

## ENERGY YEAR 2014 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 (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 October 1, 2014.

*At the May 21, 2014 Agenda Meeting, the Board approved Docket No. QO14050402 – 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. This Order includes provisions for calculating a BGS provider's solar obligation under the new requirements as a function of whether the electricity supplied is exempt or non-exempt due to the Solar Act of 2012. The obligation of the TPSs is also addressed. Also in this order, the Board approved the extension of the deadline for filing the solar portion of the Annual RPS Compliance Report for the period ending May 31, 2014, to December 1, 2014 given the complexities of the required calculations. Class I and Class II RPS Compliance reports are still due October 1, 2014.*

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 2014**

The Solar Act of 2012 exempts BGS providers' 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 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 State-wide solar target for each year must still be met. Therefore, during EY14 and EY15, when some electricity supply will be exempt, the incremental solar obligation that is not met because of the exemption must be distributed among the non-exempt electricity supplied by BGS providers in each energy year until the prior BGS contracts with exempt supply expire.

For electricity supplied during EY 2014, Basic Generation Service provider (provider) shall calculate its solar obligation by following one of the two 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 subject to N.J.A.C. 14:8-2.3 (k) was executed (Existing Table B); and
2. Determine market share of all electricity supplied Statewide during the applicable Energy Year, i.e., EY 2014 or 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 MWhs 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 **Third Party Electricity Supplier**, such supplier shall calculate its solar obligation by multiplying its total retail sales by the applicable percentage requirement in N.J.S.A. 48:87(d)(3).

Total Statewide Solar Obligation

Energy Year	Exempt & Non- Exempt Increased BGS Statewide Solar Obligation in GWHs	Non-Exempt BGS & TPS Statewide Solar Obligation in %
EY 2014: June 1, 2013 - May 31, 2014	772	2.05%

**Demonstrating and Reporting Compliance**

1. Printout (**JUST THE SUMMARY PAGE**) 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 2014 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 2014 RPS Compliance Instructions.PDF Form). All BGS providers and Third Party Suppliers should obtain a copy of these affidavits or ensure the biomass or resource recovery facility has submitted it directly to the BPU. If the BPU 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 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 (**JUST THE SUMMARY PAGE**) 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 "EY 14 EDC TPS Reporting Spreadsheet.xlsx" 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, 2014 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.

### **SREC and REC Eligibility For EY 2014**

#### **14:8-2.8 USING RECS AND SRECS FOR RPS COMPLIANCE (FORMER RULE)**

“(a) A REC or SREC shall be used to meet New Jersey RPS requirements for specific energy years, based on the type of renewable energy upon which the REC or SREC is based, and the energy year during which the renewable energy was generated, as follows:

1. A class I REC or SREC based on energy generated on or after July 1, 2010 shall be used to comply with RPS requirements for any one of the following three energy years:

- i. The energy year in which the underlying energy was generated; or
- ii. Either of the two energy years immediately following the energy year in which the underlying energy was generated;

2. A class II REC shall be used only to comply with the RPS requirements for the energy year during which the underlying energy was generated;

3. An SREC based on energy generated before July 1, 2010 shall be used only to comply with the requirements of this subchapter for the energy year during which the underlying energy was generated, and/or the subsequent energy year;

and

4. A class I REC based on energy generated before July 1, 2010 shall be used only to comply with the requirements of this subchapter for the energy year during which the underlying energy was generated.

(b) Once a REC or SREC has been used for compliance with this subchapter, the REC or SREC shall be permanently retired and shall not be used again.”

**Therefore Class I RECs and SRECs based on electricity generated on or after June 1, 2011 thru May 31, 2012 (EY 2012) can be used for RPS compliance in EY 2012, EY 2013 or EY 2014**

#### **THE 2012 SOLAR ACT (CLASS I & II, RECS, ORECS & SRECS)**

Definitions:

"Class I renewable energy" means electric energy produced from solar technologies, photovoltaic technologies, wind energy, fuel cells, geothermal technologies, wave or tidal action, small scale hydropower facilities with a capacity of three megawatts or less and put into service after the effective date of P.L. , c. (C.) (Solar Act), and methane gas from landfills or a biomass facility, provided that the biomass is cultivated and harvested in a sustainable manner;

"Class II renewable energy" means electric energy produced at a hydropower facility with a capacity of greater than three megawatts or a resource recovery facility, provided that such facility is located where retail competition is permitted and provided further that the Commissioner of Environmental Protection has determined that such facility meets the highest environmental standards and minimizes any impacts to the environment and local communities;

## USING RECS, ORECS AND SRECS FOR RPS COMPLIANCE BASED ON 2012 SOLAR ACT

“Class I RECs and ORECs shall be eligible for use in renewable energy portfolio standards compliance in the energy year in which they are generated, and for the following two energy years. SRECs shall be eligible for use in renewable energy portfolio standards compliance in the energy year in which they are generated, and for the following four energy years.”

**Therefore SRECs based on electricity generated between June 1, 2012 and July 31, 2012 can be used for RPS compliance in EY 2013, EY 2014 or EY 2015.**

**SRECs based on electricity generated after July 31, 2012 thru May 31, 2013 can be used for RPS compliance in EY 2013, EY 2014, EY 2015, EY 2016 or EY 2017.**

**Class I RECs and ORECs based on electricity generated on or after July 31, 2012 thru May, 31, 2013 can be used for RPS compliance in EY 2013, EY 2014 and EY 2015.**

**Finally:**

**Class II RECs based on electricity generated between June 1, 2013 and May, 31, 2014 (EY 14) can only be used for RPS compliance in EY 2014.**

### **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:

For Energy Year 2014, New Jersey RPS Compliance Reports for Class I and Class II resources are due by October 1, 2014. The Solar RPS reports are due by December 1, 2014.

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 GATS questions:

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