

ASSEMBLY TELECOMMUNICATIONS AND UTILITIES  
COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
**ASSEMBLY, No. 2529**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JUNE 10, 2010

The Assembly Telecommunications and Utilities Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 2529.

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

The committee substitute changes "Class I renewable energy" and "Class II renewable energy" to "Class I alternate energy" ("Class I") and "Class II alternate energy" ("Class II"). The committee substitute expands the class of electric energy sources qualifying as Class I to include (1) solar thermal technologies and "approved alternative technologies" (defined to mean energy production technologies that have been approved by the Department of Environmental Protection ("DEP") developed or deployed under eligible energy efficiency and energy conservation programs or that reduce energy supply demand), and (2) small scale hydropower facilities with a capacity of three megawatts or less and put into service after the substitute bill's effective date. In addition, the bill clarifies that "fuel cells" in the definition of Class I renewable energy must be sustainably fueled.

The classification of electric energy from small scale hydropower facilities with a capacity of three megawatts or less as Class I, is intended to facilitate the approval of funding for such facilities from the societal benefits charge monies collected pursuant to section 12 of P.L.1999, c.23 (C.48:3-60). Small scale hydropower facilities, which provide a clean and renewable source of electric power to supplement the needs of smaller communities, are generally considered to be less damaging to the environment because of their smaller "footprint."

The committee substitute bill extends the scope of Class II to include (1) thermal or electric energy from micro-combined heat and

power generating equipment, or wastewater treatment facilities connected to the distribution system or (2) hydropower facilities with a capacity greater than three megawatts and less than 30 megawatts. “Connected to the distribution system” is defined to mean connected to the customer’s side of a meter regardless of the voltage at which that customer connects to the electric grid or if it is connected at less than 100 kilovolts regardless of how a electric public utility classifies that portion of its transmission and distribution system. “Micro-combined heat and power generating equipment” is defined to mean an integrated, co-generating building heating and electrical power generation system on any fuel and with any technology and having specified levels of fuel use efficiency at specified rated capacities.

The committee substitute bill clarifies that electric energy produced at a resource recovery or output-qualified hydropower facility shall be classified as Class II only if the facility meets applicable State air pollution permit requirements, and maintains a battery recycling program, if applicable, which substantially meets applicable State standards for such programs. The committee substitute also clarifies that the environmental and community “impacts” from such facilities that must be minimized if the electric energy produced therefrom is to be classified as Class II are the “adverse” impacts.