

(i) The governing body shall enter into a written agreement with the selected TPS, which agreement shall include:

1. The contract for a government aggregator's own load;
2. A contract form in compliance with and includes the requirements of N.J.A.C. 14:4-6.6(a); and
3. A provision that such written agreement shall not become effective until the proposed contract in (i)2 above is approved by the Board.

(j) After entering into a written agreement with the selected TPS, the governing body shall submit to the Board, for approval, the proposed standard contract to be entered into between the selected TPS and each residential customer who affirmatively consents to enter into such contract.

(k) The governing body shall submit an application to the Board for approval of a contract for a limited government energy aggregation program which shall include the following information:

1. A copy of the bid specifications which was issued pursuant to N.J.A.C. 14:4-6.4 to solicit bids from licensed TPSs, accompanied by an index which indicates precisely where in the aforementioned each provision required in N.J.A.C. 14:4-6.6(a) is set forth;
2. A copy of the written agreement, accompanied by an index which indicates precisely where in the written agreement each provision required in N.J.A.C. 14:4-6.6(a) and in (i)3 above is set forth;
3. The TPS' name and license number;
4. A detailed customer bill comparison which demonstrates for a residential customer: for 250 kWh, 500 kWh, 1,000 kWh and 2,000 kWh for each month of the year, the customer's total electric bill under the proposed contract with the customer's total electric bill at the same electricity usage levels for each month of the year if the customer were to remain on basic generation service; and for 50 therms, 100 therms, 150 therms and 200 therms for each month of the year, the customer's total gas bill under the proposed contract with the customer's total gas bill at the same gas usage levels for each month of the year if the customer were to remain on basic gas supply service;
5. A copy of the proposed form of notice, consistent with (q)1 below, which will be utilized to solicit customer consent to the energy aggregation program;
6. If a resubmission, noted deficiency(ies) corrected; and
7. Other items as the Board deems necessary and which will be specified pursuant to Board Order.

(l) The Board shall determine whether the submission is complete within 30 days receipt thereof.

1. If the submission is determined to be incomplete, the Board shall return the submission forthwith, with notice of the specific deficiency(ies).

2. The governing body shall correct specific deficiency(ies) and resubmit.

(m) Upon being notified by the Board that the submission is complete, the governing body or its designee shall provide a copy of completed submission to the Ratepayer Advocate (RA).

(n) The RA shall recommend to the Board to approve, modify or reject submission within 45 days of receipt thereof.

1. The Board shall approve, reject or modify submission within 60 days of the submission being deemed complete.

(o) Upon receipt of Board approval, governing body, or its designee, shall authorize the selected licensed TPS to solicit the affirmative and voluntary written consent of any residential customer who did not initially affirmatively decline to participate.

(p) The selected licensed TPS shall be subject to N.J.S.A. 48:3-86 and Board-adopted customer protection standards.

(q) The governing body shall notify all residential customers of their right to decline continued participation if there is a change in TPS or price.

1. The governing body must use Board-approved form of notice; and
2. The governing body must provide certification of said notification to the Board.

(r) The county government aggregator may only implement a program pursuant to N.J.S.A. 48:3-92(f) and N.J.A.C. 14:4-6.6(g) and (h).

(s) The provisions of N.J.S.A. 48:3-94 and (d) above through (u) below shall only apply to residential customers.

(t) Nothing in N.J.S.A. 48:3-94 or (e) and (f) above shall preclude a limited government aggregation program from including business customers pursuant to N.J.S.A. 48:3-94 or (a) through (c) above.

(u) All customer information obtained by a government aggregator shall be deemed confidential and may not be used or disseminated for any purpose other than the facilitation of the aggregation program. If a government aggregator is unable, for any reason, to ensure the confidentiality and proper use of specific customer information, said customer(s) shall be informed and given the opportunity to cease participation in the aggregation program.

Amended by R.2002 d.313, effective September 16, 2002.
See: 34 N.J.R. 1524(d), 34 N.J.R. 3230(a).

Rewrote the section.

Source and Effective Date

R.2001 d.231, effective June 15, 2001 (to expire December 15, 2002).
See: 33 N.J.R. 2536(a).

APPENDIX

Limited Government Energy Aggregation Program Notice

Dear :

This is to inform you that, as provided for under the State's "Electric Discount and Energy Competition Act" (P.L. 1999, c.23), the (name) has chosen to enter into a contract(s) for electricity generation service (or gas supply service) on behalf of our residential or business constituents unless you decline to participate. This is known as a "Limited Government Energy Aggregation Program." This notice is being sent to you pursuant to State law.

Under the law, you can choose one of the following options:

- You can remain a customer of your present electric (and natural gas) public utility.
- You can choose to participate in the (name) municipal energy aggregation program and sign-up with the supplier chosen by a public bid by the (name).
- You can shop for and negotiate a contract with any other power supplier (or gas supplier) on your own.
- You can participate in other aggregation groups that may contact you.

Once a (name) contract with an electric power supplier (or gas supplier) is approved by the New Jersey Board of Public Utilities, you will be contacted by that supplier with an offer to voluntarily participate in the program. At that time, you will be asked to sign a contract. *You will be under no obligation to enter into a contract and may decline to participate at that time.* Under the State law, the price for electricity must be lower than the rate charged by your electric public utility.

If you have not received detailed information or have additional questions concerning this program, please contact (fill in organization, name, address, e-mail as appropriate). If you wish to decline participation in the (Name) Energy Aggregation Program at this time, please complete, sign and return the bottom of this Notice in the enclosed envelope provided by (date).

Sincerely,
Mayor

I do not wish to participate in the (Name) Limited Energy Aggregation Program.

Signature: _____

Name: _____

Address: _____

SUBCHAPTER 7. (RESERVED)

SUBCHAPTER 8. INTERIM RENEWABLE ENERGY PORTFOLIO STANDARDS

Authority

N.J.S.A. 48:3-49 et seq.

14:4-8.1 Purpose and scope

(a) Pursuant to the provisions of the Electric Discount and Energy Competition Act (the "Act") (N.J.S.A. 48:3-87), each electric power supplier or basic generation service provider who sells electricity to retail customers in this State shall include in its electric energy portfolio electricity generated from renewable energy sources. These interim renewable portfolio energy standards ("interim standards") are designed to encourage the development of renewable sources of electricity and new, cleaner generation technology; minimize the environmental impact of emissions from electric generation; reduce possible transport of emissions and minimize any adverse environmental impact from de-regulation of energy generation.

(b) These interim standards pertain to the retail electricity sales of each electric power supplier and basic generation service provider as defined in N.J.A.C. 14:4-8.2. These interim standards pertain to electricity retail sales, and not to installed capacity obligations.

(c) These interim standards do 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. These standards do not apply to an energy agent that arranges the sale of retail electricity or electric-related services between government aggregators or private aggregators and electric power suppliers. The electric power supplier(s) who is contractually obligated to sell electricity to the aggregator shall comply with these interim standards by including the aggregated amount as part of its energy portfolio.

(d) For the limited purposes of these interim standards, electricity generated from Class I renewable energy projects funded by the societal benefits charge (SBC) shall qualify as Class I renewable energy that can be used to meet the renewable energy portfolio standards percentage requirements. Specifically, Class I renewable energy generated from projects funded by the SBC, as a result of the findings of the Comprehensive Resources Analysis (CRA) Proceeding, may be used to meet the requirements herein, unless and until the Board determines otherwise.

(e) Certain elements of these interim standards, particularly pertaining to reporting requirements for electric power suppliers and basic generation service providers, may be subject to elimination or modification by an order of the Board, to the extent that a tracking system is implemented by an independent system operator and/or an environmental disclosure program administrator.

14:4-8.2 Definitions

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

“Act” means the “Electric Discount and Energy Competition Act” (N.J.S.A. 48:3-49 et seq.).

“Aggregator” means either of the following:

1. A governmental entity, subject to the requirements of the “Local Public Contracts Law,” P.L. 1971, c.198 (N.J.S.A. 40A:11-1 et seq.), the “Public School Contracts Law,” N.J.S.A. 18A:18A-1 et seq., or the “County College Contracts Law,” P.L. 1982, c.189 (N.J.S.A. 18A:64A-25.1 et seq.), that enters into a written contract with a licensed electric power supplier(s) for electric generation service or electric related service either separately or bundled with other services, for its own facilities, the use of other government aggregators or on behalf of business and residential customers within its territorial jurisdiction; or
2. A private non-government aggregator that is a duly-organized business or non-profit organization authorized to do business in this State and that enters into a contract with a duly licensed electric power supplier for the purchase of electric energy and capacity, on behalf of multiple end-use customers by combining the loads of those customers.

For the limited purposes of these interim standards, a government or private aggregator, as well as its customers, shall be considered to be retail customers.

“Basic generation service” means electric generation service that is provided to any customer that has not chosen an alternative electric power supplier, whether or not the customer has received offers as to competitive supply options, including, but not limited to, any customer that cannot

obtain such service from an electric power supplier for any reason, including non-payment for services. Basic generation service is not a competitive service and shall be fully regulated by the Board.

“Biomass” means, for the limited purposes of these interim standards, as it is defined in Executive Order 13134, published in the Federal Register on August 16, 1999, “. . . 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. Old-growth timber means timber of a forest from the late successional stage of forest development. The forest contains live and dead trees of various sizes, species, composition, and age class structure. The age and structure of old growth varies significantly by forest type and from one biogeoclimatic zone to another.”

“Board” means the New Jersey Board of Public Utilities or any successor agency.

“Broker” means a duly licensed electric power supplier that assumes the contractual and legal responsibility for the sale of electric generation service, transmission or other services to end-use retail customers, but does not take title to any of the power sold.

“Electric power supplier” means a person or entity that is duly licensed by the Board to offer and to assume the contractual and legal responsibility to provide electric generation service to retail customers, and includes load serving entities, marketers and brokers that offer or provide electric generation service to retail customers.

“Energy” means electric energy measured in kilowatt hours (kWh).

14:4-8.8 Penalties

(a) If an electric power supplier or basic generation service provider fails to meet the requirement for renewable sources of energy set forth in N.J.A.C. 14:4-8.3 for any given year, then such electric power supplier or basic generation service provider shall be required to make up the amount of kilowatt hours in arrears during the succeeding calendar year. Thus, in the following calendar year immediately after the failure to meet the renewable energy portfolio standards' requirement, the amount of kilowatt hours from renewable energy required in the electric energy portfolio of such electric power supplier or basic generation service provider shall be the amount of kilowatt hours set forth for that year in N.J.A.C. 14:4-8.3 plus the amount of kilowatt hours in arrears from the previous calendar year. Documentation that the arrearage has been met shall be included in the quarterly reports as filed with the Board, as required in N.J.A.C. 14:4-8.4.

(b) The failure of an electric power supplier or basic generation service provider that is in arrears to meet the minimum renewable energy portfolio standards' requirement in any year plus compensate for any arrearage that the electric power supplier or basic generation service provider is carrying forward from the preceding calendar year shall constitute a violation, which shall be referred by Board staff to the Board for its consideration. Where applicable and appropriate, the Board shall consult the Attorney General and the NJDEP with respect to these referrals.

1. Any party determined by the Board, after notice and hearing, to have violated any provision of these interim standards relating to the renewable energy portfolio standards' requirements may be subject to any one or more of the following penalties, as consistent with provisions of the Act:

- i. Suspension or revocation of the electric power supplier's license;
- ii. Financial penalties;
- iii. Disallowance of recovery of costs in rates; and
- iv. Prohibition on accepting new customers.

(c) 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 interim standards and other standards adopted by the Board; and

4. The appropriateness of the sanction or fine to the size of the company charged.

**SUBCHAPTER 9. INTERIM NET METERING,
SAFETY AND POWER QUALITY
STANDARDS FOR WIND AND SOLAR
PHOTOVOLTAIC SYSTEMS**

Authority

N.J.S.A. 48:3-49 et seq.

Source and Effective Date

R.2001 d.231, effective June 15, 2001 (to expire December 15, 2002).
See: 33 N.J.R. 2536(a).

14:4-9.1 Scope

These rules govern net metering standards for electric power suppliers, basic generation service providers and electric distribution companies.

14:4-9.2 Definitions

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

“Act” means the “Electric Discount and Energy Competition Act” (N.J.S.A. 48:3-49 et seq.).

“Annualized period” means 12 consecutive monthly billing periods beginning with the first customer billing period in which net metering becomes applicable.

“Avoided cost of wholesale power” means the average locational marginal price of energy in the applicable utility's transmission zone.

“Basic generation service” means electric generation service that is provided, pursuant to N.J.S.A. 48:3-57, to any customer that has not chosen an alternative electric power supplier, whether or not the customer has received offers as to competitive supply options, including, but not limited to, any customer that cannot obtain such service from an electric power supplier for any reason, including non-payment for services. Basic generation service is not a competitive service and shall be fully regulated by the Board.

“Board” means the New Jersey Board of Public Utilities or any successor agency.

“Customer-generator” means a residential or small commercial customer that generates electricity, on the customer's side of the meter, using wind or solar photovoltaic system.

“Electric distribution company” means an electric public utility, as the term is defined in N.J.S.A. 48:2-13, that

transmits or distributes electricity to end users within this State.

“Electric generation service” means the provision of retail electric energy and capacity which is generated off site from the location at which the consumption of such electric energy and capacity is metered for retail billing purposes, including agreements and arrangements thereto.

“Electric power supplier” means a person or entity that is duly licensed pursuant to the provisions of the Act to offer and to assume the contractual and legal responsibility to provide electric generation service to retail customers, including load serving entities, marketers and brokers that offer or provide electric generation service to retail customers. The term excludes an electric public utility that provides electric generation service only as basic generation service pursuant to N.J.S.A. 48:3-57.

“IEEE” means the “Institute of Electrical and Electronic Engineers.”

“Net metering” means that the customer-generator is billed according to the difference between the amount of electricity supplied by the electric power supplier or basic generation service provider in a given billing period and the electricity delivered from the customers’ side of the meter using wind or solar photovoltaic systems, with customer generation in excess of electricity supplied credited over an annualized period.

“Network distribution system” means an electric delivery system characterized by multiple uni-directional sub-transmission or primary-voltage feeders that are transformed and converge to a secondary service voltage level, where secondary conductors are commonly interconnected via automated secondary switches. The vast majority of network distribution systems consist entirely of underground construction and are primarily in urban areas.

“Non-discriminatory rates” means rates that are identical, with respect to rate structure, retail rate components, and any monthly charges, to the rates the customer-generator would have been charged if not a customer-generator.

14:4-9.3 Net metering standards

(a) All electric power suppliers and basic generation service providers shall offer net metering at non-discriminatory rates to their residential and small commercial customers that generate electricity, on the customer’s side of the meter, using a wind or solar photovoltaic system.

(b) A standard contract or tariff providing for net metering shall be developed and made available by each electric power supplier and basic generation service provider to eligible customer-generators on a first-come, first-served basis.

(c) Electric distribution companies shall be permitted to install a second meter, at their expense and with the customer’s permission, to measure gross kilowatt hours (Kwh) delivered from customer-generators.

1. If such a meter is installed, it shall be an electronic meter capable of hourly readings to collect data useful for future tariff design and use of distributed generation. If such a meter is installed, the utility shall supply its readings to the customer on a billing period basis, and at times of peak usage. These provisions notwithstanding, a single meter shall be sufficient for any residential or small commercial customer to take advantage of net metering under these standards.

(d) When the amount of electricity delivered by the customer-generator plus any kilowatt hour credits held over from previous billing periods exceed the electricity supplied by the electric power supplier or basic generation service provider, the electric power supplier or basic generation service provider, as the case may be, shall credit the customer-generator for the excess kilowatt hours until the end of the annualized period at which point the customer-generator will be compensated for any remaining credits at the electric supplier’s or basic generation service provider’s avoided cost of wholesale power.

1. When a customer-generator switches electric suppliers, 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.

(e) Net metering will be reviewed by the Board and may cease to be offered, upon Board authorization, whenever the total rated generating capacity owned and operated by net metering customer-generators Statewide equals 0.1 percent of the State’s peak electricity demand or the annual aggregate financial impact to electric power suppliers and basic generation service providers Statewide, as determined by the Board, exceeds \$2,000,000, whichever occurs first.

1. The Board will conduct a public hearing and provide opportunity for public comment prior to ceasing any net metering offering(s).

(f) Each basic generation service provider and electric power supplier shall submit an annual report to the Board indicating the rated generating capacity owned and operated by its net metering customer-generators, the net Kwh received from customer-generators and the aggregate value of net metering credits provided during the previous 12 months. Annual reports shall be due October 31st of each year for the period ending September 30th of each year.

1. For purposes of this section, “aggregate value of net metering credits” means the total amount of energy delivered by customer-generators.

(g) Customer-generators will be eligible for net metering up to a maximum allowable capacity per customer-generator of 100 Kw, but not to exceed the current peak electric needs of its own residential or small commercial facility.

14:4-9.4 Safety and power quality standards

(a) Interconnection costs shall be paid by the customer-generator and shall be in addition to any line extension charge required to meet service requirements.

(b) Customer-generators shall not be charged a fee greater than \$100.00 to process applications for net metering and the net metering interconnection.

(c) Customer-generators shall bear the cost of meeting all applicable safety and power quality standards approved by the National Electrical Code, Institute of Electrical and Electronics Engineers, and accredited testing institutions, such as Underwriters Laboratories.

(d) Customer-generator facilities rated up to and including 10 kilowatts (Kw) except for those facilities served by

network distribution systems, shall comply with all applicable safety and power quality standards approved by the National Electrical Code, Institute of Electrical and Electronics Engineers, and accredited testing institutions, such as Underwriters Laboratories, and specifically IEEE Standard 929-2000.

(e) Customer-generator facilities rated above 10 Kw and not more than 100 Kw, and those rated 10 Kw and less and served by network distribution systems, shall comply with all applicable safety and power quality standards approved by the National Electrical Code, Institute of Electrical and Electronics Engineers, accredited testing laboratories, such as Underwriters Laboratories, and electric distribution company tariffs, as approved by the Board.

(f) An electric distribution company may not require an eligible customer-generator whose system(s) meets the standards above to install additional controls, perform or pay for additional tests or purchase additional liability insurance.