



Agenda Date: 10/29/2018
Agenda Item: 8F

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE MODIFICATION OF THE)
SOLAR RENEWABLE PORTFOLIO STANDARD AND)
SOLAR ALTERNATIVE COMPLIANCE PAYMENT)
SCHEDULES AND THE REDUCTION OF THE)
QUALIFICATION LIFE FOR SOLAR RENEWABLE)
ENERGY CERTIFICATES FOR SOLAR FACILITIES)

ORDER IMPLEMENTING
P.L. 2018, c. 17

DOCKET NO. QO18070698

Party of Record:

Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

BACKGROUND:

On May 23, 2018, Governor Murphy signed P.L. 2018, c.17 ("2018 Clean Energy Bill" or "Act"). The Act requires that:

For all applications for designation as connected to the distribution system of a solar electric power generation facility filed with the board after the date of enactment of P.L. 2018, c.17 (C.48:3-87.8 et al.), the SREC term shall be 10 years.

[N.J.S.A. 48:3-87(d).]

The current rules of the New Jersey Board of Public Utilities ("BPU" or "the Board") governing the Solar Renewable Energy Certificate ("SREC") term are found in Chapter 8 of Title 14 of the New Jersey Administrative Code ("N.J.A.C."). Specifically, N.J.A.C. 14:8-2.2 defines the SREC "Qualification Life," for all SRECs at 15 years. According to this rule, a solar facility's Qualification Life applies to the facility itself, and to each piece of equipment included in the facility, regardless of any interruption in the solar facility's operation; or of any disassembly, relocation, sale or transfer of any piece of equipment included in the facility. In addition, N.J.A.C. 14:8-2.4(b) states that electricity must be generated during a facility's qualification life to be eligible for an SREC.

DISCUSSION AND FINDINGS

The Board believes the legislative intent was to set the Qualification Life at ten (10) years for all solar facilities. Specifically, the solar projects that require the Board to designate them as

“connected to the distribution system” only represent approximately one percent (1%) of the total solar applications that are received and processed by the Board. In fact, since the Governor signed the Act on May 23, 2018, more than 1,100 applications for solar energy projects have been received, but only a handful of these applications seek designation as being connected to the distributions system. Moreover, the Legislative Statement explains that the bill impacts “any new applications,” without further qualification.

After review of the issue, the Board **HEREBY FINDS** that the most likely and reasonable interpretation of the intent of the Act was to set the Qualification Life of all SRECs to ten (10) years, not merely those that require Board determination of being “connected to the distribution system.”

To effectuate this legislative intent and to implement P.L. 2018, c. 17, the Board **HEREBY ORDERS** that the Qualification Life of all SRECs projects moving forward shall no longer be fifteen (15) years, but shall instead be ten (10) years.

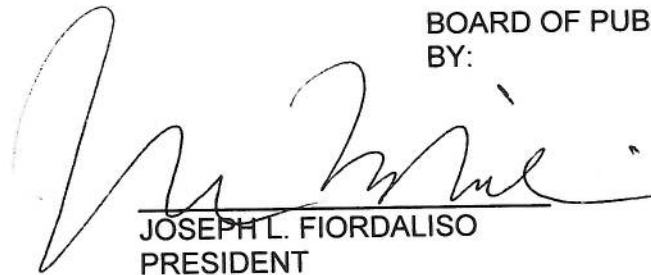
The Board **HEREBY ORDERS** Board Staff to apply to all applications properly submitted to the Board *before* the effective date of this Order a 15-year SREC Qualification Life. The Board **HEREBY ORDERS** Board Staff to apply to all applications submitted *after* the effective date of this Order a 10-year SREC Qualification Life.

The Board **HEREBY DIRECTS** Board Staff to initiate the necessary rulemaking process as soon as practicable to reflect, among other provisions, the Qualification Life for all SRECs shall be ten (10) years in order to codify and implement the intent of the 2018 Clean Energy Bill.

The effective date of this Order is October 29, 2018.

DATED: 10/29/18

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 
AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE OF MODIFICATION OF THE SOLAR RENEWABLE PORTFOLIO
STANDARD AND SOLAR ALTERNATIVE COMPLIANCE PAYMENT SCHEDULES AND THE
REDUCTION OF THE QUALIFICATION LIFE FOR SOLAR RENEWABLE ENERGY
CERTIFICATES FOR SOLAR FACILITIES

DOCKET NO. QO18070698

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