



EY 2019 NJ RPS Compliance Coordination Meeting

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Ronald Jackson, Research Scientist
NJBPU - Office of Clean Energy
July 16, 2019

AGENDA – JULY 16, 2019



- 1. Overview and Review of the NJRPS rules & Discussion of 2018 Clean Energy Act**
- 2. EY 2018 Review**
- 3. Overview of GATS Load Data for NJ Electricity Suppliers (PJM-EIS)**
- 4. Review Requirements and Calculations for EY 2019 compliance reporting**
- 5. Discussion of Retail Sales Calculations and the process for making Adjustments**
- 6. Process, Procedures and Timelines for Submitting EY 2019 Reports**
- 7. Next Steps**
- 8. Questions**

NJ RPS Regulatory History



- **Electric Discount and Energy Competition Act of 1999 (EDECA)**
 - Definition of Class I & II Renewable Energy
 - Societal Benefits Charge / CRA process
 - Renewable Portfolio Standards
 - Net Metering and Interconnection
- Governor's Renewable Energy Task Force (04/24/03)
- RPS Rulemaking (2003, 2004, 2005, 2006, 2008, 2011, 2013, pending)
- The "Solar Transition" (Docket No.EO06100744, Orders 2006 thru 2013)
- Global Warming Response Act (L. 2007, c. 340, 1/13/08)
- New Jersey's Energy Master Plan (2008, 2011, 2019)
- Solar Advancement Act of 2009 (L.1999 c.23)
- The Solar Act of 2012 (L. 2012, c. 24, 07/23/12)
- The "RRF vs. Large Hydro Act" (L. 2015, c. 51, 05/07/15)
- **Clean Energy Act of 2018 (P.L. 2018, c. 17 05/23/18)**

Clean Energy Act of 2018

Signed May 23, 2018



- Amended RPS and Net Metering Rules in NJ
- Increased Class I Requirements; 1/1/20 - 21%, 1/1/25 – 35%, 1/1/30 – 50%
- Class I RPS Costs Caped at 9% of EY19, EY20, EY21 Electricity Sales & 7% thereafter
- Accelerated RPS Compliance Schedule for Solar in EY 19 - EY 21; 4.3%, 4.9%, 5.1%
- BGS Provider Existing Supply Contracts (Prior to 05/23/18) Exempt from new Solar Requirements - EY 19 All, EY 20 66%, EY 21 33% are Exempt
- *This limited exemption for providers existing supply contracts shall not be construed to lower the State wide solar requirement... (CEA 2018)*
- The incremental solar obligation that is not met because of the exemption must be distributed among non-exempt electricity supplied by BGS Providers
- Revised and Reduced SACP Schedule - EY19 extended to EY 33 - EY 19 \$268.00

Rule Proposal Pending Adoption



At
8

- **Increased the Class I RPS obligation to 50% by 2030 (Table A);**
- **Increased the solar RPS for the next three EY while exempting BGS supply from contributing to the increased solar obligations;**
- **Allocating the avoided increase from the exemption in a competitively neutral manner;**
- **Set a Class I RPS cost cap to customers that is equal to nine percent of total retail sales in EY19, EY20, and EY21 and seven percent in any EY thereafter;**
- **Removed the provision that TPS/BGS Providers can submit Class I RECs to satisfy their Class II RPS Requirements;**
- **Solar Requirement is a carve-out within the Total Class I Requirement Beginning in EY20 (non-exempt supply)**

Table A



Table A
What Percentage of Energy Supplied Must be Solar, Class I
or Class II Renewable

Energy Year	Solar	Class I	Class II	Total
June 1, 2018 - May 31, 2019	4.30%	14.175%	2.50%	20.975%
June 1, 2018 - May 31, 2019*	3.29%*	14.175%*	2.50%*	19.965%*
June 1, 2019 - Dec. 31, 2019	4.90%	16.029%	2.50%	18.529%
June 1, 2019 - Dec. 31, 2019*	3.38%*	16.029%*	2.50%*	21.909%*
January 1, 2020 - May 31, 2020	4.90%	21.0%	2.50%	23.50%
January 1, 2020 - May 31, 2020*	3.38%*	21.0%*	2.50%*	26.88%*
June 1, 2020 - May 31, 2021	5.10%	21.0%	2.50%	23.50%
June 1, 2020 - May 31, 2021*	3.47%*	21.0%*	2.50%*	26.97%*
June 1, 2021 - May 31, 2022	5.10%	21.0%	2.50%	23.50%
June 1, 2022 - May 31, 2023	5.10%	22.0%	2.50%	24.50%
June 1, 2023 - May 31, 2024	4.90%	27.0%	2.50%	29.50%
June 1, 2024 - May 31, 2025	4.80%	35.0%	2.50%	37.50%

EY 2018 Report & Review



RESULTS POSTED ON NJ CLEAN ENERGY WEBSITE AT:

www.NJCleanEnergy.com/RPS

TOTAL REPORTED RETAIL SALES - 73,679,057 MWHRS

RPS Report Summary 2005-2018

- Timeline for EY 18 RPS Compliance Reporting
- EY 18 RPS Reporting Instructions
- EY 18 BGS TPS RPS Reporting Worksheet
- EY 18 RPS Compliance Instructions
- EY 18 ACP SACP Payment Instructions



EY 2018 Report & Review

EY 2018 - Summary of Estimated RPS Compliance Results

Reported Retail Sales - 73,679,057 MWH

Table 1. S/RECs Retired, Reported Prices & Estimated Costs

Energy Year	Solar No. of RECs	Solar Weighted Avg. Price	Solar Estimated Total Cost	Class I No. of RECs^	Class I Wtd Avg. Price	Class I Estimated Total Cost	Class II No. of RECs	Class II Wtd. Avg. Price	Class II Estimated Total Cost	Total Est. S/REC Costs
EY 2014	3,284	\$206.10	\$676,824	0	\$0.00	\$0.00	0	\$0.00	\$0.00	
EY 2015	8,802	\$214.91	\$1,891,602	0	\$0.00	\$0.00	0	\$0.00	\$0.00	
EY 2016	24,557	\$217.97	\$5,352,808	1,167,273	\$8.67	\$10,121,675	0	\$0.00	\$0.00	
EY 2017	121,166	\$218.29	\$26,448,872	4,413,356	\$9.07	\$40,048,262	0	\$0.00	\$0.00	
EY 2018	2,200,005	\$215.92	\$475,024,783	3,585,473	\$10.94	\$39,211,081	1,758,180	\$5.56	\$9,775,481	
Total/Avg.	2,357,814	\$216.05	\$509,394,888	9,166,102	\$9.75	\$89,381,018	1,758,180	\$5.56	\$9,775,481	\$608,551,387

^NOTE: 84,145 Class I RECs used for Class II Requirement

Table 2. S/ACPs Remitted for EY18 Compliance

# Solar	SACP	Cost	# Class I	ACP	Cost	# Class II	ACP	Cost	Total S/ACP Cost
0	\$308	\$0.00	24	\$50	\$1,200	9	\$50	\$450	\$1,650

Table 3. Total Est. EY18 RPS Cost of Compliance

Cost S/REC	\$608,551,387
Cost S/ACP	\$1,650
Total Cost (EST)	\$608,553,037

Table 4. Unretired SRECs Available in GATS after EY18 Compliance Accounting (as of 10/04/2018)

EY 2014	3,815
EY 2015	7,118
EY 2016	15,065
EY 2017	23,996
EY 2018	308,107
Total	358,101

EY 18 RPS SALES ADJUSTMENT RESULTS



- 50 TPSs submitted retail sales adjustment requests by the August 29th deadline.
- This was a reduction in 1,417,435 MWhrs from the PJM Market Settlement numbers

PJM EIS GATS Presentation



Ken Schuyler, President PJM EIS

Jaclynn Lukach, Vice President PJM EIS

REPORTING TIME LINE



Process for EY 2019

- June 28, 2019 – PJM unreconciled load figures available to BGS/TPS in GATS
- June 28, 2019 – BGS Providers can begin transferring S/RECs to EDC GATS Account
- EDCs Fill Out Retail Sales Data Sheet (By August 9)
- OCE to Post Retail Sales Adjustment Procedure (August 15)
- BGSs/TPSs Sales Adjustment Requests Due and Posted in GATS My Compliance Report (August 15 – August 30)
- OCE Post Final Retail Sales Figures Based on GATS Load numbers and Sales Adjustment Requests (By Sept. 6, 2019)
- These Sales Numbers are **FINAL** and Must be Used when RPS Compliance Report Submitted
- EY 2019 Class I and Class II RPS Reports Due October 1, 2019
- Oct. 2019 Final Solar Requirement Calculation Instructions Posted
- EY 2019 Solar RPS Reports Due December 1, 2019

EDC REPORTING SPREADSHEET



EDC Retail Sales by LSE

NJ RPS Energy Year 2019 (Period Covering June 1, 2018 thru May 31, 2019)

INSERT EDC NAME

INSERT EDC Contact Person Name and Phone Number

I. BGS Provider Retail Sales

Amount Served (MWh) Under BGS Contracts Entered By May 23, 2018

List Each BGS Provider Serving NJRPS EY19 Retail Sales	Retail Sales			Total BGS Sales (MWh)
	BGS Auction 2016	BGS Auction 2017	BGS Auction 2018	
1. INSERT BGS Provider 1. Name	-	-	0	0
2. INSERT BGS Provider 2. Name	-	-	-	0
... INSERT BGS Provider 3. Name	-	-	-	0
X. INSERT ROWS and BGS Provider Names as necessary <small>(X equals the number of BGS providers with NJRPS EY19 Retail Sales)</small>	-	-	-	0
I. a. EDC Retail Sales Served By BGS Providers by BGS Auction:	0	0	0	0

II. Third Party Supplier (TPS) Retail Sales

List All TPS Serving NJRPS EY19 Retail Sales

List All TPS Serving NJRPS EY19 Retail Sales	Total TPS Sales (MWh)
1. INSERT TPS Provider 1. Name	-
2. ... INSERT TPS Provider 2. Name	-
Y. INSERT ROWS and TPS Names as necessary to Y. <small>(Y equals the number of TPS with NJRPS EY19 Retail Sales)</small>	-
II. EDC Total Retail Sales Served By TPS Providers:	0

III. EDC Total Retail Sales

	Amount Served (MWh)	EY 18 RPS Obligation %	RPS Obligation	MWh
I. EDC Exempt Sales Retail Served By BGS Providers:	0			
Solar		3.290%	0	Total Solar Req (2018 CEA) 0
Class I		14.175%	0	Total Solar (With BGS Exemption) 0
Class II		2.500%	0	Difference (Split EY 2020 & EY 2021) 0
II. EDC Non-Exempt Retail Sales Served By BGS Providers:	0	4.300%	0	Yearly Split 0
III. EDC Total Retail Sales Served By TPS (Non-Exempt):	0			Total Class I 0
Solar		4.300%	0	Total Class II 0
Class I		14.175%	0	
Class II		2.500%	0	
III. Total Retail Sales Served In EDC	0			

(X + Y equals the total number of BGS Providers and TPS with EY19 sales)



- **August 15th – Instructions emailed and posted**
- **August 15th – 30th TPS/BGS Providers (EDCs) submit requests with written justification.**
- **Request not submitted by these dates will be denied. PJM load numbers will be used.**
- **First Week of Sept - Final Statewide Sales Numbers will be posted.**
- **First Week of Oct - Final Solar Calculation Instructions Posted**

EY 2019 REQUIREMENTS



Table A
What Percentage of Energy Supplied Must be Solar, Class I
or Class II Renewable

Energy Year	Solar	Class I	Class II	Total
June 1, 2018 - May 31, 2019	4.30%	14.175%	2.50%	20.975%
June 1, 2018 - May 31, 2019*	3.29%*	14.175%*	2.50%*	19.965%*

(*BGS Providers with existing contracts)

Notwithstanding any other provision of this section, if a BGS provider has, prior to May 23, 2018, 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.”

EY 19 SOLAR CALCULATION



- **Total Solar Requirement = 4.30% X Retail Sales (I),
But**
- **All BGS Provider Sales Exempt**
- **BGS Providers = Exempt Sales X 3.29% (II)**
- **TPS = Non-Exempt Sales X 4.30% (III)**
- **BGS Deferred Solar Requirement Split Between EY
20 and EY 21 = I – (II + III)**

EY 19 SOLAR CALCULATION 2



III. EDC Total Retail Sales						
		Amount Served (MWh)	EY 18 RPS Obligation %	RPS Obligation	MWh	
I. EDC Exempt Sales Retail Served By BGS Providers:		35,000,000			Total Solar Req (2018 CEA)	3,139,000
	Solar		3.290%	1,151,500	Total Solar (With BGS Exemption)	2,785,500
	Class I		14.175%	4,961,250	Difference (Split EY 2020 & EY 2021)	353,500
	Class II		2.500%	875,000	Yearly Split	176,750
II. EDC Non-Exempt Retail Sales Served By BGS Providers:	Solar		0	4.300%	0	
III. EDC Total Retail Sales Served By TPS (Non-Exempt):		38,000,000			Total Class I	10,347,750
	Solar		4.300%	1,634,000	Total Class II	1,825,000
	Class I		14.175%	5,386,500		
	Class II		2.500%	950,000		
III. Total Retail Sales Served in EDC		73,000,000				
<i>(X + Y equals the total number of BGS Providers and TPS with EY19 sales)</i>						

REPORTING REQUIREMENTS



- Printout from GATS (My RPS Compliance Report **SUMMARY PAGE ONLY!!**) demonstrating compliance with Solar, Class I and Class II RPS requirements. Please ensure with committed supply numbers that you give us the name of the generator, you are the owner of these RECs and provide **proof** that these RECs have been retired. **Please calculate your RPS obligations based on Total Retail Sales and not Sales By PJM Zone!!!**
- The Completed **EY 19 BGS and TPS Reporting Spreadsheets** showing how you met Compliance. **Please calculate your RPS obligations based on Total Retail Sales and not Sales By PJM Zone!!!**
- Board approved **affidavits**, titled **Class I and Class II Certification Forms** for biomass (BSD) and out of state resource recovery facilities. **Completed By the Generator!!!**
- 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 (\$50 per)** and/or **SACP (\$268 per)** payment.

BGS Reporting Spreadsheet



INSERT EDC NAME					
INSERT EDC or BGS Contact Person Name and Phone					
BGS Provider					June 1, 2018 - May 31, 2019
Exempt Sales - BGS:	0	MWh			
Non-Exempt Sales - BGS:	0	MWh			
Additional Sales:	0	MWh			
Total BGS Retail Sales:	0	MWh			
Solar Requirement					
Exempt Solar Requirement:	0	MWh (3.29% of BGS Sales)			
Non-Exempt Solar Requirement:	0	MWh (4.30% of BGS Sales)			
Non-Exempt Solar Increased Requirement :	0	MWh (Split BTW EY 20 & EY 21)			
Total Solar Requirement:	0				
Solar RECs Supplied:	0	S-RECs			
S-ACPs Required:	0				
Class I Requirement					
Class I Requirement:	0	MWh (14.175% of BGS Sales)			
Class I RECs through GATS:	0	RECs			
Class I Committed Supply:	0	RECs			
ACPs Required:	0				
Class II Requirement					
Class II Requirement:	0	MWh (2.5% of BGS Sales)			
Class II RECs through GATS:	0	RECs			
Class II Committed Supply:	0	RECs			
ACPs Required:	0				
Committed Supply (external to GATS)					
Class I Sources					
Facility Name	Location	Plant ID Number	Plant ID Description	Fuel/ Technology	MWh Delivered
		N****	REPIS ID		
		N****	REPIS ID		
Total =>					-
Class II Sources					
Facility Name	Location	Plant ID Number	Plant ID Description	Fuel/ Technology	MWh Delivered
		N****	REPIS ID		0
Total =>					-
BGS - Basic Generation Service Provider					
TPS - Third Party Supplier					

TPS Reporting Spreadsheet



INSERT EDC NAME					
INSERT TPS Contact Person Name and Phone #					
TPS Name	June 1, 2018 - May 31, 2019				
Non-Exempt Sales - TPS:	0 MWh				
Additional Sales:	0 MWh				
Total TPS Retail Sales:	0 MWh				
Solar Requirement					
Non-Exempt Solar Requirement:	0 MWh (4.30% of TPS Sales)				
Solar RECs Supplied:	0 S-RECs				
S-ACPs Required:	0				
Class I Requirement					
Class I Requirement:	0 MWh (14.175% of TPS Sales)				
Class I RECs through GATS:	0 RECs				
Class I Committed Supply:	0 RECs				
ACPs Required:	0				
Class II Requirement					
Class II Requirement:	0 MWh (2.5% of TPS Sales)				
Class II RECs through GATS:	0 RECs				
Class II Committed Supply:	0 RECs				
ACPs Required:	0				
Committed Supply (external to GATS)					
Class I Sources					
Facility Name	Location	Plant ID Number	Plant ID Description	Fuel/Technology	MWh Delivered
		N****	REPS ID		
		N****	REPS ID		
Total =>					-
Class II Sources					
Facility Name	Location	Plant ID Number	Plant ID Description	Fuel/Technology	MWh Delivered
		N****	REPS ID		
Total =>					-
BGS - Basic Generation Service Provider					
TPS - Third Party Supplier					

Class II REC Affidavit



Class II Renewable Energy Certification Form

Reporting year: From _____ to _____
Name of Facility: _____
Street Address: _____
City: _____ State: _____ Zip: _____
Contact person: _____
Telephone Number: _____
E-Mail Address: _____

I _____ (print name), hold the position of _____ (position held) at the generation facility referenced above. I certify under penalty of law that I have personally examined and am familiar with the information submitted in this affidavit and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I certify that the resource recovery facility described above, continues to operate in compliance with the requirements of the Department of Environmental Protection environmental compliance determination as issued on _____ (date).

Specifically, I certify that:

- The facility named above has continued to operate in conformity with the information provided in the original application for the environmental compliance determination, throughout the year since the DEP issued the determination;
- The operation and composition of fuel for the resource recovery facility continues to meet the criteria provided in the initial application;
- Where there has been a change in the operation of the facility or composition of fuel, a new environmental compliance determination has been issued by the DEP, and documentation is attached demonstrating that the resource recovery facility continues to operate in compliance with Class II renewable energy requirements.

Enclosed is a copy of the generator's current NJDEP sustainability determination or the generator's host-state air permit.

I certify under penalty of law the submitted information is true, accurate and complete. I am aware that there are significant civil and criminal penalties for submitting false, inaccurate or incomplete information, including the possibility of fine and/or imprisonment.

(Signature) Date: _____

SUMMARY



- August 1- 9, 2019 – EDC to complete EY 19 Retail Sales Spreadsheet
- August 15, 2019 – OCE to email RPS Sales Adjustment Procedure Memo to EDC, BGS, TPS
- August 15-30, 2019 – EDC, BGS, TPS complete and submit RPS adjustment requests to OCE
- September 2-6, 2019 – OCE post final retail sales number based on GATS numbers and RPS adjustment requests. Compliance instructions also emailed and posted
- Oct 1, 2019 – Class I and Class II Compliance Reports Due
- Dec 1, 2019 - Solar Compliance Reports Due

EY 2020 REQUIREMENTS



Table A
What Percentage of Energy Supplied Must be Solar, Class I
or Class II Renewable

Energy Year	Solar	Class I	Class II	Total
June 1, 2019 - Dec. 31, 2019	4.90%	16.029%	2.50%	18.529%
June 1, 2019 - Dec. 31, 2019*	3.38%*	16.029%*	2.50%*	21.909%*
January 1, 2020 - May 31, 2020	4.90%	21.0%	2.50%	23.50%
January 1, 2020 - May 31, 2020*	3.38%*	21.0%*	2.50%*	26.88%*

(*BGS Providers with existing contracts)

EY 2020 REQUIREMENTS



- Class I Req. June 1 – Dec 31, 2019 - 16.029%
- Class I Req. Jan 1 – May 31, 2020 - 21.0%
- Solar Carve out from Class I – Non-Exempt Supply
- No Solar Carve Out for BGS Exempt Supply
- Half of EY 19 Deferred Solar Req – BGS non – Exempt
- EY 20 Deferred Solar Req Split EY 21 & EY 22

EY 2021 REQUIREMENTS



Table A
**What Percentage of Energy Supplied Must be Solar, Class I
or Class II Renewable**

<u>Energy Year</u>	<u>Solar</u>	<u>Class I</u>	<u>Class II</u>	<u>Total</u>
June 1, 2020 - May 31, 2021	5.10%	21.0%	2.50%	23.50%
June 1, 2020 - May 31, 2021*	3.47%*	21.0%*	2.50%*	26.97%*

(*BGS Providers with existing contracts)

EY 2021 REQUIREMENTS



- Class I Req. - 21.0%
- Solar Carved out from Class I – Non-Exempt Supply
- No Solar Carve Out for BGS Exempt Supply
- Half of EY 19 and EY 20 Deferred Solar Req – BGS Non – Exempt Supply
- EY 21 Deferred Solar Req Split EY 22 & EY 23



FOR MORE INFORMATION

Visit www.NJCleanEnergy.com/RPS

Call RONALD JACKSON, 1-609-633-9868,
RONALD.JACKSON@BPU.NJ.GOV

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