

## NJRPS EY16 RETAIL SALES RECONCILIATION PROCEDURE

From: NJBPU OCE Staff via NJCleanenergy.com & PJM-EIS GATS

To: Retail Electric Third Party Suppliers, Electric Distribution Companies and BGS Providers

September 1, 2016

The Office of Clean Energy (“OCE”) in the New Jersey Board of Public Utilities (“Staff”) has facilitated compliance by Third Party Suppliers (“TPS”) and Basic Generation Service Providers (“BGS providers”) with their annual Renewable Portfolio Standard (“RPS”) requirements since 2002. The Solar Energy Advancement and Fair Competition Act in 2010 changed the RPS solar requirements starting in Energy Year (“EY”) 2011 from a percentage-based obligation to a market share of aggregate retail gigawatt hours sold. The change to a market share-based RPS obligation required Staff to develop an iterative process to communicate solar compliance instructions with regulated entities and to calculate final market-wide retail electricity sales for each Energy Year.

The Solar Act of 2012 (“Solar Act”) amended the RPS by changing the compliance obligation back from a market share basis to a percentage of retail sales with exemptions for certain BGS electricity sales. Beginning in EY 2016 (“EY 16”), there are no longer exemptions and all solar obligation calculations will be based on a percentage of retail sales. The following document provides compliance instructions for documenting retail sales and requesting adjustment to these numbers for EY 16.

From data submitted to Staff by the state’s four Electric Distribution Companies (“EDCs”), the total preliminary NJ retail sales for EY 16 was 75,692,915 MWhs. The EDCs report 21 unique BGS providers served retail electric end users with 39,173,113 MWhs under contracts entered from the 2013 to 2015 BGS auctions. The EDCs also reported unreconciled retail sales data for TPS in their respective territories. EDCs reported 36,519,802 MWhs from TPS. If no requests are received from TPS to reconcile retail electricity sold in EY 16, suppliers and providers will be required to retire SRECs or make SACP payments in the aggregated, equivalent amount of **2,081,555 MWhs** (2.75% of total retail electricity sales), retire Class I RECs or make ACP payments in the aggregated, equivalent amount of **7,303,609 MWhs** (9.649% of total retail electricity sales), and retire Class II RECs or make ACP payments in the aggregated, equivalent amount of **1,892,323 MWhs** (2.50% of total retail electricity sales).

BGS Providers and TPS have until the close of business (“COB”) Friday, September 30th to review their “My RPS Compliance report” on the PJM-EIS GATS system for consistency with their own EY 16 retail sales and reconcile their number with Staff, if required. If the amount in the “My RPS Compliance report” is inaccurate, you **must** report your final retail sales amount to OCE along with a **written explanation** for the difference. You must also enter your final retail sales number on the GATS “My RPS Compliance report” in the column entitled “RPS Load”. Please submit reconciliation requests with explanation to [OCE@bpu.nj.gov](mailto:OCE@bpu.nj.gov) or [Ronald.jackson@bpu.nj.gov](mailto:Ronald.jackson@bpu.nj.gov) by **COB September 30, 2016**. If no reconciliation request is sent to the OCE by this date, the September 1, 2016 retail sales number listed in the “My RPS Compliance Report” will be considered **final**. These final retail sales figures and compliance instructions are to be used to calculate **final RPS** obligations for individual TPS and BGS compliance reports. Failure to comply with the RPS obligations based on final retail sales recorded in the GATS system will result in Staff pursuing enforcement penalties with the Board.

If you have any questions or comments, feel free to use the [OCE@bpu.nj.gov](mailto:OCE@bpu.nj.gov) email or contact Ronald Jackson at 1-609-633-9868 or [ronald.jackson@bpu.nj.gov](mailto:ronald.jackson@bpu.nj.gov).