

## **ENERGY YEAR 2011 RPS REPORTING INSTRUCTIONS**

The Renewable Portfolio Standards at N.J.A.C. 14:8-1.1 apply to BGS suppliers/providers and electric power suppliers (aka Third Party Suppliers or TPS). BGS suppliers must submit to each EDC for which they serve load the compliance documentation specific to the load served in that territory. The data reported to the EDC must be specific and relevant to the load served and the compliance sought by the BGS supplier for that particular EDC market. Each EDC must compile and summarize the reports provided by the BGS suppliers serving load in their market and submit this information under one cover to the Office of Clean Energy (OCE). Third Party Suppliers report directly to the OCE for their entire load regardless of where in New Jersey it was served. The RPS compliance reports are due by October 1, 2011.

Each BGS supplier must provide the following to each EDC for which they serve load. Third Party Suppliers report the same information directly to the OCE. Please note that any claims of confidentiality **must** be submitted in compliance with N.J.A.C. 14:1-12 – Procedures for Determining the Confidentiality of Submitted Information.

Current rules may be viewed at:

<http://www.lexisnexis.com/njoal>.

To see currently effective rules, log in and click on “search New Jersey Administrative Code”. The online New Jersey Administrative Code is updated quarterly.

### **Solar Requirements for Energy Years 2011 & 2012**

On March 30, 2011, the Special Adoption to the Renewable Portfolio Standard rules took effect. These adopted amendments codify new statutory requirements enacted through the Solar Energy Advancement and Fair Competition Act (SEAFCA), P.L. 2009, c. 289. These amendments will remain in effect until September 30, 2012, or until these amendments are proposed for public comment and adopted through standard rulemaking procedures.

SEAFCA requires a schedule of gradually increasing solar energy requirements, which are higher than previous solar requirements. This new schedule is found in this adoption in Table B in N.J.A.C. 14:8-2.3. SEAFCA also changes the method by which each supplier/provider’s solar obligation is calculated. Historically, a supplier/provider’s solar energy obligation was a percentage of the amount of retail electricity the supplier/provider supplied (that is, a percentage of the supplier/provider’s entire electricity portfolio). Under the method set by the SEAFCA, the Statewide solar energy target is divided among supplier/providers

based on the market share of each supplier/provider. This new volumetric method applies only to solar requirements. The method for calculating class I and class II renewable energy requirements remains unchanged by SEAFCA, and continues to be a simple percentage of electricity supplied.

SEAFCA exempts electricity supply from the new higher solar requirements if the supply is covered by a BGS contract that was executed prior to enactment of the law. The solar obligation for this exempt electricity is determined under the rules in place when the BGS contract was executed. Thus, exempt electricity carries a lower solar obligation than non-exempt electricity. However, SEAFCA requires that the Statewide solar target for each year must still be met. Therefore, during energy years 2011 through 2012, when some electricity supply will be exempt, the incremental solar obligation that is not met because of the exemption must be distributed among the nonexempt electricity supplied in each energy year until the prior BGS contracts expire. This special adoption includes provisions for calculating each supplier/provider's solar obligation for the years during which some electricity supply is exempt, and separate provisions calculating each supplier/provider's solar obligation for subsequent years, in which the solar obligation for all electricity supply will be calculated in the same manner, without exemptions, absent a triggering event under N.J.S.A. 48:3-87d(3).

To reflect the new volumetric method of calculating solar obligations, the existing terminology referring to the "percentage" of renewable energy is changed throughout the rule sections amended herein, so that the rule refers more broadly to the "amount" of renewable energy required. Since each supplier/provider's SREC obligation will be calculated using a different method from that used to determine the supplier/provider's class I and class II requirements, the solar requirements are removed from Table A in N.J.A.C. 14:8-2.3, and relocated to N.J.A.C. 14:8-2.3(j) through (o).

**(j)** Each megawatt-hour (MWh) of retail electricity supplied in New Jersey by a supplier/provider subject to this subchapter carries with it an accompanying solar obligation. Beginning on June 1, 2010, each supplier/provider shall calculate its solar obligation for each energy year as set forth in (m) through (o) below. Subsections (m) through (o) below allocate the Table B Statewide solar obligation among all supplier/providers that are subject to this subchapter. All supplier/provider solar obligations, taken together, must equal the Statewide solar obligation set forth in Table B below for the applicable energy year.

**(k)** Notwithstanding any other provision of this section, if a BGS provider has, prior to January 17, 2010, executed a BGS contract to provide retail electricity, the solar obligation resulting from the electricity supplied under that contract shall be determined using the provisions of this subchapter that were in effect at the time the contract was executed. For the purpose of this section, the electricity supply covered by these contracts shall be called "exempt electricity," and electricity supply not covered by such a contract shall be called "non-exempt electricity."

**(l)** All contracts subject to exemption under (k) above will expire on or before May 31, 2012. Therefore, for EY 2011 and 2012, the solar obligation that attaches to exempt electricity supply must be calculated separately from the solar obligation for non-exempt electricity supply, in accordance with the applicable provisions of (m) through (o) below. If a supplier/provider's energy portfolio includes both exempt and non-exempt electricity supply, the solar obligation for each shall be calculated separately and summed to determine that supplier/provider's total solar obligation for the energy year.

**(m)** For any exempt electricity supplied, a provider shall calculate its solar obligation as follows:

1. Determine the MWhs of exempt electricity the provider supplied during the energy year;
2. Determine the solar electric generation percentage requirement in effect when the BGS contract subject to (k) above was executed; and
3. Multiply (m) 1 and 2 above.

**(n)** For any non-exempt electricity supplied during EY 2011 or 2012, a supplier/provider shall calculate its solar obligation as follows:

1. Determine the supplier/provider's market share of the non-exempt electricity supplied Statewide during the applicable energy year, as follows:
  - i. Consult the Board's NJCEP website to determine the number of MWhs of non-exempt electricity supplied Statewide during the energy year by all supplier/providers subject to this subchapter;
  - ii. Determine the number of MWhs of non-exempt electricity the supplier/provider supplied during the energy year; and
  - iii. Divide (n) 1ii above by (n) 1i above to obtain a fraction representing the supplier/provider's non-exempt electricity market share for the applicable energy year;
2. Determine the total Statewide solar obligation for non-exempt electricity supply during the applicable energy year as follows:
  - i. Consult Table B below to determine the total Statewide solar obligation for all electricity supplied during the energy year;
  - ii. Consult the Board's NJCEP website to obtain the cumulative solar obligation for the exempt electricity that was supplied during the energy year;
  - iii. Subtract (n)2ii above from (n)2i above. The result is the total Statewide solar obligation for non-exempt electricity supplied during the energy year; and
3. Multiply the supplier/provider's non-exempt market share from (n)1 above by the Statewide non-exempt solar obligation from (n)2 above. The result is the supplier/provider's solar obligation for the non-exempt electricity that it supplied during the energy year.

**(o)** For electricity supplied during EY 2013 or later, a supplier/provider shall calculate its solar obligation as follows:

1. Determine the supplier/provider's market share of all electricity supplied Statewide during the applicable energy year, as follows:
  - i. Consult the Board's NJCEP website to determine the number of MWhs

of electricity supplied Statewide during the energy year by all supplier/providers subject to this subchapter;

ii. Determine the number of MWh of electricity the supplier/provider supplied during the energy year; and

iii. Divide (o)1ii above by (o)1i above to obtain a fraction representing the supplier/provider's market share; and

2. Multiply the supplier/provider's market share from (o)1 above by the applicable Statewide solar obligation from Table B below. The result is the supplier/provider's solar obligation for the electricity that it supplied during the energy year.

Table B  
Total Statewide Solar Obligation  
Starting June 1, 2010

Energy Year	Statewide Solar Obligation in GWhs
EY 2011: June 1, 2010 - May 31, 2011	306
EY 2012: June 1, 2011 - May 31, 2012	442

### **Demonstrating and Reporting Compliance**

1. Printout from GATS showing SRECs retired toward meeting the solar RPS. (Questions regarding GATS for New Jersey customer-sited, behind the meter facilities can be directed to the PJM-EIS GATS Administrator @ [GATSAdmin@pjm-eis.com](mailto:GATSAdmin@pjm-eis.com)).
2. Board approved affidavits from each supplier affirming the SRECs were retired and not used anywhere else (see attached, EY 2011 RPS Compliance Instructions.PDF Form)
3. Board approved affidavits, titled Class I and Class II Certification Forms for biomass and resource recovery facilities respectively, certifying that the facilities that generated the RECs continue to operate in compliance with their permits (see attached, EY 2011 RPS Compliance Instructions.PDF Form)

The Class I and Class II Certification Forms, for biomass and resource recovery facilities respectively, are still required since they contain affirmative attestation from representatives of the generating facility that the facility generating the electricity was operated in conformity with the NJDEP requirements which has not been verified with GATS.

4. Printout from GATS demonstrating compliance with Solar, Class I and Class II RPS requirements based on guidance from PJM EIS. Please ensure with committed supply numbers that you are the owner of these RECs and they have been retired. (There is a report from PJM GATS that will eliminate the need to go to multiple reports to get this information. See below.)

5. Documentation confirming Alternative Compliance Payment (ACP) and/or Solar Alternative Compliance Payments (SACP) payment, if needed, in the form of copies of checks for each ACP and/or SACP payment. ACP and SACP payments are to be made separately according to the attached instructions. A supplier's report should document the need to pay ACPs or SACP and include a copy of each check or checks made payable to "Treasurer, State of New Jersey". A template has been developed titled "RPS Report.xls" which satisfies the ACP/SACP obligation calculation and reporting requirement. The ACP and SACP payments must be mailed directly to NJBPU Office of Clean Energy as described in the attached procedure. (See attached, 2011 EY ACP SACP Payment Instructions.PDF) Suppliers/providers also had the option of sending the ACP or SCAP payment electronically directly to the Treasury Department. Please contact Ronald Jackson for wiring instructions.

### **Requirement for Non-New Jersey Behind the Meter (BTM) Facilities**

Beginning in Energy Year 2011, all Class I "behind-the-meter" (BTM) generators located outside of New Jersey but within the PJM footprint will have to be recertified after choosing one of three ways to continue to have their RECs certified for use in the NJ RPS.

1. the renewable energy generator's sale of the energy is settled in the PJM wholesale market;
2. the renewable generator can report its energy output to PJM-EIS electronically at least monthly via a meter that satisfies the requirements of American National standards Institute ("ANSI") "Electric Meters Code for Electricity Metering," C12.1-2008 (as amended or supplemented);
3. the renewable generator can report its energy output at least monthly to an electric distribution company which is a member of PJM, via a meter that satisfies the requirements of ANSI "Electric Meters Code for Electricity Metering," C12.1-2008 (as amended or supplemented). The renewable generator could then earn RECs, provided that the electric distribution company then provides the generator's report electronically no less frequently than monthly to PJM-EIS.

Thank you in advance for your cooperation in documenting your company's compliance with New Jersey's Renewable Portfolio Standard. Please direct questions or comments to [ronald.jackson@bpu.state.nj.us](mailto:ronald.jackson@bpu.state.nj.us).

**GATS My RPS Compliance Report Information:**

To All Company Account Managers~

New Jersey's RPS Reports are due by October 1, 2011 for the Energy Year 2011.

If you serve BGS Load then the EDC's will be reporting directly to the BPU for you. You must transfer over your load obligation as well as the number of certificates that are needed for you to comply. Please contact your EDC as to the timing of when they would like this completed by.

If you serve Third Party Load you will be reporting directly to the NJ BPU.

If you are using certificates from your CEPS account please remember that you CAN NOT transfer them to your Retail LSE Subaccount. They must be transferred to Reserve with the RPS reason being selected.

PJM EIS has implemented a report in GATS, "My RPS Compliance Report", to make reporting easier. You can find the "My RPS Compliance Report" listed in the Account Holder Report section. This report consists of three tabs. The first tab is a Summary tab of what the obligations are in your Retail LSE Subaccount for that reporting year. You will also see a breakdown of the total certificates that are in your Retail LSE Subaccounts and your Reserve Subaccount. The second and third tab is a detailed break down of the certificates that were placed into either the Retail LSE Subaccount or the Reserve Subaccount. This report eliminates the need to go to multiple reports within GATS to obtain the data that is needed.

For more information regarding New Jersey Reporting Requirements, please review the rules at the New Jersey Office of Administrative Law (OAL) and Lexis/Nexis website at this link:

<http://www.lexisnexis.com/njoal>

You will have to register with the site before you can view the rules at Title 14: Board of Public Utilities, Chapter 8; Renewable Energy and Energy Efficiency; Subchapter 2: Renewable Portfolio Standards.

For questions directly pertaining to the New Jersey requirements please contact Ron Jackson at the NJ BPU. [ronald.jackson@bpu.state.nj.us](mailto:ronald.jackson@bpu.state.nj.us)

Please feel free to contact PJM-EIS if you have any questions:

PJM-EIS GATS

GATS Administrator

Phone: 877-750-GATS(4287)

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