

CHAPTER 8

RENEWABLE ENERGY AND ENERGY EFFICIENCY

Authority

N.J.S.A. 48:2-13, 48:3-48 et seq., 48:3-49 et seq.,
48:3-78 et seq. and 48:3-99 to 106.

Source and Effective Date

R.2006 d.178, effective May 15, 2006.
See: 37 N.J.R. 3911(a), 38 N.J.R. 2176(a).

Chapter Expiration Date

In accordance with N.J.S.A. 52:14B-5.1b, Chapter 8, Renewable Energy and Energy Efficiency, expires on October 15, 2013. See: 43 N.J.R. 1203(a).

Subchapter 6, Qualified Offshore Wind Projects, expires on August 10, 2012. See: 43 N.J.R. 658(a).

Chapter Historical Note

Chapter 8, Railroads, was recodified as 16:23 by R.1995 d.278, effective June 5, 1995. See: 27 N.J.R. 1155(a), 27 N.J.R. 2247(a).

Chapter 8, Renewable Energy and Energy Efficiency, was adopted as new rules by R.2006 d.178, effective May 15, 2006. Subchapter 2, Interim Renewable Energy Portfolio Standards, was recodified from N.J.A.C. 14:4-8 and renamed Subchapter 2, Renewable Portfolio Standards. See: Source and Effective Date. See, also, section annotations.

Subchapter 8, Standard Offer Contracts, was adopted as new rules by R.2007 d.215, effective July 16, 2007. See: 39 N.J.R. 158(a), 39 N.J.R. 2652(a).

Subchapter 5, Appliance Efficiency, Certification, and Testing Standards, was adopted as new rules by R.2008 d.4, effective January 7, 2008. See: 39 N.J.R. 349(a), 40 N.J.R. 187(a).

Subchapter 3, Environmental Information Disclosure, and Subchapter 4, Net Metering and Interconnection Standards For Class I Renewable Energy Systems, were adopted as new rules by R.2008 d.130, effective May 19, 2008. See: 39 N.J.R. 1405(a), 40 N.J.R. 2526(a).

Subchapter 4, Net Metering and Interconnection Standards for Class I Renewable Energy Systems, was renamed Net Metering for Class I Renewable Energy Systems; Subchapter 5, Appliance Efficiency, Certification, and Testing Standards was recodified to Subchapter 7 and renamed Appliance Efficiency, Certification and Testing Standards; and Subchapter 5, Interconnection of Class I Renewable Energy Systems, was adopted as new rules by R.2010 d.010, effective January 4, 2010. See: 41 N.J.R. 2215(a), 42 N.J.R. 78(a).

Appendix H of Subchapter 3, Label Update and Distribution Timing Requirements, was repealed by R.2010 d.011, effective January 4, 2010. See: 41 N.J.R. 2212(a), 42 N.J.R. 76(a).

Subchapter 6, Qualified Offshore Wind Projects, was adopted as special new rules by R.2011 d.087, effective February 10, 2011. See: 43 N.J.R. 658(a).

Subchapter 3, Environmental Information Disclosure, and Subchapter 7, Renewable Energy and Energy Efficiency, expired on April 18, 2011.

In accordance with N.J.S.A. 52:14B-5.1c, Subchapter 1, Renewable Energy General Provisions and Definitions, Subchapter 2, Renewable Portfolio Standards, Subchapter 4, Net Metering for Class I Renewable Energy Systems, Subchapter 5, Interconnection of Class I Renewable Energy Systems, and Subchapter 8, Standard Offer Contracts, were scheduled to expire on October 15, 2011. See: 43 N.J.R. 1162(a).

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SUBCHAPTER 1. RENEWABLE ENERGY GENERAL PROVISIONS AND DEFINITIONS

14:8-1.1 Applicability

(a) This chapter applies to the following, as these terms are defined at N.J.A.C. 14:4-1.2 and 14:8-1.2:

1. Electric public utilities, also known as EDCs;
2. Electric power suppliers;
3. BGS providers;
4. Renewable energy customer-generators; and
5. Clean power marketers.

14:8-1.2 Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise. Additional definitions that apply to this chapter can be found at N.J.A.C. 14:3-1.1 and 14:4-1.2.

“Class I renewable energy” means electric energy produced from solar technologies, photovoltaic technologies, wind energy, fuel cells powered by renewable fuels, geothermal technologies, wave or tidal action, and/or methane gas from landfills or a biomass facility, provided that the biomass is cultivated and harvested in a sustainable manner. Types of class I renewable energy that qualify for use in meeting the requirements of this subchapter are set forth at N.J.A.C. 14:8-2.5.

“Class II renewable energy” means electric energy produced at a resource recovery facility or hydro power facility, provided that such facility is located where retail competition is permitted and provided further that the Commissioner of Environmental Protection has determined that such facility meets the highest environmental standards and minimizes any impacts to the environment and local communities. Types of class II renewable energy that qualify for use in meeting the requirements of this subchapter are set forth at N.J.A.C. 14:8-2.6.

“Fossil fuel” means natural gas, petroleum, coal, or any form, of solid, liquid, or gaseous fuel derived from such material.

“Net metering” means a system of metering electricity in which the EDC:

1. Credits a customer-generator at the full retail rate for each kilowatt-hour produced by a class I renewable energy system installed on the customer-generator’s side of the electric revenue meter, up to the total amount of electricity used by that customer during an annualized period; and
2. Compensates the customer-generator at the end of the annualized period for any remaining credits, at a rate

equal to the supplier/provider’s avoided cost of wholesale power.

“NJDEP” means the New Jersey Department of Environmental Protection.

“Renewable energy” means class I renewable energy or class II renewable energy, as those terms are defined in this section.

“Societal benefits charge” or “SBC” means a charge imposed by an electric public utility, at a level determined by the Board, in accordance with N.J.S.A. 48:3-60.

“Solar electric generation” means creation of electricity using a system that employs solar radiation to produce energy that powers an electric generator. Solar electric generation includes technologies that utilize the photovoltaic effect. Solar electric generation is a type of class I renewable energy.

“Supplier/provider” means an electric power supplier or a basic generation service provider, as these terms are defined at N.J.A.C. 14:4-1.2.

SUBCHAPTER 2. RENEWABLE PORTFOLIO STANDARDS

14:8-2.1 Purpose and scope

(a) Each supplier/provider, as defined at N.J.A.C. 14:8-1.2, that sells electricity to retail customers in New Jersey, shall include in its electric energy portfolio electricity generated from renewable energy sources. This subchapter is designed to encourage the development of renewable sources of electricity and new, cleaner generation technology; minimize the environmental impact of air pollutant emissions from electric generation; reduce possible transport of emissions and minimize any adverse environmental impact from deregulation of energy generation; and support the reliability of the supply of electricity in New Jersey.

(b) This subchapter governs the retail electricity sales of each supplier/provider, as defined in N.J.A.C. 14:8-1.2. This subchapter does not govern installed capacity obligations, as defined at N.J.A.C. 14:8-2.2.

(c) This subchapter does not apply to a private or government aggregator that contracts for electric generation service or electric related services, either separately or bundled, for its own facilities or on behalf of other business and residential customers in this State. This subchapter does not apply to an energy agent, as defined at N.J.A.C. 14:8-1.2. A supplier/provider that is contractually obligated to sell electricity to an aggregator shall comply with this subchapter by including the amount sold to the aggregator as part of its energy portfolio.

Amended by R.2004 d.151, effective April 19, 2004.
See: 35 N.J.R. 4445(a), 36 N.J.R. 2053(b).
Rewrote the section.

Recodified from N.J.A.C. 14:4-8.1 and amended by R.2006 d.178, effective May 15, 2006.

See: 37 N.J.R. 3911(a), 38 N.J.R. 2176(a).

Changed internal references to conform to the recodification of provisions.

Amended by R.2009 d.91, effective March 16, 2009.

See: 40 N.J.R. 3586(a), 41 N.J.R. 1261(a).

In (a), inserted “; and support the reliability of the supply of electricity in New Jersey”.

Public Notice.

See: 41 N.J.R. 1532(b).

14:8-2.2 Definitions

The following words and terms, when used in this subchapter, shall have the meanings given below, unless the context clearly indicates otherwise:

“Alternative compliance payment” or “ACP” means a payment of a certain dollar amount per megawatt hour, which a supplier/provider may submit to comply with the class I or class II renewable energy requirement in Table A in N.J.A.C. 14:8-2.3.

“Attribute” means a characteristic associated with electricity generated using a particular renewable fuel, such as its generation date, facility geographic location, unit vintage, emissions output, fuel, State program eligibility, or other characteristic that can be identified, accounted, and tracked.

“Bioenergy crop” means plants cultivated and harvested specifically for use as fuel for the purpose of generating electricity.

“Biomass” has the same meaning as that assigned to this term in Executive Order No. 13134, published in the Federal Register on August 16, 1999. Executive Order No. 13134 defines biomass as “. . . any organic matter that is available on a renewable or recurring basis (excluding old-growth timber), including dedicated energy crops and trees, agricultural food and feed crop residues, aquatic plants, wood and wood residues, animal wastes, and other waste materials.”

“Black liquor” means a viscous liquid containing inorganic chemicals and organic material such as lignin and aliphatic acids, which is separated from wood during chemical pulping.

“Energy portfolio” means all of the electrical energy supplied by a particular electric power supplier or basic generation service provider to New Jersey retail customers.

“Energy year” or “EY” means the 12-month period from June 1st through May 31st and shall be numbered according to the calendar year in which it ends.

“Fuel cell” means an electrochemical device that converts chemical energy in a hydrogen or hydrogen-rich fuel directly into electricity, without combustion.

“Generation Attribute Tracking System” or “GATS” means the environmental and emissions attributes tracking system for electric generation that is administered by PJM Environmental Information Services.

“Geothermal energy” means energy generated by a steam turbine, driven by hot water or steam extracted from geothermal reservoirs in the earth’s crust.

“Installed capacity obligation” means the requirement for an electric power supplier or basic generation service provider to obtain an amount of electrical generation capacity to meet load service obligations under the reliability rules of PJM Interconnection. Installed capacity includes the generation capacity which a company considers part of its own electric system, including wholly owned units, jointly-owned units, non-utility generation (NUGs), and purchases.

“Old-growth timber” means wood or plant matter taken from a forest in the late successional stage of forest development, including plant matter taken from the forest floor. Late successional forests contain live and dead trees of various sizes, species, composition, and age class structure. The age and structure of old-growth timber varies significantly by forest type and from one biogeoclimatic zone to another.

“Qualification life” means, for any solar electric generation facility, the period beginning on the date on which the facility was interconnected to the local electric distribution system; and ending on the first May 31 that is at least 15 years after the date of completion of the interconnection. For example, if a facility’s inspections required under N.J.A.C. 14:8-2.9(i) were completed on August 1, 2004, then the facility’s qualification life would begin August 1, 2004, and end on May 31, 2020.

“Qualified renewable energy” means electricity that may be used in complying with the minimum portfolio requirements set forth at N.J.A.C. 14:8-2.3 for class I renewable energy, including solar electric generation requirements, and/or class II renewable energy. Provisions governing the types of energy that qualify as class I renewable energy, solar electric generation, and class II renewable energy, are set forth at N.J.A.C. 14:8-2.4, 2.5, and 2.6 respectively.

“Renewable Energy Certificate” or “REC” means a certificate representing the environmental benefits or attributes of one megawatt-hour of generation from a generating facility that produces class I or class II renewable energy, but shall not include a solar renewable energy certificate.

“Renewable fuel” means a fuel that is naturally regenerated over a short time scale and is either derived from the sun (such as thermal, photochemical or photoelectric), or from other natural sources such as wind, hydropower, geothermal and tidal energy, or photosynthetic energy stored in biomass. This term does not include a fossil fuel, a waste product from a fossil source, or a waste product from an inorganic source.

“Resource recovery facility” means a solid waste facility that incinerates solid waste for the purposes of producing energy and recovering metals and other materials for reuse.

“Solar alternative compliance payment” or “SACP” means a payment of a certain dollar amount per megawatt-hour

(MWh), which a supplier/provider may submit to the Board to comply with the solar electric generation requirements under N.J.S.A. 48:3-87.

“Solar renewable energy certificate” or “SREC” means a certificate issued by the Board or its designee, which represents one megawatt-hour (MWh) of solar energy that is generated by a facility connected to the distribution system in New Jersey, and has value based upon, and driven by, the energy market.

“True-up period” means the period each year from the end of the energy year until October 1.

“Voluntary clean electricity market” or “voluntary clean electricity program” means any program, system, market or procedure through which retail electric customers may elect to purchase a class I (including solar) or class II renewable energy product on a voluntary basis. New Jersey’s Voluntary Clean Power Choice Program is a voluntary clean electricity program.

Amended by R.2003 d.260, effective July 7, 2003.

See: 35 N.J.R. 94(a), 35 N.J.R. 2892(a).

Rewrote “Fuel Cell” and “PJM Interconnection, L.L.C.”.

Amended by R.2004 d.151, effective April 19, 2004.

See: 35 N.J.R. 4445(a), 36 N.J.R. 2053(b).

Rewrote the section.

Recodified from N.J.A.C. 14:4-8.2 and amended by R.2006 d.178, effective May 15, 2006.

See: 37 N.J.R. 3911(a), 38 N.J.R. 2176(a).

Deleted the definitions for “Aggregator”, “Basic generation service”, “Board”, “Broker”, “Class I renewable energy”, “Class II renewable energy”, “Electric power supplier”, “Energy”, “Energy agent”, “Marketer”, “Net metering”, “NJDEP”, “PJM Interconnection”, “PJM region”, “Retail choice” or “retail competition”, “Retail customer”, “Societal benefits charge”, “Solar electric generation” and “Supplier/provider”; inserted the definitions for “Resource recovery facility”, and “Voluntary clean electricity market” or “voluntary clean electricity program”; changed internal references to conform to the recodification of provisions in the definitions of “Alternative compliance payment”, “Qualified renewable energy”, “Solar alternative compliance payment”, and “Solar REC”; inserted “generated using a particular renewable fuel” in the definition of “Attribute”; and rewrote the definitions of “Generation Attribute Tracking System” or “GATS” and “Renewable Energy Certificate” or “REC”.

Amended by R.2009 d.91, effective March 16, 2009.

See: 40 N.J.R. 3586(a), 41 N.J.R. 1261(a).

Added definitions “Qualification life”, “Total cost of solar incentives”, and “Total retail cost of electricity”.

Public Notice.

See: 41 N.J.R. 1532(b).

Special amendment, R.2011 d.130, effective March 30, 2011 (to expire September 30, 2012).

See: 43 N.J.R. 1206(a).

In definition “Alternative compliance payment”, substituted “to comply with” for “in lieu of supplying” and “requirement in” for “required under”; added definition “Energy year”; rewrote definitions “Renewable Energy Certificate” and “Solar alternative compliance payment”; deleted definitions “Reporting year”, “Total cost of solar incentives” and “Total retail cost of electricity”; substituted definition “Solar renewable energy certificate” or “SREC” for definition “Solar REC”; and rewrote definition “Solar renewable energy certificate” or “SREC”.

14:8-2.3 Amount of renewable energy required

(a) Each supplier/provider, as defined at N.J.A.C. 14:8-1.2, that sells electricity to retail customers in New Jersey,

shall ensure that the electricity it sells each energy year in New Jersey includes at least the minimum amount of qualified renewable energy, as defined at N.J.A.C. 14:8-2.2, required for that energy year, as specified in this section. Requirements for class I and class II renewable energy are set forth in Table A below:

Table A
What Percentage Of Energy Supplied Must Be Class I Or Class II Renewable Energy?

Energy Year	Class I Renewable Energy	Class II Renewable Energy
June 1, 2004 - May 31, 2005	.74%	2.50%
June 1, 2005 - May 31, 2006	0.983%	2.50%
June 1, 2006 - May 31, 2007	2.037%	2.50%
June 1, 2007 - May 31, 2008	2.924%	2.50%
June 1, 2008 - May 31, 2009	3.84%	2.50%
June 1, 2009 - May 31, 2010	4.685%	2.50%
EY 2011:	5.492%	2.50%
June 1, 2010 - May 31, 2011		
EY 2011:	6.320%	2.50%
June 1, 2011 - May 31, 2012		
EY 2011:	7.143%	2.50%
June 1, 2012 - May 31, 2013		
EY 2011:	7.977%	2.50%
June 1, 2013 - May 31, 2014		
EY 2011:	8.807%	2.50%
June 1, 2014 - May 31, 2015		
EY 2011:	9.649%	2.50%
June 1, 2015 - May 31, 2016		
EY 2011:	10.485%	2.50%
June 1, 2016 - May 31, 2017		
EY 2011:	12.325%	2.50%
June 1, 2017 - May 31, 2018		
EY 2011:	14.175%	2.50%
June 1, 2018 - May 31, 2019		
EY 2011:	16.029%	2.50%
June 1, 2019 - May 31, 2020		
EY 2011:	17.880%	2.50%
June 1, 2020 - May 31, 2021		

(b) The Board shall adopt rules setting minimum amounts of solar electric generation, class I renewable energy, and class II renewable energy required for EY 2022 and each subsequent energy year. These minimum amounts shall be no lower than those required for EY 2021. Each of the rules setting such minimum amount shall be adopted at least two years prior to the minimum amount being required.

(c) Each supplier/provider’s solar electric generation obligation shall be calculated in accordance with (j) through (o) below. A supplier/provider shall meet the requirements for solar electric generation through:

1. Retirement of SRECs through a renewable energy trading program approved by the Board in consultation with the Department of Environmental Protection; or
2. Submittal of one or more SACPs.

(d) A supplier/provider may meet the class I and class II renewable energy requirements in Table A above by retiring RECs in accordance with N.J.A.C. 14:8-2.8. Alternatively, a supplier/provider may comply with the class I and class II requirements of this subchapter by submitting the appropriate number of ACPs, in accordance with N.J.A.C. 14:8-2.10.

(e) (Reserved.)

(f) The following shall apply to the type of energy, and type of documentation, used for compliance with each of the requirements in this subchapter:

1. SRECs may be used to meet any requirement for solar electric generation, class I renewable energy, or class II renewable energy;

2. Class I RECs may be used to meet class I renewable energy requirements or class II renewable energy requirements, but shall not be used to meet solar electric generation requirements; and

3. Class II RECs shall be used only to meet class II renewable energy requirements, and shall not be used to meet solar electric generation requirements or class I renewable energy requirements.

(g) A supplier/provider shall not demonstrate compliance with this subchapter using direct supply of any type of renewable energy.

(h) If a supplier/provider participated in the Board's 2003 basic generation service (BGS) auction, and won the right to supply one or more 34-month tranches in that auction, the supplier/provider shall be subject to this subsection. For the portion of the supplier/provider's energy portfolio that is supplied pursuant to a 2003 BGS 34-month tranche, the provisions of this subchapter that were in effect on the date of the 2003 BGS auction shall apply, and the supplier/provider's RPS obligation shall not be determined under (a) above but instead shall be determined under Table B below. For all other energy in the supplier/provider's energy portfolio, which is not supplied pursuant to a 2003 BGS tranche the supplier/provider shall meet the percentage requirements of (a) above and all other requirements of this subchapter.

Table B

What Percentage of Energy Supplied Pursuant to 2003 BGS Tranches Must Be Renewable Energy?

<u>Time Period</u>	<u>Class I</u>	<u>Class I or II</u>	<u>Total</u>
June 1, 2005 through May 31, 2006	1.0%	2.5%	3.5%
After May 31, 2006	See N.J.A.C. 14:8-2.3(a), Table A	See N.J.A.C. 14:8-2.3(a), Table A	See N.J.A.C. 14:8-2.3(a), Table A

(i) The same renewable energy shall not be used for more than one of the following:

1. Creation of an SREC under N.J.A.C. 14:8-2.9;

2. Creation of a REC under N.J.A.C. 14:8-2.8 or 2.9; or

3. Creation of a REC, or of any other type of attribute or credit, under authority other than N.J.A.C. 14:8-2.9 such as another state's renewable energy standards or any voluntary clean electricity market or voluntary clean electricity program.

(j) Each megawatt-hour (MWh) of retail electricity supplied in New Jersey by a supplier/provider subject to this subchapter carries with it an accompanying solar obligation. Beginning on June 1, 2010, each supplier/provider shall calculate its solar obligation for each energy year as set forth in (m) through (o) below. Subsections (m) through (o) below allocate the Table B Statewide solar obligation among all supplier/providers that are subject to this subchapter. All supplier/provider solar obligations, taken together, must equal the Statewide solar obligation set forth in Table B below for the applicable energy year.

(k) Notwithstanding any other provision of this section, if a BGS provider has, prior to January 17, 2010, executed a BGS contract to provide retail electricity, the solar obligation resulting from the electricity supplied under that contract shall be determined using the provisions of this subchapter that were in effect at the time the contract was executed. For the purpose of this section, the electricity supply covered by these contracts shall be called "exempt electricity," and electricity supply not covered by such a contract shall be called "non-exempt electricity."

(l) All contracts subject to exemption under (k) above will expire on or before May 31, 2012. Therefore, for EY 2011 and 2012, the solar obligation that attaches to exempt electricity supply must be calculated separately from the solar obligation for non-exempt electricity supply, in accordance with the applicable provisions of (m) through (o) below. If a supplier/provider's energy portfolio includes both exempt and non-exempt electricity supply, the solar obligation for each shall be calculated separately and summed to determine that supplier/provider's total solar obligation for the energy year.

(m) 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 (k) above was executed; and

3. Multiply (m)1 and 2 above.

(n) For any non-exempt electricity supplied during EY 2011 or 2012, a supplier/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 supplier/providers subject to this subchapter;

ii. Determine the number of MWhs of non-exempt electricity the supplier/provider supplied during the energy year; and

iii. Divide (n)1ii above by (n)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 B below 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 (n)2ii above from (n)2i above. The result is the total Statewide solar obligation for non-exempt electricity supplied during the energy year; and

3. Multiply the supplier/provider's non-exempt market share from (n)1 above by the Statewide non-exempt solar obligation from (n)2 above. The result is the supplier/provider's solar obligation for the non-exempt electricity that it supplied during the energy year.

(o) For electricity supplied during EY 2013 or later, a supplier/provider shall calculate its solar obligation as follows:

1. Determine the supplier/provider's market share of all electricity supplied Statewide during the applicable energy year, as follows:

i. Consult the Board's NJCEP website to determine the number of MWhs of electricity supplied Statewide during the energy year by all supplier/providers subject to this subchapter;

ii. Determine the number of MWhs of electricity the supplier/provider supplied during the energy year; and

iii. Divide (o)1ii above by (o)1i above to obtain a fraction representing the supplier/provider's market share; and

2. Multiply the supplier/provider's market share from (o)1 above by the applicable Statewide solar obligation from Table B below. The result is the supplier/provider's

solar obligation for the electricity that it supplied during the energy year.

Table B
Total Statewide Solar Obligation
Starting June 1, 2010

Energy Year	Statewide Solar Obligation in GWhs
EY 2011: June 1, 2010 - May 31, 2011	306
EY 2012: June 1, 2011 - May 31, 2012	442
EY 2013: June 1, 2012 - May 31, 2013	596
EY 2014: June 1, 2013 - May 31, 2014	772
EY 2015: June 1, 2014 - May 31, 2015	965
EY 2016: June 1, 2015 - May 31, 2016	1,150
EY 2017: June 1, 2016 - May 31, 2017	1,357
EY 2018: June 1, 2017 - May 31, 2018	1,591
EY 2019: June 1, 2018 - May 31, 2019	1,858
EY 2020: June 1, 2019 - May 31, 2020	2,164
EY 2021: June 1, 2020 - May 31, 2021	2,518
EY 2022: June 1, 2021 - May 31, 2022	2,928
EY 2023: June 1, 2022 - May 31, 2023	3,433
EY 2024: June 1, 2023 - May 31, 2024	3,989
EY 2025: June 1, 2024 - May 31, 2025	4,610
EY 2026: June 1, 2025 - May 31, 2026	5,316
EY 2027 and Beyond	At Least 5,316 Per Year

Repeal and New Rule, R.2004 d.151, effective April 19, 2004.

See: 35 N.J.R. 4445(a), 36 N.J.R. 2053(b).

Section was "Implementation schedule".

Administrative correction.

See: 36 N.J.R. 4155(a).

Amended by R.2005 d.87, effective March 7, 2005.

See: 36 N.J.R. 1892(a), 37 N.J.R. 787(a).

Rewrote (a); in (d), deleted "GATS system is operational and the" following "shall be used only after the"; added (j).

Recodified from N.J.A.C. 14:4-8.3 and amended by R.2006 d.178, effective May 15, 2006.

See: 37 N.J.R. 3911(a), 38 N.J.R. 2176(a).

Changed internal references to conform to the recodification of provisions throughout; in (a), substituted "(i)" for "(j)" in the introductory paragraph and inserted entries for June 1, 2009 through May 31, 2021 in table A; in (b), substituted "2022" for "2009" and "2021" for "2008"; rewrote (c) and (d); deleted (e); recodified (f) and (g) as (e) and (f); rewrote (f); deleted (h); recodified (i) and (j) as (g) and (h); rewrote (g); updated Table B in (h); and inserted (i).

Amended by R.2009 d.91, effective March 16, 2009.

See: 40 N.J.R. 3586(a), 41 N.J.R. 1261(a).

In (a), substituted "(h), (j) or (k)" for "(i)"; in (b), inserted ", except as may have been adjusted as provided in (j) and (k) below"; and added (j) and (k).

Public Notice.

See: 41 N.J.R. 1532(b).

Special amendment, R.2011 d.130, effective March 30, 2011 (to expire September 30, 2012).

See: 43 N.J.R. 1206(a).

Section was "Minimum percentage of renewable energy required".

Rewrote the section.

14:8-2.4 Compliance with solar electric generation requirements

(a) The requirements in Table A in N.J.A.C. 14:8-2.3 for solar electric generation shall be met through the submittal of solar RECs, as defined at N.J.A.C. 14:8-2.2; or submittal of SACP in accordance with N.J.A.C. 14:8-2.10.

(b) A supplier/provider shall not use a solar REC that has been used to satisfy another state's renewable energy requirements, or used for any other purpose, market or program, for compliance with the requirements at N.J.A.C. 14:8-2.3 for solar electric generation.

Repeal and New Rule, R.2004 d.151, effective April 19, 2004.

See: 35 N.J.R. 4445(a), 36 N.J.R. 2053(b).

Section was "Reporting requirements of the interim standards".

Recodified from N.J.A.C. 14:4-8.4 and amended by R.2006 d.178, effective May 15, 2006.

See: 37 N.J.R. 3911(a), 38 N.J.R. 2176(a).

Changed internal references to conform to the recodification of provisions throughout; in (a), substituted "in" for "of" and deleted the last sentence; inserted ", or used for any other purpose, market or program," in (b); and deleted (c).

14:8-2.5 Compliance with class I renewable energy requirements

(a) This section sets forth the types of energy that qualify as class I renewable energy for the purposes of this subchapter. The Board has determined that energy listed at (b) below qualifies as class I renewable energy, with no prior approval required. Energy listed at (d) and (e) below shall qualify as class I renewable energy if the conditions specified in those subsections are met.

(b) The following qualify as class I renewable energy for the purposes of this subchapter, with no prior approval required:

1. Solar electric generation in the form of solar RECs;
2. Electricity derived from wind energy;
3. Electricity derived from wave or tidal action;
4. Electricity that is geothermal energy, as defined in N.J.A.C. 14:8-2.2;
5. Electricity generated by the combustion of methane gas captured from a landfill;
6. Electricity generated by a fuel cell powered by methanol, ethanol, landfill gas, digester gas, biomass gas, or other renewable fuel. Electricity generated by a fuel cell powered by a fossil fuel shall not qualify as class I renewable energy for the purposes of this subchapter; and
7. Electricity generated by the combustion of gas from the anaerobic digestion of food waste and sewage sludge at a biomass generating facility.

(c) For purposes of this section, the term "combustion of biomass" includes both the burning of captured methane gas derived from biomass, as well as the direct firing of biomass.

(d) Electricity produced through combustion of the following types of biomass shall qualify as class I renewable energy, provided that the NJDEP provides Board staff with a biomass sustainability determination for the biomass in accordance with (f) and (g) below:

1. A bioenergy crop, as defined at N.J.A.C. 14:8-2.2, including wood produced at a biomass energy plantation;
2. Wood from the thinning or trimming of trees and/or from a forest floor, provided that the wood is not old-growth timber, as defined at N.J.A.C. 14:8-2.2; and that the wood is unadulterated by non-cellulose substances or material;
3. Gas generated by anaerobic digestion of biomass fuels other than food waste and sewage sludge, including bioenergy crops and agricultural waste; and
4. Either of the following types of wood, provided that the wood is unadulterated by non-cellulose substances or material:
 - i. Ground or shredded pallets or other scrap wood, with all nails and other metal removed, produced at a facility that is classified as a Class B recycling facility by the New Jersey Department of Environmental Protection's Bureau of Landfill and Recycling Management, or at an equivalent recycling facility approved by the State environmental agency in which the facility is located; or
 - ii. Wood shavings and/or scrap from a lumberyard or a paper mill, excluding black liquor, as defined at N.J.A.C. 14:8-2.2.

(e) Electricity produced through combustion of a type of biomass not described in this section may qualify as class I renewable energy for the purposes of this subchapter, provided that the NJDEP provides Board staff with a biomass sustainability determination for the biomass in accordance with (f) and (g) below.

(f) To support a biomass sustainability determination, a supplier/provider or biomass facility operator shall demonstrate all of the following:

1. The generation facility meets NJDEP requirements for state-of-the-art (SOTA) air pollution control at N.J.A.C. 7:27-8;
2. The generation facility's ash management practices comply with NJDEP requirements; and
3. All plant matter used directly as biomass fuel was cultivated and harvested in a sustainable manner, in accordance with a management plan approved by the State environmental agency or agricultural agency in the state in which the plant was grown. If the plant matter is not used directly as biomass fuel, but is subject to alteration after its harvest and before its use as biomass fuel, this determination is not required.

(g) To obtain a biomass sustainability determination, a supplier/provider or biomass facility operator shall submit a request for the determination, including any documentation required by NJDEP. The request shall be submitted to the NJBPU Office of Clean Energy, PO Box 350, Trenton, New Jersey 08625. The supplier/provider or biomass facility operator shall simultaneously provide a copy of the request to the NJDEP's Office of Innovative Technology, PO Box 409, Trenton, New Jersey 08625.

(h) If a biomass sustainability determination is required for class I renewable energy used to comply with this subchapter, the supplier/provider shall submit the determination as part of the annual report required under N.J.A.C. 14:8-2.11, or the biomass facility operator shall submit the determination by September 1 of each year. If the determination is not submitted annually, the energy shall not qualify for use to comply with this subchapter, and the supplier/provider shall submit RECs or ACPs to make up the shortfall. A determination submitted to board staff after the due date of the annual report shall not be accepted, and the electricity shall not be counted towards the supplier/provider's compliance with this subchapter.

(i) A supplier/provider that uses electricity generated through use of biomass to comply with this subchapter shall maintain documentation that the biomass meets the requirements of this section. If the supplier/provider or biomass facility operator obtained an NJDEP biomass sustainability determination, the supplier/provider or biomass facility operator shall maintain the request for the determination and all supporting documentation on file for five years, and shall produce that documentation upon request by the Board or its designee. In addition, the supplier/provider or biomass facility operator shall annually provide to the Board an affidavit from the operator of the generating facility, certifying that the generating facility continues to operate in conformity with the request and documentation originally provided.

(j) If a generating facility that uses biomass is covered by a NJDEP biomass sustainability determination, and there is a change in the operation of the facility or in the composition of the biomass used as fuel, including in its cultivation and harvesting, any supplier/provider that intends to rely on the facility in the following year for RPS compliance shall do one of the following:

1. Submit a new application for a biomass sustainability determination to the Board. The new application shall be submitted as part of the annual report required under N.J.A.C. 14:8-2.11; or
2. Ensure that the biomass facility operator submits a new determination within 30 days after the change is made, and no later than the date upon which the annual report is due under N.J.A.C. 14:8-2.11.

(k) Failure to submit the information required under (j) above shall disqualify the electricity produced from the

facility from use as class I renewable energy as of the date the change in the operation or fuel was made.

(l) Electricity produced through combustion of the following substances shall not qualify as class I renewable energy for the purposes of this subchapter:

1. Treated, painted or chemically coated wood;
2. Municipal solid waste;
3. Tires;
4. Sewage sludge;
5. Wood waste, including demolition waste and construction waste;
6. Old-growth timber, as defined at N.J.A.C. 14:8-2.2; and
7. Wood harvested from a standing forest, except for a forest that is part of a bioenergy plantation.

Repeal and New Rule, R.2004 d.151, effective April 19, 2004.

See: 35 N.J.R. 4445(a), 36 N.J.R. 2053(b).

Section was "Calculation methodology".

Recodified from N.J.A.C. 14:4-8.5 and amended by R.2006 d.178, effective May 15, 2006.

See: 37 N.J.R. 3911(a), 38 N.J.R. 2176(a).

Changed internal references to conform to the recodification of provisions throughout; in (b), rewrote 1., inserted "and" at the end of 6., substituted a period for a semicolon at the end of 7 and deleted 8 and 9.

14:8-2.6 Compliance with class II renewable energy requirements

(a) This section sets forth the types of energy that qualify as class II renewable energy for the purposes of this subchapter. The Board has determined that energy listed at (b) below qualifies as class II renewable energy, with no prior approval required. Energy described at (c) below shall qualify as class II renewable energy if the conditions specified in (c) are met.

(b) The following qualify as class II renewable energy for the purposes of this subchapter:

1. Electricity generated by a hydroelectric facility that has a maximum design capacity of 30 megawatts or less from all generating units combined; and
2. Electricity generated by a resource recovery facility located in New Jersey, covered by all required NJDEP approvals, and operating in compliance with all applicable New Jersey environmental laws.

(c) Electricity generated by a resource recovery facility located outside of New Jersey shall qualify as class II renewable energy if both of the following criteria are met:

1. The facility is located in a state with retail competition, as defined at N.J.A.C. 14:4-1.2; and
2. NJDEP makes an environmental compliance determination, stating that the facility meets or exceeds all

NJDEP requirements that would apply to the facility if it were located in New Jersey, or meets equivalent environmental requirements.

(d) To obtain an NJDEP environmental compliance determination for a resource recovery facility, a supplier/provider or facility operator shall submit a request for the determination, including the documentation listed at (e) below, to the NJBPU Office of Clean Energy, PO Box 350, Trenton, New Jersey 08625. The supplier/provider or facility operator shall simultaneously provide a copy of the request to the NJDEP's Office of Innovative Technology, PO Box 409, Trenton, New Jersey 08625.

(e) A request for an environmental compliance determination regarding a resource recovery facility shall include all information required by NJDEP, including, but not limited to, the following:

1. The most recent stack test data reports, or summary reports, for all criteria pollutants emitted by the facility, including any stack test data for mercury emissions from the facility. If stack test data are available on a quarterly basis, the most recent four quarters shall be submitted. These data, if available, should provide, at a minimum, the mercury inlet and outlet concentration for each unit, in addition to the percent removal;

2. A description of the municipal solid waste (MSW) recycling program in the jurisdictions that provide solid waste to the facility, including any solid waste from an industry source. This description shall state the entities that administer the recycling program(s), the percentage of MSW provided through local government contracts and/or agreements, the company providing any industry source MSW, and the amount of solid waste purchased on the spot market, if any; and

3. Residual ash testing data from the most recent 12-month period, including data reports or summary reports for total metals, Toxicity Characteristic Leaching Procedure (TCLP), or other leveling tests performed, and the total amount of tetrachlorodibenzo-p-dioxins (TCDD) in the ash.

(f) If an environmental compliance determination is required for electricity to qualify as class II renewable energy, the determination shall be obtained prior to generating the electricity. If a supplier/provider delivers electricity generated at a facility that requires an NJDEP environmental compliance determination, but did not obtain such a determination prior to the generation of that electricity, the electricity shall not be counted towards the supplier/provider's compliance with this subchapter.

(g) A supplier/provider that uses electricity generated from a resource recovery facility to comply with this subchapter shall:

1. Maintain documentation showing that the facility meets the requirements of this section; and

2. If the supplier/provider or facility operator obtained an NJDEP environmental compliance determination, the supplier/provider or facility operator shall:

- i. Maintain the request submitted to NJDEP for the environmental compliance determination and all supporting documentation on file for five years;

- ii. Produce the request and documentation upon request by the Board or its designee; and

- iii. Annually provide to the Board an affidavit from the operator of the resource recovery facility, certifying that the facility has not violated its Federal or State environmental permits in the previous year, and continues to operate in conformity with the request and documentation originally provided to NJDEP.

(h) If there is a change in the operation of a resource recovery facility or in the composition of its fuel, the supplier/provider or facility operator shall submit the following information to the Board within 30 days after the change is made. Failure to submit the following shall disqualify the electricity produced by the facility from use as class II renewable energy as of the date of the change:

1. Documentation demonstrating that, after the change, the resource recovery facility continues to meet the requirements of this section for class II renewable energy; and

2. In the case of a facility covered by an NJDEP environmental compliance determination, a new determination shall be obtained from NJDEP and filed with the Board.

(i) In addition to the other types of energy that qualify as class II renewable energy under this section, any energy that qualifies as class I renewable energy under N.J.A.C. 14:8-2.4 may be used to satisfy the requirements for class II renewable energy.

Repeal and New Rule, R.2004 d.151, effective April 19, 2004.

See: 35 N.J.R. 4445(a), 36 N.J.R. 2053(b).

Section was "Recordkeeping and verification".

Recodified from N.J.A.C. 14:4-8.6 and amended by R.2006 d.178, effective May 15, 2006.

See: 37 N.J.R. 3911(a), 38 N.J.R. 2176(a).

Changed internal references to conform to the recodification of provisions in (c) and (i).

14:8-2.7 Requirements that apply to both class I and class II renewable energy

(a) To qualify as class I or class II renewable energy for the purposes of this subchapter, energy shall meet the requirements in N.J.A.C. 14:8-2.5 and 2.6, and in addition shall meet the requirements of this section.

(b) To qualify as class I or class II renewable energy for the purposes of this subchapter, energy shall be generated within or delivered into the PJM region, as defined in N.J.A.C. 14:4-1.2. Energy generated outside the PJM region shall be considered delivered into the PJM region if it has been added to the PJM

region through dynamic scheduling of the output to load inside the PJM region, pursuant to section 1.12(b) of the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C., including future supplements and amendments. The Amended and Restated Operating Agreement is available at <http://www.pjm.com/~media/documents/agreements/oa.ashx>.

(c) If class I or class II renewable energy is generated outside of the PJM region, but was delivered into the PJM region, the energy may be used to meet the requirements of this subchapter only if the energy was generated at a facility that commenced construction on or after January 1, 2003.

Repeal and New Rule, R.2004 d.151, effective April 19, 2004.

See: 35 N.J.R. 4445(a), 36 N.J.R. 2053(b).

Section was "Renewable energy trading program".

Recodified from N.J.A.C. 14:4-8.7 and amended by R.2006 d.178, effective May 15, 2006.

See: 37 N.J.R. 3911(a), 38 N.J.R. 2176(a).

Changed internal references to conform to the recodification of provisions in (a) and (b); and deleted (d).

Amended by R.2009 d.266, effective September 8, 2009.

See: 40 N.J.R. 6759(a), 40 N.J.R. 6955(b), 41 N.J.R. 3309(a).

Rewrote (b).

14:8-2.8 Renewable Energy Certificates (RECs)

(a) A supplier/provider may submit one or more Renewable Energy Certificates, or RECs, as defined in N.J.A.C. 14:8-2.2, to meet the percentage of renewable energy required under Table A in N.J.A.C. 14:8-2.3. A supplier/provider that wishes to use RECs to comply with this subchapter shall meet the requirements of this section.

(b) RECs may be used for compliance with this subchapter as follows:

1. For solar RECs based on energy generated on or after June 1, 2009, a solar REC used for compliance with this subchapter shall be based on energy that was generated either during the reporting year for which the REC is submitted, or during the reporting year immediately preceding the reporting year for which the REC is submitted.

2. For solar RECs based on energy generated before June 1, 2009, a solar REC used for compliance with this subchapter shall be based on energy that was generated during the reporting year for which the REC is submitted.

3. For all RECs other than solar RECs, all RECs used for compliance with this subchapter shall be based on energy that was generated during the reporting year for which the REC is submitted.

4. For all types of RECs, fractional megawatt-hours may be carried over in accordance with N.J.A.C. 14:8-2.9(g).

(c) An REC used for compliance with this subchapter shall be issued by the Board or its designee, or by PJM-EIS through GATS, as follows:

1. A class I REC that is based on electricity generated on a customer-generator's premises shall be issued by the Board or its designee in accordance with N.J.A.C. 14:8-2.9;

2. A solar REC shall be issued by the Board or its designee in accordance with N.J.A.C. 14:8-2.9;

3. A class I REC that is not based on electricity generated on a customer-generator's premises shall be issued by PJM-EIS through GATS; and

4. A class II REC shall be issued by PJM-EIS through GATS.

(d) A supplier/provider shall not use a REC that is based on electricity generated on a customer-generator's premises to comply with this subchapter unless the customer-generator facility is eligible for net metering under N.J.A.C. 14:8-3.

(e) Once a REC has been submitted for compliance with this subchapter, the REC shall be permanently retired and shall not be used again.

New Rule, R.2004 d.151, effective April 19, 2004.

See: 35 N.J.R. 4445(a), 36 N.J.R. 2053(b).

Former N.J.A.C. 14:4-8.8, Penalties, recodified to N.J.A.C. 14:4-8.12. Amended by R.2005 d.87, effective March 7, 2005.

See: 36 N.J.R. 1892(a), 37 N.J.R. 787(a).

In (c), rewrote the second sentence.

Recodified from N.J.A.C. 14:4-8.8 and amended by R.2006 d.178, effective May 15, 2006.

See: 37 N.J.R. 3911(a), 38 N.J.R. 2176(a).

Changed internal references to conform to the recodification of provisions; rewrote (a), (b) and (c); inserted present (d); and recodified former (d) as (e).

Special amendment, R.2008 d.175, effective May 23, 2008 (to expire November 23, 2009).

See: 40 N.J.R. 3751(a).

In (c)1, deleted "solar REC or" preceding "class"; added new (c)2; and recodified former (c)2 and (c)3 as (c)3 and (c)4.

Amended by R.2009 d.91, effective March 16, 2009.

See: 40 N.J.R. 3586(a), 41 N.J.R. 1261(a).

Rewrote (b); in the introductory paragraph of (c), substituted "An" for "A"; and incorporated the special amendments previously adopted as R.2008 d.175.

Public Notice.

See: 41 N.J.R. 1532(b).

Case Notes

For existing long-term contracts involving purchase of electricity produced with renewable energy, the initial owner of the New Jersey Board of Public Utilities-created Renewable Energy Certificates is the purchasing utility rather than the selling renewable energy producer. In re Ownership of Renewable Energy Certificates, 389 N.J. Super. 481, 913 A.2d 825, 2007 N.J. Super. LEXIS 5 (App.Div. 2007).

14:8-2.9 Board issuance of RECs

(a) The Board or its designee shall issue class I RECs in accordance with this section. for use in complying with the class I renewable portfolio standard in Table A of N.J.A.C. 14:8-2.3, based on electricity generated by a customer-generator on the customer-generator's premises. The Board or its designee shall issue solar RECs in accordance with this section, for use in complying with the renewable portfolio standard for solar electric generation in Table A of N.J.A.C.

14:8-2.3, based on electricity generated by a solar electric generation facility. The Board may, after public notice, issue an order discontinuing Board issuance of such RECs and/or approving use of such RECs issued by PJM Interconnection or another entity for compliance with this subchapter.

(b) In measuring generation in order to determine the number of RECs to issue, the Board or its designee shall accept either of the following measurement methods, as applicable:

1. Periodic readings of a meter that records megawatt-hour production of electrical energy. The readings may be taken or submitted by any person, but shall be verified by the Board or its designee; or

2. For a solar electricity system with a capacity of less than 10 kilowatts, annual engineering estimates and/or monitoring protocols approved by the Board. Acceptable estimation methodologies and monitoring protocols are located on the Board's website at www.njcleanenergy.com. This method is not applicable for class I RECs.

(c) The Board or its designee shall issue RECs in whole units, each representing the environmental attributes of one megawatt-hour of electric generation.

(d) For the purposes of this subsection, "electric distribution system" has the meaning set forth at N.J.A.C. 14:4-1.2 and "electric distribution company" means the owner or operator of an electric distribution system. Electric generation qualifies for issuance of RECs only if:

1. It is produced by a generating facility that is interconnected with an electric distribution system that supplies New Jersey; or

2. For class I renewable energy, other than solar electric generation, it is produced by a generating facility that is not interconnected with an electric distribution system that supplies New Jersey and:

- i. The generating facility reports its generation electronically to PJM-EIS no less frequently than monthly via a meter that satisfies all requirements of American National Standards Institute (ANSI) "Electric Meters Code for Electricity Metering," C12.1-2008, incorporated herein by reference, as amended or supplemented, and complies with any additional requirements established by PJM;

- ii. The generating facility reports its generation electronically no less frequently than monthly to an electric distribution company that is a member of PJM, via a meter that satisfies all requirements of American National Standards Institute (ANSI) "Electric Meters Code for Electricity Metering," C12.1-2008, and complies with any additional requirements established by PJM and that electric distribution company then provides the generator's report electronically no less frequently than monthly to PJM-EIS; or

- iii. The generating facility has its sale settled in the PJM wholesale market.

(e) The Board may waive the requirements at (d) above by Board order if the Board determines that such waiver would facilitate participation in the system and determines that such a waiver would significantly advance the purposes expressed in N.J.A.C. 14:8-2.1(a).

(f) If a REC is to be used for RPS compliance for a reporting year, the application for the REC shall be submitted within the reporting year, or within the true-up period immediately following the reporting year.

(g) If a generator has accumulated a fraction of a megawatt hour by the end of a reporting year, the fraction may be carried over and combined with energy generated in one or more subsequent reporting years in order to make a full megawatt hour that is eligible for a REC. In such a case, the combined energy shall be eligible for issuance of a REC only during the reporting year in which accumulated generation reaches one full megawatt hour. Only a fraction of a megawatt hour shall be carried over. If a full megawatt hour is generated by the end of a reporting year and an application for a REC is not submitted by the end of the true-up period immediately following the reporting year, the megawatt hour shall not be eligible for a REC and shall not be usable for RPS compliance.

(h) Because each true-up period is also the first three months of a new reporting year, an REC based on energy generated during this three-month period shall be used only for RPS compliance for the new reporting year; provided however, that a solar REC generated during that three-month period can be used for compliance either in the new reporting year or the immediately subsequent reporting year.

(i) A request for issuance of a solar REC or class I RECs shall be submitted to the Board on a form posted on the Board's website at www.njcleanenergy.com. The Board shall require submittal of information and certifications needed to enable the Board or its designee to verify the generation that forms the basis of the requested RECs. The Board shall require inspections of generation equipment, monitoring and metering equipment, and other facilities relevant to verifying electric generation. The Board shall impose application fees, inspection fees, and/or other charges for work required to verify electric generation and issue RECs.

(j) Each REC shall include the following:

1. The date upon which or period during which the electricity was generated;
2. The date upon which the REC was issued;
3. A unique tracking number, assigned by the issuer of the REC; and
4. An expiration date. The expiration date of a solar REC shall be the last day of the true-up period following

the reporting year after the reporting year in which the energy that formed the basis for the solar REC was generated. The expiration date of an REC other than a solar REC shall be the last day of the true-up period following the reporting year in which the energy that formed the basis for the REC was generated.

(k) The Board or its designee shall not issue a REC based on electric generation that has previously been used for compliance with this subchapter, or that has been used to satisfy another state's renewable energy requirements or any voluntary clean electricity market or program.

(l) The Board or its designee shall not issue a solar REC based on electricity generated by a solar electric generation facility after the end of its qualification life. However, the Board or its designee may issue class I RECs based on electricity generated by the facility after the end of its qualification life; such class I RECs may be used for compliance with the requirements in N.J.A.C. 14:8-2.3, Table A, for class I renewable energy.

(m) A customer-generator that is eligible for net metering owns the renewable attributes of the energy it generates on or after October 4, 2004, unless there is a contract with an express provision that assigns ownership of the renewable attributes. The owner of a solar electric generation facility that is not eligible for net metering owns the renewable attributes of the energy it generates on or after March 16, 2009, unless there is a contract with an express provision that assigns ownership of the renewable attributes.

New Rule, R.2004 d.151, effective April 19, 2004.

See: 35 N.J.R. 4445(a), 36 N.J.R. 2053(b).

Amended by R.2005 d.87, effective March 7, 2005.

See: 36 N.J.R. 1892(a), 37 N.J.R. 787(a).

Rewrote (a) and (e).

Recodified from N.J.A.C. 14:4-8.9 and amended by R.2006 d.178, effective May 15, 2006.

See: 37 N.J.R. 3911(a), 38 N.J.R. 2176(a).

Rewrote the section. Former N.J.A.C. 14:4-8.9 heading was "Board issuance of solar RECs".

Special amendment, R.2008 d.175, effective May 23, 2008 (to expire November 23, 2009).

See: 40 N.J.R. 3751(a).

Rewrote (a); deleted and reserved (e); in (i), deleted "based on electricity generated on a customer-generator's premises" following "class I RECs"; added new reserved (l); recodified former (l) as (m); and in (m), substituted "A" for "In accordance with N.J.A.C. 14:8-4.3, a" in the first sentence and inserted the second sentence.

Amended by R.2009 d.91, effective March 16, 2009.

See: 40 N.J.R. 3586(a), 41 N.J.R. 1261(a).

In (d), substituted "an" for "a" preceding the first occurrence of "REC", deleted "and" preceding the first occurrence of "determines" and inserted "and determines that such a waiver would significantly advance the purposes expressed in N.J.A.C. 14:8-2.1(a)"; rewrote (h); rewrote (j); added new (l); in (m), substituted "March 16, 2009" for "May 23, 2008"; and made permanent the special amendments previously adopted as R.2008 d.175.

Public Notice.

See: 41 N.J.R. 1532(b).

Amended by R.2009 d.266, effective September 8, 2009.

See: 40 N.J.R. 6759(a), 40 N.J.R. 6955(b), 41 N.J.R. 3309(a).

In (d), inserted "; or, for class I renewable energy other than solar electric generation, the electric generation need not be interconnected with an electric distribution system that supplies New Jersey if its sale is settled in the PJM wholesale market", deleted "adopts a joint or regional

REC tracking system, and" preceding "determines", and inserted "regional REC tracking" and "adopted by the Board".

Amended by R.2010 d.012, effective January 4, 2010.

See: 41 N.J.R. 3206(a), 42 N.J.R. 75(a).

Rewrote (d) and (e).

14:8-2.10 Alternative compliance payments (ACPs and SACP)

(a) A supplier/provider may choose to submit one or more alternative compliance payments (ACPs) or solar alternative compliance payments (SACPs), as those terms are defined in N.J.A.C. 14:8-2.2, in lieu of supplying the percentage of renewable energy required under Table A in N.J.A.C. 14:8-2.3. A supplier/provider that wishes to use ACPs or SACPs to comply with this subchapter shall meet the requirements of this section.

(b) The President of the Board shall appoint an ACP advisory committee to provide recommendations to the Board regarding the appropriate cost of ACPs, as well as other characteristics of their use. The Board shall consider the advisory committee's recommendation and shall, through Board order, set prices for ACPs and SACPs. At a minimum, the price of an ACP or an SACP shall be higher than the estimated competitive market cost of the following:

1. The cost of meeting the requirement through purchase of a REC or solar REC; or
2. The cost of meeting the requirement through generating the required renewable energy.

(c) The Board shall review the amount of ACPs other than SACPs at least once per year, in consultation with the ACP advisory committee, and shall adjust these amounts as needed to comply with (b)1 and 2 above and to reflect changing conditions in the environment, the energy industry, and markets. The purposes of the review shall include providing the Board with supporting information to establish the amount of the SACP for the first reporting year for which no SACP has been established in Table C below, in consultation with the ACP advisory committee, based on the Board's determination of what will be needed to comply with (b)1 and 2 above in that reporting year.

(d) To comply with this subchapter using ACPs or SACPs, a supplier/provider shall submit the following to the Board, as applicable:

1. One ACP for each megawatt-hour of class I or class II renewable energy required; or
2. One SACP for each megawatt-hour of solar electric generation required.

(e) The Board shall use the ACP monies submitted to meet the requirements of this subchapter to fund renewable energy projects through the Clean Energy Program. The Board shall use SACP monies to fund solar energy projects through the New Jersey Clean Energy Program.

(f) Table C sets forth the SACP for each reporting year from reporting year 2009 through reporting year 2016:

Table C
SACP Schedule

Reporting Year	SACP
June 1, 2008 - May 31, 2009	\$711.00
June 1, 2009 - May 31, 2010	\$693.00
June 1, 2010 - May 31, 2011	\$675.00
June 1, 2011 - May 31, 2012	\$658.00
June 1, 2012 - May 31, 2013	\$641.00
June 1, 2013 - May 31, 2014	\$625.00
June 1, 2014 - May 31, 2015	\$609.00
June 1, 2015 - May 31, 2016	\$594.00

New Rule, R.2004 d.151, effective April 19, 2004.

See: 35 N.J.R. 4445(a), 36 N.J.R. 2053(b).

Recodified from N.J.A.C. 14:4-8.10 and amended by R.2006 d.178, effective May 15, 2006.

See: 37 N.J.R. 3911(a), 38 N.J.R. 2176(a).

Changed internal references to conform to the recodification of provisions in the first sentence of (a).

Amended by R.2009 d.91, effective March 16, 2009.

See: 40 N.J.R. 3586(a), 41 N.J.R. 1261(a).

In (c), substituted "other than" for "and" preceding "SACPs" and inserted the last sentence; and added (f).

Public Notice.

See: 41 N.J.R. 1532(b).

14:8-2.11 Demonstrating compliance, reporting and recordkeeping

(a) By October 1st of each year, each supplier/provider shall file an annual report with the Board, demonstrating that the supplier/provider has met the requirements of this subchapter for the preceding reporting year (that is, for the reporting year ending May 31st of the same calendar year).

(b) If the annual report required under (a) above does not demonstrate that the supplier/provider has supplied the RECs or solar RECs required under Table A of N.J.A.C. 14:8-2.3 for the previous reporting year, the annual report shall be accompanied by ACPs and/or SACPs in sufficient quantities to make up the shortfall.

(c) The annual report shall contain the following basic information for the preceding reporting year:

1. The total number of megawatt-hours of electricity sold to retail customers in New Jersey;
2. The total number of megawatt hours of electricity sold to retail customers in New Jersey that qualify as class I renewable energy under N.J.A.C. 14:8-2.4;
3. The percentage of the supplier/provider's total New Jersey retail sales that the amount set forth under (c)2 above represents;
4. The total number of megawatt hours of electricity sold to retail customers in New Jersey that qualify as class II renewable energy under N.J.A.C. 14:8-2.5;

5. The percentage of the supplier/provider's total New Jersey retail sales that the amount set forth under (c)4 above represents;

6. The total number of megawatt hours of electricity sold to retail customers in New Jersey that qualify as solar electric generation under N.J.A.C. 14:8-2.4;

7. The percentage of the supplier/provider's total retail sales that the amount in (b)6 above represents;

8. The total amount of solar electric generation, class I renewable energy, and class II renewable energy represented by RECs submitted with the annual report;

9. The total number of ACPs and/or SACPs submitted with the annual report;

10. A summary demonstrating how compliance with the requirements in Table A has been achieved; and

11. An accounting issued by PJM-EIS that shows the number of RECs purchased and/or held by the supplier/provider.

(d) The documentation required under (c) above shall include the following:

1. Identification of each generating unit, including its location, fuel and technology type, and any unique State and/or Federal facility or plant identification number;

2. An affidavit from the operator of each generating unit that the specified amount of megawatt-hours from each renewable energy source was generated by and/or sold to the supplier/provider and that the supplier/provider has sole and exclusive title to the renewable energy and has not been used to meet the RPS energy requirements in any other state or jurisdiction;

3. An affidavit from the supplier/provider that the specified megawatt-hours were delivered into the PJM region and complied with PJM Interconnection energy delivery rules; and

4. For each solar REC submitted, certification of compliance with the requirement at N.J.A.C. 14:8-2.4(b) that the REC has not been used to satisfy another state's renewable energy requirements. The certification shall be in a form required by the Board, and available on the BPU website at www.njcleanenergy.com.

(e) Failure of a supplier/provider to demonstrate compliance with this subchapter in accordance with this section, within the deadlines set forth in this section, shall subject the supplier/provider to penalties under N.J.A.C. 14:8-2.12.

(f) Each supplier/provider shall keep all records pertaining to the requirements in this subchapter for a period of five years, including data on megawatt-hours resulting from owned generation, contracts, purchases from the wholesale market, and purchases of RECs. Each supplier/provider shall

make all pertinent records available for review upon request by the Board or its designee.

New Rule, R.2004 d.151, effective April 19, 2004.

See: 35 N.J.R. 4445(a), 36 N.J.R. 2053(b).

Recodified from N.J.A.C. 14:4-8.11 and amended by R.2006 d.178, effective May 15, 2006.

See: 37 N.J.R. 3911(a), 38 N.J.R. 2176(a).

Changed internal references to conform to the recodification of provisions in (b), (c), (d) and (e); deleted the exception from the end of (a); in (b), substituted "RECs or solar RECs" for "energy" and deleted "RECs, solar RECs," preceding "ACPs"; in (c), substituted "; and" for a period at the end of 10. and inserted 11.; substituted "www.njcleanenergy.com" for "www.bpu.state.nj.us" in (d)4.; deleted (e); recodified (f) and (g) as (e) and (f); and deleted (h) through (j).

Amended by R.2009 d.91, effective March 16, 2009.

See: 40 N.J.R. 3586(a), 41 N.J.R. 1261(a).

In (a), substituted "October" for "September".

Public Notice.

See: 41 N.J.R. 1532(b).

14:8-2.12 Enforcement

(a) Failure to comply with any provision of this subchapter shall subject the violator to the following penalties in accordance with the Board's regulatory and statutory authority:

1. Suspension or revocation of the electric power supplier's license;
2. Financial penalties;
3. Disallowance of recovery of costs in rates; and
4. Prohibition on accepting new customers.

(b) In determining the appropriate sanction, the Board shall consider the following criteria and any other factors deemed appropriate and material to the electric power supplier's or basic generation service provider's failure to comply:

1. The good faith efforts, if any, of the entity charged in attempting to achieve compliance;
2. The gravity of the violation or failure to comply with the requirements in this subchapter;
3. The number of past violations by the entity charged regarding these standards and other standards adopted by the Board; and
4. The appropriateness of the sanction or fine to the size of the company charged.

Recodified from N.J.A.C. 14:4-8.8 and amended by R.2004 d.151, effective April 19, 2004.

See: 35 N.J.R. 4445(a), 36 N.J.R. 2053(b).

Added a new (a); deleted (b); recodified former (b)i through iv as (a)1 through 4; recodified former (c) as (b), and in (b)3, deleted "interim" preceding "standards".

Recodified from N.J.A.C. 14:4-8.12 and amended by R.2006 d.178, effective May 15, 2006.

See: 37 N.J.R. 3911(a), 38 N.J.R. 2176(a).

Former N.J.A.C. 14:4-8.12, heading was "Penalties".

SUBCHAPTER 3. (RESERVED)

SUBCHAPTER 4. NET METERING FOR CLASS I RENEWABLE ENERGY SYSTEMS

14:8-4.1 Scope

This subchapter sets forth net metering requirements that apply to electric power suppliers, basic generation service providers and electric distribution companies, as defined at N.J.A.C. 14:4-1.2, which have customers who generate class I renewable energy, as defined at N.J.A.C. 14:8-1.2, on the customer's side of the meter.

Amended by R.2010 d.010, effective January 4, 2010.

See: 41 N.J.R. 2215(a), 42 N.J.R. 78(a).

Rewrote the section.

14:8-4.2 Net metering definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise. Additional definitions that apply to this subchapter can be found at N.J.A.C. 14:3-1.1 and 14:8-1.2.

"Annualized period" means a period of 12 consecutive monthly billing periods. A customer-generator's first annualized period begins on the first day of any single monthly billing period, at the customer's choice.

"Avoided cost of wholesale power" means the average locational marginal price of energy in the applicable utility's transmission zone. This cost can be obtained through the website maintained by PJM Interconnection at www.pjm.com.

"Customer-generator" means an electricity customer, such as an industrial, large commercial, residential or small commercial customer that generates electricity on the customer's side of the meter, using a class I renewable energy source.

"Customer-generator facility" means the equipment used by a customer-generator to generate, manage and/or monitor electricity. A customer-generator facility typically includes an electric generator and/or interconnection equipment.

Petition for Rulemaking.

See: 40 N.J.R. 5878(a).

Amended by R.2009 d.68, effective March 2, 2009.

See: 40 N.J.R. 5531(a), 41 N.J.R. 1094(a).

In definition "Annualized period", substituted "any single" for "the first full" and "; at the customer's choice" for "after which the customer-generator's facility is interconnected and is generating electricity"; and in definition "Customer-generator facility", inserted "/or".

Amended by R.2010 d.010, effective January 4, 2010.

See: 41 N.J.R. 2215(a), 42 N.J.R. 78(a).

Section was "Definitions". Deleted definitions "Applicant", "Area network", "Equipment package", "Fault current", "Good utility practice", "IEEE standards", "Interconnection agreement", "Point of common coupling", "Small commercial customer" and "Spot network"; rewrote definition "Customer-generator"; and in definition "Customer-generator facility", deleted a comma following "manage", deleted "package" following the second occurrence of "equipment", and substituted "interconnection" for the second occurrence of "an".

14:8-4.3 Net metering general provisions, annualized period selection

(a) All electric distribution companies (EDCs) and supplier/providers, as defined at N.J.A.C. 14:4-1.2 and 14:8-1.2, respectively, shall offer net metering to their customers that generate electricity on the customer's side of the meter, using class I renewable energy sources, provided that the generating capacity of the customer-generator's facility does not exceed the amount of electricity supplied by the electric power supplier or basic generation service provider to the customer over an annualized period.

(b) The EDC shall develop a tariff providing for net metering. Each supplier/provider and EDC shall make net metering available to eligible customer-generators on a first-come, first-served basis.

(c) If, in a given monthly billing period, a customer-generator supplies more electricity to the electric distribution system than the EDC or supplier/provider delivers to the customer-generator, the EDC and supplier/provider shall credit the customer-generator for the excess. To do this, the EDC or supplier/provider shall reduce the customer-generator's bill for the next monthly billing period to compensate for the excess electricity from the customer-generator in the previous billing period.

(d) The EDC and supplier/provider shall carry over credit earned under (c) above from monthly billing period to monthly billing period, and the credit shall accumulate until

the end of the annualized period, as defined at N.J.A.C. 14:8-4.2.

(e) At the end of each annualized period, the supplier/provider shall compensate the customer-generator for any excess kilowatt hours generated, at the electric power supplier's or basic generation service provider's avoided cost of wholesale power, as defined at N.J.A.C. 14:8-4.2.

(f) The EDC or supplier/provider shall offer each customer-generator one opportunity to select a monthly billing period as the start of the customer-generator's annualized period. This shall apply to all customer-generators, whether they began net metering prior to March 2, 2009, or after that date.

(g) A customer-generator may submit its annualized period selection to the EDC or supplier/provider at any time. However, an EDC or supplier/provider is not required to accept a customer-generator selection of an annualized period that begins before the first full day of the first monthly billing period after the submittal of the selection.

(h) If a customer-generator begins net metering after March 2, 2009, and does not submit an annualized period selection, the EDC or supplier/provider shall assign the customer-generator a default annualized period until such time as the customer-generator may choose to submit an annualized period selection. The default annualized period

shall begin on the first full day of the first monthly billing period after the customer-generator's facility is interconnected and generating electricity.

(i) If any customer-generator has been net metering for one monthly billing period or more before it submits its annualized period selection, the following shall apply:

1. If the customer-generator has been net metering for more than 12 monthly billing periods, the time between the selection submittal and the end of the customer-generator's most recently ended annualized period shall be treated as one annualized period; and

2. If the customer-generator has been net metering for fewer than 12 monthly billing periods, the time between the selection submittal and the first day of the first full monthly billing period after the customer-generator's facility is interconnected and generating electricity shall be treated as one annualized period.

(j) A customer-generator shall retain its chosen annualized period permanently unless either of the following occurs:

1. The customer-generator switches electric suppliers. In such a case, the electric power supplier or basic generation service provider with whom service is terminating shall treat the end of the service period as if it were the end of the annualized period; or

2. The EDC or supplier/provider, at its discretion, chooses to accept a customer-generator request for a new annualized period.

(k) A customer-generator that is eligible for net metering owns the renewable attributes of the electricity it generates unless there is a contract with an express provision that assigns ownership of the renewable attributes. The customer-generator may trade or sell the attributes to another person, or may use the attributes as the basis for an application for one or more RECs.

(l) A supplier/provider or EDC shall provide net metering at non-discriminatory rates that are identical, with respect to rate structure, retail rate components, and any monthly charges, to the rates that a customer-generator would be charged if not a customer-generator, except that a supplier/provider or EDC may use a special load profile for the customer-generator, which incorporates the customer-generator's real time generation, provided the special load profile is approved by the Board.

(m) A supplier/provider or EDC shall not charge a customer-generator any fee or charge, or require additional equipment, insurance or any other requirement, unless the fee, charge, or other requirement is specifically authorized under this subchapter, or the fee would apply to other customers that are not customer-generators.

(n) Nothing in this subchapter shall abrogate any person's obligation to comply with all applicable Federal or State laws, rules or regulations.

Amended by R.2009 d.68, effective March 2, 2009.

See: 40 N.J.R. 5531(a), 41 N.J.R. 1094(a).

Added (f) through the introductory paragraph of (j); recodified former (f) as (j)1; in (j)1, substituted "The" for "If a" at the beginning, inserted ". In such a case" and substituted "; or" for a period at the end; added (j)2; and recodified former (g) through (l) as (k) through (p).

Amended by R.2010 d.010, effective January 4, 2010.

See: 41 N.J.R. 2215(a), 42 N.J.R. 78(a).

Section was "Net metering general provisions". Rewrote the section.

Amended by R.2010 d.141, effective July 6, 2010.

See: 42 N.J.R. 52(a), 42 N.J.R. 1402(a).

Rewrote (a).

14:8-4.4 Meters and metering

(a) A customer-generator facility used for net metering shall be equipped with metering equipment that can measure the flow of electricity in both directions at the same rate. This is typically accomplished through use of a single bi-directional meter.

(b) A customer-generator may choose to use an existing electric revenue meter if the following criteria are met:

1. The meter is capable of measuring the flow of electricity both into and out of the customer-generator's facility at the same rate; and

2. The meter is accurate to within plus or minus five percent when measuring electricity flowing from the customer-generator facility to the electric distribution system.

(c) If the customer-generator's existing electric revenue meter does not meet the requirements in (b) above, the EDC shall install a new revenue meter for the customer-generator, at the company's expense within 10 business days after the interconnection is approved in accordance with N.J.A.C. 14:8-5.4 or (n), 5.5 or 5.6, as applicable. Any subsequent revenue meter change necessitated by the customer-generator, whether because of a decision to stop net metering or for any other reason, shall be paid for by the customer-generator.

(d) The electric distribution company shall not require more than one meter per customer-generator. However, an additional meter may be installed under either of the following circumstances:

1. The electric distribution company may install an additional meter at its own expense if the customer-generator consents; or

2. The customer-generator may request that the EDC install a meter, in addition to the revenue meter addressed in (c) above, at the customer-generator's expense. In such a case, the EDC shall charge the customer-generator no more than the actual cost of the meter and its installation.

Amended by R.2010 d.010, effective January 4, 2010.

See: 41 N.J.R. 2215(a), 42 N.J.R. 78(a).

In (c), inserted "within 10 business days after the interconnection is approved in accordance with N.J.A.C. 14:8-5.4 or (n), 5.5 or 5.6, as applicable".

14:8-4.5 Net metering reporting requirements for EDCs

(a) Each EDC with one or more customer-generators connected to its distribution system shall submit two net metering reports per year, one covering January 1 through June 30 and one covering July 1 through December 31. The EDC shall submit the reports by August 1 and February 1, respectively.

(b) The EDC shall submit the reports required by this section electronically, in PDF format, to oce@bpu.state.nj.us. In addition, the EDC may, at its discretion, submit a paper copy of the reports by hand delivery or regular mail to the Secretary, Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, PO Box 350, Trenton, New Jersey 08625-0350. The EDC may, at its discretion, submit the net metering report together with the interconnection report required under N.J.A.C. 14:8-5.9.

(c) Each report required in (a) above shall include the following information regarding customer-generator energy input and output during the reporting period:

1. The estimated total kilowatt hours supplied to the distribution system by customer-generators and a description of the estimation methodology used; and

2. The estimated total kilowatt hours that were delivered to customer-generators through the distribution system.

(d) The report required in (a) above shall include the following information regarding credits and payments to customer-generators during the reporting period:

1. The total number of customer-generators that were paid for excess generation at the end of the customer-generators' annualized periods; and

2. The total dollar amount that the utility paid to customer-generators for excess generation at the end of the customer-generators' annualized periods, separated by month.

(e) For purposes of the reporting required under this section, any estimates shall be made using Board-approved protocols unless no such protocol is available, in which case the estimates shall be accompanied by detailed calculations demonstrating how the estimates were made.

New Rule, R.2010 d.010, effective January 4, 2010.

See: 41 N.J.R. 2215(a), 42 N.J.R. 78(a).

Former N.J.A.C. 14:8-4.5, General interconnection provisions, was recodified to N.J.A.C. 14:8-5.2.

Administrative change.

See: 43 N.J.R. 1896(a).

14:8-4.6 (Reserved)

Recodified to N.J.A.C. 14:8-5.3 by R.2010 d.010, effective January 4, 2010.

See: 41 N.J.R. 2215(a), 42 N.J.R. 78(a).

Section was "Certification of customer-generator facilities".

14:8-4.7 (Reserved)

Recodified to N.J.A.C. 14:8-5.4 by R.2010 d.010, effective January 4, 2010.

See: 41 N.J.R. 2215(a), 42 N.J.R. 78(a).

Section was "Level 1 interconnection review".

14:8-4.8 (Reserved)

Recodified to N.J.A.C. 14:8-5.5 by R.2010 d.010, effective January 4, 2010.

See: 41 N.J.R. 2215(a), 42 N.J.R. 78(a).

Section was "Level 2 interconnection review".

14:8-4.9 (Reserved)

Recodified to N.J.A.C. 14:8-5.6 by R.2010 d.010, effective January 4, 2010.

See: 41 N.J.R. 2215(a), 42 N.J.R. 78(a).

Section was "Level 3 interconnection review".

14:8-4.10 (Reserved)

Recodified to N.J.A.C. 14:8-5.7 by R.2010 d.010, effective January 4, 2010.

See: 41 N.J.R. 2215(a), 42 N.J.R. 78(a).

Section was "Interconnection fees".

14:8-4.11 (Reserved)

Recodified to N.J.A.C. 14:8-5.8 by R.2010 d.010, effective January 4, 2010.

See: 41 N.J.R. 2215(a), 42 N.J.R. 78(a).

Section was "Requirements after approval of an interconnection".

SUBCHAPTER 5. INTERCONNECTION OF CLASS I RENEWABLE ENERGY SYSTEMS

14:8-5.1 Interconnection definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise. Additional definitions that apply to this subchapter can be found at N.J.A.C. 14:3-1.1 and 14:8-1.2.

"Applicant" means a person who has filed an application to interconnect a customer-generator facility to an electric distribution system.

"Area network" means a type of electric distribution system served by multiple transformers interconnected in an electrical network circuit, which is generally used in large metropolitan areas that are densely populated, in order to provide high reliability of service. This term has the same meaning as the term "secondary grid network" as defined in IEEE standard 1547 Section 4.1.4, which is incorporated herein by reference as amended and supplemented. IEEE standard 1547 can be obtained through the IEEE website at www.ieee.org.

“Electrical power system” or “EPS” has the same meaning as is assigned to this term in IEEE standard 1547. As of January 4, 2010, IEEE standard 1547 defined EPS as a facility that delivers electric power to a load.

“Fault current” means electrical current that flows through a circuit and is produced by an electrical fault, such as to ground, double-phase to ground, three-phase to ground, phase-to-phase and three-phase. A fault current is several times larger in magnitude than the current that normally flows through a circuit.

“Good utility practice” has the same meaning as assigned to this term in the Amended and Restated Operating Agreement of PJM Interconnection, which is incorporated herein by reference as amended and supplemented. The Operating Agreement can be obtained on the PJM Interconnection website at <http://www.pjm.com/documents/downloads/agreements/oa.pdf>. As of October 23, 2008, the Operating Agreement defines this term as “any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather is intended to include acceptable practices, methods, or acts generally accepted in the region.”

“IEEE standards” means the standards published by the Institute of Electrical and Electronic Engineers, available at www.ieee.org.

“Interconnection agreement” means an agreement between a customer-generator and an EDC, which governs the connection of the customer-generator facility to the electric distribution system, as well as the ongoing operation of the customer-generator facility after it is connected to the system. An interconnection agreement shall follow the standard form agreement developed by the Board and available from each EDC.

“Interconnection equipment” means a group of components connecting an electric generator with an electric distribution system and includes all interface equipment including switchgear, inverters or other interface devices. Interconnection equipment may include an integrated generator or electric source.

“Line section” means that portion of an EDC’s electric distribution system, which is connected to an interconnection customer and is bounded by automatic sectionalizing devices or the end of the distribution line.

“Point of common coupling” has the same meaning as assigned to this term in IEEE Standard 1547 Section 3.0,

which is incorporated herein by reference as amended and supplemented. IEEE standard 1547 can be obtained through the IEEE website at www.ieee.org. As of January 4, 2010, IEEE standard 1547 Section 3.0 defined this term as “the point where a Local EPS is connected to an Area EPS.”

“Spot network” has the same meaning as assigned to the term under IEEE Standard 1547 Section 4.1.4, (published July, 2003), which is incorporated herein by reference as amended and supplemented. IEEE standard 1547 can be obtained through the IEEE website at www.ieee.org. As of October 4, 2004, IEEE Standard 1547 defined “spot network” as “a type of electric distribution system that uses two or more inter-tied transformers to supply an electrical network circuit.” A spot network is generally used to supply power to a single customer or a small group of customers.

New Rule, R.2010 d.010, effective January 4, 2010.

See: 41 N.J.R. 2215(a), 42 N.J.R. 78(a).

Former N.J.A.C. 14:8-5.1, Definitions, recodified to N.J.A.C. 14:8-7.1.

14:8-5.2 General interconnection provisions

(a) Each EDC shall provide the following three review procedures for applications for interconnection of customer-generator facilities:

1. Level 1: An EDC shall use this review procedure for all applications to connect inverter-based customer-generator facilities, which have a power rating of 10 kW or less, and which meet the certification requirements at N.J.A.C. 14:8-5.3. Level 1 interconnection review procedures are set forth at N.J.A.C. 14:8-5.4;

2. Level 2: An EDC shall use this review procedure for applications to connect customer-generator facilities with a power rating of two MW or less, which meet the certification requirements at N.J.A.C. 14:8-5.3. Level 2 interconnection review procedures are set forth at N.J.A.C. 14:8-5.5; and

3. Level 3: An EDC shall use this review procedure for applications to connect customer-generator facilities that do not qualify for either the level 1 or level 2 interconnection review procedures. Level 3 interconnection review procedures are set forth at N.J.A.C. 14:8-5.6.

(b) Each EDC shall designate an employee or office from which an applicant can obtain basic application forms and information through an informal process. On request, this employee or office shall provide all relevant forms, documents, and technical requirements for submittal of a complete application for interconnection review under this section, as well as specific information necessary to contact the EDC representatives assigned to review the application.

(c) Upon request, the EDC shall meet with an applicant who qualifies for level 2 or level 3 interconnection review, to assist them in preparing the application.

(d) An application for interconnection review shall be submitted on a standard form, available from the EDC. The application form will require the following types of information:

1. Basic information regarding the applicant and the electricity supplier(s) involved;
2. Information regarding the type and specifications of the customer-generator facility;
3. Information regarding the contractor who will install the customer-generator facility;
4. Certifications and agreements regarding utility access to the customer-generator's property, emergency procedures, liability, compliance with electrical codes, proper operation and maintenance, receipt of basic information; and
5. Other similar information as needed to determine the compliance of a particular applicant with this chapter.

(e) An EDC shall not be responsible for the cost of determining the rating of equipment owned by a customer-generator, or of equipment owned by other local customers.

(f) (Reserved)

(g) If the interconnection of a customer-generator facility is subject to interconnection requirements of FERC or PJM, the provisions of this subchapter that apply to interconnection apply to that facility only to the extent that they do not conflict with the interconnection requirements of FERC or PJM.

(h) If an applicant for interconnection disagrees with an EDC's determination of fact or need regarding matters covered in this subchapter, or if any person has a complaint regarding matters covered in this subchapter, the applicant or other person may file an informal complaint with the Board under N.J.A.C. 14:1-5.13, or may file a petition with the Board under N.J.A.C. 14:1-5.

Recodified from N.J.A.C. 14:8-4.5 and amended by R.2010 d.010, effective January 4, 2010.

See: 41 N.J.R. 2215(a), 42 N.J.R. 78(a).

In (a), updated the N.J.A.C. references throughout; in (a)3, substituted "that" for "with a power rating of two MW or less, which"; in the introductory paragraph of (d), deleted "and posted on the Board's website at www.bpu.state.nj.us" following "EDC"; and reserved (f). Former N.J.A.C. 14:8-5.2, Purpose and scope, recodified to N.J.A.C. 14:8-7.2.

14:8-5.3 Certification of customer-generator interconnection equipment

(a) In order to qualify for the level 1 and the level 2 interconnection review procedures described at N.J.A.C. 14:8-5.4 and 5.5, a customer-generator's interconnection equipment shall have been tested and listed by an OSHA-approved nationally recognized testing laboratory for continuous

interactive operation with an electric distribution system in accordance with the following standards, as applicable:

1. IEEE 1547, Standard for Interconnecting Distributed Resources with Electric Power Systems (published July 2003), which is incorporated herein by reference, as amended or supplemented. IEEE Standard 1547 can be obtained through the IEEE website at www.ieee.org; and

2. UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems (November 2005), which is incorporated herein by reference as amended or supplemented. UL 1741 can be obtained through the Underwriters Laboratories website at www.ul.com.

(b) Interconnection equipment shall be considered certified for interconnected operation if it has been submitted by a manufacturer to an OSHA-approved nationally recognized testing laboratory, and has been tested and listed by the laboratory for continuous interactive operation with an electric distribution system in compliance with the applicable codes and standards listed in (a) above.

(c) If the interconnection equipment has been tested and listed in accordance with this section as an integrated package, which includes a generator or other electric source, the interconnection equipment shall be deemed certified and the EDC shall not require further design review, testing or additional equipment.

(d) If the interconnection equipment includes only the interface components (switchgear, inverters or other interface devices), an interconnection applicant shall show that the generator or other electric source being utilized with the interconnection equipment is compatible with the interconnection equipment and consistent with the testing and listing specified for the equipment. If the generator or electric source being utilized with the interconnection equipment is consistent with the testing and listing performed by the OSHA-approved nationally recognized testing laboratory, the interconnection equipment shall be deemed certified and the EDC shall not require further design review, testing or additional equipment.

Recodified from N.J.A.C. 14:8-4.6 and amended by R.2010 d.010, effective January 4, 2010.

See: 41 N.J.R. 2215(a), 42 N.J.R. 78(a).

Section was "Certification of customer-generator facilities". Rewrote the section. Former N.J.A.C. 14:8-5.3, Standards and testing for commercial clothes washers, recodified to N.J.A.C. 14:8-7.3.

14:8-5.4 Level 1 interconnection review

(a) Each EDC shall adopt a level 1 interconnection review procedure. The EDC shall use the level 1 review procedure only for an application to interconnect a customer-generator facility that meets all of the following criteria:

1. The facility is inverter-based;
2. The facility has a capacity of 10 kW or less; and

3. The facility has been certified in accordance with N.J.A.C. 14:8-5.3.

(b) For a customer-generator facility described at (a) above, the EDC shall approve interconnection under the level 1 interconnection review procedure if all of the applicable requirements at (c) through (g) below are met. An EDC shall not impose additional requirements not specifically authorized under this section.

(c) The aggregate generation capacity on the line section to which the customer-generator facility will interconnect, including the capacity of the customer-generator facility, shall not contribute more than 10 percent to the distribution circuit's maximum fault current at the point on the high voltage (primary) level that is nearest the proposed point of common coupling.

(d) A customer-generator facility's point of common coupling shall not be on a transmission line, a spot network, or an area network.

(e) If a customer-generator facility is to be connected to a radial line section, the aggregate generation capacity connected to the circuit, including that of the customer-generator facility, shall not exceed 10 percent (15 percent for solar electric generation) of the circuit's total annual peak load, as most recently measured at the substation.

(f) If a customer-generator facility is to be connected to a single-phase shared secondary, the aggregate generation capacity connected to the shared secondary, including the customer-generator facility, shall not exceed 20 kilovolt-amperes (kVA).

(g) If a single-phase customer-generator facility is to be connected to a transformer center tap neutral of a 240 volt service, the addition of the customer-generator facility shall not create an imbalance between the two sides of the 240 volt service of more than 20 percent of nameplate rating of the service transformer.

(h) An applicant shall submit an application for level 1 interconnection review on a standard form, available from the EDC. An applicant may choose to simultaneously submit an EDC's standard form interconnection agreement executed by the applicant.

(i) Within three business days after receiving an application for level 1 interconnection review, the EDC shall provide written or e-mail notice to the applicant that it received the application and whether the application is complete. If the application is incomplete, the written notice shall include a list of all of the information needed to complete the application.

(j) Within 10 business days after the EDC notifies the applicant that the application is complete under (i) above, the EDC shall notify the applicant that:

1. The customer-generator facility meets all of the criteria at (c) through (g) above that apply to the facility, and the interconnection will be finally approved upon completion of the process set forth at (k) through (o) below; or

2. The customer-generator facility has failed to meet one or more of the applicable criteria at (c) through (g) above, and the interconnection application is denied.

(k) If a customer-generator facility meets all of the applicable criteria at (c) through (g) above, the EDC shall, within three business days after sending the notice of approval under (j)1 above, do both of the following:

1. Notify the applicant if an EDC inspection of the customer-generator facility for compliance with this subchapter is required prior to starting operation of the facility; and

2. Execute and send to the applicant a level 1 interconnection agreement, unless:

i. The EDC does not require an interconnection agreement for customer-generator facilities that qualify for level 1 interconnection review; or

ii. The applicant has already submitted such an agreement with its application for interconnection, in accordance with (h) above.

(l) An applicant that receives an interconnection agreement under (k) above shall execute the agreement and return it to the EDC. If the EDC requires an inspection of the customer-generator facility, the EDC shall promptly complete the inspection and the applicant shall not begin operating the facility until completion of the inspection.

(m) Upon receipt of the executed interconnection agreement from the customer-generator and satisfactory completion of an inspection, if required, the EDC shall notify the customer-generator in writing that the interconnection is approved, conditioned on approval by the electrical code officials with jurisdiction over the interconnection.

(n) If an EDC does not notify a level 1 applicant in writing or by e-mail whether the interconnection is approved or denied within 20 business days after the receipt of an application, the interconnection shall be deemed approved. The 20 days shall begin on the date that the EDC sends the written or e-mail notice or application receipt required under (i) above.

(o) A customer-generator shall notify the EDC of the anticipated start date for operation of the customer-generator facility at least five days prior to starting operation, either through the submittal of the interconnection agreement or in a separate notice.

(p) If an application for level 1 interconnection review is denied because it does not meet one or more of the applicable requirements in this section, an applicant may resubmit the application under the level 2 or level 3 interconnection review procedure, as appropriate.

Recodified from N.J.A.C. 14:8-4.7 and amended by R.2010 d.010, effective January 4, 2010.

See: 41 N.J.R. 2215(a), 42 N.J.R. 78(a).

In (a)3, updated the N.J.A.C. reference; in (c) and (e), substituted "line section" for "distribution circuit"; in (h), substituted a period for "and posted on the Board's website at www.bpu.state.nj.us. See N.J.A.C. 14:8-4.5(d)." at the end of the first sentence; in the introductory paragraph of (k), inserted "both of"; and rewrote (l) and (m). Former N.J.A.C. 14:8-5.4, Standards and testing for commercial refrigerator, freezer and refrigerator-freezer equipment, recodified to N.J.A.C. 14:8-7.4.

14:8-5.5 Level 2 interconnection review

(a) Each EDC shall adopt a level 2 interconnection review procedure. The EDC shall use the level 2 interconnection review procedure for an application to interconnect a customer-generator facility that meets both of the following criteria:

1. The facility has a capacity of two megawatts or less; and
2. The facility has been certified in accordance with N.J.A.C. 14:8-5.3.

(b) For a customer-generator facility described at (a) above, the EDC shall approve interconnection under the level 2 interconnection review procedure if all of the applicable requirements at (c) through (l) below are met. An EDC shall not impose additional requirements not specifically authorized under this section.

(c) The aggregate generation capacity on the line section to which the customer-generator facility will interconnect, including the capacity of the customer-generator facility, shall not cause any distribution protective equipment (including, but not limited to, substation breakers, fuse cutouts and line reclosers) or customer equipment on the electric distribution system, to exceed 90 percent of the short circuit interrupting capability of the equipment. In addition, a customer-generator facility shall not be connected to a circuit that already exceeds 90 percent of the short circuit interrupting capability, prior to interconnection of the facility.

(d) If there are posted transient stability limits to generating units located in the general electrical vicinity of the proposed point of common coupling (for example, within three or four transmission voltage level busses), the aggregate generation capacity (including the customer-generator facility) connected to the distribution low voltage side of the substation transformer feeding the line section containing the point of common coupling shall not exceed 10 MW.

(e) The aggregate generation capacity connected to the line section, including the customer-generator facility, shall not contribute more than 10 percent to the line section's maximum fault current at the point on the high voltage (primary) level nearest the proposed point of common coupling.

(f) If a customer-generator facility is to be connected to a radial line section, the aggregate generation capacity connected to the electric distribution system by non-EDC

sources, including the customer-generator facility, shall not exceed 10 percent (or 15 percent for solar electric generation) of the total circuit annual peak load. For the purposes of this subsection, annual peak load shall be based on measurements taken over the 12 months prior to the submittal of the application, measured at the substation nearest to the customer-generator facility.

(g) If a customer-generator facility is to be connected to three-phase, three wire primary EDC distribution lines, a three-phase or single-phase generator shall be connected phase-to-phase.

(h) If a customer-generator facility is to be connected to three-phase, four wire primary EDC distribution lines, a three-phase or single phase generator shall be connected line-to-neutral and shall be effectively grounded.

(i) If a customer-generator facility is to be connected to a single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the customer-generator facility, shall not exceed 20 kilovolt-amperes (kVA).

(j) If a customer-generator facility is single-phase and is to be connected to a transformer center tap neutral of a 240 volt service, the addition of the customer-generator facility shall not create an imbalance between the two sides of the 240 volt service, which is greater than 20 percent of the nameplate rating of the service transformer.

(k) A customer-generator facility's point of common coupling shall not be on a transmission line.

(l) If a customer-generator facility's proposed point of common coupling is on a spot or area network, the interconnection shall meet all of the following requirements that apply, in addition to the requirements in (c) through (k) above:

1. For a customer-generator facility that will be connected to a spot network circuit, the aggregate generation capacity connected to that spot network from customer-generator facilities, including the customer-generator facility, shall not exceed five percent of the spot network's maximum load;

2. For a customer-generator facility that utilizes inverter based protective functions, which will be connected to an area network, the customer-generator facility, combined with other exporting customer-generator facilities on the load side of network protective devices, shall not exceed 10 percent of the minimum annual load on the network, or 500 kW, whichever is less. For the purposes of this paragraph, the percent of minimum load for solar electric generation customer-generator facility shall be calculated based on the minimum load occurring during an off-peak daylight period; and/or

3. For a customer-generator facility that will be connected to a spot or an area network that does not utilize

inverter based protective functions, or for an inverter based customer-generator facility that does not meet the requirements of (l)1 or 2 above, the customer-generator facility shall utilize reverse power relays or other protection devices that ensure no export of power from the customer-generator facility, including inadvertent export (under fault conditions) that could adversely affect protective devices on the network.

(m) An applicant shall submit an application for level 2 interconnection review on a standard form, available from the EDC. An applicant may choose to simultaneously submit an EDC's standard form interconnection agreement executed by the applicant.

(n) Within three business days after receiving an application for level 2 interconnection review, the EDC shall provide written or e-mail notice to the applicant that it received the application and whether the application is complete. If the application is incomplete, the written notice shall include a list of all of the information needed to complete the application.

(o) Within 15 business days after the EDC notifies the applicant that the application is complete under (n) above, the EDC shall perform an initial review of the proposed interconnection to determine whether the interconnection meets the applicable requirements at (c) through (l) above. During this initial review, the EDC may, at its own expense, conduct any studies or tests it deems necessary to evaluate the proposed interconnection. The initial review shall result in one of the following determinations:

1. The customer-generator facility meets the applicable requirements in (c) through (l) above. In this case, the EDC shall notify the applicant that the interconnection will be finally approved upon completion of the process set forth at (p) through (r) below. Within three business days after this notice, the EDC shall provide the applicant with an executable interconnection agreement;

2. The customer-generator facility has failed to meet one or more of the applicable requirements at (c) through (l) above, but the EDC has nevertheless determined that the customer-generator facility can be interconnected consistent with safety, reliability, and power quality. In this case, the EDC shall notify the applicant that the interconnection will be finally approved upon completion of the process set forth at (p) through (r) below. Within five business days after this notice, the EDC shall provide the applicant with an executable interconnection agreement;

3. The customer-generator facility has failed to meet one or more of the applicable requirements at (c) through (l) above, but the initial review indicates that additional review may enable the EDC to determine that the customer-generator facility can be interconnected consistent with safety, reliability, and power quality. In such a case, the EDC shall offer to perform additional review to determine whether minor modifications to the electric distribution

system (for example, changing meters, fuses, or relay settings) would enable the interconnection to be made consistent with safety, reliability and power quality. The EDC shall provide to the applicant a nonbinding, good faith estimate of the costs of such additional review, and/or such minor modifications. The EDC shall undertake the additional review or modifications only after the applicant consents to pay for the review and/or modifications; or

4. The customer-generator facility has failed to meet one or more of the applicable requirements at (c) through (l) above, and the initial review indicates that additional review would not enable the EDC to determine that the customer-generator facility could be interconnected consistent with safety, reliability, and power quality. In such a case, the EDC shall notify the applicant that the interconnection application has been denied, and shall provide an explanation of the reason(s) for the denial, including a list of additional information and/or modifications to the customer-generator's facility, which would be required in order to obtain an approval under level 2 interconnection procedures.

(p) An applicant that receives an interconnection agreement under (o)1 or 2 above shall:

1. Execute the agreement and return it to the EDC at least 10 business days prior to starting operation of the customer-generator facility (unless the EDC does not so require); and

2. Indicate to the EDC the anticipated start date for operation of the customer-generator facility.

(q) The EDC may require an EDC inspection of a customer-generator facility for compliance with this subchapter prior to operation, and may require and arrange for witness of commissioning tests as set forth in IEEE standard 1547 (published July 2003). The EDC shall schedule any inspections or tests under this section promptly and within a reasonable time after submittal of the application. The applicant shall not begin operating the customer-generator facility until after the inspection and testing is completed.

(r) For an applicant that receives an interconnection agreement under (p)1 or 2 above, approval of interconnected operation of the customer-generator facility shall be conditioned on all of the following occurring:

1. The interconnection has been approved by the electrical code official with jurisdiction over the interconnection;

2. Any EDC inspection and/or witnessing of commissioning tests arranged under (q) above are successfully completed; and

3. The planned start date provided by the applicant under (q) above has passed.

(s) If an application for level 2 interconnection review fails to meet the requirements as described at (o)3 or 4 above,

or is denied because it does not meet one or more of the requirements in this section, the applicant may resubmit the application under the level 3 interconnection review procedure.

Recodified from N.J.A.C. 14:8-4.8 and amended by R.2010 d.010, effective January 4, 2010.

See: 41 N.J.R. 2215(a), 42 N.J.R. 78(a).

Substituted "line section" for "distribution circuit" throughout; in (a)2, updated the N.J.A.C. reference; in (c), deleted a comma preceding and following "and line reclosers"; in (e), substituted "line section's" for "distribution circuit's"; and in (m), substituted a period for "and posted on the Board's website at www.bpu.state.nj.us. See N.J.A.C. 14:4-9.5(d)" at the end of the first sentence. Former N.J.A.C. 14:8-5.5, Standards and testing for air-cooled central air conditioners and air-cooled central air conditioning heat pumps, recodified to N.J.A.C. 14:8-7.5.

14:8-5.6 Level 3 interconnection review

(a) Each EDC shall adopt a level 3 interconnection review procedure. The EDC shall use the level 3 review procedure for an application to interconnect a customer-generator facility that does not qualify for the level 1 or level 2 interconnection review procedures set forth at N.J.A.C. 14:8-5.4 and 5.5.

(b) The EDC shall conduct an initial review of the application and shall offer the applicant an opportunity to meet with EDC staff to discuss the application. At the meeting, the EDC shall provide pertinent information to the applicant, such as the available fault current at the proposed interconnection location, the existing peak loading on the lines in the general vicinity of the customer-generator facility, and the configuration of the distribution lines at the proposed point of common coupling.

(c) The EDC shall provide an impact study agreement to the applicant, which shall include a good faith cost estimate for an impact study to be performed by the EDC. An impact study is an engineering analysis of the probable impact of a customer-generator facility on the safety and reliability of the EDC's electric distribution system. An impact study shall be conducted in accordance with good utility practice, as defined at N.J.A.C. 14:8-5.1 and shall:

1. Detail the impacts to the electric distribution system that would result if the customer-generator facility were interconnected without modifications to either the customer-generator facility or to the electric distribution system;
2. Identify any modifications to the EDC's electric distribution system that would be necessary to accommodate the proposed interconnection; and
3. Focus on power flows and utility protective devices, including control requirements.

(d) If the proposed interconnection may affect electric transmission or delivery systems, other than that controlled by the EDC, operators of these other systems may require additional studies to determine the potential impact of the

interconnection on these systems. If such additional studies are required, the EDC shall coordinate the studies, but shall not be responsible for their timing. The applicant shall be responsible for the costs of any such additional studies required by another affected system. Such studies shall be conducted only after the applicant has provided written authorization.

(e) After the applicant has executed the impact study agreement and has paid the EDC the amount of the good faith estimate required under (c) above, the EDC shall conduct the impact study and shall notify the applicant of the results as follows:

1. If the impact study indicates that only insubstantial modifications to the EDC's electric distribution system are necessary to accommodate the proposed interconnection, the EDC shall send the applicant an interconnection agreement that details the scope of the necessary modifications and an estimate of their cost; or

2. If the impact study indicates that substantial modifications to the EDC's electric distribution system are necessary to accommodate the proposed interconnection, the EDC shall provide an estimate of the cost of the modifications, which shall be accurate to within plus or minus 25 percent. In addition, the EDC shall offer to conduct a facilities study at the applicant's expense, which will identify the types and cost of equipment needed to safely interconnect the applicant's customer-generator facility.

(f) If an applicant requests a facilities study under (e)2 above, the EDC shall provide a facilities study agreement. The facilities study agreement shall describe the work to be undertaken in the facilities study and shall include a good faith estimate of the cost to the applicant for completion of the study. Upon the execution by the applicant of the facilities study agreement, the EDC shall conduct a facilities study, which shall identify the facilities necessary to safely interconnect the customer-generator facility with the EDC's electric distribution system, the cost of those facilities, and the time required to build and install those facilities.

(g) Upon completion of a facilities study, the EDC shall provide the applicant with the results of the study and an executable interconnection agreement. The agreement shall list the conditions and facilities necessary for the customer-generator facility to safely interconnect with the EDC's electric distribution system, the cost of those facilities, and the estimated time required to build and install those facilities.

(h) If the applicant wishes to interconnect, it shall execute the interconnection agreement, provide a deposit of not more than 50 percent of the cost of the facilities identified in the facilities study, complete installation of the customer-generator facility, and agree to pay the EDC the amount required for the facilities needed to interconnect as identified in the facilities study.

(i) Within 15 business days after notice from the applicant that the customer-generator facility has been installed, the

EDC shall inspect the customer-generator facility and shall arrange to witness any commissioning tests required under IEEE Standard 1547. The EDC and the applicant shall select a date by mutual agreement for the EDC to witness commissioning tests.

(j) Provided that the customer-generator facility passes any required commissioning tests satisfactorily, the EDC shall notify the applicant in writing, within three business days after the tests, of one of the following:

1. The interconnection is approved and the customer-generator facility may begin operation; or
2. The facilities study identified necessary construction that has not been completed, the date upon which the construction will be completed and the date when the customer-generator facility may begin operation.

(k) If the commissioning tests are not satisfactory, the customer-generator shall repair or replace the unsatisfactory equipment and reschedule a commissioning test pursuant to (i) above.

(l) Each EDC shall include in any tariff or published procedures for level 3 interconnection review each element of an impact study, including a description of the review the EDC will undertake for each element. An impact study shall include the following elements, as applicable:

1. A load flow study;
2. A short-circuit study;
3. A circuit protection and coordination study;
4. The impact on the operation of the electric distribution system;
5. A stability study (and the conditions that would justify including this element in the impact study);
6. A voltage collapse study (and the conditions that would justify including this element in the impact study); and
7. Additional elements, if approved in writing by Board staff prior to the impact study.

Recodified from N.J.A.C. 14:8-4.9 and amended by R.2010 d.010, effective January 4, 2010.

See: 41 N.J.R. 2215(a), 42 N.J.R. 78(a).

In (a), deleted "has a capacity less than two megawatts and" preceding "does", and updated the N.J.A.C. references; and in the introductory paragraph of (c), updated the N.J.A.C. reference. Former N.J.A.C. 14:8-5.6, Standards and testing for low-voltage dry type distribution transformers, recodified to N.J.A.C. 14:8-7.6.

14:8-5.7 Interconnection fees

(a) An EDC or supplier/provider shall not charge an application or other fee to an applicant that requests level 1 interconnection review. However, if an application for level 1 interconnection review is denied because it does not meet the requirements for level 1 interconnection review and the ap-

plicant resubmits the application under another review procedure in accordance with N.J.A.C. 14:8-5.4(p), the EDC may impose a fee for the resubmitted application, consistent with this section.

(b) For a level 2 interconnection review, the EDC may charge fees of up to \$50.00 plus \$1.00 per kilowatt of the customer-generator facility's capacity, plus the cost of any minor modifications to the electric distribution system or additional review, if required under N.J.A.C. 14:8-5.5(o)3 or 4. Costs for such minor modifications or additional review shall be based on EDC estimates and shall be subject to case-by-case review by the Board or its designee. Costs for engineering work done as part of any additional review shall not exceed \$100.00 per hour.

(c) For a level 3 interconnection review, the EDC may charge fees of up to \$100.00 plus \$2.00 per kilowatt of the customer-generator facility's capacity, as well as charges for actual time spent on any impact and/or facilities studies required under N.J.A.C. 14:8-5.6. Costs for engineering work done as part of an impact study or facilities study shall not exceed \$100.00 per hour. If the EDC must install facilities in order to accommodate the interconnection of the customer-generator facility, the cost of such facilities shall be the responsibility of the applicant.

Recodified from N.J.A.C. 14:8-4.10 and amended by R.2010 d.010, effective January 4, 2010.

See: 41 N.J.R. 2215(a), 42 N.J.R. 78(a).

Updated the N.J.A.C. references throughout; and in (a), deleted a comma preceding "and the applicant". Former N.J.A.C. 14:8-5.7, Standards and testing for exit signs, torchieres, traffic signals, and unit heaters, recodified to N.J.A.C. 14:8-7.7.

14:8-5.8 Requirements after approval of an interconnection

(a) Once the customer-generator has met all requirements for interconnection approval under N.J.A.C. 14:8-5.4, 5.5 or 5.6, the EDC shall notify the customer-generator in writing that the customer-generator is authorized to energize the customer-generator facility.

(b) An EDC shall not require an applicant whose facility meets the criteria for interconnection approval under the level 1 or level 2 interconnection review procedure required pursuant to N.J.A.C. 14:8-5.4 and 5.5 to install additional controls or external disconnect switches not included in the interconnection equipment, to perform or pay for additional tests, or to purchase additional liability insurance, except if agreed to by the applicant.

(c) An EDC shall not charge any fee or other charge for connecting to the EDC's equipment or for operation of a customer-generator facility for the purposes of net metering, except for the fees provided for under this subchapter.

(d) Once a net metering interconnection has been approved under this subchapter, the EDC shall not require a customer-generator to test or perform maintenance on its facility except for the following:

1. An annual test in which the customer-generator's facility is disconnected from the electric distribution company's equipment to ensure that the facility stops delivering power to the grid;

2. Any manufacturer-recommended testing or maintenance; and

3. Any post-installation testing necessary to ensure compliance with IEEE 1547 or to ensure safety.

(e) When a customer-generator facility approved through a level 2 or level 3 review undergoes maintenance or testing in accordance with the requirements of this subchapter, the customer-generator shall retain written records documenting the maintenance and the results of testing. No recordkeeping is required for maintenance or testing performed on a customer-generator facility approved through a level 1 review.

(f) An EDC shall have the right to inspect a customer-generator's facility after interconnection approval is granted, at reasonable hours and with reasonable prior notice to the customer-generator. If the EDC discovers that the customer-generator's facility is not in compliance with the requirements of this subchapter, and the noncompliance adversely affects the safety or reliability of the electric distribution system, the EDC may require the customer-generator to disconnect the customer-generator facility until compliance is achieved.

Recodified from N.J.A.C. 14:8-4.11 and amended by R.2010 d.010, effective January 4, 2010.

See: 41 N.J.R. 2215(a), 42 N.J.R. 78(a).

Added new (a); recodified former (a) through (e) as (b) through (f); in (b), updated the N.J.A.C. references, and substituted "interconnection equipment" for "equipment package"; and in (d)1, substituted the second occurrence of "facility" for "inverter". Former N.J.A.C. 14:8-5.8, Certification, recodified to N.J.A.C. 14:8-7.8.

14:8-5.9 Interconnection reporting requirements for EDCs

(a) Each EDC with one or more customer-generators connected to its distribution system shall submit two interconnection reports per year, one covering January 1 through June 30 and one covering July 1 through December 31. The EDC shall submit the reports by August 1 and February 1, respectively.

(b) The EDC shall submit the reports required by this section electronically, in PDF format, to oce@bpu.state.nj.us. In addition, the EDC may, at its discretion, submit a paper copy of the reports by hand delivery or regular mail to the Secretary, Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, PO Box 350, Trenton, New Jersey 08625-0350. The EDC may, at its discretion, submit the interconnection report together with the net metering report required under N.J.A.C. 14:8-4.5.

(c) Each report shall contain the following information regarding customer-generator facilities that interconnected with the EDC's distribution system for the first time during

the reporting period, listed by type of renewable energy technology:

1. The number of customer-generators that interconnected;

2. The estimated total rated generating capacity of all customer-generator facilities that interconnected; and

3. The total cumulative number of customer-generators that interconnected between June 15, 2001 and the end of the reporting period, including the customer-generators in (c)1 above.

(d) The information required under (c) above shall be listed by type of class I renewable energy, as set forth at N.J.A.C. 14:8-2.5(b), as follows:

1. Solar PV technology;

2. Wind technology;

3. Biomass; or

4. A renewable energy technology not listed at (d)1 through 3 above. In such a case, the report shall include a description of the renewable energy technology.

New Rule, R.2010 d.010, effective January 4, 2010.

See: 41 N.J.R. 2215(a), 42 N.J.R. 78(a).

Former N.J.A.C. 14:8-5.9, Enforcement, recodified to N.J.A.C. 14:8-7.9.

Administrative change.

See: 43 N.J.R. 1896(a).

SUBCHAPTER 6. QUALIFIED OFFSHORE WIND PROJECTS

14:8-6.1 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise. Additional definitions that apply to this subchapter can be found at N.J.A.C. 14:3-1.1 and 14:4-1.2.

"Key employee" means any individual employed by the applicant in a supervisory capacity or empowered to make discretionary decisions with respect to the project.

"Offshore wind energy" means electric energy produced by a qualified offshore wind project.

"Offshore wind renewable energy certificate" or "OREC" means a certificate issued by the Board or its designee, representing the environmental attributes of one megawatt hour of electric generation from a qualified offshore wind project.

"Qualified offshore wind project" means a wind turbine electric generation facility in the Atlantic Ocean and connected to the electrical transmission system in this State, and includes the associated transmission-related interconnection