS expects the bill to result in a net increase in the retail price of electricity in the State for all customers, including the State and local governments.

The amount of the price increase attributable to the bill will be subject to the imposition of sales and use tax except those electricity purchases by entities and users which are exempt under the sales and use tax. The OLS lacks the necessary data to quantify the net increase in the price of electricity because of the bill; thus, the OLS cannot determine the amount of additional State sales and use tax revenue generated due to the bill.

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 4275**  
**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

DATED: JANUARY 8, 2020

**SUMMARY**

- Synopsis:** Allows BPU to increase cost to customers of Class I renewable energy requirement for energy years 2022 through 2024, under certain conditions.
- Type of Impact:** Annual increase in expenditures for State and local government entities; and annual State revenue and expenditure increases.
- Agencies Affected:** All State and local government entities; Board of Public Utilities.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Annual Impact</u></b>
<b>State Expenditure Increase</b>	Indeterminate
<b>State Revenue Increase</b>	Indeterminate
<b>State Revenue Decrease</b>	Indeterminate
<b>Local Expenditure Increase</b>	Indeterminate

- The Office of Legislative Services (OLS) cannot determine whether the bill will have a positive or negative fiscal net impact on State government. The inability to determine the direction and magnitude of the fiscal impact is rooted in a lack of information concerning whether the Board of Public Utilities (BPU) will increase the cost to customers of the State’s Class I renewable energy requirement as provided in the bill.
- If the BPU increases the above-mentioned cost, the bill will result in a possible indeterminate increase in State and local expenditures from higher retail prices for electricity. The amount of the price increase attributable to the bill is contingent, in part, on the decision made by the BPU, which the OLS cannot anticipate. An increase in the price of electricity will yield indeterminate additional State revenues, given that the increase paid by all ratepayers will be subject to the State sales and use tax.
- If the BPU increases the above-mentioned cost, the OLS expects the bill to result in a net increase in the retail price of electricity in the State for all customers, including the State and local governments. The amount of the price increase attributable to the bill will be subject to the imposition of sales and use tax except those electricity purchases by entities and users

which are exempt under the sales and use tax. The OLS lacks the necessary data to quantify the net increase in the price of electricity because of the bill; thus, the OLS cannot determine the amount of additional State sales and use tax revenue generated due to the bill.

## **BILL DESCRIPTION**

This bill allows the BPU to increase the cost to customers of the State's Class I renewable energy requirement during energy years 2022 through 2024 above the current limit of seven percent of the total paid for electricity by all customers in the State, under certain conditions.

Under the bill, the BPU could only make this increase if the cost of the Class I renewable energy requirement is less than nine percent of total energy costs during energy years 2019 through 2021 (the limit set by current law). In addition, the total amount paid by customers during energy years 2019 through 2024 could not exceed the sum of: (1) nine percent of total energy costs during energy years 2019 through 2021; and (2) seven percent of total energy costs during energy years 2022 through 2024, i.e. the maximum amount allowed by current law over that six-year period.

Current law defines "energy year" as the 12-month period from June 1st through May 31st, numbered according to the calendar year in which it ends.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS cannot determine whether the bill will have a positive or negative fiscal net impact on State government. The inability to determine the direction and magnitude of the fiscal impact is rooted in a lack of information concerning whether the BPU will increase the cost to customers of the State's Class I renewable energy requirement as provided in the bill.

If the BPU increases the above-mentioned cost, the bill will result in a possible indeterminate increase in State and local expenditures from higher retail prices for electricity. The amount of the price increase attributable to the bill is contingent, in part, on the decision made by the BPU, which the OLS cannot anticipate. An increase in the price of electricity will yield indeterminate additional State revenues, given that the increase paid by all ratepayers will be subject to the State sales and use tax.

If the BPU increases the above-mentioned cost, the OLS expects the bill to result in a net increase in the retail price of electricity in the State for all customers, including the State and local governments. The amount of the price increase attributable to the bill will be subject to the imposition of sales and use tax except those electricity purchases by entities and users which are exempt under the sales and use tax. The OLS lacks the necessary data to quantify the net increase in the price of electricity because of the bill; thus, the OLS cannot determine the amount of additional State sales and use tax revenue generated due to the bill.

The OLS notes that certain provisions of the bill may influence ratepayer consumption behavior, which in turn could result in an increase or decrease in the amount of State revenue

generated from the societal benefits charge. This statement assumes that the BPU will not adjust the societal benefits charge rate in response to a change in consumption.

*Class I Renewable Energy Certificates:* Current law requires a gradually increasing percentage of kilowatt-hours of electricity sold in this State by each electric power supplier (supplier) or basic generation service provider (provider) to be from Class I renewable energy sources each energy year (June 1<sup>st</sup> through May 31<sup>st</sup>). This requirement is referred to as the Class I renewable portfolio standard (Class I RPS). Electric power suppliers and basic generation service providers may meet these requirements by submitting Class I renewable energy certificates (Class I REC), which represent one megawatt-hour (MWh) of renewable energy generated and delivered to the electric public utility grid. If a supplier or provider is not in compliance for an energy year, the supplier or provider must remit an alternative compliance payment (ACP) for the number of Class I RECs that were required but not submitted. The BPU determines the price of the ACP for each energy year, which has been set at \$50 per MWh since energy year 2004.

Owners of excess Class I RECs typically sell those credits through market-based trading programs to other suppliers or providers. The ACP acts as a ceiling for the price of a Class I REC and Class I RECs tend to trade much lower than the ACP. Specifically, in energy year 2018, the BPU's NJ RPS Compliance History report states that the estimated year-end weighted average price for a Class I REC was \$9.75 while that price for energy year 2017 was \$12.12. The price fluctuation from 2017 to 2018 further complicates the ability to determine the possible cost increase for Class I RECs going forward.

The BPU's NJ RPS Compliance History report shows that in energy year 2018 total retail electricity sales were 73,679,057 MWh. That year's Class I RPS requirement was 12.325 percent or 9,080,944 MWh. Based on this target and an estimated year-end weighted average price of \$9.75 for Class I RECs, the estimated Class I RPS expenditure by electric power suppliers and basic generation service providers for energy year 2018 was \$89.4 million.

Under current law, Class I RPS requirements are scheduled to reach 21 percent in energy year 2020, 35 percent by energy year 2025, and 50 percent by energy year 2030.

The costs associated with increasing the Class I RPS targets would be passed on to the State's ratepayers, which include State and local government entities, and would increase the retail price of electricity. The OLS cannot determine the percentage of the total cost that will be borne by State and local governments because of a lack of data on their electricity consumption. However, the cost of shifting the percentage of the State's sources of electricity generation towards Class I renewable energy sources will likely be a material factor in whether the BPU increases costs as permitted under the bill.

*Section: Authorities, Utilities, Transportation and Communications*

*Analyst: Patrick Brennan  
Principal Fiscal Analyst*

*Approved: Frank W. Haines III  
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).



**ASSEMBLY, No. 6088**

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**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

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INTRODUCED DECEMBER 12, 2019

**Sponsored by:**

**Assemblyman JOHN J. BURZICHELLI**

**District 3 (Cumberland, Gloucester and Salem)**

**SYNOPSIS**

Allows BPU to increase cost to customers of Class I renewable energy requirement for energy years 2022 through 2024, under certain conditions.

**CURRENT VERSION OF TEXT**

As introduced.



A6088 BURZICHELLI

2

1 AN ACT concerning the cost to customers of Class I renewable  
2 energy and amending 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 II renewable energy sources;

6 (2) beginning on January 1, 2020, that 21 percent of the  
7 kilowatt hours sold in this State by each electric power supplier and  
8 each basic generation service provider be from Class I renewable  
9 energy sources. The board shall increase the required percentage  
10 for Class I renewable energy sources so that by January 1, 2025, 35  
11 percent of the kilowatt hours sold in this State by each electric  
12 power supplier and each basic generation service provider shall be  
13 from Class I renewable energy sources, and by January 1, 2030, 50  
14 percent of the kilowatt hours sold in this State by each electric  
15 power supplier and each basic generation service provider shall be  
16 from Class I renewable energy sources. Notwithstanding the  
17 requirements of this subsection, the board shall ensure that the cost  
18 to customers of the Class I renewable energy requirement imposed  
19 pursuant to this subsection shall not exceed nine percent of the total  
20 paid for electricity by all customers in the State for energy year  
21 2019, energy year 2020, and energy year 2021, respectively, and  
22 shall not exceed seven percent of the total paid for electricity by all  
23 customers in the State in any energy year thereafter ; provided that,  
24 if in energy years 2019 through 2021 the cost to customers of the  
25 Class I renewable energy requirement is less than nine percent of  
26 the total paid for electricity by all customers in the State, the board  
27 may increase the cost to customers of the Class I renewable energy  
28 requirement in energy years 2022 through 2024 to a rate greater  
29 than seven percent, as long as the total costs to customers for  
30 energy years 2019 through 2024 does not exceed the sum of nine  
31 percent of the total paid for electricity by all customers in the State  
32 in energy years 2019 through 2021 and seven percent of the total  
33 paid for electricity by all customers in the State in energy years  
34 2022 through 2024 . In calculating the cost to customers of the  
35 Class I renewable energy requirement imposed pursuant to this  
36 subsection, the board shall not include the costs of the offshore  
37 wind energy certificate program established pursuant to paragraph  
38 (4) of this subsection. The board shall take any steps necessary to  
39 prevent the exceedance of the cap on the cost to customers  
40 including, but not limited to, adjusting the Class I renewable energy  
41 requirement.

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;

46 (3) that the board establish a multi-year schedule, applicable to  
47 each electric power supplier or basic generation service provider in

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1 this State, beginning with the one-year period commencing on June  
2 1, 2010, and continuing for each subsequent one-year period up to  
3 and including, the one-year period commencing on June 1, 2033,  
4 that requires the following number or percentage, as the case may  
5 be, of kilowatt-hours sold in this State by each electric power  
6 supplier and each basic generation service provider to be from solar  
7 electric power generators connected to the distribution system in  
8 this State:

9	EY 2011	306 Gigawatthours (Gwhrs)
10	EY 2012	442 Gwhrs
11	EY 2013	596 Gwhrs
12	EY 2014	2.050%
13	EY 2015	2.450%
14	EY 2016	2.750%
15	EY 2017	3.000%
16	EY 2018	3.200%
17	EY 2019	4.300%
18	EY 2020	4.900%
19	EY 2021	5.100%
20	EY 2022	5.100%
21	EY 2023	5.100%
22	EY 2024	4.900%
23	EY 2025	4.800%
24	EY 2026	4.500%
25	EY 2027	4.350%
26	EY 2028	3.740%
27	EY 2029	3.070%
28	EY 2030	2.210%
29	EY 2031	1.580%
30	EY 2032	1.400%
31	EY 2033	1.100%

32 No later than 180 days after the date of enactment of P.L.2018,  
33 c.17 (C.48:3-87.8 et al.), the board shall adopt rules and regulations  
34 to close the SREC program to new applications upon the attainment  
35 of 5.1 percent of the kilowatt-hours sold in the State by each  
36 electric power supplier and each basic generation provider from  
37 solar electric power generators connected to the distribution system.  
38 The board shall continue to consider any application filed before the  
39 date of enactment of P.L.2018, c.17 (C.48:3-87.8 et al.). The board  
40 shall provide for an orderly and transparent mechanism that will  
41 result in the closing of the existing SREC program on a date certain  
42 but no later than June 1, 2021.

43 No later than 24 months after the date of enactment of P.L.2018,  
44 c.17 (C.48:3-87.8 et al.), the board shall complete a study that  
45 evaluates how to modify or replace the SREC program to encourage  
46 the continued efficient and orderly development of solar renewable  
47 energy generating sources throughout the State. The board shall

1 submit the written report thereon to the Governor and, pursuant to  
2 section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature. The  
3 board shall consult with public utilities, industry experts, regional  
4 grid operators, solar power providers and financiers, and other State  
5 agencies to determine whether the board can modify the SREC  
6 program such that the program will:

7 - continually reduce, where feasible, the cost of achieving the  
8 solar energy goals set forth in this subsection;

9 - provide an orderly transition from the SREC program to a new  
10 or modified program;

11 - develop megawatt targets for grid connected and distribution  
12 systems, including residential and small commercial rooftop  
13 systems, community solar systems, and large scale behind the meter  
14 systems, as a share of the overall solar energy requirement, which  
15 targets the board may modify periodically based on the cost,  
16 feasibility, or social impacts of different types of projects;

17 - establish and update market-based maximum incentive  
18 payment caps periodically for each of the above categories of solar  
19 electric power generation facilities;

20 - encourage and facilitate market-based cost recovery through  
21 long-term contracts and energy market sales; and

22 - where cost recovery is needed for any portion of an efficient  
23 solar electric power generation facility when costs are not  
24 recoverable through wholesale market sales and direct payments  
25 from customers, utilize competitive processes such as competitive  
26 procurement and long-term contracts where possible to ensure such  
27 recovery, without exceeding the maximum incentive payment cap  
28 for that category of facility.

29 The board shall approve, conditionally approve, or disapprove  
30 any application for designation as connected to the distribution  
31 system of a solar electric power generation facility filed with the  
32 board after the date of enactment of P.L.2018, c.17 (C.48:3-87.8 et  
33 al.), no more than 90 days after receipt by the board of a completed  
34 application. For any such application for a project greater than 25  
35 kilowatts, the board shall require the applicant to post a notice  
36 escrow with the board in an amount of \$40 per kilowatt of DC  
37 nameplate capacity of the facility, not to exceed \$40,000. The  
38 notice escrow amount shall be reimbursed to the applicant in full  
39 upon either denial of the application by the board or upon  
40 commencement of commercial operation of the solar electric power  
41 generation facility. The escrow amount shall be forfeited to the  
42 State if the facility is designated as connected to the distribution  
43 system pursuant to this subsection but does not commence  
44 commercial operation within two years following the date of the  
45 designation by the board.

46 For all applications for designation as connected to the  
47 distribution system of a solar electric power generation facility filed

1 with the board after the date of enactment of P.L.2018, c.17  
2 (C.48:3-87.8 et al.), the SREC term shall be 10 years.

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

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

14 (c) The solar renewable portfolio standards requirements in this  
15 paragraph shall exempt those existing supply contracts which are  
16 effective prior to the date of enactment of P.L.2018, c.17 (C.48:3-  
17 87.8 et al.) from any increase beyond the number of SRECs  
18 mandated by the solar renewable energy portfolio standards  
19 requirements that were in effect on the date that the providers  
20 executed their existing supply contracts. This limited exemption for  
21 providers' existing supply contracts shall not be construed to lower  
22 the Statewide solar sourcing requirements set forth in this  
23 paragraph. Such incremental requirements that would have  
24 otherwise been imposed on exempt providers shall be distributed  
25 over the providers not subject to the existing supply contract  
26 exemption until such time as existing supply contracts expire and  
27 all providers are subject to the new requirement in a manner that is  
28 competitively neutral among all providers and suppliers.  
29 Notwithstanding any rule or regulation to the contrary, the board  
30 shall recognize these new solar purchase obligations as a change  
31 required by operation of law and implement the provisions of this  
32 subsection in a manner so as to prevent any subsidies between  
33 suppliers and providers and to promote competition in the  
34 electricity supply industry.

35 An electric power supplier or basic generation service provider  
36 may satisfy the requirements of this subsection by participating in a  
37 renewable energy trading program approved by the board in  
38 consultation with the Department of Environmental Protection, or  
39 compliance with the requirements of this subsection may be  
40 demonstrated to the board by suppliers or providers through the  
41 purchase of SRECs.

42 The renewable energy portfolio standards adopted by the board  
43 pursuant to paragraphs (1) and (2) of this subsection shall be  
44 effective as regulations immediately upon filing with the Office of  
45 Administrative Law and shall be effective for a period not to exceed  
46 18 months, and may, thereafter, be amended, adopted or readopted  
47 by the board in accordance with the provisions of the  
48 "Administrative Procedure Act."

1 The renewable energy portfolio standards adopted by the board  
2 pursuant to this paragraph shall be effective as regulations  
3 immediately upon filing with the Office of Administrative Law and  
4 shall be effective for a period not to exceed 30 months after such  
5 filing, and shall, thereafter, be amended, adopted or readopted by  
6 the board in accordance with the "Administrative Procedure Act";  
7 and

8 (4) within 180 days after the date of enactment of P.L.2010,  
9 c.57 (C.48:3-87.1 et al.), that the board establish an offshore wind  
10 renewable energy certificate program to require that a percentage of  
11 the kilowatt hours sold in this State by each electric power supplier  
12 and each basic generation service provider be from offshore wind  
13 energy in order to support at least 3,500 megawatts of generation  
14 from qualified offshore wind projects.

15 The percentage established by the board pursuant to this  
16 paragraph shall serve as an offset to the renewable energy portfolio  
17 standard established pursuant to paragraph (2) of this subsection  
18 and shall reduce the corresponding Class I renewable energy  
19 requirement.

20 The percentage established by the board pursuant to this  
21 paragraph shall reflect the projected OREC production of each  
22 qualified offshore wind project, approved by the board pursuant to  
23 section 3 of P.L.2010, c.57 (C.48:3-87.1), for 20 years from the  
24 commercial operation start date of the qualified offshore wind  
25 project which production projection and OREC purchase  
26 requirement, once approved by the board, shall not be subject to  
27 reduction.

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

38 The rules established by the board pursuant to this paragraph  
39 shall be effective as regulations immediately upon filing with the  
40 Office of Administrative Law and shall be effective for a period not  
41 to exceed 18 months, and may, thereafter, be amended, adopted or  
42 readopted by the board in accordance with the provisions of the  
43 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
44 seq.).

45 e. 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:

3 (1) net metering standards for electric power suppliers and basic  
4 generation service providers. The standards shall require electric  
5 power suppliers and basic generation service providers to offer net  
6 metering at non-discriminatory rates to industrial, large  
7 commercial, residential and small commercial customers, as those  
8 customers are classified or defined by the board, that generate  
9 electricity, on the customer's side of the meter, using a Class I  
10 renewable energy source, for the net amount of electricity supplied  
11 by the electric power supplier or basic generation service provider  
12 over an annualized period. Systems of any sized capacity, as  
13 measured in watts, are eligible for net metering. If the amount of  
14 electricity generated by the customer-generator, plus any kilowatt  
15 hour credits held over from the previous billing periods, exceeds the  
16 electricity supplied by the electric power supplier or basic  
17 generation service provider, then the electric power supplier or  
18 basic generation service provider, as the case may be, shall credit  
19 the customer-generator for the excess kilowatt hours until the end of  
20 the annualized period at which point the customer-generator will be  
21 compensated for any remaining credits or, if the customer-generator  
22 chooses, credit the customer-generator on a real-time basis, at the  
23 electric power supplier's or basic generation service provider's  
24 avoided cost of wholesale power or the PJM electric power pool's  
25 real-time locational marginal pricing rate, adjusted for losses, for  
26 the respective zone in the PJM electric power pool. Alternatively,  
27 the customer-generator may execute a bilateral agreement with an  
28 electric power supplier or basic generation service provider for the  
29 sale and purchase of the customer-generator's excess generation.  
30 The customer-generator may be credited on a real-time basis, so  
31 long as the customer-generator follows applicable rules prescribed  
32 by the PJM electric power pool for its capacity requirements for the  
33 net amount of electricity supplied by the electric power supplier or  
34 basic generation service provider. The board may authorize an  
35 electric power supplier or basic generation service provider to cease  
36 offering net metering to customers that are not already net metered  
37 whenever the total rated generating capacity owned and operated by  
38 net metering customer-generators Statewide equals 5.8 percent of  
39 the total annual kilowatt-hours sold in this State by each electric  
40 power supplier and each basic generation service provider during  
41 the prior one-year period;

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

45 Such standards or rules shall take into consideration the goals of  
46 the New Jersey Energy Master Plan, applicable industry standards,  
47 and the standards of other states and the Institute of Electrical and

1 Electronics Engineers. The board shall allow electric public  
2 utilities to recover the costs of any new net meters, upgraded net  
3 meters, system reinforcements or upgrades, and interconnection  
4 costs through either their regulated rates or from the net metering  
5 customer-generator;

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

10 (4) net metering aggregation standards to require electric public  
11 utilities to provide net metering aggregation to single electric public  
12 utility customers that operate a solar electric power generation  
13 system installed at one of the customer's facilities or on property  
14 owned by the customer, provided that any such customer is a State  
15 entity, school district, county, county agency, county authority,  
16 municipality, municipal agency, or municipal authority. The  
17 standards shall provide that, in order to qualify for net metering  
18 aggregation, the customer must operate a solar electric power  
19 generation system using a net metering billing account, which  
20 system is located on property owned by the customer, provided that:  
21 (a) the property is not land that has been actively devoted to  
22 agricultural or horticultural use and that is valued, assessed, and  
23 taxed pursuant to the "Farmland Assessment Act of 1964,"  
24 P.L.1964, c.48 (C.54:4-23.1 et seq.) at any time within the 10-year  
25 period prior to the effective date of P.L.2012, c.24, provided,  
26 however, that the municipal planning board of a municipality in  
27 which a solar electric power generation system is located may  
28 waive the requirement of this subparagraph (a), (b) the system is not  
29 an on-site generation facility, (c) all of the facilities of the single  
30 customer combined for the purpose of net metering aggregation are  
31 facilities owned or operated by the single customer and are located  
32 within its territorial jurisdiction except that all of the facilities of a  
33 State entity engaged in net metering aggregation shall be located  
34 within five miles of one another, and (d) all of those facilities are  
35 within the service territory of a single electric public utility and are  
36 all served by the same basic generation service provider or by the  
37 same electric power supplier. The standards shall provide that in  
38 order to qualify for net metering aggregation, the customer's solar  
39 electric power generation system shall be sized so that its annual  
40 generation does not exceed the combined metered annual energy  
41 usage of the qualified customer facilities, and the qualified  
42 customer facilities shall all be in the same customer rate class under  
43 the applicable electric public utility tariff. For the customer's  
44 facility or property on which the solar electric generation system is  
45 installed, the electricity generated from the customer's solar electric  
46 generation system shall be accounted for pursuant to the provisions  
47 of paragraph (1) of this subsection to provide that the electricity

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

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

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

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

46 g. The board shall adopt, pursuant to the "Administrative  
47 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), an electric

1 energy efficiency program in order to ensure investment in cost-  
2 effective energy efficiency measures, ensure universal access to  
3 energy efficiency measures, and serve the needs of low-income  
4 communities that shall require each electric public utility to  
5 implement energy efficiency measures that reduce electricity usage  
6 in the State pursuant to section 3 of P.L.2018, c.17 (C.48:3-87.9).  
7 Nothing in this subsection shall be construed to prevent an electric  
8 public utility from meeting the requirements of this subsection by  
9 contracting with another entity for the performance of the  
10 requirements.

11 h. The board shall adopt, pursuant to the "Administrative  
12 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), a gas energy  
13 efficiency program in order to ensure investment in cost-effective  
14 energy efficiency measures, ensure universal access to energy  
15 efficiency measures, and serve the needs of low-income  
16 communities that shall require each gas public utility to implement  
17 energy efficiency measures that reduce natural gas usage in the  
18 State pursuant to section 3 of P.L.2018, c.17 (C.48:3-87.9).  
19 Nothing in this subsection shall be construed to prevent a gas public  
20 utility from meeting the requirements of this subsection 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 2033 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	\$268
45	EY 2020	\$258
46	EY 2021	\$248
47	EY 2022	\$238
48	EY 2023	\$228

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1	EY 2024	\$218
2	EY 2025	\$208
3	EY 2026	\$198
4	EY 2027	\$188
5	EY 2028	\$178
6	EY 2029	\$168
7	EY 2030	\$158
8	EY 2031	\$148
9	EY 2032	\$138
10	EY 2033	\$128.

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 l. 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  
46 solar electric power generation facility project that is not: (a) net  
47 metered; (b) an on-site generation facility; (c) qualified for net

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

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

31 (3) Notwithstanding the provisions of paragraph (2) of this  
32 subsection, a solar electric power generation facility project that as  
33 of May 31, 2017 was designated as "connected to the distribution  
34 system," but failed to commence commercial operations as of that  
35 date, shall maintain that designation if it commences commercial  
36 operations by May 31, 2018.

37 r. (1) For all proposed solar electric power generation facility  
38 projects except for those solar electric power generation facility  
39 projects approved pursuant to subsection q. of this section, and for  
40 all projects proposed in energy year 2019 and energy year 2020, the  
41 board may approve projects for up to 50 megawatts annually in  
42 auctioned capacity in two auctions per year as long as the board is  
43 accepting applications. If the board approves projects for less than  
44 50 megawatts in energy year 2019 or less than 50 megawatts in  
45 energy year 2020, the difference in each year shall be carried over  
46 into the successive energy year until 100 megawatts of auctioned  
47 capacity has been approved by the board pursuant to this

1 subsection. A proposed solar electric power generation facility that  
2 is neither net metered nor an on-site generation facility, may be  
3 considered "connected to the distribution system" only upon  
4 designation as such by the board, after notice to the public and  
5 opportunity for public comment or hearing. A proposed solar  
6 power electric generation facility seeking board designation as  
7 "connected to the distribution system" shall submit an application to  
8 the board that includes for the proposed facility: the nameplate  
9 capacity; the estimated energy and number of SRECs to be  
10 produced and sold per year; the estimated annual rate impact on  
11 ratepayers; the estimated capacity of the generator as defined by  
12 PJM for sale in the PJM capacity market; the point of  
13 interconnection; the total project acreage and location; the current  
14 land use designation of the property; the type of solar technology to  
15 be used; and such other information as the board shall require.

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

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

22 (b) the approval of the designation of the proposed facility  
23 would not significantly impact the preservation of open space in  
24 this State;

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

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

31 (3) The board shall act within 90 days of its receipt of a  
32 completed application for designation of a solar power electric  
33 generation facility as "connected to the distribution system," to  
34 either approve, conditionally approve, or disapprove the  
35 application. If the proposed solar electric power generation facility  
36 does not commence commercial operations within two years  
37 following the date of the designation by the board pursuant to this  
38 subsection, the designation of the facility as "connected to the  
39 distribution system" shall be deemed to be null and void, and the  
40 facility shall thereafter be considered not "connected to the  
41 distribution system."

42 s. In addition to any other requirements of P.L.1999, c.23 or  
43 any other law, rule, regulation or order, a solar electric power  
44 generation facility that is not net metered or an on-site generation  
45 facility and which is located on land that has been actively devoted  
46 to agricultural or horticultural use that is valued, assessed, and  
47 taxed pursuant to the "Farmland Assessment Act of 1964,"  
48 P.L.1964, c.48 (C.54:4-23.1 et seq.) at any time within the 10-year



1 period prior to the effective date of P.L.2012, c.24, shall only be  
2 considered "connected to the distribution system" if (1) the board  
3 approves the facility's designation pursuant to subsection q. of this  
4 section; or (2) (a) PJM issued a System Impact Study for the facility  
5 on or before June 30, 2011, (b) the facility files a notice with the  
6 board within 60 days of the effective date of P.L.2012, c.24,  
7 indicating its intent to qualify under this subsection, and (c) the  
8 facility has been approved as "connected to the distribution system"  
9 by the board. Nothing in this subsection shall limit the board's  
10 authority concerning the review and oversight of facilities, unless  
11 such facilities are exempt from such review as a result of having  
12 been approved pursuant to subsection q. of this section.

13 t. (1) No more than 180 days after the date of enactment of  
14 P.L.2012, c.24, the board shall, in consultation with the Department  
15 of Environmental Protection and the New Jersey Economic  
16 Development Authority, and, after notice and opportunity for public  
17 comment and public hearing, complete a proceeding to establish a  
18 program to provide SRECs to owners of solar electric power  
19 generation facility projects certified by the board, in consultation  
20 with the Department of Environmental Protection, as being located  
21 on a brownfield, on an area of historic fill or on a properly closed  
22 sanitary landfill facility, including those owned or operated by an  
23 electric public utility and approved pursuant to section 13 of  
24 P.L.2007, c.340 (C.48:3-98.1). Projects certified under this  
25 subsection shall be considered "connected to the distribution  
26 system", shall not require such designation by the board, and shall  
27 not be subject to board review required pursuant to subsections q.  
28 and r. of this section. Notwithstanding the provisions of section 3  
29 of P.L.1999, c.23 (C.48:3-51) or any other law, rule, regulation, or  
30 order to the contrary, for projects certified under this subsection, the  
31 board shall establish a financial incentive that is designed to  
32 supplement the SRECs generated by the facility in order to cover  
33 the additional cost of constructing and operating a solar electric  
34 power generation facility on a brownfield, on an area of historic fill  
35 or on a properly closed sanitary landfill facility. Any financial  
36 benefit realized in relation to a project owned or operated by an  
37 electric public utility and approved by the board pursuant to section  
38 13 of P.L.2007, c.340 (C.48:3-98.1), as a result of the provision of a  
39 financial incentive established by the board pursuant to this  
40 subsection, shall be credited to ratepayers. The issuance of SRECs  
41 for all solar electric power generation facility projects pursuant to  
42 this subsection shall be deemed "Board of Public Utilities financial  
43 assistance" as provided under section 1 of P.L.2009, c.89 (C.48:2-  
44 29.47).

45 (2) Notwithstanding the provisions of the "Spill Compensation  
46 and Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.) or any  
47 other law, rule, regulation, or order to the contrary, the board, in

1 consultation with the Department of Environmental Protection, may  
2 find that a person who operates a solar electric power generation  
3 facility project that has commenced operation on or after the  
4 effective date of P.L.2012, c.24, which project is certified by the  
5 board, in consultation with the Department of Environmental  
6 Protection pursuant to paragraph (1) of this subsection, as being  
7 located on a brownfield for which a final remediation document has  
8 been issued, on an area of historic fill or on a properly closed  
9 sanitary landfill facility, which projects shall include, but not be  
10 limited to projects located on a brownfield for which a final  
11 remediation document has been issued, on an area of historic fill or  
12 on a properly closed sanitary landfill facility owned or operated by  
13 an electric public utility and approved pursuant to section 13 of  
14 P.L.2007, c.340 (C.48:3-98.1), or a person who owns property  
15 acquired on or after the effective date of P.L.2012, c.24 on which  
16 such a solar electric power generation facility project is constructed  
17 and operated, shall not be liable for cleanup and removal costs to  
18 the Department of Environmental Protection or to any other person  
19 for the discharge of a hazardous substance provided that:

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

22 (b) the person did not discharge the hazardous substance, is not  
23 in any way responsible for the hazardous substance, and is not a  
24 successor to the discharger or to any person in any way responsible  
25 for the hazardous substance or to anyone liable for cleanup and  
26 removal costs pursuant to section 8 of P.L.1976, c.141 (C.58:10-  
27 23.11g);

28 (c) the person, within 30 days after acquisition of the property,  
29 gave notice of the discharge to the Department of Environmental  
30 Protection in a manner the Department of Environmental Protection  
31 prescribes;

32 (d) the person does not disrupt or change, without prior written  
33 permission from the Department of Environmental Protection, any  
34 engineering or institutional control that is part of a remedial action  
35 for the contaminated site or any landfill closure or post-closure  
36 requirement;

37 (e) the person does not exacerbate the contamination at the  
38 property;

39 (f) the person does not interfere with any necessary remediation  
40 of the property;

41 (g) the person complies with any regulations and any permit the  
42 Department of Environmental Protection issues pursuant to section  
43 19 of P.L.2009, c.60 (C.58:10C-19) or paragraph (2) of subsection  
44 a. of section 6 of P.L.1970, c.39 (C.13:1E-6);

45 (h) with respect to an area of historic fill, the person has  
46 demonstrated pursuant to a preliminary assessment and site  
47 investigation, that hazardous substances have not been discharged;  
48 and

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

7 Only the person who is liable to clean up and remove the  
8 contamination pursuant to section 8 of P.L.1976, c.141 (C.58:10-  
9 23.11g) and who does not have a defense to liability pursuant to  
10 subsection d. of that section shall be liable for cleanup and removal  
11 costs.

12 u. No more than 180 days after the date of enactment of  
13 P.L.2012, c.24, the board shall complete a proceeding to establish a  
14 registration program. The registration program shall require the  
15 owners of solar electric power generation facility projects  
16 connected to the distribution system to make periodic milestone  
17 filings with the board in a manner and at such times as determined  
18 by the board to provide full disclosure and transparency regarding  
19 the overall level of development and construction activity of those  
20 projects Statewide.

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

27 w. No more than 270 days after the date of enactment of  
28 P.L.2012, c.24, the board shall, after notice and opportunity for  
29 public comment and public hearing, complete a proceeding to  
30 consider whether to establish a program to provide, to owners of  
31 solar electric power generation facility projects certified by the  
32 board as being three megawatts or greater in capacity and being net  
33 metered, including facilities which are owned or operated by an  
34 electric public utility and approved by the board pursuant to section  
35 13 of P.L.2007, c.340 (C.48:3-98.1), a financial incentive that is  
36 designed to supplement the SRECs generated by the facility to  
37 further the goal of improving the economic competitiveness of  
38 commercial and industrial customers taking power from such  
39 projects. If the board determines to establish such a program  
40 pursuant to this subsection, the board may establish a financial  
41 incentive to provide that the board shall issue one SREC for no less  
42 than every 750 kilowatt-hours of solar energy generated by the  
43 certified projects. Any financial benefit realized in relation to a  
44 project owned or operated by an electric public utility and approved  
45 by the board pursuant to section 13 of P.L.2007, c.340 (C.48:3-  
46 98.1), as a result of the provisions of a financial incentive  
47 established by the board pursuant to this subsection, shall be  
48 credited to ratepayers.

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

9 (cf: P.L.2018, c.17, s.2)

10  
11 2. This act shall take effect immediately.

12  
13  
14 STATEMENT

15  
16 This bill would allow the Board of Public Utilities (BPU) to  
17 increase the cost to customers of the State's Class I renewable  
18 energy requirement during energy years 2022 through 2024 above  
19 the current limit of seven percent of the total paid for electricity by  
20 all customers in the State, under certain conditions.

21 Under the bill, the BPU could only make this increase if the cost  
22 of the Class I renewable energy requirement is less than nine  
23 percent of total energy costs during energy years 2019 through 2021  
24 (the limit set by current law). In addition, the total amount paid by  
25 customers during energy years 2019 through 2024 could not exceed  
26 the sum of: (1) nine percent of total energy costs during energy  
27 years 2019 through 2021; and (2) seven percent of total energy  
28 costs during energy years 2022 through 2024, i.e. the maximum  
29 amount allowed by current law over that six-year period.

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

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 6088

# STATE OF NEW JERSEY

DATED: JANUARY 6, 2020

The Assembly Appropriations Committee reports favorably Assembly Bill No. 6088.

This bill would allow the Board of Public Utilities (BPU) to increase the cost to customers of the State's Class I renewable energy requirement during energy years 2022 through 2024 above the current limit of seven percent of the total paid for electricity by all customers in the State, under certain conditions.

Under the bill, the BPU could only make this increase if the cost of the Class I renewable energy requirement is less than nine percent of total energy costs during energy years 2019 through 2021 (the limit set by current law). In addition, the total amount paid by customers during energy years 2019 through 2024 could not exceed the sum of: (1) nine percent of total energy costs during energy years 2019 through 2021; and (2) seven percent of total energy costs during energy years 2022 through 2024, i.e. the maximum amount allowed by current law over that six-year period.

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

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) cannot determine whether the bill will have a positive or negative fiscal net impact on State government. The inability to determine the direction and magnitude of the fiscal impact is rooted in a lack of information concerning whether the Board of Public Utilities will increase the cost to customers of the State's Class I renewable energy requirement as provided in the bill.

If the BPU increases the above-mentioned cost, the bill will result in a possible indeterminate increase in State and local expenditures from higher retail prices for electricity. The amount of the price increase attributable to the bill is contingent, in part, on the decision made by the BPU, which the OLS cannot anticipate. An increase in the price of electricity will yield indeterminate additional State revenues, given that the increase paid by all ratepayers will be subject to the State sales and use tax.

If the BPU increases the above-mentioned cost, the OLS expects the bill to result in a net increase in the retail price of electricity in the State for all customers, including the State and local governments.

The amount of the price increase attributable to the bill will be subject to the imposition of sales and use tax except those electricity purchases by entities and users exempt under the sales and use tax. The OLS lacks the necessary data to quantify the net increase in the price of electricity because of the bill; thus the OLS cannot determine the amount of additional State sales and use tax revenue generated due to the bill.

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 6088**  
**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

DATED: DECEMBER 24, 2019

**SUMMARY**

- Synopsis:** Allows BPU to increase cost to customers of Class I renewable energy requirement for energy years 2022 through 2024, under certain conditions.
- Type of Impact:** Annual increase in expenditures for State and local government entities; and annual State revenue and expenditure increases.
- Agencies Affected:** All State and local government entities; Board of Public Utilities.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Annual Impact</u></b>
<b>State Expenditure Increase</b>	Indeterminate
<b>State Revenue Increase</b>	Indeterminate
<b>State Revenue Decrease</b>	Indeterminate
<b>Local Expenditure Increase</b>	Indeterminate

- The Office of Legislative Services (OLS) cannot determine whether the bill will have a positive or negative fiscal net impact on State government. The inability to determine the direction and magnitude of the fiscal impact is rooted in a lack of information concerning whether the Board of Public Utilities (BPU) will increase the cost to customers of the State’s Class I renewable energy requirement as provided in the bill.
- If the BPU increases the above-mentioned cost, the bill will result in a possible indeterminate increase in State and local expenditures from higher retail prices for electricity. The amount of the price increase attributable to the bill is contingent, in part, on the decision made by the BPU, which the OLS cannot anticipate. An increase in the price of electricity will yield indeterminate additional State revenues, given that the increase paid by all ratepayers will be subject to the State sales and use tax.
- If the BPU increases the above-mentioned cost, the OLS expects the bill to result in a net increase in the retail price of electricity in the State for all customers, including the State and local governments. The amount of the price increase attributable to the bill will be subject to the imposition of sales and use tax except those electricity purchases by entities and users which are exempt under the sales and use tax. The OLS lacks the necessary data to quantify

the net increase in the price of electricity because of the bill; thus, the OLS cannot determine the amount of additional State sales and use tax revenue generated due to the bill.

## **BILL DESCRIPTION**

This bill allows the BPU to increase the cost to customers of the State's Class I renewable energy requirement during energy years 2022 through 2024 above the current limit of seven percent of the total paid for electricity by all customers in the State, under certain conditions.

Under the bill, the BPU could only make this increase if the cost of the Class I renewable energy requirement is less than nine percent of total energy costs during energy years 2019 through 2021 (the limit set by current law). In addition, the total amount paid by customers during energy years 2019 through 2024 could not exceed the sum of: (1) nine percent of total energy costs during energy years 2019 through 2021; and (2) seven percent of total energy costs during energy years 2022 through 2024, i.e. the maximum amount allowed by current law over that six-year period.

Current law defines "energy year" as the 12-month period from June 1st through May 31st, numbered according to the calendar year in which it ends.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS cannot determine whether the bill will have a positive or negative fiscal net impact on State government. The inability to determine the direction and magnitude of the fiscal impact is rooted in a lack of information concerning whether the BPU will increase the cost to customers of the State's Class I renewable energy requirement as provided in the bill.

If the BPU increases the above-mentioned cost, the bill will result in a possible indeterminate increase in State and local expenditures from higher retail prices for electricity. The amount of the price increase attributable to the bill is contingent, in part, on the decision made by the BPU, which the OLS cannot anticipate. An increase in the price of electricity will yield indeterminate additional State revenues, given that the increase paid by all ratepayers will be subject to the State sales and use tax.

If the BPU increases the above-mentioned cost, the OLS expects the bill to result in a net increase in the retail price of electricity in the State for all customers, including the State and local governments. The amount of the price increase attributable to the bill will be subject to the imposition of sales and use tax except those electricity purchases by entities and users which are exempt under the sales and use tax. The OLS lacks the necessary data to quantify the net increase in the price of electricity because of the bill; thus, the OLS cannot determine the amount of additional State sales and use tax revenue generated due to the bill.

The OLS notes that certain provisions of the bill may influence ratepayer consumption behavior, which in turn could result in an increase or decrease in the amount of State revenue generated from the societal benefits charge. This statement assumes that the BPU will not adjust the societal benefits charge rate in response to a change in consumption.

*Class I Renewable Energy Certificates:* Current law requires a gradually increasing percentage of kilowatt-hours of electricity sold in this State by each electric power supplier (supplier) or basic generation service provider (provider) to be from Class I renewable energy sources each energy



year (June 1<sup>st</sup> through May 31<sup>st</sup>). This requirement is referred to as the Class I renewable portfolio standard (Class I RPS). Electric power suppliers and basic generation service providers may meet these requirements by submitting Class I renewable energy certificates (Class I REC), which represent one megawatt-hour (MWh) of renewable energy generated and delivered to the electric public utility grid. If a supplier or provider is not in compliance for an energy year, the supplier or provider must remit an alternative compliance payment (ACP) for the number of Class I RECs that were required but not submitted. The BPU determines the price of the ACP for each energy year, which has been set at \$50 per MWh since energy year 2004.

Owners of excess Class I RECs typically sell those credits through market-based trading programs to other suppliers or providers. The ACP acts as a ceiling for the price of a Class I REC and Class I RECs tend to trade much lower than the ACP. Specifically, in energy year 2018, the BPU's NJ RPS Compliance History report states that the estimated year-end weighted average price for a Class I REC was \$9.75 while that price for energy year 2017 was \$12.12. The price fluctuation from 2017 to 2018 further complicates the ability to determine the possible cost increase for Class I RECs going forward.

The BPU's NJ RPS Compliance History report shows that in energy year 2018 total retail electricity sales were 73,679,057 MWh. That year's Class I RPS requirement was 12.325 percent or 9,080,944 MWh. Based on this target and an estimated year-end weighted average price of \$9.75 for Class I RECs, the estimated Class I RPS expenditure by electric power suppliers and basic generation service providers for energy year 2018 was \$89.4 million.

Under current law, Class I RPS requirements are scheduled to reach 21 percent in energy year 2020, 35 percent by energy year 2025, and 50 percent by energy year 2030.

The costs associated with increasing the Class I RPS targets would be passed on to the State's ratepayers, which include State and local government entities, and would increase the retail price of electricity. The OLS cannot determine the percentage of the total cost that will be borne by State and local governments because of a lack of data on their electricity consumption. However, the cost of shifting the percentage of the State's sources of electricity generation towards Class I renewable energy sources will likely be a material factor in whether the BPU increases costs as permitted under the bill.

*Section: Authorities, Utilities, Transportation and Communications*

*Analyst: Kevin J. Donahue  
Principal Research Analyst*

*Approved: Frank W. Haines III  
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

# Governor Murphy Takes Action on Legislation

01/21/2020

**TRENTON** – Today, Governor Phil Murphy signed the following bills into law:

**S-62/A-2478 (Singleton, Oroho/DeAngelo, Houghtaling, Space)** – Requires certain contractors to register under "The Public Works Contractor Registration Act"

**S-358/A-4587 (Rice/Sumter, Reynolds-Jackson)** – Establishes database with certain information about individuals elected to public office in this State

**S-376/A-3839 (Madden, Gopal/Moriarty, Lagana, Mukherji, Murphy)** – Eliminates eligibility time limit on tuition benefits for spouses of certain public safety workers killed in performance of their duties

**S-497/A-4626 (Vitale, Madden/Mosquera, McKnight, Vainieri Huttle)** – Allows certain prior statements by children to be admitted into evidence in child abuse and termination of parental rights cases

**S-498/ACS for A-3391 (Vitale, Oroho/DeCroce, Johnson, DiMaso)** – Makes various changes to "Criminal Injuries Compensation Act of 1971"

**S-521/A-4378 (T. Kean, C.A. Brown, Pou, Ruiz/Caputo, Mukherji, Vainieri Huttle)** – Requires NJ State Council on Arts to establish "Artist District" designation and select certain municipalities or areas within municipalities for such designation

**S-589/ACS for A-422 (Weinberg/Mosquera, Jones, Moriarty)** – Requires Secretary of State to establish secure Internet website for online voter registration; authorizes use of digitized signatures from New Jersey Motor Vehicle Commission's database

**S-700/A-3836 (Ruiz, Cunningham/Schaer, Mukherji, Jasey)** – "Higher Education Citizenship Equality Act"; defines domicile for dependent students for purpose of eligibility for State student grants and scholarships, and resident tuition rate

**S-721/A-1751 (Greenstein, Cunningham, Diegnan/Quijano, Benson)** – Authorizes use of certain electric school buses

**S-758/A-1987 (Cunningham, Cruz-Perez/Sumter, Mukherji, Quijano)** – Requires incarcerated individual from State to be counted at residential address for legislative redistricting purposes

**S-765/A-541 (Cunningham, T. Kean, Ruiz/Mazzeo, Jasey, Vainieri Huttle, Sumter, Benson)** – Prohibits Higher Education Student Assistance Authority from referring defaulted loans under New Jersey College Loans to Assist State Students (NJCLASS) Loan Program for certain actions if authority and borrower have entered into settlement agreement

**S-782/A-1110 (Sarlo, Scutari/Downey, Houghtaling, Dancer)** – Increases workers' compensation for loss of hand or foot

**S-834 wGR/A-4186 (Scutari, Greenstein/Jones, Pintor Marin)** – Prohibits resale of non-prescription diabetes test devices by pharmacists

**S-939/A-3331 (Pou/Vainieri Huttle, Lopez, McKnight)** – Requires forms and materials for individuals with developmental disabilities to be available in languages other than English

**S-974/A-3040 (Singleton, T. Kean/Vainieri Huttle, Timberlake, Mosquera)** – Requires newborn infants be screened for spinal muscular atrophy

- S-1032/A-2389 (Vitale, Gopal/Schaer, Benson, Verrelli)** – Concerns expansion of services provided by DHS mental health screening services
- S-1146/A-2365 (Codey, Rice/Vainieri Huttle, Mukherji, Downey)** – Requires hospital patient's medical record to include notation if patient is at increased risk of confusion, agitation, behavioral problems, and wandering due to dementia related disorder
- S-1298/ACS for A-2972 (A.M. Bucco, Singleton/Mazzeo, Dunn, Space)** – Permits municipalities to provide information on property tax bills concerning amount of local tax dollars saved through shared services
- S-1318/A-3156 (Ruiz, Scutari/Lampitt, Mosquera)** – Permits counties and non-governmental, community-based agencies to establish family justice centers which provide coordinated, multi-agency governmental and non-governmental assistance to victims of certain crimes and offenses, including domestic violence, and their family members
- S-1505/A-1707 (Vitale/Vainieri Huttle, Lampitt, Benson, Mosquera)** – Expands membership of NJ Task Force on Child Abuse and Neglect
- S-1647/A-3181 (Diegnan, Codey/Conaway, Vainieri Huttle, Benson, Murphy)** – Prohibits use of coupons, price rebates, and price reduction promotions in sales of tobacco and vapor products
- S-1683/A-4267 (Smith, Greenstein/McKeon, Space, Wirths)** – Concerns regulation of solid waste, hazardous waste, and soil and fill recycling industries
- S-1703/A-715 (Connors, Holzapfel/Gove, Rumpf, DiMaso)** – Exempts disabled veterans from beach buggy permit fees
- S-1791/A-3414 (Weinberg/Johnson, Vainieri Huttle, Houghtaling)** – Requires employers to disclose certain wage information to employees
- S-1796/A-4693 (Addiego, Sweeney/Murphy)** – Permits school district of residence to provide aid in-lieu-of transportation to pupil attending Marine Academy of Science and Technology provided certain conditions are met
- S-1832/A-211 (Ruiz, Sarlo/Chiaravalloti, Zwicker, Pintor Marin)** – Establishes loan redemption program and tuition reimbursement program for certain teachers of science, technology, engineering, and mathematics
- S-2267/A-3616 (Sweeney, Corrado/Burzichelli, Holley, Calabrese)** – Gives State lottery winners option of remaining anonymous indefinitely
- S-2303/A-4843 (Sweeney, Ruiz, Cunningham/Wimberly, Karabinchak, Calabrese)** – Requires establishment of Work and Learn Consortiums by certain educational institutions to establish certificate and degree programs identified in high labor-demand industries
- S-2389 wGR/A-5449 (Singleton/Quijano, Downey, Houghtaling, Moriarty)** – Requires New Jersey State Board of Pharmacy to establish prescription drug pricing disclosure website and certain pharmaceutical manufacturing companies to provide prescription drug price information
- S-2428/A-4965 (Scutari/Quijano, Vainieri Huttle)** – Requires that massage and bodywork therapists and employers carry professional liability insurance
- S-2469/A-3745 (Singleton, Oroho/Wirths, Mazzeo, Space)** – Prohibits person from contracting for public work if person is federally debarred from receiving federal contract
- S-2511/A-4020 (Madden/Mazzeo, Murphy, Johnson)** – Changes title of DEP "conservation officer" to "conservation police officer"
- S-2521/A-4087 (Cryan, Greenstein/Vainieri Huttle, Lopez, Timberlake)** – Requires reporting of inmate abuse by employees of State correctional facilities and establishes reporting and investigation program
- S-2522/A-4090 (Cryan, Greenstein/Vainieri Huttle, Lopez, Timberlake)** – Limits cross gender strip searches in

## State correctional facilities

**S-2532/A-4086 (Greenstein, Cruz-Perez/Vainieri Huttle, Lopez, Timberlake)** – Requires correctional police officers receive 20 hours in-service training, including four hours in prevention of sexual misconduct, non-fraternization, and manipulation

**S-2555/A-3990 (Gopal, Ruiz/Mukherji, Benson, Karabinchak)** – Allows dependent students whose parents or guardians hold H-1B visas to qualify for in-State tuition at public institutions of higher education provided they meet certain criteria

**S-2564/A-3519 (Turner, Singleton/Benson, McKnight, Jasey)** – Establishes "Restorative Justice in Education Pilot Program" in Department of Education

**SCS for S-2599/ACS for A-1268 (Bateman, Beach/Tucker, Conaway, Lampitt, Quijano)** – Authorizes veterans' property tax exemption and veterans' property tax deduction for honorably discharged veterans of United States Armed Forces who did not serve in time of war or other emergency

**S-2826/A-3274 (Greenstein/Vainieri Huttle, Dancer, Benson)** – Requires institutions of higher education to offer cats and dogs no longer used for educational, research, or scientific purposes for adoption; designated the "Homes for Animal Heroes Act"

**S-2849/A-4590 (A.M. Bucco/DiMaio, Caputo, Dunn)** – Designates Seeing Eye® dog as State Dog

**S-3036/A-1697 (Lagana, Scutari/Dancer, Downey)** – Prohibits medical providers from reporting certain workers' compensation medical charges to collection and credit reporting agencies

**S-3061/A-4603 (Ruiz, Greenstein/Lampitt, Mukherji, Benson)** – Provides corporation business tax and gross income tax credits for businesses that participate in DOL registered apprenticeship programs; establishes grant program for tax-exempt organizations participating in DOL registered apprenticeship programs

**S-3065/A-4657 (Ruiz, Singleton/Armato, Benson, Timberlake)** – Establishes youth apprenticeship pilot program in Department of Education

**S-3067/A-4602 (Ruiz, Singleton/Lampitt, Reynolds-Jackson, Sumter)** – Establishes five year Apprentice Assistance and Support Services Pilot Program

**S-3116/A-4683 (Ruiz/Speight, Munoz, Tucker)** – Requires certain medical facilities to undertake end-of-life planning and training

**S-3117/A-4685 (Ruiz/Speight, Pinkin, Munoz)** – Requires emergency departments to take certain measures concerning palliative care for patients

**S-3126/A-4107 (Gopal/Benson, DeCroce, Chiaravalloti)** – Requires drivers to stop at railroad crossing when on-track equipment is approaching railroad crossing

**S-3170/A-5145 (Cryan, Pou/Quijano, Milam, Land)** – Increases prenotification time and requires severance pay in certain plant closings, transfers, and mass layoffs

**S-3227/A-5261 (Gopal/Tully, Pinkin, Swain)** – Requires restaurants to post signs advising customers to notify servers of food allergies; requires restaurant managers to complete food allergen training

**S-3265/A-3178 (Turner, Codey, Vitale/Conaway, Murphy, Vainieri Huttle)** – Prohibits sale or distribution of flavored vapor products

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**S-3330 wGR/A-5066 (Addiego, Singleton/Jones, Vainieri Huttle, Lampitt, Murphy)** – Establishes pilot program in DCF to study impact of child care services provided by community providers operating in public school facilities; requires community providers to meet certain criteria

**S-3422/A-6056 (Singer, T. Kean/Houghtaling, Downey, Vainieri Huttle)** – Requires declaration of Code Blue

alert when National Weather Service predicts temperatures of 32 degrees Fahrenheit or lower

**S-3468/A-5105 (Sweeney, Singleton/Murphy, Karabinchak, Vainieri Huttle)** – Establishes Task Force on Maximizing Employment for People with Disabilities

**S-3511/A-5298 (Singer, T. Kean/Mukherji, Vainieri Huttle, Downey)** – Authorizes certain health care and social service resources to be made available during Code Blue alert

**S-3581/A-5963 (Singleton/Lopez, Quijano)** – Prohibits certain business financing contracts that contain judgment by confession provisions

**S-3685/A-5345 (Sarlo, Singleton/Mukherji, Conaway, McKnight)** – Establishes program to increase participation of underrepresented students in New Jersey's science and engineering workforce

**S-3756/A-6115 (Ruiz, Sarlo, O'Scanlon/Jasey, Jones, Wirths)** – Requires limited purpose regional school districts to coordinate with constituent districts regarding school calendar and curriculum

**S-3763/A-6116 (Addiego, Bateman, Sarlo/DeAngelo, Dancer, Space)** – Renames joint meetings as regional service agencies; grandfathers existing joint meetings

**S-3869/A-5561 (Sarlo/Burzichelli, Houghtaling)** – Prohibits local governments from imposing fines on alarm companies in certain circumstances

**S-3871/A-5427 (Bateman, Scutari/DePhillips, McKeon)** – Adds member from Retired Judges Association of New Jersey to State Investment Council

**SCS for S-3878/ACS for A-5394 (Ruiz, Weinberg, Cunningham/Moriarty, McKnight, Pinkin)** – Reaffirms and clarifies that Attorney General and Division on Civil Rights may initiate actions in Superior Court to enforce "Law Against Discrimination"

**S-3920 wGR/A-5552 (Pou/Wimberly, Sumter)** – Concerns provision of energy to certain manufacturing facilities by providing exemptions to certain energy related taxes

**S-3923/A-5680 (Madden, Singleton/Giblin, Timberlake, Murphy)** – Concerns labor harmony agreements for hospitality projects

**SCS for S-3939 and 3944/ACS for A-5681 and 5682 (Smith, Greenstein, Bateman, Codey/Pinkin, Lopez, McKeon)** – Establishes Recycling Market Development Council

**S-3985/A-5663 (Smith/McKeon, Pinkin, Vainieri Huttle)** – Amends "Electric Discount and Energy Competition Act" to add definition of "open access offshore wind transmission facility" and revises law concerning "qualified offshore wind projects"

**S-4025/A-5695 (Pou/Wimberly, Sumter)** – Makes FY 2020 language allocation of \$1,000,000 appropriated to Grants for Urban Parks to Hinchliffe Stadium in Paterson

**S-4162/A-6014 (Smith, Greenstein/Vainieri Huttle, Pinkin, Houghtaling)** – Establishes NJ Climate Change Resource Center at Rutgers University; appropriates up to \$500,000

**S-4165/A-4364 (Rice/Giblin, Caputo, Tucker)** – Expands University Hospital board of directors membership from 11 to 13 members

**S-4188/A-6075 (Beach/Murphy, Dancer, Lampitt)** – "Lindsay's Law"; provides tax benefits to organ and bone marrow donors and their employers, and provides paid time off to donors who are State or local government employees

**S-4200/A-5855 (Ruiz, Turner/Coughlin, Lampitt, Holley)** – Requires State to pay difference between federal allocation and total cost of reduced price breakfast or lunch; appropriates \$4.5 million

**S-4247/A-6049 (Gopal, O'Scanlon/Conaway, Houghtaling, Downey)** – Establishes criteria for distribution of Fiscal Year 2020 funding to Community Food Bank of New Jersey and partner organizations

**S-4264/A-5962 (Pou/Wimberly, Sumter, Calabrese)** – Designates State Highway Route 19 as "William J. Pascrell Jr. Highway"

**S-4275/A-6088 (Smith, Greenstein/Burzichelli)** – Allows BPU to increase cost to customers of Class I renewable energy requirement for energy years 2022 through 2024, under certain conditions

**S-4276/A-6109 (Corrado, Bateman/Armato, Calabrese, Land)** – Appropriates \$32,153,936 to State Agriculture Development Committee, and amends 2017 appropriations for stewardship activities, for farmland preservation purposes

**S-4277/A-6112 (Greenstein, Bateman/Freiman, Danielsen, Downey)** – Appropriates \$5,000,000 from constitutionally dedicated CBT revenues to State Agriculture Development Committee for municipal planning incentive grants for farmland preservation purposes

**S-4278/A-6108 (Greenstein, Bateman/Taliaferro, Karabinchak, Kennedy)** – Appropriates \$21 million from constitutionally dedicated CBT revenues to State Agriculture Development Committee for county planning incentive grants for farmland preservation purposes

**S-4279/A-6106 (Smith, Bateman/Houghtaling, Reynolds-Jackson, Pinkin)** – Appropriates \$1,350,000 from constitutionally dedicated CBT revenues to State Agriculture Development Committee for grants to certain nonprofit organizations for farmland preservation purposes

**S-4286/A-5890 (Vitale/Swain, Jones)** – Clarifies procedures concerning collection of child support on behalf of child over age 19 when court has ordered such support

**S-4309/A-6107 (Turner, Cruz-Perez/Mejia, Vainieri Huttie, Zwicker)** – Appropriates \$13,902,723 from constitutionally dedicated CBT revenues to NJ Historic Trust for grants for certain historic preservation projects and associated administrative expenses

**S-4310/A-6114 (Codey, Bateman/Carter, Murphy, Lopez)** – Appropriates \$8,872,682 to DEP from constitutionally dedicated CBT revenues for grants to certain nonprofit entities to acquire or develop lands for recreation and conservation purposes

**S-4311/A-6113 (Greenstein, Bateman/Speight, Mukherji, Verrelli)** – Appropriates \$77,450,448 from constitutionally dedicated CBT revenues and various Green Acres funds to DEP for local government open space acquisition and park development projects

**S-4312/A-6111 (Smith, Bateman/Giblin, Mazzeo, Land)** – Appropriates \$36.143 million from constitutionally dedicated CBT revenues for recreation and conservation purposes to DEP for State capital and park development projects

**S-4313/A-6110 (Corrado, Bateman/Moriarty, McKeon, Swain)** – Appropriates \$33.915 million from constitutionally dedicated CBT revenues to DEP for State acquisition of lands for recreation and conservation purposes, including Blue Acres projects

**SCS for S-4315/ACS for A-6063 (Beach, Turner/Jones, Zwicker)** – Creates fund to reimburse local units of government for cost of certain mail-in ballot procedures; appropriates \$3,000,000

**SJR-51/AJR-189 (Rice, Turner/Verrelli, Reynolds-Jackson, Sumter)** – Establishes the "New Jersey State Commission on Urban Violence"

**SJR-65/AJR-90 (Weinberg, Addiego/DiMaso, Vainieri Huttie, Schepisi)** – Designates March 19th "Women in Public Office Day" in New Jersey

**SJR-80/AJR-121 (Lagana, Weinberg/Jones, Benson, Chiaravalloti, DeCroce)** – Urges federal government to adhere to commitment to improve Northeast Corridor rail infrastructure by providing funding to complete Gateway Program

**SJR-125/AJR-169 (Gopal, Codey/Wolfe, Pinkin)** – Designates the second week of October of each year as "Obesity Care Week" in NJ

- A-344/S-1575 (Murphy, McKeon, Timberlake/Cruz-Perez, Singleton)** – Revises certain aspects of the New Jersey Individual Development Account Program
- A-1040/S-3928 (Houghtaling, Taliaferro/Andrzejczak)** – Establishes NJ "Landowner of the Year" award program
- A-1146/S-4330 (Wimberly, Holley/Pou, Singleton)** – Establishes "New Jersey Investing in You Promise Neighborhood Commission"
- A-1277/S-2629 (Tucker, Holley, Lopez/Singleton, Gopal)** – Requires hospitals and homeless shelters to provide information on services and resources to individuals who are homeless or military veterans
- A-1449/S-3168 (Benson, DeAngelo/Greenstein, Turner)** – Provides job security to certain organ and bone marrow donors
- A-1477/S-3228 (Chaparro, Vainieri Huttle, Benson, Jimenez, Mukherji, Downey/Gopal, Scutari)** – Establishes Statewide Hit and Run Advisory Program to facilitate apprehension of persons fleeing motor vehicle accident scene; designated as "Zackhary's Law"
- A-1478/S-1648 (Chaparro, Vainieri Huttle/Diegnan, T. Kean)** – Revises law governing theater liquor licenses
- A-1604/S-2734 (Conaway, Murphy, Jimenez/Singleton)** – "Recreational Therapists Licensing Act"
- A-1796/S-2609 (McKeon, Downey/Lagana, Gopal)** – Prevents criminal defendant from asserting "gay and transgender panic" defense to murder charge in order to reduce charge to manslaughter committed in heat of passion
- A-1924/S-2930 (Mukherji, A.M. Bucco, DeAngelo, DeCroce/Beach)** – Exempts certain honorably discharged United States military veterans from initial insurance producer licensing fee
- A-1992/S-1780 (Sumter, Benson, Vainieri Huttle, Houghtaling, Wimberly/Diegnan, Turner)** – "New Jersey Call Center Jobs Act"
- A-2183/S-1687 (Land, Johnson/Cruz-Perez, Andrzejczak)** – "Music Therapist Licensing Act"
- ACS for A-2431 wGR/SCS for S-1865 (Benson, Jimenez, DeCroce/Weinberg, T. Kean)** – Requires health insurers to provide plans that limit patient cost-sharing concerning certain prescription drug coverage
- ACS for A-2444 and S-2656/S-2081 (Benson, Lampitt, Pinkin, Mukherji/Turner, Singleton)** – Provides for coverage of comprehensive tobacco cessation benefits in Medicaid
- A-2767/S-2924 (Greenwald, Mosquera, McKnight/Greenstein, Singleton)** – Amends certain provisions of sexual assault statute to clarify elements necessary for conviction
- A-3312/S-1972 (Murphy, Lagana, Downey, Sumter/Gopal, Corrado)** – Requires Legislature to adopt and distribute policy prohibiting sexual harassment; requires members, officers, and employees of Legislature to complete online training on policy once every two years
- A-3670/S-995 (Benson, Giblin, Murphy/Vitale, Weinberg)** – Provides for designation of acute stroke ready hospitals, establishes Stroke Care Advisory Panel and Statewide stroke database, and requires development of emergency medical services stroke care protocols
- ACS for A-4136/SCS for S-2675 (Land, Milam/Andrzejczak, Van Drew)** – Establishes Possession In Excess of Daily Limit Vessel License for black sea bass and summer flounder; dedicates fees therefrom to marine fisheries programs
- A-4147/S-2744 (Lampitt, Houghtaling, Zwicker/Ruiz, Corrado)** – Requires school districts and nonpublic schools to conduct audit of security features of buildings, grounds, and communication systems and to submit audit to NJ Office of Homeland Security and Preparedness and DOE

- A-4150/S-2742 (Lampitt, Jones, Timberlake/Ruiz, Corrado)** – Requires meeting between student and appropriate school personnel after multiple suspensions or proposed expulsion from public school to identify behavior or health difficulties
- A-4151/S-2745 (Swain, Tully, Jasey/Ruiz, Corrado)** – Requires school security training for persons employed by public and nonpublic schools in substitute capacity and for employees and volunteers of youth programs operated in school buildings
- A-4260/S-4335 (Timberlake, Giblin, Tucker, Caputo/Pou, Scutari)** – Prohibits sale of certain toy guns and imitation firearms
- A-4370/S-2919 (Carroll/A.M. Bucco)** – Increases membership of board of trustees of Washington Association of New Jersey
- A-4377/S-2934 (Benson, Land, DeCroce/Greenstein)** – Requires DOT and OIT to develop materials concerning capabilities of airports in NJ and establishes "Public Use Airports Task Force"
- A-4517/S-4341 (Wimberly, Speight, Reynolds-Jackson/Singleton, Cunningham)** – Establishes "New Jersey Eviction Crisis Task Force"
- A-4529/S-3191 (Mazzeo, Armato/Gopal, Andrezejczak)** – Concerns reimbursements to Superstorm Sandy-impacted homeowners subjected to contractor fraud
- A-4563/S-3096 (Zwicker, Benson/Greenstein, Gill)** – Prohibits use of bots to deceive person about origin and content of communication for certain commercial or election purposes
- A-4564/S-3087 (Zwicker, Freiman/Greenstein)** – Establishes "Voting Precinct Transparency Act;" requires filing of election district, county district, and municipal ward boundary data with Secretary of State for posting and download on official website with matching election results data
- A-4699/S-2938 (Moriarty, Burzichelli, Bramnick/Turner)** – Regulates annual report filing services
- A-4803/S-4211 (Greenwald, Johnson, Pintor Marin/Cryan, Vitale)** – Authorizes certain entities to directly bill Victims of Crime Compensation Office for counseling services provided to victims of firearm and stabbing crimes
- A-4822/S-3408 (Wimberly, Tully, Swain/Singleton, Greenstein)** – Permits municipalities to lease vacant municipal land for tiny home occupancy; directs DCA to enhance regulatory guidance on acceptable tiny home construction and use
- A-4904 wGR/S-3347 (Mukherji, Quijano, Mazzeo/Cryan, Sweeney)** – Concerns property taxes due and owing on real property owned by certain federal employees or contractors under certain circumstances
- A-4954/S-3368 (Quijano, Murphy, Carter/Singleton, Greenstein)** – Revises requirements for provision of counseling and support services to emergency services personnel
- ACS for A-4972/SCS for S-1490 (Moriarty/Beach, Scutari)** – Establishes certain consumer protections related to arbitration organizations
- A-4978 wGR/S-3498 (Timberlake, Zwicker, Vainieri Huttle/Greenstein, Cryan)** – Prohibits online education services from using and disclosing certain information, engaging in targeted advertising, and requires deletion of certain information in certain circumstances
- A-5023/S-3467 (McKnight, Mukherji, Chaparro, Chiaravalloti/Cunningham)** – Exempts from DOT permitting requirements certain signs not located in protected areas that have been approved by municipality
- A-5028/S-3523 (Mukherji, Conaway, Pintor Marin/Vitale, Diegnan)** – Establishes "James Nicholas Rentas's Law," revises "New Jersey SmokeFree Air Act"
- A-5029/S-3522 (Sumter, Reynolds-Jackson, Johnson/Rice, T. Kean)** – Requires New Jersey Office on Minority and Multicultural Health to study racial disparities on sexual and reproductive health of African-American women



**A-5031/S-3455 (Speight, McKnight, Timberlake/Ruiz)** – Requires hospital emergency departments to ask person of childbearing age about recent pregnancy history

**A-5314/S-3692 (Zwicker, Milam, Mazzeo/Cryan, Ruiz)** – Requires DHS to study social isolation occurring in certain population groups

**A-5344/S-3833 (Mukherji, Vainieri Huttel, Milam/Gopal, Corrado)** – Establishes uniform standard for acceptable proof of veteran status for veteran's ID cards and various State and local programs

**A-5388/S-3895 (Speight, Pintor Marin, Greenwald/Greenstein, Ruiz)** – Requires specialized in-service training regarding crime victims for police departments in certain high-crime areas

**A-5389/S-3896 (Speight, Pintor Marin, Greenwald/Greenstein, Ruiz)** – Requires training or experience in crime victims' rights for certain members of Victims of Crime Compensation Review Board

**A-5432/S-3796 (Milam, Land/Andrzejczak)** – Requires DEP Commissioner to establish individual transferable quota system for menhaden purse seine fishery

**A-5445/S-3909 (Swain, Tully, Spearman/T. Kean, Corrado)** – Requires AG to establish program to detect fentanyl in State's illegal drug supply and make information related to presence of fentanyl available in database accessible by law enforcement

**A-5511/S-1852 (Spearman, Jones, Reynolds-Jackson/Turner, Cruz-Perez)** – Revises certain penalties for illegal operation of snowmobile, all-terrain vehicle, or dirt bike

**A-5580/S-3842 (Johnson, Moriarty, Greenwald/Weinberg, Sarlo)** – Extends availability period for tax credits for certain expenses incurred for production of certain film and digital media content, raises annual cap related to film production, and provides for annual administration of film tax credits

**A-5583/S-3919 (Pinkin, Lopez, Mukherji/Smith, Bateman)** – Prohibits sale, lease, rent, or installation of certain equipment or products containing hydrofluorocarbons or other greenhouse gases

**A-5630/S-3981 (Pintor Marin, Munoz, Reynolds-Jackson/Weinberg, Corrado)** – Requires Civil Service Commission to establish and maintain hotline for State employees to submit reports of workplace discrimination and harassment

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**A-5667/S-3933 (Mukherji, Vainieri Huttel, Armato, DeCroce, Karabinchak/Singer, Scutari)** – "Charlie's Law"; requires pharmacy practice sites and hospice programs to furnish patients with information and means to safely dispose of unused prescription drugs and medications

**A-5801/S-4064 (Coughlin, Houghtaling, Verrelli/Singleton, Sweeney)** – Concerns responsibility of contractors for wage claims against subcontractors

**A-5817/S-4263 (Mazzeo, Armato/Cunningham, Sweeney, C.A. Brown)** – Allows certain persons to qualify for casino key employee license and casino employee registration

**A-5916/S-4255 (Chiaravalloti, McKnight, Karabinchak/Cunningham, Weinberg)** – Authorizes DOH to notify elected officials of financial distress of certain hospitals

**A-5918/SCS for S-3741 and 4253 (Chiaravalloti, McKnight/Weinberg, Cunningham, Vitale)** – Expands hospital reporting requirements

**A-5970/S-4201 (Lopez, Speight, Chaparro/Codey)** – Amends list of environmental infrastructure projects approved for long-term funding for FY2020 to include new projects, remove certain projects, and modify estimated loan amounts for certain projects

**A-5971/S-4202 (Mukherji, Pintor Marin, Spearman/Bateman, Corrado)** – Authorizes NJ Infrastructure Bank to expend additional sums to make loans for environmental infrastructure projects for FY2020

**A-5972/S-4203 (Pinkin, Benson, Zwicker/Greenstein, Singleton)** – Makes changes to New Jersey Infrastructure Bank's enabling act

**A-5977/S-4282 (Greenwald, Downey, Vainieri Huttie/Vitale, Singleton)** – Provides for establishment of Regional Health Hub Program as replacement to Accountable Care Organization Demonstration Project, and designates existing accountable care organizations and look-alike organizations as Regional Health Hubs

**A-6119/S-4336 (Egan, Houghtaling/Madden)** – Revises "The Public Works Contractor Registration Act" and amends definition of registered apprenticeship program

**AJR-35/SJR-159 (McKnight, Chaparro, Chiaravalloti, DeCroce/Cunningham, Greenstein)** – Designates third full week in March as "Domestic Violence Services Awareness Week" to bring awareness of services available to domestic violence victims

**AJR-103/SJR-70 (Rooney, DePhillips, Murphy/Corrado)** – Permanently designates January as "NUT Carcinoma Awareness Month" in New Jersey

**AJR-118/SJR-157 (McKnight, Timberlake, McKeon/Pou, Madden)** – Designates April of each year as "Financial Literacy Month" in New Jersey

**AJR-180/SJR-112 (DeAngelo, McKnight, Murphy/Singleton, Corrado)** – Designates February in each year as "Career and Technical Education Month" in New Jersey

**Governor Murphy declined to sign the following bills, meaning they expire without becoming law:**

**S-691/A-657 (Ruiz, Pou/Jasey, Caputo, Pintor Marin, Sumter, Wimberly)** – Requires that if a school district satisfies 80% or more of the required NJ Quality Single Accountability Continuum standards in an area of district effectiveness under State intervention, the State must return that area to local control

**S-1083/A-544 (Cruz-Perez, Gopal/Mazzeo, Houghtaling, Holley, Dancer)** – Establishes loan program and provides corporation business tax and gross income tax credits for establishment of new vineyards and wineries

**S-2421/A-1030 (Smith, Bateman/Johnson, Kennedy, Benson, DeAngelo)** – Concerns installation of electric vehicle charging stations in common interest communities

**S-2425/A-3851 (Singleton, Andrzejczak/Conaway)** – Revises law relating to common interest communities

**S-2429/A-4028 (Scutari, Pou/Bramnick, Downey)** – Requires automobile insurers to disclose policy limits upon request by an attorney under certain circumstances

**S-2835/A-3926 (Singleton, Ruiz/Conaway, Lampitt, Murphy)** – Requires public schools to administer written screenings for depression for students in certain grades

**S-2897/A-1433 (Madden, Singer/Benson, Wimberly, Carter)** – Requires DCA to establish procedures for inspection and abatement of mold hazards in residential buildings and school facilities, and certification programs for mold inspectors and mold hazard abatement workers

**S-2957/A-4712 (Stack/Mukherji, Chaparro)** – Establishes five-year moratorium on conversions of certain residential rental premises in qualified counties

**S-2958/A-4535 (Sarlo, Oroho/Zwicker, DePhillips, DeCroce)** – Establishes the "Energy Infrastructure Public-Private Partnership Act"

**S-3062/A-2049 (Ruiz, Greenstein/Howarth, Benson, Murphy)** – Provides corporation business tax and gross income tax credits for businesses that employ apprentices in DOL registered apprenticeships

**S-3063/A-4655 (Ruiz/Armato, Vainieri Huttie, DeAngelo)** – Provides tuition fee waiver apprenticeship courses

**S-3137/A-1308 (Sweeney, Oroho, Singleton/Greenwald, Milam, Land)** – The "Electronic Construction Procurement Act"

**S-3252/A-4713 (Greenstein, Stack/DeAngelo, Quijano)** – "New Townhouse Fire Safety Act"; requires automatic fire sprinkler systems in new townhomes

**S-3263/A-4837 (T. Kean, Diegnan/Vainieri Huttle, Chiaravalloti, McKnight)** – Revises and updates membership and purpose of Advisory Council on the Deaf and Hard of Hearing in DHS

**S-3270/A-5095 (Pou/McKeon, Freiman, DeCroce)** – Establishes certain requirements for stop loss insurance offered to small employers

**S-3393/ACS for A-5384 and 5157 (Sarlo, Addiego/Mazzeo, Murphy, Houghtaling, Calabrese, Armato, Dancer)** – Allows certain preserved farms to hold 14 special occasion events per year; imposes further event restrictions on residentially-exposed preserved farms

**S-3770/A-6118 (Sarlo, Oroho, Sweeney/Greenwald, Jones)** – Establishes "New Jersey Economic and Fiscal Policy Review Commission" to provide ongoing review of State and local tax structure, economic conditions, and related fiscal issues

**S-3888/A-5585 (Ruiz/Dancer, Pintor Marin)** – Extends document submission deadlines under Economic Redevelopment and Growth Grant program and Urban Transit Hub Tax Credit program

**S-4035/A-5702 (Pou, Singleton/Wimberly, Reynolds-Jackson, Sumter)** – Makes Fiscal Year 2020 supplemental appropriation of \$1,700,000 for Thomas Edison State University

**S-4281/A-6094 (Smith, Diegnan/Danielsen, Pinkin)** – Requires State to sell and convey to Educational Services Commission of New Jersey certain land and improvements known as Piscataway Regional Day School

**S-4331/A-4727 (Diegnan, Madden/Karabinchak, Holley, Jones)** – Requires person taking written examination for permit to watch video of rights and responsibilities of driver stopped by law enforcement; requires testing on rights and responsibilities of driver stopped by law enforcement

**A-491/S-4340 (Jimenez/Sacco, Stack)** – Enhances PFRS accidental death pension for surviving spouse by providing for minimum of \$50,000 annually

**A-1044/S-1441 (Houghtaling, Downey, DiMaio, Space/Doherty, Madden)** – Requires Director of Division of Taxation to examine feasibility of centralized property tax information system to verify property taxes paid by homestead property tax reimbursement claimants

**A-1045/S-2856 (Houghtaling, Downey, Dancer/Gopal, Oroho)** – Clarifies sales tax collection responsibilities of horse-boarding businesses in New Jersey

**A-1526/S-1048 (Zwicker, Johnson/Vitale)** – Concerns payment of independent contractors

**A-2731/S-3407 (Taliaferro, Space/Sweeney, Oroho)** – Removes statutory limitation on number of permits that may be issued by Division of Fish and Wildlife for the taking of beaver

**A-4382/S-2815 (Pinkin, Lopez, Kennedy/Beach, Smith)** – Requires paint producers to implement or participate in paint stewardship program

**A-4463/S-3927 (Freiman, Egan, Karabinchak/Oroho, Andrzejczak)** – Establishes "Electronic Permit Processing Review System"

**A-4788/S-3880 (Karabinchak, Freiman, Calabrese/Diegnan)** – Establishes expedited construction inspection program

**A-5072/S-3496 (Karabinchak, Johnson, Mukherji/Greenstein, Cryan)** – "Defense Against Porch Pirates Act"; creates new category of theft, with penalties including mandatory restitution and community service, for taking package delivered to residence by cargo carrier

**A-5446/S-3907 (Land, Reynolds-Jackson, Verrelli/T. Kean, Lagana)** – Requires reporting of opioid deaths

**A-5629/S-3980 (Pintor Marin, Munoz/Weinberg, Corrado)** – Clarifies provisions concerning disclosure of existence and content of discrimination or harassment complaints; requires certain disclosures to person against whom complaint is made

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**ACS for A-5922 and 5923/SCS for S-4223 and 4224 (Conaway, Vainieri Huttle, Lopez, Pinkin/Vitale, Sweeney)** – Revises requirements for sale of tobacco and vapor products; increases penalties for prohibited sales; increases fees for cigarette and vapor business licensure

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