



Agenda Date: 10/4/12
Agenda Item: 8C

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE IMPLEMENTATION OF) <u>L. 2012, c. 24, THE SOLAR ACT OF 2012</u>)	ORDER INITIATING) PROCEEDINGS)
) DOCKET NO. EO12090832V
IN THE MATTER OF THE IMPLEMENTATION OF) <u>L. 2012, C. 24, N.J.S.A. 48:3-87 (d)(3)(b) - A</u>) PROCEEDING TO INVESTIGATE APPROACHES TO) MITIGATE SOLAR DEVELOPMENT VOLATILITY)) DOCKET NO. EO12090860V
IN THE MATTER OF THE IMPLEMENTATION OF) <u>L. 2012, C. 24, N.J.S.A. 48:3-87 (e)(4) - NET METERING</u>) AGGREGATION STANDARDS)) DOCKET NO. EO12090861V
IN THE MATTER OF THE IMPLEMENTATION OF) <u>L. 2012, C. 24, N.J.S.A. 48:3-87(q)(r) AND (s) -</u>) PROCEEDINGS TO ESTABLISH THE PROCESSES) FOR DESIGNATING CERTAIN GRID-SUPPLY) PROJECTS AS CONNECTED TO THE DISTRIBUTION) SYSTEM)) DOCKET NO. EO12090880V
IN THE MATTER OF THE IMPLEMENTATION OF) <u>L. 2012, C. 24, N.J.S.A. 48:3-87 (t) - A PROCEEDING</u>) TO ESTABLISH A PROGRAM TO PROVIDE Solar) Renewable Energy Certificates TO CERTIFIED) BROWNFIELD, HISTORIC FILL AND LANDFILL) FACILITIES)) DOCKET NO. EO12090862V
IN THE MATTER OF THE IMPLEMENTATION OF) <u>L. 2012, C. 24, N.J.S.A. 48:3-87 (w) - A PROCEEDING</u>) TO CONSIDER THE NEED FOR A PROGRAM TO) PROVIDE A FINANCIAL INCENTIVE TO) SUPPLEMENT Solar Renewable Energy Certificates) FOR NET METERED PROJECTS GREATER THAN) THREE MEGAWATTS)) DOCKET NO. EO12090863V

Parties of Record:

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Phil Passanante, Esq., for Atlantic City Electric Company

Jane Quinn, Esq., for Orange & Rockland Utilities

Alexander Stern, Esq., for Public Service Electric & Gas Company

BY THE BOARD:

On July 23, 2012, L. 2012, c. 24 the ("Solar Act") was signed into law by Governor Chris Christie. The Solar Act amends some aspects of the statute governing the generation and financing of solar energy, and provides for certain new programs. Among other actions, the Solar Act requires the New Jersey Board of Public Utilities ("Board") to conduct proceedings to establish new standards and to develop new programs to implement the directives of the Solar Act. By this Order, the Board directs its Staff to begin those proceedings.

Section (t) of the Solar Act, codified as N.J.S.A. 48:3-87(t), requires the Board to, within 180 days of the enactment of the Solar Act, complete a proceeding to establish a program to provide Solar Renewable Energy Certificates ("SRECs") to owners of solar generation projects certified by the Board as being located on a brownfield, an area of historic fill, or a properly closed sanitary landfill facility. The Solar Act requires the Board to consult with the Department of Environmental Protection ("DEP") and the New Jersey Economic Development Authority ("EDA") in conducting this proceeding, and to provide notice and opportunity for public comment and public hearing. The Solar Act further provides that projects certified under this subsection shall be considered "connected to the distribution system," and thus eligible to generate SRECs, without the need for Board review or designation under any other subsection.

Therefore, the Board **HEREBY DIRECTS** Staff to initiate a proceeding, to be completed by January 13, 2013, to establish a program to provide SRECs to the owners of solar generation facilities located on brownfields, areas of historic fill, or properly closed landfills, as provided for in N.J.S.A. 48:3-87(t). In addition, the Solar Act provides that the Board shall establish a financial incentive designed to supplement the SRECs generated by qualifying facilities to cover the additional costs of constructing and operating a solar generation system on the specified locations.

Section (e)(4) of the Solar Act, codified as N.J.S.A. 48:3-87(e)(4), requires the Board to, within 270 days of the effective date of the Solar Act, develop standards that require electric distribution companies ("EDCs") to offer "net metering aggregation" to certain public entities that install a single central solar electric power generation system, sized so that its annual generation does not exceed the combined annual energy usage of the customer's facilities. As defined in N.J.S.A. 48:3-51, net metering aggregation is a procedure for calculating the combined energy usage for all facilities owned by a single customer that is a State entity, school district, county, county agency or authority, municipality, municipal agency or authority, and off-setting that usage against the generation of the solar facility. The Solar Act mandates that, to be eligible under section (e)(4), the solar facility be located on property owned by the

customer, use a net metering billing account, and all the other facilities must be owned or operated by the customer, located within the customer's territorial jurisdiction and within the service territory of a single EDC. Therefore, the Board **HEREBY DIRECTS** Staff to convene a public stakeholder process to propose a rule to establish standards for net metering aggregation as provided by N.J.S.A. 48:3-87(e)(4) no later than April 19, 2013.

Section (w) of the Solar Act, codified as N.J.S.A. 48:3-87(w), requires the Board, within 270 days of the effective date of the Solar Act, to complete a proceeding to determine whether supplemental financial incentives should be provided to the owners of solar systems certified by the Board as being three megawatts or greater in capacity and as being net metered. Therefore, the Board **HEREBY DIRECTS** Staff to initiate a proceeding to determine whether such supplemental financial incentives should be provided, and, after notice and opportunity for public comment and public hearing, complete that proceeding by April 19, 2013.


Sections (q) and (r) of the Solar Act, codified as N.J.S.A. 48:3-87 (q) and (r), establish eligibility and application requirements for certain grid-supply projects that must be designated by the Board as "connected to the distribution system" so that they can qualify to generate SRECs. Although there is no legislative directive to the Board regarding stakeholder input, the Board has determined that stakeholder input would be desirable in developing the processes that must be in place on or before June 1, 2013, so that completed applications when submitted can be reviewed in an appropriate and timely manner. Therefore, the Board **HEREBY DIRECTS** Staff to convene public stakeholder meetings to develop the necessary processes for implementing these requirements.

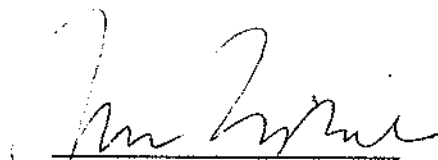
Section (d)(3) of the Solar Act, codified as N.J.S.A. 48:3-87(d)(3), requires the Board to adopt the Renewable Portfolio Standard set out in the Solar Act and to complete a proceeding to investigate approaches to mitigate solar development volatility and to submit a report and recommendation by July 23, 2014. Lastly, the Board **HEREBY DIRECTS** Staff to initiate a proceeding to consider approaches to mitigating solar development volatility with the goal of providing a report for the Board's consideration prior to July 23, 2014.

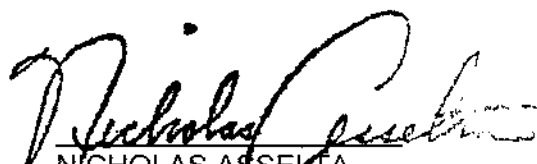
DATED: 10/10/12

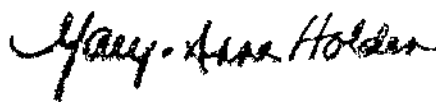
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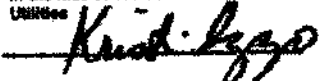

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ATTEST:

KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



IN THE MATTER OF THE IMPLEMENTATION OF L.2012, c. 24,
THE SOLAR ACT OF 2012 - ORDER INITIATING PROCEEDINGS
DOCKET NO. EO12090832V, EO1209088V and
EO12090860V – EO12090863V

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