

ENERGY YEAR 2021 (EY21) RPS REPORTING INSTRUCTIONS

The New Jersey Renewable Portfolio Standards at N.J.A.C. 14:8-2.1 apply to BGS Providers and Third Party retail electric suppliers (TPS). BGS Providers must submit compliance documentation specific to the load served in each EDC's territory to that EDC. The data reported to the EDC must be specific and relevant to the load served and the compliance sought by the BGS Providers 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 New Jersey Board of Public Utilities' Division of Clean Energy (DCE). Each TPS reports directly to the DCE for their entire load regardless of where in New Jersey it was served.

Each BGS Provider must submit the following compliance documentation to each EDC for which they serve load. TPS report the same information directly to the DCE. 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.

From N.J.A.C. 14:8-2.3;

Total Statewide Solar, Class I, Class II, and TREC Obligations for EY 2021:

EY21: June 1, 2020 through May 31, 2021
EY21 TRECs, SRECs, Class I, and Class II RPS Requirements

Energy Year 2021	TRECs	SRECs	Class I	Class II	Total
June 1, 2020 - May 31, 2021	based on retail sales**	5.10%	21.0%	2.50%	23.50%
June 1, 2020 - May 31, 2021*	based on retail sales**	3.47%*	21.0%*	2.50%*	26.97%*

*BGS Providers with existing contracts (entered into prior to effective day of Clean Energy Act May 23, 2018)

**The TREC Obligation expressed as a percentage of retail sales in a given energy year will not be known until the conclusion of each energy year when the volume of retail sales subject to the RPS has been determined. Allocation of the Statewide obligation to individual Third Party Supplier and BGS Providers ("TPS/BGS providers") will follow the method described in the RPS rules at N.J.A.C. 14:8-2.3 (r) and (t).

Method for TREC Allocation in EY21

N.J.A.C. 14:8-2.3 establishes the amount of renewable energy required to be procured by TPS/BGS Providers to satisfy the RPS. The TREC obligation is expressed as a percentage of retail sales in a given energy year; this obligation will not be known until the conclusion of each energy year when the volume of retail sales subject to the RPS has been determined.

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://trecksnj.com>) will purchase the TRECs from eligible system owners on a periodic basis and will retire all TREC certificates invoiced through July 2021. They will report to the BPU the total number of TREC certificates being retired into the TREC Program Administrator - EDC joint GATS subaccount(s) (TREC - Joint NJ EDC Account). EY21 TREC TPS/BGS Providers market share allocations will be calculated when using the BGS EDC RPS and TPS RPS Recording Spreadsheets.

Calculating the BGS Provider Share Avoided Solar Increase for EY21

To implement the Act, the Board issued an Order and approved a rule amendment with a new method for calculating the solar RPS requirements for entities with retail sales of "non-exempt electricity" during EY2019, 2020, 2021, 2022, and 2023. The amount of avoided increase from the exemption for previously contracted BGS supply is allocated among the non-exempt electricity supplied over the next two energy years based upon a BGS provider's share of the non-exempt market.

The Act's exemption of contracted supply established an avoided Solar RPS increase for EY 2019 and a future requirement for the SRECS whose collection was avoided in the amount of 409,772 SRECs (or SACPs).

The obligation to procure 409,772 SRECs will be allocated among the BGS Providers' non-exempt electricity supplied over the next two energy years (204,886 in EY 2020 and EY 2021) based upon each BGS Provider's share of the non-exempt market in those energy years.

The avoided Solar RPS increase for EY 2020 produced a future requirement for 363,732 SRECs.

The 363,732 SRECs will be allocated among the BGS providers' non-exempt electricity supplied over the next two energy years (181,866 in EY 2021 and EY 2022) based upon a BGS Provider's share of the non-exempt market in those energy years.

Therefore, the Total BGS Provider EY 2021 avoided Solar RPS increase totals:

204,886 plus 181,866 = 386,752 SRECs

BGS EY21 Solar Obligation Calculation

1. Total Solar Requirement = 5.10% times Total Retail Sales (I), But
2. BGS Sales from the 2018 Auction are Exempt, therefore
3. BGS Exempt Solar Requirement = Exempt Sales times 3.47% (II)
4. BGS Sales from the 2019 and 2020 Auctions are Non-Exempt, therefore
5. BGS Non-Exempt Solar Requirement = Non-Exempt Sales times 5.10% (III)
6. BGS Provider EY 21 Deferred Solar Requirement =
386,752 times BGS Provider Market Share % (IV)
7. Total BGS Solar Requirement = (II) + (III) + (IV)
8. BGS Deferred EY 21 Solar Requirement Split Between EY 22 and EY 23 = I – (II + III)

BGS EY21 Class I, Class II and TREC Obligation Calculation

1. BGS Class I Calculation = 21.00% x Retail Sales (A)
2. BGS Non-Exempt Solar = 5.10% times Retail Sales from 2019 and 2020 Auctions (B)
3. BGS Provider EY 21 Deferred Solar Requirement =
386,752 times BGS Provider Market Share % (C)
4. BGS TREC Allocation = Total Statewide TRECs x BGS Retail Sales Market Share %
(D)
5. Total BGS Class I Requirement = (A) – (B) - (C) - (D)
6. BGS Class II Requirement = 2.50% x Total EY 2021 Retail Sales

TPS EY21 Class I, Class II, Solar and TREC Obligation Calculation

1. TPS Class I Calculation = 21.00% x Retail Sales (A)
2. TPS Solar Requirement = 5.10% x Retail Sales (B)
3. TPS TREC Allocation = Total Statewide TRECs x TPS Retail Sales Market Share % (C)
4. Total TPS Class I Requirement = (A) – (B) – (C)
5. TPS Class II Requirement = 2.50% X Total EY 2021 Retail Sales

Requirements For Reporting Compliance

1. Submit a copy of the GATS “My RPS Compliance Report” Summary Page (See GATS Section below) to demonstrate compliance with Solar, TREC, Class I and Class II RPS requirements based on guidance from PJM-EIS. **Please calculate your RPS obligations based on Total Retail Sales and not by PJM Zone!!!**
2. Submit the completed **EY21 EDC BGS or TPS Reporting Spreadsheet** showing how the TPS/BGS Providers met compliance to DCE Staff with your compliance report. **Please calculate your RPS obligations based on Total Retail Sales and not by PJM Zone!!!**

3. TPS/BGS Providers retiring Class I RECs from biomass facilities who had a Biomass Sustainability Determination completed by the NJDEP must submit the Board approved affidavit, titled; "Class I Renewable Energy Certification Form". TPS/BGS Providers retiring Class II RECs from out of state resource recovery facilities must submit the Class II Renewable Energy Certification Form certifying that the facilities that generated the RECs continue to operate in compliance with their permits (see attached, EY21 RPS Compliance Instructions.PDF Form). All TPS/BGS Providers must obtain a copy of these affidavits or obtain documentation demonstrating that the biomass or resource recovery facility has submitted it directly to the DCE. If the DCE does not receive these affidavits with the RPS report or directly from the facility by December 1st, the RECs **cannot** be used to satisfy your Class I or Class II RPS obligations. **The affidavit must be completed and signed by the generator!!!**

Note: The Class I and Class II Certification Forms, for biomass and resource recovery facilities respectively, are required since they contain a current, affirmative attestation from representatives of the generating facility that the facility generating the electricity was operated in conformity with the NJDEP requirements during the relevant compliance period. This operational level data has not been verified with PJM-EIS via GATS.

4. Submit documentation confirming Alternative Compliance Payment (ACP) and/or Solar Alternative Compliance Payments (SACP) payment, if required, in the form of copies of checks for each ACP and/or SACP. The TPS/BGS Providers compliance report should document the need to pay ACPs or SACPs and include a copy of each check or checks made payable to "**Treasurer, State of New Jersey**". ACP and SACP payments are to be made separately according to the attached instructions. Templates have been developed titled; "EY21 EDC BGS and TPS RPS Reporting Spreadsheet.xls" whose use 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; "EY 2021 ACP SACP Payment Instructions") TPS/BGS Providers also have the option of sending the ACP or SACP payment electronically directly to the Treasury Department. The wiring instructions are also in the payment instruction document.

SREC, TREC and REC Eligibility For EY21

N.J.A.C. 14:8-2.8(a) provides that "An REC, SREC, TREC, or OREC shall be used to meet New Jersey RPS requirements for specific energy years, based on the type of renewable energy upon which the REC, SREC, TREC, or OREC is based, and the energy year during which the renewable energy was generated as follows:"

Therefore SRECs based on electricity generated between June 1, 2016 and May 31, 2021 (EYs 17, 18, 19, 20 & 21) can be used for RPS compliance in EY21.

Class I RECs based on electricity generated during the period June 1, 2018 thru May, 31, 2021 (EYs 19, 20, 21) can be used for RPS compliance in EY21.

Class II RECs based on electricity generated between June 1, 2020 and May, 31, 2021 (EY21) can only be used for RPS compliance in EY21. Also a reminder, only Class II RECs can be used to satisfy the Class II Requirement.

A TREC based on electricity generated during the period May 1, 2020 thru May, 31, 2021 (EYs 20 and 21) can be used for RPS compliance in EY21.

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 must have been 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.

GATS My RPS Compliance Report Information

To BGS, EDC and TPS Account Managers:

For Energy Year 2021, New Jersey RPS Compliance Reports for Class I, Class II and Solar resources are due by December 1, 2021.

If you serve BGS Load, then the EDCs will be reporting directly to the DCE for you. You must transfer your load obligation to the EDC within GATS, as well as the number of certificates that are needed for you to comply. **These transactions can begin in Mid-August and should be completed no later than November 1, 2021 to ensure the RPS Annual Compliance Reports are submitted by the December 1, 2021 due date.** Please contact your EDC for further instructions.

If you serve retail electricity as a licensed Third Party Electricity Supplier, you will be reporting directly to the DCE.

If you are using certificates from your CEPS account within GATS, please remember that you CANNOT transfer them to your Retail LSE Subaccount. They must be transferred to your Reserve Subaccount and you must select the appropriate RPS reason.

PJM EIS has implemented a report in GATS titled "My RPS Compliance Report" to make compliance reporting easier. You can find the "My RPS Compliance Report" listed under the Reports/My Reports menu at the top of your GATS account Home page. This report consists of two tabs. The first tab is a Summary tab of what the GATS Load obligations are in your Retail LSE Subaccount for that reporting year. There is a column for RPS Load where you can enter your actual RPS obligation if it is different from the load data that is reported in GATS. You will also see a breakdown of the total certificates used for RPS. The second 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 needed data.

Please feel free to 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 more information regarding New Jersey Reporting Requirements, please review the rules published by the New Jersey Office of Administrative Law (OAL) and Lexis/Nexis website at this link:

<https://www.state.nj.us/oal/rules/accessp/>

You will be required 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.

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.nj.gov.