



Pursuant to subchapter 2.3 (d), beginning in EY20, SREC obligations and TREC obligations are a component of class I renewable energy requirements, and satisfaction of SREC and TREC obligations shall be counted toward class I renewable energy requirements. Since no TRECs were retired in EY20, TRECs were not used to reduce TPS/BGS Providers' class I requirements.

The allocation of the Statewide obligation to individual TPS/BGS Providers follows the method set forth at N.J.A.C. 14:8-2.3 (r) and (t). Each megawatt-hour (MWh) of retail electricity supplied by a TPS/BGS Providers carries with it an accompanying TREC obligation. Such obligation is based upon the total number of TRECs procured by the TREC Administrator within the applicable Energy Year and the market share of retail electricity sold by the TPS/BGS Providers within the Energy Year.

All TRECs shall be created by GATS and procured by a TREC Administrator under contract with the State's electric distribution companies. The TREC Administrator (<https://trecsnj.com>) will purchase the TRECs from eligible system owners on a periodic basis and will allocate the TRECs to TPS/BGS Providers annually based on their market share of retail electricity sold during the relevant Energy Year.

**N.J.A.C. 14:2-3(t)** establishes during the RPS true-up period following each Energy Year, Board Staff shall calculate the market share of total Statewide retail electricity sold by each TPS/BGS Provider. The TREC Administrator will allocate a proportionate percentage of the total TRECs procured during the Energy Year to each TPS/BGS Provider. Each TREC allocated by the TREC Administrator shall be retired by the TREC Administrator on behalf of the TPS/BGS Providers.

**N.J.A.C. 14:8-10** establishes the Transition Incentive Program requirements including the role of TRECs in RPS compliance. Subchapter 10.3 (c) defines the TI-RPS as a carve-out of the Class I RPS requirement with each TREC allocated to, and retired on behalf of, TPS/BGS Providers based on their respective market share of retail sales. Each TREC retired shall reduce the Class I requirement by one REC as set forth at N.J.A.C. 14:8-2.3(d) and (r).

More information about the Transition Incentive Program Administrator can be found at (<https://trecsnj.com/faqs/> )

Please use this link to view NJ RPS rules: [New Jersey Office of Administrative Law \(OAL\) and LexisNexis®](#).