

PUBLIC UTILITIES

BOARD OF PUBLIC UTILITIES

Notice of Administrative Correction and Extension of Public Comment Period
Renewable Energy Portfolio Standards
Proposed Amendments: N.J.A.C. 14:8-2.7 and 2.9

BPU Docket Number: EX08050346

Proposal Number: PRN 2008-403

Take notice that the Board of Public Utilities (Board) has discovered an error in the notice of proposed amendments to N.J.A.C. 14:8-2.7 and 2.9, concerning Renewable Energy Portfolio Standards, published in the December 1, 2008 New Jersey Register at 40 N.J.R. 6759(a).

The notice of proposal included the following proposed amendments to N.J.A.C. 14:8-2.9(d) (additions indicated in boldface thus; deletions indicated in brackets [thus]):

(d) To qualify for issuance of a REC, electric generation shall be produced by a generating facility that is interconnected with an electric distribution system, as defined in N.J.A.C. 14:8-2.2, that supplies New Jersey; **or the electric generation shall have its sale settled in the PJM wholesale market.** The Board may waive this requirement by Board order if the Board [adopts a joint or regional REC tracking system, and] determines that such waiver would facilitate participation in the **regional REC tracking system adopted by the Board.**

The Board intended that the reference to the settling of a sale in the PJM wholesale market would apply only to class I renewable energy certificates (RECs), as related in the proposal Summary:

The proposed amendments also make the verification requirement in N.J.A.C. 14:8-2.9 more specific, so that it conforms to direction that the Board has previously set and reaffirmed. The Board does not currently accept a class I REC for compliance with the New Jersey RPS if the REC is based on energy that is not connected to a New Jersey electric distribution system, unless that energy has "settled" in the PJM wholesale financial market. In other words, the energy must have been sold in the PJM wholesale market and paid for through the PJM market settlement process. See *In the Matter of the Renewable Portfolio Standards--Request for Board Action Regarding Renewable Energy Certificates*, Docket No. EO07110886, Order dated January 31, 2008 (January 31 Order).

The Board did not intend that the reference to the settling of a sale in the PJM wholesale market would apply to solar RECs. On the contrary, in a notice of proposal published in the June 16, 2008 New Jersey Register (40 N.J.R. 3586(a); BPU Docket Number 08040255, Proposal Number PRN 2008-204), the Board explained at length why a solar electric generation facility must be interconnected with an electric distribution system that supplies New Jersey in order to earn solar RECs. However, as published, the text of the December 1, 2008 proposed amendments to N.J.A.C. 14:8-2.9(d) incorrectly implies that a solar electric generation facility could earn solar RECs without being interconnected with an electric distribution system that supplies New Jersey, as long as the facility's generation has its sale settled in the PJM wholesale market.

Take further notice that the Board is extending the public comment period on the notice of proposal to February 16, 2009. Comments may be submitted through that date through either of the following methods:

- Electronically, in Microsoft WORD format, or in a format that can be easily converted to WORD, by e-mailing them to the following e-mail address: rule.comments@bpu.state.nj.us; or
- On paper to:
 - New Jersey Board of Public Utilities
 - Kristi Izzo, Secretary
 - ATTN: BPU Docket Number: EX08050346
 - Two Gateway Center
 - Newark, New Jersey 07102

Full text of the corrected proposal rule text of N.J.A.C. 14:8-2.9 follows (additions indicated in boldface thus; deletions indicated in brackets [thus]):

14:8-2.9 Board issuance of RECs

(a) – (c) (No change.)

(d) To qualify for issuance of a REC, electric generation shall be produced by a generating facility that is interconnected with an electric distribution system, as defined in N.J.A.C. 14:8-2.2, that supplies New Jersey; **or, for Class I renewable energy other than solar electric generation, the electric generation need not be interconnected with an electric distribution system that supplies New Jersey if its sale is settled in the PJM wholesale market.** The Board may waive this requirement by Board order if the Board [adopts a joint or regional REC tracking system, and] determines that such waiver would facilitate participation in the **regional REC tracking** system **adopted by the Board.**

(e) – (m) (No change.)