

ASSEMBLY, No. 2529

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED MARCH 16, 2010

Sponsored by:

Assemblyman UPENDRA J. CHIVUKULA

District 17 (Middlesex and Somerset)

Assemblywoman ANNETTE QUIJANO

District 20 (Union)

SYNOPSIS

Amends P.L.1999, c.23 concerning renewable energy.

CURRENT VERSION OF TEXT

As introduced.



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

A2529 CHIVUKULA, QUIJANO

2

1 AN ACT concerning renewable energy and amending P.L.1999,
2 c.23.

3

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

6

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

9 3. As used in this act:

10 "Approved alternative technologies" means energy production
11 technologies that have been approved by the Department of
12 Environmental Protection;

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

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

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

35 "Basic generation service provider" or "provider" means a
36 provider of basic generation service;

37 "Basic generation service transition costs" means the amount by
38 which the payments by an electric public utility for the procurement
39 of power for basic generation service and related ancillary and
40 administrative costs exceeds the net revenues from the basic
41 generation service charge established by the board pursuant to
42 section 9 of P.L.1999, c.23 (C.48:3-57) during the transition period,
43 together with interest on the balance at the board-approved rate, that
44 is reflected in a deferred balance account approved by the board in
45 an order addressing the electric public utility's unbundled rates,

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 stranded costs, and restructuring filings pursuant to P.L.1999, c.23
2 (C.48:3-49 et al.). Basic generation service transition costs shall
3 include, but are not limited to, costs of purchases from the spot
4 market, bilateral contracts, contracts with non-utility generators,
5 parting contracts with the purchaser of the electric public utility's
6 divested generation assets, short-term advance purchases, and
7 financial instruments such as hedging, forward contracts, and
8 options. Basic generation service transition costs shall also include
9 the payments by an electric public utility pursuant to a competitive
10 procurement process for basic generation service supply during the
11 transition period, and costs of any such process used to procure the
12 basic generation service supply;

13 "Board" means the New Jersey Board of Public Utilities or any
14 successor agency;

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

38 "Bondable stranded costs rate order" means one or more
39 irrevocable written orders issued by the board pursuant to P.L.1999,
40 c.23 (C.48:3-49 et al.) which determines the amount of bondable
41 stranded costs and the initial amount of transition bond charges
42 authorized to be imposed to recover such bondable stranded costs,
43 including the costs to be financed from the proceeds of the
44 transition bonds, as well as on-going costs associated with servicing
45 and credit enhancing the transition bonds, and provides the electric
46 public utility specific authority to issue or cause to be issued,
47 directly or indirectly, transition bonds through a financing entity
48 and related matters as provided in P.L.1999, c.23, which order shall

1 become effective immediately upon the written consent of the
2 related electric public utility to such order as provided in P.L.1999,
3 c.23;

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

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

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

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

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

36 "Class I renewable energy" means electric energy produced from
37 solar technologies, photovoltaic technologies, wind energy, small
38 scale hydropower facilities with a capacity of one megawatt or less
39 that are permitted by the Department of Environmental Protection,
40 sustainably-fueled fuel cells, geothermal technologies, wave or tidal
41 action, approved alternative technologies, and methane gas from
42 **【landfills or】** a biomass facility, provided that the biomass is
43 cultivated and harvested in a sustainable manner;

44 "Class II renewable energy" means thermal or electric energy
45 from combined heat and power facilities or micro-combined heat
46 and power generating equipment, methane gas from landfills or
47 wastewater treatment facilities, or electric energy produced at a
48 resource recovery facility or hydropower facility**【,】** with a capacity

1 of greater than one megawatt and less than 30 megawatts, provided
2 that these limits shall apply only to a hydropower facility, and
3 provided that such facility is located where retail competition is
4 permitted and provided further that the Commissioner of
5 Environmental Protection has determined that such facility meets
6 the highest environmental standards [and], minimizes any adverse
7 impacts to the environment and local communities, meets this
8 State's applicable air pollution permit requirements, and maintains a
9 battery recycling program, if applicable, which substantially meets
10 applicable State standards for such programs;

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

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

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

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

31 "Comprehensive resource analysis" means an analysis including,
32 but not limited to, an assessment of existing market barriers to the
33 implementation of energy efficiency and renewable technologies
34 that are not or cannot be delivered to customers through a
35 competitive marketplace;

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

40 "Customer account service" means metering, billing, or such
41 other administrative activity associated with maintaining a customer
42 account;

43 "Demand side management" means the management of customer
44 demand for energy service through the implementation of cost-
45 effective energy efficiency technologies, including, but not limited
46 to, installed conservation, load management and energy efficiency
47 measures on and in the residential, commercial, industrial,
48 institutional and governmental premises and facilities in this State;

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

6 "Electric power generator" means an entity that proposes to
7 construct, own, lease or operate, or currently owns, leases or
8 operates, an electric power production facility that will sell or does
9 sell at least 90 percent of its output, either directly or through a
10 marketer, to a customer or customers located at sites that are not on
11 or contiguous to the site on which the facility will be located or is
12 located. The designation of an entity as an electric power generator
13 for the purposes of P.L.1999, c.23 (C.48:3-49 et al.) shall not, in
14 and of itself, affect the entity's status as an exempt wholesale
15 generator under the Public Utility Holding Company Act of 1935,
16 15 U.S.C.s.79 et seq.;

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

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

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

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

40 "Energy agent" means a person that is duly registered pursuant to
41 the provisions of P.L.1999, c.23 (C.48:3-49 et al.), that arranges the
42 sale of retail electricity or electric related services or retail gas
43 supply or gas related services between government aggregators or
44 private aggregators and electric power suppliers or gas suppliers,
45 but does not take title to the electric or gas sold;

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

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

5 "Energy year" or "EY" means the 12-month period from June 1st
6 through May 31st and shall be numbered according to the calendar
7 year in which it ends;

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

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

17 "Gas related service" means a service that is directly related to
18 the consumption of gas by an end user, including, but not limited to,
19 the installation of demand side management measures at the end
20 user's premises, the maintenance, repair or replacement of
21 appliances or other energy-consuming devices at the end user's
22 premises, and the provision of energy consumption measurement
23 and billing services;

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

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

42 "Government aggregator" means any government entity subject
43 to the requirements of the "Local Public Contracts Law," P.L.1971,
44 c.198 (C.40A:11-1 et seq.), the "Public School Contracts Law,"
45 N.J.S.18A:18A-1 et seq., or the "County College Contracts Law,"
46 P.L.1982, c.189 (C.18A:64A-25.1 et seq.), that enters into a written
47 contract with a licensed electric power supplier or a licensed gas
48 supplier for: (1) the provision of electric generation service, electric

1 related service, gas supply service, or gas related service for its own
2 use or the use of other government aggregators; or (2) if a
3 municipal or county government, the provision of electric
4 generation service or gas supply service on behalf of business or
5 residential customers within its territorial jurisdiction;

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

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

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

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

24 "Market transition charge" means a charge imposed pursuant to
25 section 13 of P.L.1999, c.23 (C.48:3-61) by an electric public
26 utility, at a level determined by the board, on the electric public
27 utility customers for a limited duration transition period to recover
28 stranded costs created as a result of the introduction of electric
29 power supply competition pursuant to the provisions of P.L.1999,
30 c.23 (C.48:3-49 et al.);

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

40 "Micro-combined heat and power generating equipment" means
41 an integrated, co-generating building heating and electrical power
42 generation system, operating on any fuel and with any applicable
43 engine, fuel cell, or other technology, with a rated capacity of at
44 least one kilowatt and not more than fifty kilowatts electric and any
45 thermal output at full load, having a design total fuel use efficiency
46 in the production of heat and electricity of not less than eighty
47 percent, or at least fifty-one kilowatts electric and not more than
48 two hundred and fifty kilowatts electric design total fuel use

1 efficiency in the production of heat and electricity of not less than
2 sixty-five percent, that annually produces at least two thousand
3 kilowatt hours of useful energy in the form of electricity that may
4 work in combination with supplemental or parallel conventional
5 heating systems, that is manufactured, installed and operated in
6 accordance with applicable government and industry standards, that
7 is connected to the electric transmission or distribution system and
8 operated in conjunction with an electric public utility's transmission
9 or distribution facilities.

10 "Net proceeds" means proceeds less transaction and other related
11 costs as determined by the board;

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

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

22 "On-site generation facility" means a generation facility, and
23 equipment and services appurtenant to electric sales by such facility
24 to the end use customer located on the property or on property
25 contiguous to the property on which the end user is located. An on-
26 site generation facility shall not be considered a public utility. The
27 property of the end use customer and the property on which the on-
28 site generation facility is located shall be considered contiguous if
29 they are geographically located next to each other, but may be
30 otherwise separated by an easement, public thoroughfare,
31 transportation or utility-owned right-of-way, or if the end use
32 customer is purchasing thermal energy services produced by the on-
33 site generation facility, for use for heating or cooling, or both,
34 regardless of whether the customer is located on property that is
35 separated from the property on which the on-site generation facility
36 is located by more than one easement, public thoroughfare, or
37 transportation or utility-owned right-of-way;

38 "Person" means an individual, partnership, corporation,
39 association, trust, limited liability company, governmental entity or
40 other legal entity;

41 "Private aggregator" means a non-government aggregator that is
42 a duly-organized business or non-profit organization authorized to
43 do business in this State that enters into a contract with a duly
44 licensed electric power supplier for the purchase of electric energy
45 and capacity, or with a duly licensed gas supplier for the purchase
46 of gas supply service, on behalf of multiple end-use customers by
47 combining the loads of those customers;

1 "Public utility holding company" means: (1) any company that,
2 directly or indirectly, owns, controls, or holds with power to vote,
3 ten percent or more of the outstanding voting securities of an
4 electric public utility or a gas public utility or of a company which
5 is a public utility holding company by virtue of this definition,
6 unless the Securities and Exchange Commission, or its successor,
7 by order declares such company not to be a public utility holding
8 company under the Public Utility Holding Company Act of 1935,
9 15 U.S.C.s.79 et seq., or its successor; or (2) any person that the
10 Securities and Exchange Commission, or its successor, determines,
11 after notice and opportunity for hearing, directly or indirectly, to
12 exercise, either alone or pursuant to an arrangement or
13 understanding with one or more other persons, such a controlling
14 influence over the management or policies of an electric public
15 utility or a gas public utility or public utility holding company as to
16 make it necessary or appropriate in the public interest or for the
17 protection of investors or consumers that such person be subject to
18 the obligations, duties, and liabilities imposed in the Public Utility
19 Holding Company Act of 1935 or its successor;

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

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

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

37 "Renewable energy certificate" or "REC" means a certificate
38 representing the environmental benefits or attributes of one
39 megawatt-hour of generation from a generating facility that
40 produces Class I or Class II renewable energy, but shall not include
41 a solar renewable energy certificate;

42 "Resource recovery facility" means a solid waste facility
43 constructed and operated for the incineration of solid waste for
44 energy production and the recovery of metals and other materials
45 for reuse;

46 "Restructuring related costs" means reasonably incurred costs
47 directly related to the restructuring of the electric power industry,
48 including the closure, sale, functional separation and divestiture of

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

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

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

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

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

44 "Social program" means a program implemented with board
45 approval to provide assistance to a group of disadvantaged
46 customers, to provide protection to consumers, or to accomplish a
47 particular societal goal, and includes, but is not limited to, the
48 winter moratorium program, utility practices concerning "bad debt"

1 customers, low income assistance, deferred payment plans,
2 weatherization programs, and late payment and deposit policies, but
3 does not include any demand side management program or any
4 environmental requirements or controls;

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

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

13 "Solar renewable energy certificate" or "SREC" means a
14 certificate issued by the board or its designee, representing one
15 megawatt hour (MWh) of solar energy that is generated by a facility
16 connected to the distribution system in this State and has value
17 based upon, and driven by, the energy market;

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

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

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

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

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

1 respect to transition bonds which are issued in the form of
2 certificates of participation or beneficial interest or other evidences
3 of ownership shall refer to the comparable payments on such
4 securities;

5 "Transition period" means the period from August 1, 1999
6 through July 31, 2003;

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

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

17 (cf: P.L.2009, c.289, s.1)

18

19 2. This act shall take effect immediately.

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21

22

STATEMENT

23

24 This bill clarifies and expands certain definitions in section 3 of
25 P.L.1999, c.23 (C.48:3-51) in a manner that is consistent with New
26 Jersey's Energy Master Plan and that will enable this State to
27 promote renewable energy technologies to reduce dependence on
28 fossil fuels and reduce greenhouse gas emissions.

29 The bill revises the class of electric energy sources qualifying as
30 sources of "Class I renewable energy" to include (1) "approved
31 alternative technologies" (defined to mean to mean energy
32 production technologies that have been approved by the Department
33 of Environmental Protection (DEP), and (2) small scale hydropower
34 facilities with a capacity of one megawatt or less that are permitted
35 by the DEP. In addition, the bill clarifies that "fuel cells" in the
36 definition of Class I renewable energy must be sustainably fueled
37 and that hydropower facilities in the definition of Class II
38 renewable energy shall mean hydropower facilities with capacity
39 greater than one megawatt and less than 30 megawatts.

40 The classification of electric energy from small scale
41 hydropower facilities with a capacity of one megawatt or less that
42 are permitted by the DEP, as Class I renewable energy, is intended
43 to facilitate the approval of funding for such facilities from the
44 societal benefits charge monies collected pursuant to section 12 of
45 P.L.1999, c.23 (C.48:3-60). Small scale hydropower facilities,
46 which provide a clean and renewable source of electric power to
47 supplement the needs of smaller communities, are generally

1 considered to be less damaging to the environment because of their
2 smaller "footprint."

3 The bill extends the scope of "Class II renewable energy" to
4 include (1) thermal or electric energy from combined heat and
5 power facilities or micro-combined heat and power generating
6 equipment, and (2) methane gas from landfills or wastewater
7 treatment facilities. "Micro-combined heat and power generating
8 equipment" is defined to mean an integrated, co-generating building
9 heating and electrical power generation system on any fuel and with
10 any technology and having specified levels of fuel use efficiency at
11 specified rated capacities.

12 Finally, the bill clarifies that electric energy produced at a
13 resource recovery or output-qualified hydropower facility shall be
14 classified as Class II renewable energy only if the facility
15 minimizes any adverse impact to the environment and local
16 communities, meets applicable State air pollution permit
17 requirements, and maintains a battery recycling program, if
18 applicable, which substantially meets applicable State standards for
19 such programs.