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# NEW JERSEY BOARD OF PUBLIC UTILITIES

## Special Adoption: Amendments to the Renewable Portfolio Standards

### N.J.A.C. 14:8-2

PUBLIC UTILITIES.....	1
CHAPTER 4 .....	2
ENERGY COMPETITION.....	2
SUBCHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS.....	2
14:4-1.2 Definitions.....	2
CHAPTER 8 .....	3
RENEWABLE ENERGY AND ENERGY EFFICIENCY .....	3
SUBCHAPTER 2. RENEWABLE PORTFOLIO STANDARDS .....	3
14:8-2.8 Renewable Energy Certificates (RECs).....	3
14:8-2.9 Board issuance of solar RECs.....	3

### PUBLIC UTILITIES

BOARD OF PUBLIC UTILITIES  
Renewable Energy Portfolio Standards

Special Adopted Amendments: N.J.A.C. 14:4-1.2; 14:8-2.8 and 2.9

Adopted: May 8, 2008, by the New Jersey Board of Public Utilities, Jeanne M. Fox, President, and Frederick F. Butler, Joseph L. Fiordaliso, Christine V. Bator, and Nicholas V. Asselta, Commissioners.

Filed: May 23, 2008 as R. 2008 d. .

Authority: N.J.S.A. 48:3-87, as amended by P.L. 2007, c. 300.

Effective Date: May 23, 2008.

Expiration Date: November 23, 2009.

**TAKE NOTICE** that, in compliance with the provisions of P.L. 2007, c. 300, section 1, the Board of Public Utilities (Board or BPU) has promulgated rules allowing solar electric generating facilities that are not located on a customer-generator’s premises to generate solar renewable energy certificates (solar RECs).

Recently enacted legislation (P.L. 2007, c. 300) directs the Board to establish “credit or other incentive rules for generators using Class I renewable energy generation systems that connect to New Jersey’s electric public utilities’ distribution system but who do not net meter.” Specifically, the rules must:

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

The legislation provides for these rules to be effective immediately upon filing with the Office of Administrative Law, for a period not to exceed 18 months.

This statutory direction requires a change from current rules, which allow solar RECs to be generated only by solar electric generation facilities located on a customer-generator's premises or by facilities that use a net meter. Under the special adopted amendments, solar electric generation facilities connected to an electric distribution system in New Jersey are eligible to generate solar RECs regardless of whether they use net metering or are located on a customer-generator's premises.

Both N.J.A.C. 14:4 and 14:8 expire on April 18, 2011. The special adopted amendments, which affect provisions of both of those chapters, expire on November 23, 2009. To establish a single expiration date for all of N.J.A.C. 14:4 and a single expiration date for all of N.J.A.C. 14:8, the Board has published separately proposed amendments that are identical to the special adopted amendments, along with other changes to the rules governing New Jersey's renewable energy portfolio standards. Upon adoption of the proposed amendments, the expiration date of all of N.J.A.C. 14:4 will be April 18, 2011 and the expiration date of all of N.J.A.C. 14:8 will be April 18, 2011.

On January 11, 2008, a draft of the proposed amendments, including a draft of the provisions that are the subject of the special adoption, was posted on the website of the BPU's Clean Energy Program. Also on January 11, 2008, BPU staff circulated notice of a January 30, 2008 public meeting to discuss the draft. The notice was circulated via email to two mailing lists containing a total of about 225 people who had previously expressed interest in the BPU's work on renewable energy or energy efficiency. The draft was discussed in detail at the January 30, 2008 meeting, and revised after consideration of the discussion. The revised draft was posted on the BPU's Clean Energy Program website on February 5, 2008, and revised further based on additional written comments from stakeholders before being presented to the Board at its public agenda meeting on May 8, 2008.

**Full text** of the special adoption follows (additions indicated in boldface thus; deletions indicated in brackets [thus]):

## **CHAPTER 4 ENERGY COMPETITION**

### **SUBCHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS**

#### **14:4-1.2 Definitions**

The following words and terms, when used in this chapter or in N.J.A.C. 14:8, Renewable Energy and Energy Efficiency, shall have the following meanings unless the

context clearly indicates otherwise. Additional definitions that apply to this chapter can be found at N.J.A.C. 14:3-1.1.

...

Electric distribution system” means that portion of an electric system which delivers electricity from transformation points on the transmission system to points of connection at a customer’s premises. [An electric distribution system generally carries less than 69 kilovolts of electricity.]

...

## **CHAPTER 8 RENEWABLE ENERGY AND ENERGY EFFICIENCY**

### **SUBCHAPTER 2. RENEWABLE PORTFOLIO STANDARDS**

#### **14:8-2.8 Renewable Energy Certificates (RECs)**

(a) – (b) (No change)

(c) A REC used for compliance with this subchapter shall be issued by the Board or its designee, or by PJM-EIS through GATS, as follows:

1. A [solar REC or] class I REC that is based on electricity generated on a customer-generator’s premises shall be issued by the Board or its designee in accordance with N.J.A.C. 14:8-2.9;

**2. A solar REC shall be issued by the Board or its designee in accordance with N.J.A.C. 14:8-2.9;**

**Recodify existing 2. and 3. as 3. and 4. (No change in text.)**

(d) – (e) (No change)

#### **14:8-2.9 Board issuance of solar RECs**

(a) The Board or its designee shall issue [solar RECs and] class I RECs **in accordance with this section, for use in complying with the class I renewable portfolio standard in Table A of N.J.A.C. 14:8-2.3,** based on electricity generated by a customer-generator on the customer-generator's premises [for use in complying with this subchapter, in accordance with this section]. **The Board or its designee shall issue solar RECs in accordance with this section, for use in complying with the renewable portfolio standard for solar electric generation in Table A of N.J.A.C. 14:8-2.3, based on electricity generated by a solar electric generation facility.** The Board may, after public notice, issue an order discontinuing Board issuance of such RECs and/or approving use of such RECs issued by PJM Interconnection or another entity for compliance with this subchapter.

(b) – (d) (No change)

[(e) If a REC is to be used for RPS compliance for a reporting year, the REC shall be based on energy generated in that same reporting year, except for fractions carried over in accordance with (g) below.]

**(e) (Reserved)**

(f) – (h) (No change)

(i) A request for issuance of a solar REC or class I RECs [based on electricity generated on a customer-generator's premises] shall be submitted to the Board on a form posted on the Board's website at [www.njcleanenergy.com](http://www.njcleanenergy.com). The Board shall require submittal of information and certifications needed to enable the Board or its designee to verify the generation that forms the basis of the requested RECs. The Board shall require inspections of generation equipment, monitoring and metering equipment, and other facilities relevant to verifying electric generation. The Board shall impose application fees, inspection fees, and/or other charges for work required to verify electric generation and issue RECs.

(j) – (k) (No change)

**(l) (Reserved)**

[(l)] **(m)** [In accordance with N.J.A.C. 14:8-4.3, a] **A** customer-generator that is eligible for net metering owns the renewable attributes of the energy it generates on or after October 4, 2004, unless there is a contract with an express provision that assigns ownership of the renewable attributes. **The owner of a solar electric generation facility that is not eligible for net metering owns the renewable attributes of the energy it generates on or after May 23, 2008, unless there is a contract with an express provision that assigns ownership of the renewable attributes.**