

5. The total market share of the nonrenewing company or companies by line of insurance. For homeowners' policies, this shall include the number of exposures by [WindMAP] **designated** zip codes **set forth in N.J.A.C. 11:2-42.9(b) (Appendix E)** and, separately, any additional zip codes that fall within a company's definition of a coastal area;

6. A copy of the proposed cancellation notice. The notices shall not include the statements otherwise required pursuant to N.J.A.C. 11:1-20.2(h) and 11:3-[8.3(e)2]**8.6(b)1**, as applicable, related to filing complaints with the Department concerning the cancellation. A sample of such notice shall be posted on the Department's [web site] **website** at <http://www.state.nj.us/dobi/>, and may be modified by the Department from time to time;

- 7.-9. (No change.)
- (d)-(f) (No change.)

11:1-22.5 Penalties

(a) (No change.)
 (b) As an alternative or in addition to the penalties set forth in (a) above, the Commissioner, where he **or she** deems such action will further the purposes of this subchapter, may require immediate reinstatement without lapse of any policy [which] **that** has been nonrenewed or cancelled in violation of the provisions of this subchapter.

- 1.-2. (No change.)

SUBCHAPTER 25. OFFICIAL DEPARTMENT MAILING AND ELECTRONIC MAILING LISTS: ADDRESS INFORMATION

11:1-25.3 Official mailing and electronic mailing lists; change in address information

(a)-(d) (No change.)
 (e) Each insurer or other regulated entity shall submit an e-mail address to the Department on an e-mail address designation form as prescribed by the Department. The form shall be submitted no later than [September 4, 2004, or] the date the insurer or other regulated entity is granted a Certificate of Authority or other notice of authorization to do business in New Jersey, whichever is later. Subsequent to its receipt of the e-mail address, the Department shall transmit all general orders, bulletins, and public notices to the insurer or other regulated entity via e-mail to that e-mail address or through regular mail to the insurer or other regulated entity at its official mailing address. Upon any change in an e-mail address previously filed with the Department, the insurer or other regulated entity shall, within 10 days, notify the Department in writing of such a change by submitting a new e-mail address designation form. The initial and every subsequent submission of the e-mail address designation form shall be made under cover of a letter, on original company letterhead and signed by an officer of the company, stating that the contents of the form are accurate. The form and accompanying letter shall be sent to:

New Jersey Department of Banking and Insurance
 Office of [Legislative and] Regulatory Affairs
 PO Box 325
 Trenton, NJ 08625-0325

The form can be obtained from the Department's website at: www.njdobi.org www.state.nj.us/dobi/index.html.

The form shall contain a space for an insurer or other regulated entity to indicate that it does not have e-mail capability.

SUBCHAPTER 28. FORMATION OF A DOMESTIC PROPERTY AND CASUALTY INSURANCE CORPORATION (STOCK OR MUTUAL) OR RECIPROCAL INSURANCE EXCHANGE

11:1-28.6 Additional information requirements

(a) (No change.)
 (b) All filings required by this subchapter or other information reasonably deemed necessary by the Commissioner or otherwise required by law shall be sent to:

New Jersey Department of Banking and Insurance
 [Financial Exams Division] **Office of Solvency Regulation**
 PO Box 325
 Trenton, New Jersey 08625-0325

Attention: Formation of domestic companies

SUBCHAPTER 31. SURPLUS LINES INSURER ELIGIBILITY

11:1-31.6 Withdrawal of eligibility

- (a) (No change.)
- (b) The Commissioner shall notify all licensed surplus lines agents in this State of withdrawals of eligibility made pursuant to this section. Such notification may be made by posting such information on the Department's website, www.njdobi.org www.state.nj.us/dobi/index.html.
- (c) (No change.)

SUBCHAPTER 32. FEES AND SPECIAL PURPOSE APPORTIONMENT

11:1-32.4 Fees; general

- (a) (No change.)
- (b) The following fees shall be paid for services provided by the Commissioner in addition to those set forth in (a) above as follows:
 - 1.-19. (No change.)
 - 20. The costs to the Department for investigation and prosecution of violations of the New Jersey Insurance Producer Licensing Act pursuant to N.J.S.A. 17:22A-[17—actual]**45—actual** staff time rounded to the nearest quarter hour at the rate of \$50.00 per hour; and
 - 21. (No change.)

PUBLIC UTILITIES

(a)

BOARD OF PUBLIC UTILITIES

Renewable Energy and Energy Efficiency

Proposed Amendments: N.J.A.C. 14:8-2.2, 2.3, 2.4, 2.10

Authorized By: The New Jersey Board of Public Utilities, Joseph L. Fiordaliso, President, Mary-Anna Holden, Dianne Solomon, Upendra J. Chivukula, and Robert M. Gordon, Commissioners.

Authority: N.J.S.A. 48:2-1 et seq., in particular 48:2-13, 48:3-51, and 48:3-87.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

BPU Docket Number: QX18101098.

Proposal Number: PRN 2018-110.

Comments may be submitted through February 1, 2019, by e-mail in **Microsoft Word format**, or in a format that can be easily converted to Word, to: rule.comments@bpu.nj.gov, or on paper to:

Aida Camacho-Welch, Secretary
 New Jersey Board of Public Utilities
 ATTN: BPU Docket Number: QX18101098
 44 S. Clinton Ave., 3rd Floor, Suite 314
 PO Box 350
 Trenton, NJ 08625-0350

The agency proposal follows:

Summary

The Board of Public Utilities ("BPU" or "Board") is proposing amendments to N.J.A.C. 14:8-2.2, 2.3, 2.4, and 2.10 to reconcile the current rules to the provisions contained in P.L. 2018, c. 17 (Clean Energy Act). There are several provisions in the Clean Energy Act that require rulemaking proceedings, including modifications to the existing solar Renewable Portfolio Standard (solar RPS) and Solar Alternative Compliance Payment (SACP) schedules and reducing the Solar Renewable Energy Certificate (SREC) qualification life of a solar electric generation facility. Furthermore, the Clean Energy Act requires that certain solar energy project applications must post notice escrow and be approved, conditionally approved, or disapproved by the Board no later

than 90 days from the date that the application was properly filed with the Board. To this end, the Board proposes the following amendments:

At N.J.A.C. 14:8-2.2, the Board proposes to amend the definition of “qualification life” from at least 15 years to at least 10 years and remove the example of a qualification life from the definition to reduce the opportunity for confusion. The qualification life of a solar electric generation facility begins on the date that a solar electric generation facility is authorized to energize by either an electric distribution company via the Board’s interconnection rules or via PJM Interconnect LLC for Federal Energy Regulatory Commission jurisdictional facilities. The Board proposes to clarify that some facilities are issued an authorization to energize via PJM Interconnect LLC.

At N.J.A.C. 14:8-2.3(k)2, the Board proposes to amend Table B, which defines the total Statewide solar obligation starting June 1, 2010, to reflect the new solar obligations under the Clean Energy Act. The Clean Energy Act modified the solar obligation in EY 2019, which began on June 1, 2018, as well as the requirements for EY 2020 through EY 2033. The Act also provided exemptions to the increased requirements for basic generation service (BGS) providers with existing contracts. The Board proposes amendments to Table B, which provide the percentage requirements for both exempt and non-exempt entities during the years covered by pre-existing BGS contracts (EY 2019, EY 2020, and EY 2021).

The Board proposes new N.J.A.C. 14:8-2.4(r) pursuant to certain provisions in the Clean Energy Act that require the Board to approve, conditionally approve, or disapprove certain solar energy generation applications within 90 days after receipt of a completed application. This proposed new subsection also includes the new requirement that applications for certain solar projects must post a notice escrow.

The Board proposes new N.J.A.C. 14:8-2.4(s) to establish a 10-year SREC term for all solar electric power generation facility applications for designation as connected to the distribution system filed with the Board after May 23, 2018, the date of enactment of the Clean Energy Act.

At N.J.A.C. 14:8-2.10(h), the Board proposes to amend Table C, which contains the SACP Schedule, to reflect the new SACP schedule in the Clean Energy Act. The Clean Energy Act reduced the SACP levels for EY 2019 through EY 2028 and established new SACP amounts for EY 2029 through EY 2033.

The Board has provided a 60-day comment period on this notice of proposal. Accordingly, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The proposed amendments to the RPS rules governing the RPS (N.J.A.C. 14:8-2.3(k)2), the SACP (N.J.A.C. 14:8-2.10(h)), and the qualification life of SRECs (N.J.A.C. 14:8-2.2 and N.J.A.C. 14:8-2.4(b)4) will have a positive social impact on the State’s solar industry and also for New Jersey ratepayers. N.J.A.C. 14:8-2.3(k)2 will increase the RPS to facilitate the growth of more solar in the short term, while a new incentive is developed and implemented. N.J.A.C. 14:8-2.10(h), 2.2, and 2.4(b)4 will simultaneously tend to limit the negative impact on ratepayers by reducing the SACP and the qualification life. Reducing the SACP will tend to reduce costs because in a competitive market the SACP functions as an upper limit to cost. While the cost of the SACP does not currently play this role, the decrease to the SACP will nevertheless send a signal to market participants and assist in making the market more transparent. Reducing the qualification life from 15 years to 10 will reduce the cost to ratepayers by reducing the number of years that the SACP incentive must be provided.

Economic Impact

The amendments proposed at N.J.A.C. 14:8-2.10(h), which reduce the SACP, will tend to help control costs by lowering the maximum value for which an SREC can be retired. The amendments proposed at N.J.A.C. 14:8-2.2 and 2.4(b)4 will have a further positive economic impact on ratepayers by reducing the number of years for which a solar project is eligible to receive SRECs. The amendments proposed at N.J.A.C. 14:8-2.3(k)2, increasing the RPS, will increase the amount of electricity that must be generated from solar and, therefore, increase the number of SRECs that must be paid for by ratepayers annually. However, beginning in 2024, the revised RPS will start to decrease, reducing the percentage of

electricity that must be generated by solar and lowering the overall impact on ratepayers. As such, the overall economic impact of the proposal is positive.

Federal Standards Statement

Executive Order No. 27 (1994) and N.J.S.A. 52:14B-1 et seq., requires State agencies that adopt, readopt, or amend State rules exceeding any Federal standards or requirements to include in the rulemaking document a Federal standards analysis. The RPS, SACP, and SREC rules have no Federal analogue and are not promulgated under the authority of, or in order to implement, comply with, or participate in any program established under Federal law or under a State statute that incorporates or refers to Federal law, Federal standards, or Federal requirements. Accordingly, a Federal standards analysis is not required for the proposed amendments.

Jobs Impact

The proposed amendments are anticipated to provide a net positive impact to jobs in the State’s solar industry in the short term by increasing the amount of SRECs that must be retired each year. The proposed amendments will subsequently decrease the RPS beginning in 2024, but the Board will have created a new successor initiative prior to this date and that incentive is anticipated to produce a similar, or possibly a greater, number of jobs.

Agriculture Industry Impact

The proposed amendments, which will update the rules to bring them into compliance with P.L. 2018, c. 17, are not anticipated to have a significant impact upon the agricultural industry. The changes to the solar incentive scheme will affect the industry’s electricity costs only slightly and indirectly; solar energy is not a significant percentage of the energy generation relied upon in the State and energy costs in their entirety are only one of many factors that affect agricultural costs.

In the long term, the Board’s programs for developing solar energy generation are anticipated to act as a spur to development of solar energy markets, thus reducing use of environmentally damaging fossil fuels. Ultimately, this will have a positive impact on the agricultural industry and an important beneficial economic impact on the State as a whole.

Regulatory Flexibility Statement

A small business, as defined in the New Jersey Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., is a business that has fewer than 100 full-time employees. The proposed amendments do not impose additional reporting, recordkeeping, or other compliance requirements on small businesses operating renewable electric generation facilities in New Jersey or in the rest of the PJM region. Accordingly, no regulatory flexibility analysis is required.

Housing Affordability Impact Analysis

The proposed amendments’ impact on the affordability of housing in New Jersey will be insignificant, because the proposed amendments address only incentives for renewable energy generation and do not affect housing prices or the housing market.

Smart Growth Development Impact Analysis

Since the scope of the proposed amendments are limited to the SREC market, the proposed amendments will have no impact on smart growth in New Jersey. It is unlikely that the proposed amendments would evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan in New Jersey.

Racial and Ethnic Community Criminal Justice and Public Safety Impact

The Board has evaluated this rulemaking and determined that changes in solar incentives will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in the State. Accordingly, no further analysis is required.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 2. RENEWABLE PORTFOLIO STANDARDS

14:8-2.2 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

“Qualification life” means, for any solar electric generation facility, the period beginning on the date on which the facility was authorized to energize under N.J.A.C. 14:8-5.8, or its equivalent at PJM Interconnect LLC, and ending on the first May 31 that is at least [15] 10 years after the date of authorization to energize. [For example, if a facility’s inspections required under N.J.A.C. 14:8-2.9(i) were completed on August 1, 2004, then the facility’s qualification life would begin August 1, 2004, and end on May 31, 2020.] A solar facility’s qualification life applies to the facility itself, and to each piece of equipment included in the facility, regardless of any interruption in the solar facility’s operation; or of any disassembly, relocation, sale, or transfer of any piece of equipment included in the facility.

14:8-2.3 Amount of renewable energy required

(a)-(j) (No change.)

(k) For electricity supplied during EY 2015, a BGS provider shall calculate its solar obligation by following one of the two calculations set forth in this subsection:

1. (No change.)

2. Those BGS providers that do not have supply contracts which were effective prior to July 23, 2012, shall calculate their solar obligations as follows:

i.-iv. (No change.)

Table B

Total Statewide Solar Obligation Starting June 1, 2010

Energy Year	Statewide Solar Obligation in GWhs or Percentage of Retail Sales
EY 2011: June 1, 2010 - May 31, 2011	306 GWhs
EY 2012: June 1, 2011 - May 31, 2012	442 GWhs
EY 2013: June 1, 2012 - May 31, 2013	596 GWhs
EY 2014: June 1, 2013 - May 31, 2014	2.050%
For BGS providers with existing supply contracts:	772 GWhs
EY 2015: June 1, 2014 - May 31, 2015	2.450%
For BGS providers with existing supply contracts:	965 GWhs
EY 2016: June 1, 2015 - May 31, 2016	2.750%
EY 2017: June 1, 2016 - May 31, 2017	3.000%
EY 2018: June 1, 2017 - May 31, 2018	3.200%
EY 2019: June 1, 2018 - May 31, 2019	[3.290%] 4.300%
For BGS providers with existing supply contracts:	3.290%
EY 2020: June 1, 2019 - May 31, 2020	[3.380%] 4.900%
For BGS providers with existing supply contracts:	3.380%
EY 2021: June 1, 2020 - May 31, 2021	[3.470%] 5.100%
For BGS providers with existing supply contracts:	3.470%
EY 2022: June 1, 2021 - May 31, 2022	[3.560%] 5.100%
EY 2023: June 1, 2022 - May 31, 2023	[3.650%] 5.100%
EY 2024: June 1, 2023 - May 31, 2024	[3.740%] 4.900%
EY 2025: June 1, 2024 - May 31, 2025	[3.830%] 4.900%
EY 2026: June 1, 2025 - May 31, 2026	[3.920%] 4.500%
EY 2027: June 1, 2026 - May 31, 2027	[4.010%] 4.350%
EY 2028: June 1, 2027 - May 31, 2028	[4.100%] 3.740%
EY 2029: June 1, 2028 - May 31, 2029	3.070%

Statewide Solar Obligation in GWhs or Percentage of Retail Sales

Energy Year	Statewide Solar Obligation in GWhs or Percentage of Retail Sales
EY 2030: June 1, 2029 - May 31, 2030	2.210%
EY 2031: June 1, 2030 - May 31, 2031	1.580%
EY 2032: June 1, 2031 - May 31, 2032	1.400%
EY 2033: June 1, 2032 - May 31, 2033	1.100%

14:8-2.4 Energy that qualifies for an SREC; registration requirement; additional approval, designation, and certification processes for grid supply projects

(a)-(q) (No change.)

(r) The Board shall approve, conditionally approve, or disapprove any application for designation as connected to the distribution system of a solar electric power generation facility filed with the Board after May 23, 2018, the date of enactment of P.L. 2018, c. 17 (N.J.S.A. 48:3-87.8 et seq.), no more than 90 days after receipt by the Board of a completed application. For any such application for a project greater than 25 kilowatts, the Board shall require the applicant to post a notice escrow with the Board in an amount of \$40.00 per kilowatt of DC nameplate capacity of the facility, not to exceed \$40,000. The notice escrow amount shall be reimbursed to the applicant in full upon either denial of the application by the Board or upon commencement of commercial operation of the solar electric power generation facility. The escrow amount shall be forfeited to the State if the facility is designated as connected to the distribution system pursuant to this subsection but does not commence commercial operation within two years following the date of the designation by the Board.

(s) The SREC term shall be 10 years for all applications for designation as connected to the distribution system of a solar electric power generation facility filed with the Board after May 23, 2018, the date of enactment of P.L. 2018, c. 17 (N.J.S.A. 48:3-87.8 et seq.).

14:8-2.10 Alternative compliance payments (ACPs and SACPs)

(a)-(g) (No change.)

(h) Table C sets forth the SACP for each energy year from energy year 2013 through energy year [2028] **2033:**

Table C
SACP Schedule

Energy Year	SACP
June 1, 2012 - May 31, 2013	\$641.00
June 1, 2013 - May 31, 2014	\$339.00
June 1, 2014 - May 31, 2015	\$331.00
June 1, 2015 - May 31, 2016	\$323.00
June 1, 2016 - May 31, 2017	\$315.00
June 1, 2017 - May 31, 2018	\$308.00
June 1, 2018 - May 31, 2019	[\$300.00] \$268.00
June 1, 2019 - May 31, 2020	[\$293.00] \$258.00
June 1, 2020 - May 31, 2021	[\$286.00] \$248.00
June 1, 2021 - May 31, 2022	[\$279.00] \$238.00
June 1, 2022 - May 31, 2023	[\$272.00] \$228.00
June 1, 2023 - May 31, 2024	[\$266.00] \$218.00
June 1, 2024 - May 31, 2025	[\$260.00] \$208.00
June 1, 2025 - May 31, 2026	[\$253.00] \$198.00
June 1, 2026 - May 31, 2027	[\$250.00] \$188.00
June 1, 2027 - May 31, 2028	[\$239.00] \$178.00
June 1, 2028 - May 31, 2029	\$168.00
June 1, 2029 - May 31, 2030	\$158.00
June 1, 2030 - May 31, 2031	\$148.00
June 1, 2031 - May 31, 2032	\$138.00
June 1, 2032 - May 31, 2033	\$128.00