

CHAPTER 8
RENEWABLE ENERGY AND ENERGY
EFFICIENCY

Authority

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

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

Chapter 8, Renewable Energy and Energy Efficiency, expires on April 18, 2011.

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).

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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

Reporting Year	Solar Electric Generation (solar RECs)	Class I Renewable Energy	Class II Renewable Energy	Total Renewable Energy
June 1, 2013 – May 31, 2014	0.621%	7.977%	2.50%	11.098%
June 1, 2014 – May 31, 2015	0.765%	8.807%	2.50%	12.072%
June 1, 2015 – May 31, 2016	0.928%	9.649%	2.50%	13.077%
June 1, 2016 – May 31, 2017	1.118%	10.485%	2.50%	14.103%
June 1, 2017 – May 31, 2018	1.333%	12.325%	2.50%	16.158%
June 1, 2018 – May 31, 2019	1.572%	14.175%	2.50%	18.247%
June 1, 2019 – May 31, 2020	1.836%	16.029%	2.50%	20.365%
June 1, 2020 – May 31, 2021	2.120%	17.880%	2.50%	22.5%

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

(c) A supplier/provider shall meet the requirements for solar electric generation in Table A above through submittal of solar RECs, or through submittal of one or more SACPs, as those terms are defined at N.J.A.C. 14:8-2.2.

(d) A supplier/provider may meet the class I and class II renewable energy requirements in Table A above by submitting RECs in accordance with N.J.A.C. 14:8-2.8.

(e) A supplier/provider may, in lieu of meeting the requirements in Table A above, comply with this subchapter by submitting the appropriate number of ACPs or SACPs, in accordance with N.J.A.C. 14:8-2.10.

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

- Solar RECs may be used to meet any requirement in Table A, whether the requirement is for solar electric generation, class I renewable energy, or class II renewable energy;
- 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
- 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. All RPS compliance shall be submitted in the form of RECs.

(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?

Time Period	Class I	Class I or II	Total
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:

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

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).

(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".

SUBCHAPTERS 3 THROUGH 7. (RESERVED)

SUBCHAPTER 8. STANDARD OFFER CONTRACTS

14:8-8.1 Applicability

(a) This subchapter applies to a Standard Offer contract that meets all of the following criteria and in addition the criteria at (b) below:

1. The contract was executed in accordance with the Board's Demand Side Management (DSM) rules, formerly found at N.J.A.C. 14:12;
2. The contract was executed prior to July 16, 2007; and
3. The contract was in effect as of July 16, 2007.

(b) This subchapter applies to a Standard Offer contract between an energy public utility and any of the following:

1. A customer;
2. An energy service company or ESCO, as defined at N.J.A.C. 14:8-8.2; or
3. A third-party contractor working with a customer.

(c) This subchapter shall not affect the validity or conditions of contracts in any way not specifically set forth at N.J.A.C. 14:8-8.3.

14:8-8.2 Definitions

The following words and terms, as 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.

"Energy public utility" means a public utility, as defined at N.J.A.C. 14:3-1.1, that provides electricity or natural gas. This term does not include a subsidiary or affiliate of a public utility, nor does it include a municipal public utility.

"Energy service company" or "ESCO" means a company that provides energy efficiency and load management equipment and/or services to energy customers.

14:8-8.3 Term of existing Standard Offer contracts

(a) Standard Offer programs conducted pursuant to the Board's Demand Side Management (DSM) rules, formerly found at N.J.A.C. 14:12, have been and are suspended. Standard Offer contracts outstanding as of July 16, 2007 shall remain in effect in accordance with their terms and conditions.

(b) Notwithstanding anything in (a) above, in the event that the primary term of a contract described at N.J.A.C. 14:8-8.1(a) and (b) is less than the maximum term specified in the Standard Offer, after July 16, 2007, the primary term shall not be extended up to the maximum term, regardless of any contract provision to the contrary. This restriction shall not affect any contract whose primary term has, prior to July 16, 2007, already been extended beyond July 16, 2007.