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## **NOTICE<sup>1</sup>**

DOCKET NO. EO18111250 - IN THE MATTER OF THE ALLOCATION OF RENEWABLE PORTFOLIO STANDARDS FOR BASIC GENERATION SERVICE (BGS) FOR THE PERIOD BEGINNING JUNE 1, 2019

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DOCKET NO. EX18111244 - IN THE MATTER OF RULEMAKING PROCEEDING TO AMEND THE RENEWABLE PORTFOLIO STANDARD TO P.L. 2018, c.17

### **Basic Generation Services and Clean Energy Rule Stakeholder Meeting**

The Staff of the Board of Public Utilities (Staff) invites all interested parties and members of the public to a Public Meeting to discuss changes to the Class I Renewable Portfolio Standard (RPS) and solar obligations as they related to 1.) the Basic Generation Services (BGS) auction; and, 2.) a rulemaking to be initiated by the Board at a subsequent agenda. Pursuant to N.J.S.A. 10:4-6 et. seq. the New Jersey Board of Public Utilities ("Board") hereby gives notice of a meeting to be held on December 7, 2018 at 10:00 a.m. at the Board's office at 44 S. Clinton Avenue, 1<sup>st</sup> Floor Multipurpose Room, Trenton, New Jersey subject to the "Open Public Meetings Act."

On May 23, 2018, Governor Phil Murphy signed P.L. 2018, c.17, the Clean Energy Act (Act) which altered the Class I RPS, Class II RPS, and solar RPS obligations. Specific to Class I RPS obligations the law states:

"beginning on January 1, 2020, that 21 percent of the kilowatt hours sold in this State by each electric power supplier and each basic generation service provider be from Class I renewable energy sources. The board shall increase the required percentage for Class I renewable energy sources so that by January 1, 2025, 35 percent of the kilowatt hours sold in this State by each electric power supplier and each basic generation service provider shall be from Class I renewable energy sources, and by January 1, 2030, 50 percent of the kilowatt

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hours sold in this State by each electric power supplier and each basic generation service provider shall be from Class I renewable energy sources.”

The law also ended the ability to use Class I Renewable Energy Certificates (RECs) to satisfy Class II RPS obligations and now reads as follows:

“that two and one-half percent of the kilowatt hours sold in this State by each electric power supplier and each basic generation service provider be from Class II renewable energy sources;”

Lastly, the law increased solar RPS obligations while exempting certain providers from the increased obligations and mandating that those obligations be spread among the non-exempt entities in a competitively neutral manner:

“The solar renewable portfolio standards requirements in this paragraph shall exempt those existing supply contracts which are effective prior to the date of enactment of P.L.2018, c.17 (C.48:3-87.8 et al.) from any increase beyond the number of SRECs mandated by the solar renewable energy portfolio standards requirements that were in effect on the date that the providers executed their existing supply contracts. This limited exemption for providers' existing supply contracts shall not be construed to lower the Statewide solar sourcing requirements set forth in this paragraph. Such incremental requirements that would have otherwise been imposed on exempt providers shall be distributed over the providers not subject to the existing supply contract exemption until such time as existing supply contracts expire and all providers are subject to the new requirement in a manner that is competitively neutral among all providers and suppliers. Notwithstanding any rule or regulation to the contrary, the board shall recognize these new solar purchase obligations as a change required by operation of law and implement the provisions of this subsection in a manner so as to prevent any subsidies between suppliers and providers and to promote competition in the electricity supply industry.

On November 19, 2018, the Board directed Staff to conduct a stakeholder meeting on how to implement the increased Class I obligations as well as how to allocate the increased solar RPS obligations over the next three Energy Years. In addition, it is anticipated that the Board will subsequently initiate a rulemaking proceeding regarding the RPS obligation promulgated P.L. 2018, c.17, the Clean Energy Act (Act) which altered the Class I RPS, Class II RPS, and solar RPS obligations.

Board Staff invites all interested parties to comment on the issues listed below in each matter. When making an oral comment, the commenter should identify which of the two proceedings the comments pertain to and specify the applicable docket number.”

Written comments are also invited and must be submitted to Aida Camacho-Welch, Secretary, New Jersey Board of Public Utilities, Post Office Box 350, Trenton, New Jersey 08625. Written comments may also be submitted electronically to [Rule.Comments@bpu.nj.gov](mailto:Rule.Comments@bpu.nj.gov) in word or other easily converted format. All comments must be received on or before 5:00 p.m. December 10, 2018. All written comments must reference the specific docket to which they are in reference to. Any comments which reference no docket or both dockets will not be considered.

Docket No. EO18111250 - In The Matter of the Allocation of Renewable Portfolio Standards for Basic Generation Service (BGS) for the period beginning June 1, 2019.

1. How to allocate the solar RPS obligations of the exempt entities amongst the non-exempt entities. See Attachment A.
2. What the RPS requirements should be for Energy Year (EY) 2019, EY 2020, EY 2021, and EY 2022. See Attachment B.
3. Whether to consider solar obligations to be included within the overall Class I obligations as a carve-out, such that SRECs submitted to satisfy the solar RPS will also be counted toward the satisfaction of the total Class I RPS rather than being considered additive to the Class I RPS. See Attachment B.

Docket No. EX18111244 – In the Matter of Rulemaking proceeding to amend the Renewable Portfolio Standard pursuant to P.L.2018, c.17

1. Whether to consider solar obligations to be included within the overall Class I obligations as a carve-out, such that SRECs submitted to satisfy the solar RPS will also be counted toward the satisfaction of the total Class I RPS rather than being considered additive to the Class I RPS. See Attachment C.
2. Whether the treatment of the increased Class I RPS obligations and the treatment of solar RPS are appropriately set forth in Attachment C.

Persons interested in attending the above Meeting who require special accommodations because of disability should contact the Office of the Secretary of the Board at (609) 292-1599 at least three (3) days prior to the Meeting date so that appropriate arrangements can be made.



Aida Camacho-Welch  
Aida Camacho-Welch  
Secretary of the Board

Dated: November 28, 2018

Attachment A

For any **exempt** electricity supplied, a provider shall calculate its solar obligation as follows:

1. Determine the MWhs of exempt electricity the provider supplied during the energy year;
2. Determine the solar electric generation percentage requirement in effect when the BGS contract subject to P.L. 2018, C. 17 was executed; and
3. Multiply 1 and 2 above.

For any **non-exempt** electricity supplied during EY 2019, 2020, or 2021, a TPS/BGS Provider shall calculate its solar obligation as follows:

1. Determine the supplier/provider's market share of the non-exempt electricity supplied Statewide during the applicable energy year, as follows:
  - i. Consult the Board's NJCEP website to determine the number of MWhs of non-exempt electricity supplied Statewide during the energy year by all TPS/BGS Provider subject to this subchapter;
  - ii. Determine the number of MWhs of non-exempt electricity the TPS/BGS Provider supplied during the energy year; and
  - iii. Divide 1ii above by 1i above to obtain a fraction representing the supplier/provider's non-exempt electricity market share for the applicable energy year.
2. Determine the total Statewide solar obligation for non-exempt electricity supply during the applicable energy year as follows:
  - i. Consult Table A to determine the total Statewide solar obligation for all electricity supplied during the energy year;
  - ii. Consult the Board's NJCEP website to obtain the cumulative solar obligation for the exempt electricity that was supplied during the energy year;
  - iii. Subtract 2ii above from 2i above. The result is the total Statewide solar obligation for non-exempt electricity supplied during the energy year; and
3. Multiply the TPS/BGS Provider's non-exempt market share from 1 above by the Statewide non-exempt solar obligation from 2 above. The result is the supplier/provider's solar obligation for the non-exempt electricity that it supplied during the energy year.

**Attachment B**

**What Percentage Of Energy Supplies Must Be Class I, Class II, or Solar Renewable Energy?**

<b>Energy Year</b>	<b>Solar Renewable Energy</b>	<b>Class I Renewable Energy</b>	<b>Class II Renewable Energy</b>	<b>Total</b>
<b>June 1, 2018 - May 31, 2019</b>	<b>4.30%</b> <b>3.29%*</b>	<b>14.175%</b> <b>14.175%*</b>	<b>2.50%</b> <b>2.50%*</b>	<b>20.98%</b> <b>19.97%*</b>
<b>June 1, 2019 - Dec 31, 2019</b>	<b>4.90%</b> <b>3.38%*</b>	<b>16.029%</b> <b>16.029%*</b>	<b>2.50%</b> <b>2.50%*</b>	<b>18.53%</b> <b>21.92%*</b>
<b>January 1, 2020 - May 31, 2020</b>	<b>4.90%</b> <b>3.38%*</b>	<b>21.0%</b> <b>21.0%*</b>	<b>2.50%</b> <b>2.50%*</b>	<b>23.50%</b> <b>26.88%*</b>
<b>June 1, 2020 - May 31, 2021</b>	<b>5.10%</b> <b>3.47%*</b>	<b>21.0%</b> <b>21.0%*</b>	<b>2.50%</b> <b>2.50%*</b>	<b>23.50%</b> <b>26.97%*</b>
<b>June 1, 2021 - May 31, 2022</b>	<b>5.10%</b>	<b>24.5%</b>	<b>2.50%</b>	<b>27.00%</b>

**\*BGS Providers with existing contracts**

**Attachment C**

**What Percentage Of Energy Supplies Must Be Class I, Class II, or Solar Renewable Energy?**

<b>Energy Year</b>	<b>Solar Renewable Energy</b>	<b>Class I Renewable Energy</b>	<b>Class II Renewable Energy</b>	<b>Total</b>
<b>June 1, 2022 - May 31, 2023</b>	<b>5.10%</b>	<b>28.0%</b>	<b>2.50%</b>	<b>30.50%</b>
<b>June 1, 2023 - May 31, 2024</b>	<b>4.90%</b>	<b>31.5%</b>	<b>2.50%</b>	<b>34.00%</b>
<b>June 1, 2024 - May 31, 2025</b>	<b>4.80%</b>	<b>35.0%</b>	<b>2.50%</b>	<b>37.50%</b>
<b>June 1, 2025 - May 31, 2026</b>	<b>4.50%</b>	<b>38.0%</b>	<b>2.50%</b>	<b>40.50%</b>
<b>June 1, 2026 - May 31, 2027</b>	<b>4.35%</b>	<b>41.0%</b>	<b>2.50%</b>	<b>43.50%</b>
<b>June 1, 2027 - May 31, 2028</b>	<b>3.74%</b>	<b>44.0%</b>	<b>2.50%</b>	<b>46.50%</b>
<b>June 1, 2028 - May 31, 2029</b>	<b>3.07%</b>	<b>47.0%</b>	<b>2.50%</b>	<b>49.50%</b>
<b>June 1, 2029 - May 31, 2030</b>	<b>2.21%</b>	<b>50.0%</b>	<b>2.50%</b>	<b>52.50%</b>