

ASSEMBLY OVERSIGHT, REFORM AND FEDERAL
RELATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 2848

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 22, 2023

The Assembly Oversight, Reform and Federal Relations Committee reports favorably and with committee amendments Senate Bill No. 2848 SCS.

This bill, as amended by the committee, would amend current law concerning remote net metering. Under P.L.2018, c.17 (C.48:3-87.8 et al.), commonly referred to as the Clean Energy Act, 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. 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 any lost margin revenues and 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 solar energy project with a capacity up to 10 megawatts could use the power it generates to offset the total usage of the electric public utility accounts for approved public entity customers that are within the same electric utility service area as the solar energy project. 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; and (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. 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).

The bill would also direct the BPU to establish the goal of approving enough solar energy projects in the remote net metering program to generate an additional 75 megawatts of electric power each year. Finally, the bill would direct the BPU to provide the same financial incentives to remote net metering projects that it currently provides to certain projects in the Community Solar Energy Program.

COMMITTEE AMENDMENTS:

The committee amendments to the bill:

(1) provide that a solar energy project may distribute remote net metering credits to any number of public entities, under the remote net metering program, rather than requiring that each solar energy project be linked to a single host customer;

(2) remove the requirement that solar energy projects participating in the program be metered separately;

(3) direct the BPU to establish the goal of approving 75 megawatts of remote net metering projects each year;

(4) direct the BPU to provide the same financial incentives to remote net metering projects that it currently provides to certain projects in the Community Solar program;

(5) add a new section to the bill, which amends P.L.2021, c.169 (C.48:3-114 et al.), the law establishing the "small solar facilities incentive program," to provide that the BPU should increase its goals under that program to include 75 megawatts of remote net metering projects each year; and

(6) make other technical and clarifying changes.