



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF EZENERGY NJ, LLC D/B/A)
EZENERGY SOLAR ENERGY SOLUTIONS –) ORDER
REQUEST FOR RELIEF FROM DENIAL OF SOLAR)
RENEWABLE ENERGY CERTIFICATE (SREC))
GENERATION DATA FOR PELICAN SPORT CENTER) DOCKET NO. QO20120740

Party of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

Ezenergy NJ, LLC (“Ezenergy” or “Petitioner”), a solar installer, has filed a petition asking that the New Jersey Board of Public Utilities (“Board”) waive its reporting rules and allow this customer to receive Solar Renewable Energy Certificates (“SRECs”) on the basis of inverter readings for a period of time during which generation at the Pelican Sport Center (“Pelican”) in Morris Plains, New Jersey was not recorded due to Petitioner’s failure to install a revenue grade meter.

BACKGROUND

On February 9, 1999, L. 1999, c. 23, the New Jersey Electric Discount and Energy Competition Act (“EDECA”), was enacted and codified at N.J.S.A. 48:3-49 et seq. Among other directives, EDECA established requirements to advance renewable energy and energy efficiency goals in New Jersey. The New Jersey Board of Public Utilities (“Board”) adopted Renewable Portfolio Standards (“RPS”) regulations, N.J.A.C. 14:8-2.1 et seq., to implement those provisions of EDECA (“RPS rules”). N.J.S.A. 48:3-87 and the RPS rules require entities that sell retail electricity in this State, electric power suppliers and basic generation service providers, to include minimum percentages of qualified renewable energy in the electricity they sell; those minimum percentages increase over time.

To comply with the RPS, suppliers and providers obtain and use Renewable Energy Certificates (“REC”), which represent the environmental attributes of one megawatt-hour (“MWh”) of renewable energy.¹ To comply with the solar electric generation portion of the RPS, suppliers

¹ N.J.A.C. 14:8-2.2, N.J.A.C. 14:8-2.8.

and providers obtain and use SRECs.² RECs and SRECs have a monetary value in the public market; over the course of their useful lives, they are bought, sold, and ultimately retired by BGS Providers or Third Party Suppliers to satisfy New Jersey RPS obligations.

N.J.A.C. 14:8-2.9 sets forth REC or SREC issuance requirements, including how to measure generation to determine the number of RECs or SRECs that may be issued. The only acceptable meter readings are those that are verified by recording kilowatt-hour production of electrical energy, consistent with the American National Standards Institute ("ANSI") metering standard and certain operating rules.³ All RECs and SRECs must be based upon actual metered data from a revenue grade meter. Installation of a revenue grade meter is the only acceptable methodology used by the Board to determine SREC creation.⁴ The Board adopted this requirement for commercial systems like Pelican's in 2004, as market transparency and credibility demand that high-value SRECs be based upon actual metered data.⁵

On July 1, 2020, in the course of an onsite inspection of two newly installed systems, the SRP Program Administrator ("TRC") discovered that the existing 85 kilowatt ("kW") solar electric generation facility ("the System") production was not being measured by a separate revenue grade meter. Upon investigation, Board Staff ("Staff") found that from the date of installation through July 31, 2020, Pelican or its representative had been inappropriately entering inverter readings into the Generation Attributes Tracking System ("GATS"). Staff confirmed that the SolarEdge inverter is not ANSI-certified, and per Staff direction, GATS administrator PJM-EIS placed a hold on Pelican's GATS account for the lack of a revenue grade meter.⁶

Petition

Petitioner states that it installed the System on Pelican's property in July 2018, and that Petitioner sells the SRECs for the customer. According to Petitioner, at the time of installation it was not yet familiar with the commercial product requirements of the vendor from whom it ordered equipment for the System and did not realize that a separate production meter was needed. Production data was reported on the basis of the System's inverter readings. Eznergy provided a "Periodic AC Energy Report" for the period from July 2018 through November 2020 which Eznergy asserts supports its claim that the number of SRECs sold during this period (211, according to Petitioner) was comparable to what would be expected to be created on the basis of the System's generation for that time period. Petitioner asks that the Board take these circumstances into account and allow its customer to be credited with the SRECs that have been sold on the basis of the generation as measured by the inverter.

Petitioner also asserts that the Board's Program Administrator inspected and approved the System, "so there is a sharing of responsibility." Petition at 2.2, referencing Attachment A. However, Attachment A is the standard Program letter advising Petitioner that its registration is complete. This letter neither references nor is based upon an inspection. TRC does not inspect

² N.J.A.C. 14:8-2.4. The SREC Registration Program ("SRP") was closed on April 30, 2020 pursuant to statutory mandate, but the matter under review involves a solar electric generation system installed under the SRP that retains its eligibility to create SRECs during its qualification life.

³ N.J.A.C. 14:8-2.9(c).

⁴ In re the Matter of Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the 2009-2012 Clean Energy Program: Revised 2012-2013 Programs and Budgets: Storm Response Program Modifications, BPU Docket Nos. EO07030203 & EO1110621V, order dated January 23, 2013; See also N.J.A.C. 14:8-2.9(c).

⁵ N.J.A.C. 14:4.8.9(c), 36 N.J.R. 2053(b), subsequently re-codified at N.J.A.C. 14:8-2.9(c).

⁶ That hold can now be removed, since a revenue grade meter was installed on the System in July 2020.

every project. Rather, TRC inspects a set percentage of projects for each type of solar project as a quality control measure. The facility owner is required upon commencement of commercial operations to file a post-construction certification package and request inspection of the facility or request an inspection waiver.⁷ In this case, the Program Administrator waived the inspection for this system, basing approval upon Petitioner's "Final As Built" documentation filed with TRC.

STAFF RECOMMENDATIONS

Staff does not view Petitioner's proposed measurement methodology as consistent with the intent of EDECA to advance renewable energy goals and the RPS rules requiring specific amounts of purchased renewable energy annually. Where no reading from a revenue grade meter for the period is available, there can be no accurate measurement of the electricity produced, and hence no precise way to create SRECs for purchase or sale to fulfill the RPS. Moreover, program records reflect that the SRP acceptance letter sent to Petitioner on March 16, 2018 also advised of the revenue grade meter requirement. Finally, the post-construction paperwork submitted by Petitioner indicates that a revenue grade meter has been installed when in fact, no such meter was ever installed. Therefore, Staff does not recommend a waiver of N.J.A.C. 14:8-2.9(c).

FINDINGS AND DISCUSSION

The Board is authorized to relax or waive its rules pursuant to N.J.A.C. 14:1-1.2, which provides that the rules may be liberally construed to permit the Board to carry out its statutory functions. In considering whether to grant a request for a waiver, the Board looks to the standards provided in this rule. In special cases upon a showing of good cause, the Board may relax or permit deviations from the rule.⁸ Additionally, N.J.A.C. 14:1-1.2(b)(1) provides that if strict adherence to a rule would adversely affect ratepayers, hinder safe, adequate and proper service, or adversely impact the interests of the general public, the Board shall waive sections of the rule.

As noted above, the Board adopted within the RPS rules a revenue grade meter requirement to promote and secure maximum accuracy in measuring energy output as a basis for SREC creation by using a methodology that can be verified. Petitioner had the responsibility to comply with the RPS rules. The Board **FINDS** that Petitioner's lack of experience with commercial installations at the time it installed the Pelican system does not constitute good cause to waive the requirements of N.J.A.C. 14:8-2.9(c). The Board **ALSO FINDS** that Petitioner was placed on notice of the revenue grade meter requirement by the Program Administrator through its SRP acceptance letter and again by the requirements listed on the post-construction forms Petitioner filled out and submitted.

Because no revenue grade meter reading for the System for the period July 2018 to July 2020 exists, actual metered data cannot be verified. Therefore, the proposed methodology uses insufficient and potentially inaccurate data contravening the purpose of the rules. Any deviation from the rule would negatively affect the RPS, as energy generated for sale would be unverified. The Board **FINDS** that strict adherence to the rule will further the interests of the ratepayer rather than hinder it. The Board **FINDS** that that Petitioner's request is inconsistent with both the intent of EDECA to advance renewable energy goals and the RPS rules requiring specific amounts of purchased renewable energy annually.

⁷ N.J.A.C. 14:8-2.4(k).

⁸ N.J.A.C. 14:1-1.2(b).

The Board thus **FINDS** that there is not sufficient cause to waive the requirement for actual metered solar generation from a revenue grade meter pursuant to N.J.A.C. 14:8-2.9(c); therefore, neither Petitioner nor its customer may be credited with SRECs based upon generation that was not metered in accordance with the Board's rules. Therefore, the Board **DENIES** the petition.

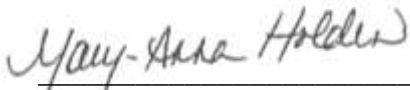
The effective date of this order is February 27, 2021.

DATED: February 17, 2021

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

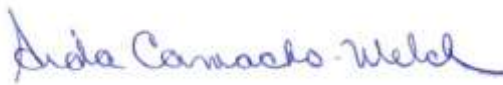


UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

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SERVICE LIST

Ezenergy

Lou Ianiello, Managing Partner
Ezenergy
1561 Rte. 9 (Lakewood Rd.)
Tom's River, NJ 08755
loui@ezenergy.com

Division of Rate Counsel

140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director
sbrand@rpa.nj.gov

Division of Law

R.J. Hughes Justice Complex
25 Market Street, Post Office Box 112
Trenton, N.J. 08625

Darren Eppley, Esq.
Darren.eppley@law.njoag.gov

Pamela Owen, Esq.
Assistant Section Chief
pamela.owen@law.njoag.gov

Michael Beck, Esq.
Deputy Attorney General
michael.beck@law.njoag.gov

Board of Public Utilities

44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

General Counsel's Office

Abe Silverman, General Counsel
abe.Silverman@bpu.nj.gov

Rachel Boylan, Esq.
Rachel.boylan@bpu.nj.gov

Office of the Chief of Staff

Christine Sadovy, Chief of Staff
christine.sadovy@bpu.nj.gov

Executive Director's Office

Paul Flanagan, Executive Director
paul.flanagan@bpu.nj.gov

Bob Brabston, Deputy Executive Director
robert.brabston@bpu.nj.gov

Division of Clean Energy

Kelly Mooij, Director
kelly.mooij@bpu.nj.gov

Scott Hunter
benjamin.hunter@bpu.nj.gov

Ronald Jackson
ronald.jackson@bpu.nj.gov