

ASSEMBLY TELECOMMUNICATIONS AND UTILITIES
COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 2848

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 17, 2022

The Assembly Telecommunications and Utilities Committee reports favorably the Senate Committee Substitute for Senate Bill No. 2848, with committee amendments.

As amended and reported, this bill would amend current law concerning remote net metering. Under the Clean Energy Act, P.L.2018, c.17 (C.48:3-87.8 et al.), the Board of Public Utilities (BPU) was required to establish an application and approval process to certify public entities to act as a host customer for remote net metering generating capacity. Thereafter, the BPU established a remote net metering program pursuant to a board order dated September 17, 2018. Under this bill, the BPU would be required to revise certain components of this program.

Notably, the bill requires the application process for remote net metering to be modeled on relevant rules and regulations adopted by the BPU for the Community Solar Energy Program. At a minimum, these regulations would determine the manner in which the value of the net metering credit is calculated. As permitted under the Community Solar Energy Program, the bill also provides that electric public utilities may recover all costs incurred in the implementation of or compliance with the remote net metering program, including the full value of all credits provided to participating customers. However, the recovery of these costs would be subject to review by the BPU, which review is required to be consistent with the review conducted under the Community Solar Energy Program for the recovery of similar costs incurred by electric public utilities.

Under the bill, a public entity certified to act as a host customer may host a solar energy project with a capacity up to 10 megawatts, as measured in direct current, to accommodate the total usage of the electric public utility accounts for the host public entity customer. However, the bill requires each solar energy project to: (1) be located on land owned, licensed, or leased by any public entity or on any suitable private property within the electric public utility's

service territory; (2) have a facility size calculated based upon the total aggregate electricity usage of the receiving public entity customer utility accounts to be served by the project; and (3) be metered separately.

The bill also provides that when an electric public utility serves the location of a solar energy project that is approved for remote net metering, the electric public utility would be responsible for reviewing and approving the interconnection of the solar energy project.

Additionally, the bill removes several provisions of law that currently regulate the implementation of remote net metering. By deleting these provisions, the bill provides that: (1) a public entity that is certified to act as a host customer would no longer be allowed to allocate credits to other public entities within the same utility service territory; (2) the owner of a solar energy project would no longer be required to pay a pro-rated public sponsor fee of \$10,000 per megawatt, up to a 10-megawatt allowance for each public entity; and (3) each participating customer would no longer be required to pay at least 50 percent of the societal benefits charge, established pursuant to section 12 of P.L.1999, c.23 (C.48:3-60).

As amended and reported, this bill is identical to Assembly Bill No. 4328, which was also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amendments provide that electric public utilities would be entitled to full and timely cost recovery for all costs incurred in the implementation of or compliance with the remote net metering program, including the full value of all credits provided to participating customers. As amended, the recovery of these costs would be subject to review by the BPU, which review is required to be consistent with the review conducted under the Community Solar Energy Program for the recovery of similar costs incurred by electric public utilities.

The committee amendments also remove a provision of the bill, which permitted more than one public entity to collectively act as a host customer for a solar energy project. The committee also amended the bill to require each solar energy project to be metered separately.

The committee amendments also provide technical corrections to the bill, including replacing references to “electric distribution company” with “electric public utility.”