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October 12, 2018

To: Third-Party Suppliers (TPS) and Electric Distribution Companies (EDCs) on behalf of their Basic Generation Service (BGS) Providers

On May 23, 2012, the New Jersey Board of Public Utilities (Board) approved the readoption with amendments of N.J.A.C. 14:8, Renewable Energy and Energy Efficiency. The rule was published in the June 4, 2012 New Jersey Register. The readopted portions of the rules became effective on May 23, 2012, and the amendments became effective on June 4, 2012, upon their publication in the New Jersey Register.

N.J.A.C. 14:8-3, which requires the disclosure of certain environmental information regarding the means by which electricity is generated, was among the subchapters amended in the readoption. The Board found that the former environmental information disclosure (EID) rules did not reflect current conditions in the electricity market and had proven to be overly detailed and complex.

The Board repealed the old subchapter 3 and replaced it with a significantly simpler version that requires only the basic EID as identified in N.J.S.A. 48:3-87 a, b. N.J.A.C. 14:8-3.1(a) requires TPS and BGS Providers to disclose the specified information periodically, in conformance with the Board's instructions as communicated through a Secretary's letter posted on the Board's website.

### SUBCHAPTER 3. ENVIRONMENTAL INFORMATION DISCLOSURE

#### 14:8-3.1 Environmental Information Disclosure

(a) Each supplier/provider shall disclose on customer bills, on customer contracts or on its marketing materials, a uniform, common set of information about the environmental characteristics of the electricity purchased by the customer. The supplier/provider shall disclose this information periodically, as directed by the Board through the posting of a secretary's letter on the Board's website.

(b) The disclosure required under this section shall include:

1. The fuel mix used in generating the electricity supplied, including categories for oil, gas, nuclear, coal, solar, hydroelectric, wind and biomass. If the fuel mix for particular electricity cannot practicably be determined, the supplier/provider shall include a regional average determined by the Board;
2. The air pollutants that were emitted as a result of the generation of the energy, expressed in pounds per megawatt hour, and including categories for sulfur dioxide, carbon dioxide and oxides of nitrogen. If the emissions for particular electricity cannot practicably be determined, the supplier/provider shall include an emissions default determined by the Board; and
3. Any discrete emission reduction retired pursuant to rules adopted pursuant to P.L. 1995, c. 188.

(c) The disclosure required under this section shall be provided in a graphic format provided by the Board through a posting on its website.

### **Changes to EID Compliance in EY18**

On May 30, 2018, Office of Clean Energy staff (Staff) were advised that the Electric Distribution Companies (“EDCs”) and some TPS were applying dramatically differing environmental disclosure practices including the use of RECs from the New Jersey Renewable Portfolio Standards (NJRPS) compliance and/or outdated emissions benchmark data, to improve how their electricity products’ environmental impact was perceived. On August 13, 2018, seeking to learn more about how EID compliance was being demonstrated, Staff released a Straw Proposal/Request for Comments to solicit feedback from stakeholders and interested parties on the way in which BGS Providers (“BGS”) and TPS develop and provide EID labels. Stakeholder comments were due on or before August 27, 2018. Staff received six comments, one from each of the four EDCs, one from the Retail Energy Supply Association, and one from a third party supplier. The Straw Proposal/Request for Comments and the responses can be found at <http://www.njcleanenergy.com/main/njcep-policy-updates-request-comments/policy-updates-and-request-comments>.

In light of the pending deadline for release of the EY18 EID default label, Staff promptly made minor revisions to the Compliance Instructions below: removal of the benchmark data for emissions of NJ-based generation; clarification that RECs retired for NJRPS compliance cannot be used to improve the environmental characteristics of an electricity product; and the specification of where the Secretary’s Letter and Default Label may be found on the Board’s website. This information can now be found on the Energy Division web page under the “EID Label Information” Section. Staff has also updated the NJ Emission Benchmarks and has clarified how and when RECs may be used to claim a reduction in emissions from the PJM System Mix and justify a modification to a default label. The Energy Conservation section was removed after Staff had determined that it has no basis in New Jersey rule or law.

### **COMPLIANCE INSTRUCTIONS**

Staff has developed a default EID label intended for use by TPS/BGS Providers for retail electricity products for which no claim is made about the product’s environmental characteristics or exceedance of the product’s required compliance with the New Jersey Renewable Portfolio Standards (N.J.A.C 14:8-2). Each TPS/BGS Provider shall update and distribute

environmental information on a separate and distinct label for each retail electricity product with unique environmental characteristics.

(See default NJ EID Label at [www.NJ.gov/bpu](http://www.NJ.gov/bpu) and [www.njcleanenergy.com](http://www.njcleanenergy.com))

This information shall be based on data reflecting the generation of power from the most recent energy year, which begins on June 1st of a particular year and ends on May 31st of the following year. Recognizing that a period of time is needed for information gathering and processing, a span of seven months is typically allowed between the last day of the energy year on which the label information is based and the date that disclosure of an updated label is required. The previous energy year ended on June 1, 2018, meaning that TPS and BGS Providers shall have until December 1, 2018 to provide updated labels to their customers that provide environmental information according to the schedule set forth above.

The source of publicly available information for the default label shall be the PJM System Mix provided by PJM-Environmental Information Services (PJM-EIS) Generation Attributes Tracking System, or GATS (GATS), which can be accessed at [www.pjm-eis.com](http://www.pjm-eis.com). Data in GATS may also be based upon information supplied by the generator that is made available to and made verifiable by the Board.

The PJM System Mix report is publicly available on a monthly, quarterly, annual, or an Energy year basis at [www.pjm-eis.com](http://www.pjm-eis.com). The System Mix report provides average emission rates and percentages by fuel type for all electricity delivered in PJM. These averages are determined by GATS via generator specific electronic certificates that identify the relevant generation attributes necessary for electricity suppliers/providers to satisfy state policies and support voluntary green markets. The PJM System Mix report provides the resource breakdown that is used on the default label and that appears as percentages in the Energy Source table and pie chart.

The PJM System Mix includes electricity on the basis of which Renewable Energy Certificates (RECs) were created and retired for NJ RPS compliance purposes. Therefore, in making an affirmative environmental claim about an electricity product, only RECs that have not been used for RPS compliance may be retired for use in the calculation of the fuel mix. If using such a REC, the TPS/BGS Providers will have to provide their own label and backup documentation that supports their claim. The numbers in the Default label cannot be used.

When a new electricity product is offered, the TPS/BGS shall distribute the label incorporating information applicable to the new product to its customers annually, as outlined above, whether the TPS/BGS is making an affirmative environmental claim for the product or using a default label.

Any questions regarding these procedures may be directed to Ronald Jackson at [Ronald.jackson@bpu.nj.gov](mailto:Ronald.jackson@bpu.nj.gov).

Sincerely,



Aida Camacho-Welch  
Secretary of the Board

RJ/ac

**Environmental Information Disclosure (EID) for the Electricity Product of "Insert TPS or EDC Name"**

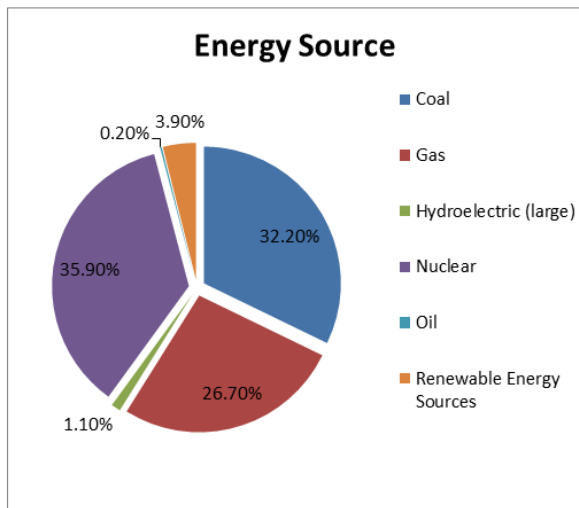
Electricity Supplied from June 1, 2017 to May 31, 2018

1. Below is the default EID Label describing the resources used to generate electricity for customers of "Insert TPS or EDC Name"
2. The PJM System Mix data provided in the standard format below is to be used as the default EID Label when a TPS or EDC has not made an affirmative claim about the environmental characteristics of their product.
3. A Third Party Supplier or EDC may substitute product specific information if it makes an affirmative claim that the electricity mix used in its product exceeds the standard default mix including the State mandates for Renewable Portfolio Standard compliance.
4. If a TPS or EDC uses actual product specific data to substantiate an environmental claim, the EID label must include the TPS or BGS Providers emissions data in lb/MWh for comparison with PJM benchmark as described below.
5. If a TPS or EDC uses actual product specific data to substantiate an environmental claim, the EID label must also include a graphical representation of the TPS or BGS Provider's emissions data as a percentage of PJM benchmark as shown below.
6. If a TPS or EDC uses substitute data to substantiate an environmental claim based upon the retirement of RECs beyond that required by NJ law or actually procured renewable electricity, the EID label with sufficient documentation to determine generation sources and emissions must be submitted to the NJ BPU Office of Clean Energy for verification.

**PJM System Mix**

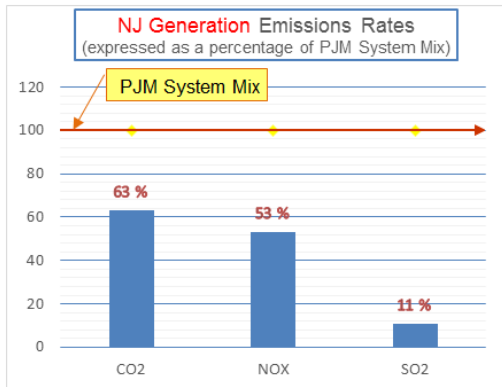
Energy Source

Coal	32.20%
Gas	26.70%
Hydroelectric (large)	1.10%
Nuclear	35.90%
Oil	0.20%
<b>Renewable Energy Sources</b>	
Captured methane gas	0.30%
Fuel cells	0.00%
Geothermal	0.00%
Hydroelectric(small)	0.00%
Solar	0.20%
Solid waste	0.50%
Wind	2.60%
Wood or other biomass	0.30%
<b>Total:</b>	<b>100.00%</b>
<b>Renewable Energy Sources Subtotal</b>	<b>3.90%</b>



**Air Emissions Rates**

Pursuant to N.J.A.C. 14:8-3.1(b)2, air emission rates for CO<sub>2</sub>, NO<sub>x</sub>, and SO<sub>2</sub> associated with the fuel mix must be reported in units of pound per megawatt-hour (lb/MWh). The Benchmark Energy Source and emission rate data is the PJM System Mix for EY 2018 and represent the average amount of air pollution associated with the generation of electricity in the PJM region. The PJM System Mix average emission rate for all electricity generation in the PJM Region can be used for comparison when a NJ TPS or BGS Provider supplies actual emission data for a product making an affirmative environmental claim that exceeds the NJ Renewable Portfolio Standards. CO<sub>2</sub> is a "greenhouse gas" which may contribute to global climate change. NO<sub>x</sub> and SO<sub>2</sub> react to form acids found in acid rain. NO<sub>x</sub> also reacts to form ground level ozone, an unhealthy component of "smog." For illustrative purposes, the chart below compares a hypothetical electricity product that contained 100% NJ generation sources to the PJM System Mix.



Data Source	CO <sub>2</sub> (lb/MWh)	NO <sub>x</sub> (lb/MWh)	SO <sub>2</sub> (lb/MWh)
PJM System Mix	947.59	0.62	0.74
NJ Benchmark	598.00	0.33	0.08

	CO <sub>2</sub>	NO <sub>x</sub>	SO <sub>2</sub>
PJM System Mix (%)	100	100	100
NJ Generation (%)	63	53	11