



Agenda Date: 9/28/22
Agenda Item: 8D

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE REMOTE NET METERING)
APPLICATION FILED PURSUANT TO THE BOARD'S)
APPLICATION AND APPROVAL PROCESS)
IMPLEMENTING PROVISIONS OF THE CLEAN)
ENERGY ACT OF 2018)
)
)
NATIONAL ENERGY PARTNERS)
SOMERS POINT SEWERAGE AUTHORITY)

ORDER

DOCKET NO. QO22050336

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Murray E. Bevan, Esq., of Bevan, Mosca & Giuditta, P.C.
Maryanne Phillips, Atlantic City Electric Company
Jason Frost, Somers Point Sewerage Authority

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities (“Board” or “BPU”) considers the application of National Energy Partners (“NEP”) on behalf of the Somers Point Sewerage Authority (“Somers Point”), for Board approval to be certified as a host customer for purposes of the Board’s Remote Net Metering (“RNM”) program.

BACKGROUND

Governor Murphy signed the Clean Energy Act of 2018, L. 2018, c. 23 (“Act”) into law on May 23, 2018. Among other mandates, the Act directed the Board to “establish an application and approval process to certify public entities to act as a host customer for remote net metering capacity” within 120 days of enactment. N.J.S.A. 48:3-87.12(a). The Act also mandates that the Board require the owner of a solar energy project to pay a certified public entity a pro-rated public sponsor fee of \$10,000 per megawatt (“MW”), up to a 10-MW allowance for each public entity. N.J.S.A. 48:3-87.12(c). In addition, “[t]he Board shall require each participating customer to pay at least 50 percent of the societal benefits charge established pursuant to . . . [N.J.S.A.] 48:3-60.”

In compliance with the Act, the Board approved a remote net metering process on September 17, 2018.¹

The Board-approved process defines “public entity,” for purposes of RNM eligibility, consistent with the list of entities identified as eligible for aggregated net metering in the Solar Act of 2012 (L. 2012, c. 24): State entity, school district, county, county agency, county authority, municipality, municipal agency or municipal authority. In the RNM Order, the Board further determined that the definition of “public entity” expressly includes public universities. A “host customer” is a public entity that proposes to host a solar electric generation facility on their property, while “entities designated to receive credits,” or “receiving customers,” are public entities located in the same electric distribution company (“EDC”) territory as the host customer. Both the host customer and the receiving customer must be a “customer of record” of the same EDC.

A host customer's solar electric generating facility must be located on property containing at least one (1) electric meter of the host customer and must be sized such that the electricity it produces on an annual basis does not exceed the total average usage of the host customer’s electric public utility account(s). The host customer must identify which accounts it is using to calculate the total average usage for the previous 12 months of consumption in kilowatt-hours (“kWh”). If more than one account is used, the total quantity of annual, historic kWh consumed will be divided by the number of accounts and the resulting figure will be divided by 1,200, representing the annual kWh per kilowatts (“kW”), to arrive at the maximum capacity for the solar electric generation facility in kW.

In establishing the application and approval process mandated by the Act, the Board approved a standard form of “Public Entity Certification Agreement” (“Agreement”) to be used by host customers and receiving customers. The Agreement must be fully executed by the host customer and each receiving customer, be accompanied by the Board approved standard form of Interconnection Application (Part 1) as used for all net metered projects and be delivered to both Board Staff (“Staff”) and the appropriate EDC. The Agreement must be reviewed by Staff and approved by the Board prior to the application of RNM credits.

The relevant EDC and Staff will review the Agreement for administrative completeness. Following the issuance of a notice of administrative completeness, the EDC has 20 business days to review the application for eligibility and feasibility and make a recommendation to Staff to approve or deny. Staff then presents the fully executed Agreement and Interconnection Application (Part 1) to the Board with a recommendation for approval or denial.

The Board-approved process requires the host customer and developer to agree to the installation of a production meter, paid for by the developer. The EDC will use the metered kWh data produced to calculate the credits due to receiving customers and will allocate the monthly output to receiving customers according to the percentage allotments indicated on the Agreement.

The Board has set the value of an RNM credit to reflect a rough approximation of the generation, transmission, and distribution value of a kWh produced by the solar electric generation facility. Each credited kWh for a receiving customer(s) offsets all the variable kWh charges of a receiving

¹ In re the Remote Net Metering Application Filed Pursuant to the Board's Application and Approval Process Implementing Provisions of the Clean Energy Act of 2018, BPU Docket No. QO18070697, Order dated September 17, 2018 (“RNM Order”).

customer(s), except for the Societal Benefits Charge (“SBC”), but does not offset any fixed or demand charges.

Somers Point RNM Agreement

On May 11, 2022, NEP submitted a RNM Agreement to the Board and to Atlantic City Electric Company (“ACE”) on behalf of Somers Point. The proposed location of a 141.3 kilowatts (“kWdc”) solar electric generation facility and the primary host account is the Somers Point Sewerage Authority located at Defeo Lane, Somers Point, New Jersey. The RNM application lists two (2) “host accounts” by account number and provides their associated historic consumption and specifies the percentage allocation of credits from the proposed installation. The RNM application also lists one (1) of the two “host customer accounts” as a “receiving customer account.” As required by the Board’s RNM Order, NEP supplied an Interconnection Application (Part 1) executed by Mr. Jason Frost as a representative of the customer-generator.

STAFF RECOMMENDATION

Staff reviewed the Agreement against the requirements of the RNM Order. As noted above, the Board defined “public entity” for purposes of RNM to mean customers that are a State entity, school district, county, county agency, county authority, municipality, municipal agency or municipal authority and expressly included public universities in this definition. Staff recommends that the Board find that the Somers Point Sewerage Authority is a “public entity” eligible for RNM.

The Board determined that a “host customer” for RNM shall be a public entity that proposes to host a solar electric generation facility on their property, while a “receiving customer” must be located in the same EDC territory as the host customer. The Board clarified in a previous Order that a host customer account may also serve as a receiving customer account.² Staff recommends that the Board find that Somers Point appropriately identified one of the host accounts as a receiving account.

Staff notes that the Agreement identifies historic consumption for the two (2) accounts as totaling 518,080 kWh, which results in a Total Average Usage for each account of 169,920 kWh. Staff recommends that the Board find that the solar generation facility size proposed by the applicant, 202.5 kWdc, is consistent with the size limits established by the Board’s RNM Order.

The RNM application lists two (2) “host accounts” by account number and their associated historic consumption. The proposed location of the 141.3 kWdc solar electric generation facility and the primary host account is the Somers Point Sewerage Authority. The second host account is listed as the City of Somers Point. The total average usage of the two (2) host accounts, 169,920 kWh, could support a solar electric generation facility as large as 141.6 kWdc. The RNM Order specified that the total quantity of annual, historic consumed kWh would be divided by the number of accounts, if more than one (1) is used, and 1,200 annual kWh per kWdc to arrive at the maximum capacity for the solar electric generation facility in kW.

² In re the Remote Net Metering Application Filed Pursuant to the Board's Application and Approval Process Implementing Provisions of the Clean Energy Act Of 2018 - Vanguard Energy Partners, Raritan Valley Community College, BPU Docket Nos. QO18070697 & QO21060982, Order dated August 28, 2021 (“RVCC Order”).

Staff recommends that the Board find that the proposed solar facility described in the Agreement satisfies the criteria established by the Board in the RNM Order and approve the Agreement. Staff also recommends that the public sponsor fee be paid upon receipt of the solar facility's Permission to Operate ("PTO") and that the Board require proof of payment be provided to the registration processing team as a condition of certification.

Staff further recommends that the Board require the host customer and developer to agree to the installation of a "production meter," which may be a "remote read smart meter" as specified by the EDC and paid for by the developer. The EDC should be required to clearly identify on the monthly electricity bills of each receiving customer account the apportioned amount of solar electricity generated in kWh, the gross amount of electricity consumed in kWh, and the net amount of kWh after credit allocation. Staff recommends that the concept of an annualized period as currently used in the Board's net metering rules at N.J.A.C. 14:8-4.2 apply to RNM, and that any excess generation for an individual receiving account after a monthly credit allocation be carried over to the next month within the annualized period. Staff recommends that, consistent with current net metering practice, if an individual receiving account holds credits at the end of an annualized period, the account shall be trued up at the avoided cost of wholesale power, as defined at N.J.A.C. 14:8-4.2. See also N.J.A.C. 14:8-4.3(e). Staff recommends that the Board order that the terms and conditions of the "Public Entity Certification Agreement," including all designated "receiving accounts" with their associated percentage of output allocations, be fixed throughout the annualized period.

DISCUSSION AND FINDINGS

Following careful consideration of the Agreement and Staff's Recommendation, the Board **HEREBY FINDS** that the Public Entity Certification Agreement submitted by NEP on behalf of Somers Point meets the criteria established in the RNM Order. Specifically, the Board **FINDS** that the applicant proposed a solar electric generation facility that is consistent with the size limits established by the Board's RNM Order. The Board **ORDERS** that the public sponsor fee be paid upon receipt of the solar facility's PTO and that proof of payment be provided to the registration processing team as a condition of certification. The Board also **FINDS** that the solar facility will be located on property containing at least one (1) electric meter of the host customer and that the host customer identified which account(s) are used to calculate the total average usage for the previous 12 months of consumption in kWh. The Board **FURTHER FINDS** that the Agreement complies with the Board's directive that no more than 10 receiving accounts may be party to an Agreement and that an individual receiving account must be allocated at least 10% of the solar electric generating facility output. The Board **FINDS** that, as in this case, a host customer account may also serve as a credit receiving customer account.

The Board **ORDERS** that the host customer and developer agree to the installation of a "production meter," which may be a "remote read smart meter" as specified by ACE, and that the developer pay for this meter.

The Board **FURTHER ORDERS** that each credited kWh for the receiving customer(s) shall offset all the variable kWh charges of a receiving customer(s), except for the SBC. No fixed, demand (\$/kW) or SBC charges (\$/kWh) shall be offset by an RNM credit. The Board **ORDERS** that ACE shall clearly identify on the monthly electricity bills of each receiving customer account the apportioned amount of solar electricity generated in kWh, the gross amount of electricity consumed in kWh, and the net amount of kWh after credit allocation. The Board **FINDS** that the concept of an annualized period as currently used in the Board's net metering rules at N.J.A.C. 14:8-4.2 shall apply to RNM, and that any excess generation for an individual receiving account

after a monthly credit allocation shall be carried over to the next month within the annualized period. Consistent with current net metering practice and N.J.A.C. 14:8-4.3(e), any individual receiving account holding credits at the end of an annualized period shall be trued up at the avoided cost of wholesale power as defined at N.J.A.C. 14:8-4.2. The terms and conditions of the "Public Entity Certification Agreement," including all designated "receiving accounts" with their associated percentage of output allocations, shall be fixed throughout the annualized period.

Therefore, the Board **APPROVES** the Agreement and **ADOPTS** all of Staff's recommendations not specifically addressed above.

The effective date of this Order is October 5, 2022.

DATED: September 28, 2022

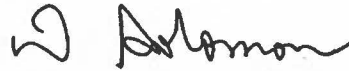
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ROBERT M. GORDON
COMMISSIONER


I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities.

IN THE MATTER OF THE REMOTE NET METERING APPLICATION FILED PURSUANT TO THE BOARD'S
APPLICATION AND APPROVAL PROCESS IMPLEMENTING PROVISIONS OF THE CLEAN ENERGY ACT
OF 2018

NATIONAL ENERGY PARTNERS
SOMERS POINT SEWERAGE AUTHORITY

DOCKET NO. QO22050336

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