

## CHAPTER 357

AN ACT concerning certain electric generation facilities, and supplementing P.L.1999, c.23 (C.48:3-49 et al).

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

C.48:3-110 Definitions relative to certain electric generation facilities.

1. As used in P.L.2017, c.357 (C.48:3-110 et seq.):

“Facility” means a small scale hydropower facility put into service after the effective date of P.L.2012, c.24 with a capacity of three megawatts or less or a resource recovery facility.

”Resource recovery facility” shall have the same meaning as provided in section 3 of P.L.1999, c.23 (C.48:3-51).

“Standby charge” means a charge imposed by an electric public utility upon a facility that delivers or sells power to an end-use customer, or upon an end-use customer of that power, for the recovery of costs necessary to make power available to the facility or the end-use customer during a facility power outage including, but not limited to, the allocation of reasonable capital investment costs and operating and maintenance expenses associated with the electric public utility’s infrastructure needed to provide the standby power.

“Standby power” means power made available during a facility outage to a facility or to an end-use customer who uses power generated by the facility.

C.48:3-111 Connection with distribution network.

2. At the request of an owner of a facility, an electric public utility shall install distribution lines to connect the facility with the electric public utility’s distribution network. The electric public utility may charge the owner of the facility for the entire amount of costs incurred to connect the facility.

C.48:3-112 Net metering, rate.

3. a. (1) An electric power supplier or a basic generation service provider shall offer a facility net metering at a non-discriminatory rate. If the amount of electricity generated by the facility, plus any kilowatt hour credits held over from previous billing periods, exceeds the electricity supplied by the electric power supplier or basic generation service provider, then the electric power supplier or basic generation service provider shall credit the facility for the excess kilowatt hours until the end of the annualized period. If any kilowatt hour credit remains at the end of the annualized period, the facility shall be compensated by the electric power supplier or basic generation service provider for any remaining credits or, if the facility chooses, have the electric power supplier or a basic generation service provider credit the facility on a real-time basis, at the electric power supplier’s or basic generation service provider’s avoided cost of wholesale power or the PJM electric power pool’s real-time locational marginal pricing rate, adjusted for losses, for the respective zone in the PJM electric power pool.

(2) In the event that the facility elects not to receive a credit pursuant to paragraph (1) of this subsection, the facility may execute a bilateral agreement with an electric power supplier or basic generation service provider for the sale and purchase of the facility’s excess generation. The facility may be credited on a real-time basis, if the facility follows applicable rules prescribed by the PJM electric power pool for its capacity requirements for the net amount of electricity supplied by the electric power supplier or basic generation service provider.

b. A facility may deliver or sell power to up to 10 end-use customers, who are located within 10 miles of the facility and net-metered within the service territory of a single electric

public utility, and designate the end-use customers to be credited by the electric power supplier or basic generation service provider with the excess generation of the facility. The facility may designate the proportionate share of the excess electricity generated to credit each of the designated end-use customers.

c. The owner of a facility who sells or delivers power to an end-use customer pursuant to the provisions of this section shall not be considered a public utility pursuant to R.S.48:2-13 or P.L.1999, c.23 (C.48:3-49 et al.).

C.48:3-113 Standby charge.

4. a. Upon request to an electric public utility, electric power supplier, or basic generation service provider for standby power by a facility that supplies power to an end-use customer pursuant to section 3 of P.L.2017, c.357 (C.48:3-112) or the end-use customer of that power, the electric public utility, electric power supplier, or basic generation provider, as applicable, shall impose and assess a standby charge.

b. The Board of Public Utilities shall, within 120 days after the effective date of P.L.2017, c.357 (C.48:3-110 et seq.), establish criteria for an electric public utility, electric power supplier, or basic generation provider to assess and impose a standby charge.

5. This act shall take effect immediately.

Approved January 16, 2018.