

## New Energy Credit for Commercial and Industrial Utility Ratepayers On the Horizon in New Jersey

Maura E. Blau

*Greenbaum, Rowe, Smith & Davis LLP Client Alert*

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Commercial and industrial utility customers are another step closer to benefiting from implementation by the New Jersey Board of Public Utilities (BPU) of a bill signed into law by Governor Christie on January 17, 2012. The legislation (A2528/S2344, N.J.S.A. 48:3-60.3) is intended to further incentivize energy efficiency measures taken by commercial and industrial ratepayers.

BPU Staff has developed (and revised) a straw proposal to implement a program to provide eligible ratepayers with a credit against the Societal Benefits Charge (SBC) portion of their utility bill. The credit would reimburse up to 50% of costs incurred in the preceding calendar year for the purchase and installation of eligible energy efficiency products and services.

On December 3, following a month-long delay due to Hurricane Sandy, the BPU held a “legislative-type” public hearing in Trenton to give interested parties an opportunity to comment on both the initial and revised versions of the straw proposal. The closing date for submission of written comments to the proposal was Friday, December 7.

The SBC Credit Program, under the current straw proposal, would provide commercial and industrial ratepayers with eligibility to receive a credit capped at 50% of their annual SBC contribution. Credits could be carried over for up to ten additional years if the initial credit exceeds 50% of the ratepayers annual SBC contribution, and would be issued per utility account upon project completion and verification that all program requirements were met.

Qualifying criteria for the SBC Credit Program include:

Attorneys

Maura E. Blau

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- Submittal of an enrollment letter to the program Administrator;
- Within 120 days of submittal of the enrollment letter, submittal of a Final Energy Efficiency Plan outlining a package of energy efficiency measures designed to achieve an Energy Reduction Target of either:
  - o 15% of total building source energy consumption; or
  - o 100,000 kwhr in annual electric savings; or
  - o 350 MM Btu in annual natural gas savings
- Ratepayers must have contributed to the SBC in the prior calendar year and be in good standing with their utility provider

Pending issues which must be resolved prior to final implementation of the SBC Credit Program include a decision on whether the BPU will engage in a formal rulemaking process to implement the program. We will continue to monitor this and other related issues and will keep you advised accordingly. If you have questions, please contact the author of this Alert, **Maura E. Blau**.