Agriculture Industry Impact
The rules proposed for readoption will have no impact on the agriculture industry in New Jersey.

Regulatory Flexibility Statement
The rules proposed for readoption impose no reporting, recordkeeping or other compliance requirements on small businesses as the term is defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The rules relate to disposition options for juveniles charged as delinquent under the New Jersey Code of Juvenile Justice, N.J.S.A. 2A:4A-20 et seq. Therefore, a regulatory flexibility analysis is not required.

Smart Growth Impact
The rules proposed for readoption will have no impact on the achievement of smart growth and implementation of the State Development and Redevelopment Plan.

Housing Affordability Impact
The rules proposed for readoption will have an insignificant impact on affordable housing in New Jersey and there is an extreme unlikelihood that the regulation would evoke a change in the average costs associated with housing because the rules concern only disposition options for juveniles adjudicated delinquent under the New Jersey Code of Juvenile Justice, N.J.S.A. 2A:4A-20 et seq.

Smart Growth Development Impact
The rules proposed for readoption will not have an impact on smart growth and there is an extreme unlikelihood that the regulation would evoke a change in housing production in Planning Areas 1 or 2 or within growth and there is an extreme unlikelihood that the regulation would evoke a change in the average costs associated with housing because the rules concern only disposition options for juveniles charged as delinquent under the New Jersey Code of Juvenile Justice, N.J.S.A. 2A:4A-20 et seq.

Housing Affordability Impact
The rules proposed for readoption will have an insignificant impact on affordable housing in New Jersey and there is an extreme unlikelihood that the regulation would evoke a change in the average costs associated with housing because the rules concern only disposition options for juveniles adjudicated delinquent under the New Jersey Code of Juvenile Justice, N.J.S.A. 2A:4A-20 et seq.

Full text of the rules proposed for readoption may be found in the New Jersey Administrative Code at N.J.A.C. 13:93.

PUBLIC UTILITIES

BOARD OF PUBLIC UTILITIES

Board Financial Assistance; Prevailing Wage Rate
Proposed New Rules: N.J.A.C. 14:1A

Authorized By: Board of Public Utilities, Jeanne M. Fox, President, and Frederick F. Butler, Joseph L. Fiordaliso, Nicholas Asselta, and Elizabeth Randall, Commissioners.
Authority: N.J.S.A. 48:2-29.47.
Calendar Reference: See Summary below for explanation of exception to calendar requirement.
BPU Docket Number: AX09110941.
Proposal Number: PRN 2010-020.

A public hearing concerning the notice of proposal will be held on Thursday, January 21, 2010, at 9:00 A.M. at:
Board of Public Utilities
Board Hearing Room, 8th Floor
Two Gateway Center
Newark, NJ 07102

Comments may be submitted through March 5, 2010, through either of the following methods:
- Electronically, in Microsoft WORD format, or in a format that can be easily converted to WORD, by e-mailing them to the following e-mail address: rule.comments@bpu.state.nj.us;
- On paper to:
  New Jersey Board of Public Utilities
  Kristi Izzo, Secretary
  ATTN: BPU Docket Number: AX09110941
  Two Gateway Center
  Newark, New Jersey 07102

The agency proposal follows:

Summary
The New Jersey Board of Public Utilities (BPU) 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. 1:30-1.3(a).

On July 15, 2009, Governor Corzine signed into law P.L. 2009, c. 89 (the Act), concerning prevailing wage requirements for certain construction contracts undertaken in connection with BPU financial assistance. The Act requires the BPU to adopt regulations providing that the prevailing wage rate determined by the Commissioner of the Department of Labor and Workforce Development (DLWD) be paid to workers employed in the performance of certain contracts for construction undertaken in connection with board financial assistance, or undertaken to fulfill any condition of receiving board financial assistance, including any contract to construct, renovate or otherwise prepare a facility, the operations of which are necessary for the receipt of board financial assistance.

The Act defines “Board financial assistance” to include: any tax exemption, abatement or other incentive or any rebate, credit, loan, loan guarantee, expenditure, investment, grant, incentive, or other financial assistance which is, in connection with construction, approved, funded, authorized, administered or provided by the board.

The Act specifies that all of these forms of assistance are included in “Board financial assistance,” regardless of whether the assistance is received before, during or after completion of construction.

However, the Act further states that “Board financial assistance” does not include assistance provided directly to a homeowner or tenant in connection with the homeowners’ or tenant’s place of residence. Neither does it include assistance provided for any new construction or weatherization of a single-family home, town home or row home, or of any apartment building, condominium building or multi-family home of four stories or less. In addition, prevailing wage requirements of the Act do not apply to any contract of an amount less than the prevailing wage contract threshold amount for contracts with municipalities (currently $11,892).

The Board is not charged with enforcing the requirements of the Act or of the Prevailing Wage Law. Instead, the Act authorizes the Commissioner of the DLWD to exercise all powers and duties granted by the Prevailing Wage Law in order to implement the Act. The Act also provides that any worker employed in the performance of construction work subject to the Act, and the employer or any designated representative of the worker, may exercise all rights granted to them by that Act.

The proposed new rules are based substantially on the Act, and on the rules of the New Jersey Economic Development Authority (NJEDA) concerning the payment of prevailing wages in projects receiving NJEDA assistance, at N.J.A.C. 19:30-4 (NJEDA rules). The NJEDA rules were promulgated under the authority of a statute similar to the Act. Considering that similarity, and the availability of several Board financial assistance programs that are offered in cooperation with the NJEDA, the Board has sought to maximize consistency with the NJEDA rules.

The Board provides financial assistance through several programs, for a variety of purposes. For example, the Commercial and Industrial Energy-Efficient Construction Program (also known as “New Jersey SmartStart Buildings”) pays financial incentives for the installation of qualified energy efficient measures in new construction and additions, renovations, remodeling and equipment replacements. For existing commercial, industrial and institutional buildings with an average annual peak demand over 200 kW (including hospitals, hotels and casinos, large office buildings, multi-family buildings, supermarkets, manufacturing
facilities, schools, shopping malls and restaurants), the Board’s Pay for Performance program takes a comprehensive, whole-building approach to saving energy in existing facilities, and pays financial incentives that are directly linked to the savings. Under Pay for Performance, Combined Heat & Power (CHP) projects, for incentive up to $1,000,000. The Renewable Energy Incentive Program offers rebates to help defray the initial cost of constructing and installing electric generation facilities based on solar, wind, or sustainable biomass.

The Board also offers performance-based grants for commercial, institutional or industrial electricity customers with peak electric demand of at least 750 kilowatts, to support the installation of combined heat and power projects. The grants are complemented by financing provided by the NJEDA. In addition, the Clean Energy Manufacturing Fund provides financial assistance to support the construction and improvement of manufacturing sites and the purchase of equipment for manufacturers of certain renewable energy or energy efficiency systems, products or technologies.

This wide range of programs providing several hundred million dollars annually to assist in New Jersey’s continuing efforts to reduce energy costs, become more economically competitive, become less reliant on fossil fuels and reduce greenhouse gas emissions. For projects receiving Board financial assistance under any of these programs, the proposed new rules would require that workers employed in construction of the projects be paid at least the prevailing wage rate.

In addition to this wide range of financial assistance that the Board provides, there are also incentives for renewable energy development that are delivered through the markets rather than by the Board. Specifically, the Board has established Renewable Portfolio Standards (RPS) at N.J.A.C. 14:8-2. Companies required to comply with the RPS can do so by purchasing Renewable Energy Certificates (RECs) in the marketplace. The number of RECs that renewable generators can earn is based solely on how much electricity they generate: how much revenue a renewable generator can earn from the sale of the RECs depends on the amount that buyers are willing to pay for the RECs. Accordingly, the construction of a renewable energy project that receives Board financial assistance under the financial assistance programs described above is subject to the prevailing wage requirements. However, a renewable energy project that receives no such financial assistance from the Board and relies instead on buyers to purchase RECs in the marketplace, becomes more economically competitive, become less reliant on workers and their families, in that the rules would assist the DLWD in understanding those impacts. On July 20, 2009, the DLWD proposed new rules to implement P.L. 2007, c. 343, which establishes prevailing wage levels for workers employed by contractors engaged in construction work on a public utility (Utility Prevailing Wage Rules).

In proposing the Utility Prevailing Wage Rules, the DLWD noted that no legislative fiscal estimate accompanied P.L. 2007, c. 343, which is the same true of N.J.S.A. 48:2-29.47. The DLWD has previously stated that prevailing wage rules are anticipated to increase the potential for workers to receive the wages to which they are entitled by law for services performed and, thereby, enable them to maintain a reasonable standard of living for themselves and their families. See 41 N.J.R. 2765(a).

In evaluating the economic impacts of applying prevailing wage requirements, the Board has relied on information from the DLWD, which is the State agency that brings the greatest expertise to understanding those impacts. On July 20, 2009, the DLWD proposed new rules to implement P.L. 2007, c. 343, which establishes prevailing wage levels for workers employed by contractors engaged in construction work on a public utility (Utility Prevailing Wage Rules).

In proposing the Utility Prevailing Wage Rules, the DLWD noted that no legislative fiscal estimate accompanied P.L. 2007, c. 343, which is the same true of N.J.S.A. 48:2-29.47. The DLWD stated that the Utility Prevailing Wage Rules would have a positive economic impact upon affected workers and their families, in that the rules would assist the DLWD in ensuring that such workers are paid prevailing wage levels. The DLWD further stated that contractors who engage in work that is covered by the prevailing wage requirements will ultimately bear the burden of paying more for construction contracts, so as to enable contractors to compensate construction workers at the prevailing wage rates required by law. The Board believes that similar impacts will follow from the proposed new rules.

Federal Standards Statement

The proposed new rules concern certain contracts for construction undertaken in connection with Board financial assistance, or undertaken to fulfill any condition of receiving Board financial assistance. There are...
no Federal standards or requirements concerning prevailing wage for such contracts. Accordingly, a Federal standards analysis is not required.

Jobs Impact
As discussed in the Economic Impact statement above, the cost of construction subject to the prevailing wage requirement would be expected to increase (except for contractors who are already paying prevailing wage rates). If this cost alone were the only variable, then the number of such construction projects being undertaken would be expected to decrease under the proposed new rules. However, a variety of other factors in addition to the construction cost influence how many such projects will be undertaken. The level of Board financial assistance for such projects is one such factor; other examples include energy prices and the cost of materials and equipment. As a result, the establishment of the prevailing wage requirement itself cannot be said to result in the generation or loss of jobs.

Agriculture Industry Impact
The Board does not expect the proposed new rules to have a direct material effect on the agriculture industry in New Jersey.

Regulatory Flexibility Analysis
The proposed new rules would impose reporting, recordkeeping and compliance requirements on small businesses, as that term is defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-6 et seq. All businesses, regardless of size, that perform affected contracts for construction undertaken in connection with board financial assistance, or contracts undertaken to fulfill any condition of receiving board financial assistance, would be subject to the proposed new rules. Those businesses would be required to pay their workers the State prevailing wage rates determined by the Commissioner of the DLWD; to maintain accurate payroll records for each worker performing construction work on a public utility; to allow the DLWD to inspect their records and question their employees in order to determine whether a violation or violations of the proposed new rules have occurred, and would be required to remit penalties and fees where the DLWD has found that such violations did occur. In proposing the Utility Prevailing Wage Rules, the DLWD found that in order to protect the interest of workers, the DLWD could not provide exemptions for small businesses, since to do so would be inconsistent with the law and would jeopardize the well-being of the very workers sought to be protected by P.L. 2007, c. 343; the Board believes that the same reasoning would apply to the proposed new rules. The DLWD had also stated that employers should not require outside professional services to comply with the Utility Prevailing Wage Rules, and the Board has no reason to conclude that this result would be different under the proposed new rules.

Smart Growth Impact
The State Plan is intended to “provide a coordinated, integrated and comprehensive plan for the growth, development, renewal and conservation of the State and its regions and to ‘identify areas for growth, agriculture, open space conservation and other appropriate designations.’” N.J.S.A. 52:18A-199a. Smart growth is based on the concepts of “focusing new growth into redevelopment of older urban and suburban areas, protecting existing open space, conserving natural resources, increasing transportation options and transit availability, reducing automobile traffic and dependency, stabilizing property taxes, and providing affordable housing.”

The proposed new rules are not expected to have any impact on either the achievement of smart growth or the implementation of the State Development and Redevelopment Plan. The effect of the proposed new rules is not expected to vary by location within the State. Accordingly, the Board does not expect that the proposed new rules will affect the location of future development.

Housing Affordability Impact
The proposed new rules will have an insignificant impact, if any, on affordable housing in New Jersey because the construction of affordable housing does not depend on Board financial assistance. For the same reason, it is very unlikely that the proposed new rules would evoke a change in the average costs associated with housing.

Smart Growth Development Impact
The proposed new rules will have an insignificant impact on smart growth and there is an extreme likelihood that the rules 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 because the rules pertain to Board financial assistance programs.

Full text of the proposed new rules follows:

CHAPTER 1A
BOARD FINANCIAL ASSISTANCE

SUBCHAPTER 1. PREVAILING WAGE RATE

14:1A-1.1 Purpose and applicability
(a) The purpose of this subchapter is to require that workers employed in the performance of construction undertaken in connection with Board financial assistance, or undertaken to fulfill a condition of receiving board financial assistance, be paid at a rate that is not less than the prevailing wage rate.
(b) This subchapter does not apply with respect to a worker employed in the performance of any contract, which is for less than the prevailing wage contract threshold amount.
(c) This subchapter does not apply to a contract to construct, renovate or otherwise prepare a facility unless the contract was executed on or after (effective date of these new rules).
(d) In interpreting this subchapter, the Board will refer to the Uniform Construction Code, N.J.A.C. 5:23, for assistance in interpreting the meaning of a term used in building and construction if the term is not defined or explained in N.J.A.C. 14:1A-1.2, in N.J.S.A. 48:2-29.47, or in a notice of proposal or notice of adoption with respect to rules promulgated under N.J.S.A. 48:2-29.47.

14:1A-1.2 Definitions
As used in this subchapter, the following words and terms shall have the following meanings, unless the context clearly indicates otherwise.
“Board financial assistance” means any tax exemption, abatement or other incentive, or any rebate, credit, loan, loan guarantee, expenditure, investment, grant, incentive or other financial assistance, which is, in connection with construction, approved, funded, authorized, administered or provided by the Board, whether the assistance is received before, during or after completion of the construction. “Board financial assistance” does not include any financial assistance from any source, if that assistance is provided directly to a homeowner or tenant in connection with the homeowner’s or tenant’s place of residence. “Board financial assistance” further does not include assistance provided for any new construction or weatherization of a single-family home, town home or row home, or of any apartment building, condominium building or multi-family home of four stories or less.

“Construction” means construction, reconstruction, demolition, renovation, alteration, custom fabrication, repair, maintenance or other preparation of a facility, in connection with Board financial assistance or to fulfill any condition of receiving Board financial assistance.

“Contract to construct, renovate or otherwise prepare a facility” means any contract, subcontract or agreement for construction, whether written or oral, for construction undertaken in connection with Board financial assistance, or undertaken to fulfill any condition of receiving Board financial assistance.

“Employ” has the meaning set forth in N.J.A.C. 12:56-2.1.

“Facility” means any building or other structure.

“Prevailing wage contract threshold amount” means the prevailing wage rate threshold amount for municipalities established under N.J.S.A. 34:11-56.26(11), as that amount is adjusted pursuant to N.J.S.A. 34:11-56.26(11).

“Prevailing wage rate” means the prevailing wage rate established by the Commissioner of New Jersey Department of Labor and Workforce Development from time to time in accordance with the provisions of N.J.S.A. 34:11-56.30 for the locality in which the project is located.
14:1A-1.3 Prevailing wage rate requirements
A worker employed in the performance of any construction undertaken in connection with Board financial assistance, or undertaken to fulfill any condition of receiving board financial assistance, including the performance of any contract to construct, renovate or otherwise prepare a facility, the operations of which are necessary for the receipt of Board financial assistance, shall be paid no less than the prevailing wage rate.

14:1A-1.4 Contract provisions required
(a) As a condition for receipt of Board financial assistance, each recipient of such assistance shall require in each contract in an amount that exceeds the prevailing wage contract threshold amount to construct, renovate or otherwise prepare a facility, that:
1. Wages paid to workers employed in the performance of the contract be not less than the prevailing wage rate for such work; 
2. Contractors and subcontractors keep accurate records showing the name, craft or trade, and actual hourly rate of wages paid to each worker employed in connection with the performance of the contract, and preserve such records for two years after completion of construction; and 
3. Contractors and subcontractors permit the Department of Labor and Workforce Development, or its designated agent, complete access to payroll records and other records for purposes of determining compliance with the provisions of this subchapter.

14:1A-1.5 Assurances required
(a) Each recipient of Board financial assistance shall deliver a certificate to the Board (or its designated agent), upon completion of construction, signed by an authorized representative of the recipient, representing and confirming that it has:
1. Complied with the requirements of N.J.A.C. 14:1A-1.2, and has caused its contractors and subcontractors to comply with such requirements, and attached to the certificate true copies of all such contracts in an amount that exceeds the prevailing wage contract threshold amount to construct, renovate or otherwise prepare a facility with contractors and subcontractors; or 
2. Not entered into any construction contracts subject to the provisions of N.J.A.C. 14:1A-1.2.

14:1A-1.6 Violation
A violation of the provisions of this subchapter shall be deemed a violation of N.J.S.A. 34:11-56.25 et seq.

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(a)

BOARD OF PUBLIC UTILITIES

Renewable Energy And Energy Efficiency
Net Metering General Provisions

Proposed Amendment: N.J.A.C. 14:8-4.3

Authorised By: Board of Public Utilities, Jeanne M. Fox, President; Frederick F. Butler, Joseph L. Fiordaliso, Nicholas Asselta, and Elizabeth Randall, Commissioners.


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

BPU Docket Number: EX09110910.

Proposal Number: PRN 2010-019.

A public hearing concerning the notice of proposal will be held on Tuesday, February 2, 2010 at 10:00 A.M. at:

Board of Public Utilities
Board Hearing Room, 8th Floor
Two Gateway Center
Newark, New Jersey 07102

Comments may be submitted through March 5, 2010, through either of the following methods:

Electronic, in Microsoft WORD format, or in a format that can be easily converted to WORD, by e-mailing them to the following e-mail address: rule.comments@bpu.state.nj.us; or

On paper to:
Kristi Izzo, Secretary
New Jersey Board of Public Utilities
ATTN: BPU Docket Number: EX09110910
Two Gateway Center
Newark, New Jersey 07102

The agency proposal follows:

Summary

The New Jersey Board of Public Utilities is herein proposing a change to its rules regarding Net Metering for Class 1 Renewable Energy Systems, found at N.J.A.C. 14:8-4. The net metering rules require each electric power supplier, basic generation service provider and electric distribution company to offer net metering to customers who install certain class I renewable energy generating systems on the customer’s side of the electric meter. The purpose of this proposed amendment is to remove a two megawatt limit on the size of a renewable energy generating unit that is eligible for net metering. This amendment is related to the adoption of previously proposed amendments to the net metering rules, published elsewhere in this issue of the New Jersey Register.

The purpose of this amendment is to allow the further development of renewable energy in a manner that achieves the goals of the New Jersey Energy Master Plan at the lowest cost for ratepayers. Larger renewable energy generating units (above two megawatts (MW)) will generate renewable energy at a lower cost per kilowatt hour (kWh), thus driving down the cost of renewable energy and also the cost of compliance with the New Jersey renewable portfolio standards (RPS) rules. The Board recognizes that net metering does shift the cost of maintaining the electric distribution system to those customers that do not have renewable energy generating systems and do not net meter. The Board will address this issue in a separate proceeding, or as part of rate cases filed by the individual electric distribution companies (EDCs).

As the Board has provided a 60-day comment period on the notice of proposal, this notice is excepted from the rulemaking calendar requirements set forth at N.J.A.C. 1:30-3.1 and 3.2, pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The proposed amendment will have a positive social impact by broadening the availability of net metering to more customer-generators and thereby increasing the generation of clean, distributed renewable energy.

Economic Impact

The proposed amendment will have a positive economic impact. By expanding the class of customer-generators that are eligible to net meter, the amendment will enable more electric customers to offset their electric bills through use of renewable energy systems. Furthermore, the amendment will help drive down the cost of renewable energy and thus will enable entities to comply with the Board’s RPS rules at lower cost.

Federal Standards Statement

Executive Order No. 27 (1994) and N.J.S.A. 52:14B-1 et seq., require State agencies that adopt, readopt or amend State rules that exceed any Federal standard or requirement to include in the rulemaking document a Federal standards analysis. N.J.A.C. 14:8-4.3 is 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 incorporate or refers to Federal law, Federal standards or Federal requirements. Accordingly, Executive Order No. 27 (1994) and N.J.S.A. 52:14B-1 et seq. do not require a Federal standards analysis for this proposed amendment.

Jobs Impact

The proposed amendment to the net metering rules is likely to have a minimal impact on jobs in New Jersey. The proposed change will likely increase the number of jobs in industries that support net metering, such as renewable energy system installers and engineers. However, the Board does not expect the potential impact to be significant.