



Agenda Date: 8/18/21
Agenda Item: 8A

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE REMOTE NET METERING)	ORDER
APPLICATION FILED PURSUANT TO THE BOARD'S)	
APPLICATION AND APPROVAL PROCESS)	
IMPLEMENTING PROVISIONS OF THE CLEAN)	DOCKET NO. QO18070697
ENERGY ACT OF 2018)	
)	
VANGUARD ENERGY PARTNERS)	
RARITAN VALLEY COMMUNITY COLLEGE)	DOCKET NO. QO21060892

Parties of Record:

Shannon Donelly, Vanguard Energy Partners, LLC
Joshua R. Eckert, Esq., Jersey Central Power & Light
John Trojan, Raritan Valley Community College

BY THE BOARD:

By this Order, the Board of Public Utilities ("Board" or "BPU") considers the application of Raritan Valley Community College ("RVCC") for Board approval to be certified as a host customer for purposes of the Board's Remote Net Metering ("RNM") program.

BACKGROUND

Governor Murphy signed the Clean Energy Act of 2018, L. 2018, c. 23 ("Act") into law on May 23, 2018. Among other mandates, the Act directs the Board to "establish an application and approval process to certify public entities to act as a host customer for remote net metering capacity" within one hundred and twenty days of enactment. N.J.S.A. 48:3-87.12(a). The Act also mandates that the Board require the owner of a solar energy project to pay a certified public entity a pro-rated public sponsor fee of \$10,000 per megawatt, up to a 10-megawatt allowance for each public entity. N.J.S.A. 48:3-87.12(c). In addition, "[t]he Board shall require each participating customer to pay at least 50 percent of the societal benefits charge established pursuant to . . . [N.J.S.A.] 48:3-60." In compliance with the Act, the Board approved a remote net metering process on September 17, 2018.¹

¹ In re The Remote Net Metering Application Filed Pursuant To The Board's Application And Approval Process Implementing Provisions Of The Clean Energy Act Of 2018, BPU Docket No. QO18070697, dated Sept. 17, 2018 ("RNM Order").

The Board-approved process defines "public entity," for purposes of RNM eligibility, consistent with the list of entities identified as eligible for aggregated net metering in the Solar Act of 2012 (P.L. 2012, c. 24): State entity, school district, county, county agency, county authority, municipality, municipal agency or municipal authority. In the RNM Order the Board further determined that the definition of "public entity" expressly includes public universities. A "host customer" is a public entity that proposes to host a solar electric generation facility on their property, while "entities designated to receive credits," or "receiving customers," are public entities located in the same Electric Distribution Company ("EDC") territory as the host customer. Both the host customer and the receiving customer must be a "customer of record" of the same EDC.

A host customer's solar electric generating facility must be located on property containing at least one electric meter of the host customer and must be sized such that the electricity it produces on an annual basis does not exceed the total average usage of the host customer's electric public utility account(s). The host customer must identify which accounts it is using to calculate the total average usage for the previous twelve months of consumption in kilowatt-hours ("kWhs"). If more than one account is used, the total quantity of annual, historic kWhs consumed will be divided by the number of accounts and the resulting figure will be divided by 1200, representing the annual kWh per kilowatts (kW), to arrive at the maximum capacity for the solar electric generation facility in kW.

In establishing the application and approval process mandated by the Act, the Board has approved a standard form of "Public Entity Certification Agreement" ("Agreement") to be used by host customers and receiving customers. The Agreement must be fully executed by the host customer and each receiving customer, be accompanied by the Board approved standard form of Interconnection Application (Part 1) as used for all net metered projects, and be delivered to both Staff and the appropriate EDC. The Agreement must be reviewed by Staff and approved by the Board prior to the application of RNM credits.

The relevant EDC and Staff will review the Agreement for administrative completeness. Following the issuance of a notice of administrative completeness, the EDC has twenty business days to review the application for eligibility and feasibility and make a recommendation to Staff to approve or deny. Staff then presents the fully executed Agreement and Interconnection Application (Part 1) to the Board with a recommendation for approval or denial.

The Board-approved process requires the host customer and developer to agree to the installation of a production meter, paid for by the developer. The EDC will use the metered kWh data produced to calculate the credits due to receiving customers and will allocate the monthly output to receiving customers according to the percentage allotments indicated on the Agreement.

The Board has set the value of an RNM credit to reflect a rough approximation of the generation, transmission, and distribution value of a kWh produced by the solar electric generation facility. Each credited kWh for a receiving customer(s) offsets all the variable kWh charges of a receiving customer(s), except for the SBC, but does not offset any fixed or demand charges.

The Board-approved process requires the host customer and developer to agree to the installation of a production meter, paid for by the developer. The EDC must use the metered kWh data produced to calculate the credits due to receiving customers and allocate the monthly output to receiving customers according to the percentage allotments indicated on the Agreement.

Raritan Valley Community College RNM Agreement

On June 7, 2021, Vanguard Energy Partners, LLC (“Vanguard”) filed an Agreement with the Board for Raritan Valley Community College. Vanguard advises that the main purpose of the ground-mounted 5.2 kW dc array, proposed to be located at 74 Lamington Road in North Branch, New Jersey, is to serve as an educational tool for RVCC’s Energy Management students, so the students can observe the solar array as they work. Since the building to which Vanguard proposes to interconnect the solar array is currently unoccupied, the annualized usage is significantly lower than the expected annual production of the solar facility.² Vanguard thus proposes to proceed under the Board’s RNM program, using a separate RVCC account to receive credit for the anticipated generation. In response to a Staff inquiry, Vanguard affirmed that RVCC will own the solar array.

Pursuant to the application process described above, JCP&L has reviewed RVCC’s Public Entity Certification Agreement for administrative completeness and advises that it has no objection to it. The EDC notes that the current rate classification of the host is ‘Residential’, while that of the account proposed to be linked is ‘three-phase commercial’; however, the RNM Order does not prohibit such an arrangement.

STAFF RECOMMENDATION

Staff has reviewed the Agreement against the requirements of the RNM Order. As noted above, the Board defined “public entity” for purposes of RNM to mean customers that are a State entity, school district, county, county agency, county authority, municipality, municipal agency or municipal authority and expressly included public universities in this definition. Staff recommends that the Board clarify in this Order that a county community college, such as RVCC, should be included in the definition of a “public entity.”

The Board determined that a “host customer” for RNM shall be a public entity that proposes to host a solar electric generation facility on their property, while a “receiving customer” must be located in the same EDC territory as the host customer. RVCC proposes to add the host customer as a receiving customer once the building located adjacent to the solar facility is occupied, which RVCC advises should occur within a year. Staff recommends that the Board clarify in this Order that a host customer account may also serve as a receiving customer account.

Staff notes that the Agreement identifies historic consumption at the two accounts as totaling 350,229 kWh, which results in a Total Average Usage of 175,115 kWh. Applying the solar production factor of 1200 kWh/kW adopted in the RNM Order, this usage amount can support a solar electric generation facility of up to 146 kWdc, well above the 5.2 kWdc facility proposed by Petitioner. Staff recommends that the Board find that the applicant has proposed a solar electric generation facility that is consistent with the size limits established by the Board’s RNM Order. The host customer receives service pursuant to a residential tariff, while the receiving customer is served on a commercial tariff, and Staff recommends that the Board clarify that the host and receiving customers need not be in the same rate class.

² Vanguard notes that the RVCC expects to begin occupying the building to which the solar facility will be interconnected within the next year, and that once this occurs, the estimated grid export is expected to be negligible.

Staff recommends that the Board find that the proposed solar facility described in the Agreement satisfies the criteria set out by the Board in the RNM Order and approve the Agreement. Since RVCC will own the system, Staff recommends that the Board find that the statutory public sponsor fee is not required. In addition, Staff recommends that the Board clarify that in future applications the statutory fee will not apply where the host certified public entity will own the solar system, but will apply at the statutory level of \$10,000 per megawatt for those applications where an entity other than a certified public entity will own the solar system. In applications where a public sponsor fee must be paid by the developer of an RNM application, Staff recommends that this fee be paid upon receipt of its Permission to Operate and that the Board require proof of payment be provided to the registration processing team as a condition of certification.

Staff further recommends that the Board adopt recommendations made in the RNM Order that the solar facility must be located on property containing at least one electric meter of the host customer, and that the Board require the host customer to identify which account(s) to use to calculate the total average usage for the previous twelve months of consumption in kWhs. In addition, Staff recommends that Board require the host customer and developer to agree to the installation of a "production meter," which may be a "remote read smart meter" as specified by the EDC, and paid for by the developer. The EDC should be required to clearly identify on the monthly electricity bills of each receiving customer account the apportioned amount of solar electricity generated in kWh, the gross amount of electricity consumed in kWh, and the net amount of kWh after credit allocation. Staff recommends that the concept of an annualized period as currently used in the Board's net metering rules at N.J.A.C. 14:8-4.2 apply to RNM, and that any excess generation for an individual receiving account after a monthly credit allocation be carried over to the next month within the annualized period. Staff recommends that consistent with current net metering practice, if an individual receiving account holds credits at the end of an annualized period, the account shall be trued up at the avoided cost of wholesale power, as defined at N.J.A.C. 14:8-4.2. See also N.J.A.C. 14:8-4.3(e). Staff recommends that the Board order that the terms and conditions of the "Public Entity Certification Agreement," including all designated "receiving accounts" with their associated percentage of output allocations, be fixed throughout the annualized period.

Staff also recommend that the Board allow no more than ten receiving accounts to be party to an Agreement and that an individual receiving account may be allocated not less than 10% of the solar electric generating facility output.

DISCUSSION AND FINDINGS

Following careful consideration, the Board **HEREBY FINDS** that the Public Entity Certification Agreement submitted by Vanguard on behalf of the RVCC meets the criteria established in the RNM Order. Specifically, the Board **FINDS** that the applicant has proposed a solar electric generation facility that is consistent with the size limits established by the Board's RNM Order. The Board clarifies that a county community college such as Raritan Valley Community College qualifies as a "public entity" for the purpose of remote net metering. In addition, the Board clarifies that a host customer account may also serve as a receiving customer account, and that the RNM Order does not require that the host customer and the receiving customer be in the same rate class.

The Board **FINDS** that the system here will be owned by the public entity and therefore no public sponsor fee is required. The Board clarifies that in future applications, the statutory public sponsor fee will not apply where the public host entity will own the solar system. Where an entity other than the public entity acting as host will own the system, the pro-rated public sponsor fee of \$10,000 per megawatt set out at N.J.S.A. 48:3-87.12(c), up to a 10-megawatt allowance per public entity, will apply. In those applications where a public sponsor fee must be paid by the developer of an RNM application, the Board **ORDERS** that this fee be paid upon receipt of the solar facility's Permission to Operate and that proof of payment be provided to the registration processing team as a condition of certification.

The Board hereby **ORDERS** that the solar facility must be located on property containing at least one electric meter of the host customer and that the host customer identify which account(s) are used to calculate the total average usage for the previous twelve months of consumption in kWhs. The Board **ORDERS** that the host customer and developer agree to the installation of a "production meter," which may be a "remote read smart meter" as specified by Jersey Central Power and Light ("JCP&L"), and that the developer pay for this meter.

The Board **FURTHER ORDERS** that each credited kWh for the receiving customer(s) shall offset all the variable kWh charges of a receiving customer(s), except for the SBC. No fixed, demand (\$/kW) or SBC charges (\$/kWh) shall be offset by an RNM credit. The Board **ORDERS** that JCP&L shall clearly identify on the monthly electricity bills of each receiving customer account the apportioned amount of solar electricity generated in kWh, the gross amount of electricity consumed in kWh, and the net amount of kWh after credit allocation. The Board **FINDS** that the concept of an annualized period as currently used in the Board's net metering rules at N.J.A.C. 14:8-4.2 shall apply to RNM, and that any excess generation for an individual receiving account after a monthly credit allocation shall be carried over to the next month within the annualized period. Consistent with current net metering practice and N.J.A.C. 14:8-4.3(e), any individual receiving account holding credits at the end of an annualized period shall be trued up at the avoided cost of wholesale power as defined at N.J.A.C. 14:8-4.2.. The terms and conditions of the "Public Entity Certification Agreement," including all designated "receiving accounts" with their associated percentage of output allocations, shall be fixed throughout the annualized period.

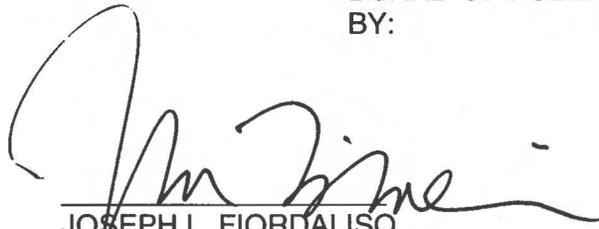
The Board **FINDS** that the Agreement complies with the Board's directive that no more than ten receiving accounts may be party to an Agreement and that an individual receiving account must be allocated at least 10% of the solar electric generating facility output.

The Board **APPROVES** the Agreement and **ADOPTS** all of Staff's recommendations not specifically addressed above.

The effective date of this Order is August 25, 2021.

DATED: 8/18/21

BOARD OF PUBLIC UTILITIES
BY:



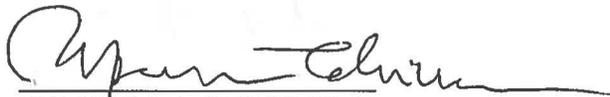
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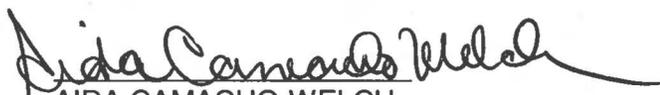
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IN THE MATTER OF THE REMOTE NET METERING APPLICATION FILED PURSUANT TO
THE BOARD'S APPLICATION AND APPROVAL PROCESS IMPLEMENTING PROVISIONS
OF THE CLEAN ENERGY ACT OF 2018

VANGUARD ENERGY PARTNERS
RARITAN VALLEY COMMUNITY COLLEGE

DOCKET NOS. QO18070697 & QO21060892

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