

RPS REPORTING INSTRUCTIONS FOR ENERGY YEAR 2015

The Renewable Portfolio Standards (“RPS”) at N.J.A.C. 14:8-1.1 apply to Basic Generation Service (“BGS”) providers and Third Party electric power suppliers (aka Third Party Suppliers or “TPS”). BGS providers 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 provider for that particular EDC market. Each EDC must compile and summarize the reports provided by the BGS providers serving load in their market and submit this information under one cover to the Office of Clean Energy (OCE). TPS 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 December 1, 2015. (I/M/O ...Extending NJ RPS Compliance Deadline for Energy Year 2015. Docket No. QO15060740. August 19, 2015)

On May 21, 2014, the Board approved staff recommendations for calculating a BGS provider’s solar obligation, under the new requirements from the Solar Act of 2012, as a function of whether the electricity supplied is exempt or non-exempt. The obligation of the TPSs is also addressed in this Order. I/M/O the IMPLEMENTATION OF THE SOLAR ACT L. 2012, C. 24, N.J.S.A.48:3-87 (D)(3)(C): THE LIMITED EXEMPTION OF CERTAIN BASIC GENERATION SERVICE PROVIDERS FROM THE INCREASED SOLAR REQUIREMENTS. Docket No. QO14050402. May 21, 2014)

Each BGS provider must supply the following information to each EDC for which they serve load. TPSs 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.

A current version of the RPS rules may be viewed at: <http://www.lexisnexis.com/njoal>.

To see the currently effective RPS rules, log in and click on “search New Jersey Administrative Code”. The online New Jersey Administrative Code is updated quarterly. Please note that the RPS rules have yet to be updated to reflect changes made by the Solar Act of 2012 and where conflicts exist between the existing rules and the statute, the provisions within the statute take precedence.

Solar Requirements for Energy Year 2015

The Solar Act of 2012 increased the solar requirements statewide and exempted BGS providers’ electricity supply from the new higher solar requirements if the supply was covered by a BGS contract that was executed prior to enactment of the Solar Act. 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, the Solar Act requires that the increased statewide solar target for each year must still be met. Therefore, during EY15, when some electricity supply was exempt, the incremental solar obligation that will not be met

because of the exemption must be distributed among the non-exempt electricity supplied by BGS providers.

For electricity supplied during EY 2015, a BGS provider shall calculate its solar obligation by following the appropriate calculations set forth below.

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

1. Determine the solar electric generation requirement, converted from GWhs to MWhs, in effect when the BGS contract was executed (i.e., the EY15 requirement from N.J.S.A.48:87(d)(3)); and
2. Determine the market share of all electricity supplied statewide during the EY2015 as follows;
 - i. Consult the Board's NJCEP website to determine the total number of MWhs of electricity supplied statewide during the energy year by all supplier/providers subject to this subchapter;
 - ii. Determine the MWhs of exempt electricity supplied during the energy year from supply contracts which were in effect prior to the date of enactment of P.L. 2012 c. 24;
 - iii. Divide 2ii above by 2i above to calculate market share.
3. Multiply result from 2 iii by 1 above to arrive at the solar obligation for an individual exempt electricity (BGS) provider.

For any **non-exempt electricity** supplied by a **BGS provider**, such provider shall calculate its solar obligation as follows:

4. Multiply the individual provider's total non-exempt retail electricity sales during the energy year in MWh by the applicable percentage requirement in N.J.S.A. 48:87(d)(3).
5. Determine the market share-based allocation of the increased obligation avoided by exempted electricity by consulting the Board's NJCEP website to determine the additional obligation amount which must be distributed from the exempted providers to the non-exempt providers (to be calculated by staff as follows);
 - i. Determine the total retail electricity sales of exempt providers Statewide;
 - ii. Determine the total retail electricity sales of non-exempt providers Statewide;
 - iii. Determine the total retail electricity sales of all providers and suppliers Statewide;
 - iv. Divide 5i by 5 iii to calculate market share of exempt providers Statewide;
 - v. Determine the total solar obligation of exempt providers Statewide during the energy year by multiplying 5 iv by 1 above;
 - vi. Multiply the applicable percentage requirement in N.J.S.A. 48:87(d)(3) by 5 i and subtract 5 v.
 - vii. Calculate the percentage share of total non-exempt electricity sold by dividing non-exempt electricity sold by the individual provider by 5 ii.

- viii. Multiply 5 vi by 5 vii.
6. Add 4 above to 5 Viii to arrive at an individual non-exempt provider's obligation in MWh.

For any electricity supplied by a **TPS**, such supplier shall calculate its solar obligation by multiplying its total retail sales by 2.45%, the applicable percentage requirement for EY15 in N.J.S.A. 48:87(d)(3).

Providers and Suppliers Demonstrate and Report Compliance to OCE

1. Print out a report (**SUMMARY PAGE ONLY**) from PJM-EIS GATS showing the number of SRECs retired toward meeting the solar RPS. (Questions regarding this report should be directed to the PJM-EIS GATS Administrator @ GATSAdmin@pjm-eis.com). **Please calculate your RPS obligations based on Total Retail Sales and not by Zone!!!**
2. Complete and submit Board-approved affidavits affirming the SRECs were retired for NJ RPS compliance purposes and not used elsewhere (see attached, EY 2015 RPS Compliance Instructions.pdf)
3. Complete and submit Board-approved affidavits, titled Class I and Class II Certification Forms for biomass and out of state resource recovery facilities respectively, certifying that the facilities that generated the RECs continue to operate in compliance with their permits (see attached, EY 2015 RPS Compliance Instructions.pdf). All BGS providers and Third Party Suppliers must obtain a copy of these affidavits or ensure the biomass or resource recovery facility has submitted it directly to the OCE.. If the OCE does not receive these affidavits with the RPS report or directly from the facility by October 1st, the RECs **cannot** be used to satisfy your Class I or Class II RPS obligations

The Class I and Class II Certification Forms, for biomass and resource recovery facilities respectively, are required by RPS rule 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.

4. Submit printout from GATS (**SUMMARY PAGE ONLY**) demonstrating compliance with Solar, Class I and Class II RPS requirements based on guidance from PJM EIS. For those entities using committed supply for compliance purposes, please demonstrate that you are the owner of these RECs and they have been retired for NJ RPS purposes. (There is a report from PJM-EIS GATS that will eliminate the need to go to multiple reports to get this information; see below.) **Remember to calculate your RPS obligations based on Total Retail Sales and not by Zone!!!**
5. Submit documentation confirming Alternative Compliance Payment (ACP) and/or Solar Alternative Compliance Payments (SACP) payment made, as appropriate, 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 provider/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. (see attached, 2015 EY ACP SACP Payment Instructions.pdf) Supplier/providers also have the option of sending the ACP or SACP payment electronically to the Treasury Department. Please contact Ronald Jackson in the OCE for wiring instructions.

Instructions for Accessing the GATS “My RPS Compliance Report”

Provided as a courtesy by PJM-EIS GATS:

For Energy Year 2015, New Jersey RPS Compliance Reports for Solar, Class I and Class II resources are due by December 1, 2015.

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.

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 under the Reports dropdown menu at the top of your GATS home page. 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 breakdown 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.

Please contact PJM-EIS if you have any GATS related questions:

PJM-EIS GATS
GATS Administrator
Phone: 877-750-GATS(4287)
GATSAdmin@pjm-eis.com.

For questions directly pertaining to the New Jersey RPS compliance requirements please contact Ron Jackson at the NJ BPU via ronald.jackson@bpu.state.nj.us.