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SMITH/BUONO BILL WOULD ENCOURAGE RENEWABLE ENERGY

TRENTON – The Senate Economic Growth Committee approved legislation today sponsored by Senators Bob Smith and Barbara Buono that would revise the laws concerning electricity production in New Jersey to encourage expanded use of renewable energy sources.

“As a state, New Jersey needs to do more to rely on renewable energy sources for our electricity and reduce our reliance on fossil fuels,” said Senator Smith, D-Middlesex and Somerset. “With this bill, we provide economic incentives for both individuals and businesses to install renewable energy systems like solar panels and windmills and create a greater demand for the electricity produced by these systems.”

The bill, S-2936, would require the Board of Public Utilities (BPU) to adopt renewable energy portfolio standards requiring three percent of the kilowatt hours sold in New Jersey by each electric power supplier and each basic generation service provider to be from Class I renewable energy sources beginning on January 1, 2009. That requirement would be increased to five percent by January 1, 2020. Class I renewable energy sources include solar, wind, fuel cell, geothermal, tidal and biomass power systems.

“This bill will help New Jersey to reach the greenhouse gas reduction goals outlined in the ‘Global Warming Response Act’ we passed this year. Renewable energy will play a critical role in our efforts to reverse the trends of global warming and restore balance to the global climate,” explained Senator Buono.

This bill would also require electric power suppliers and basic generation service providers to offer net metering at non-discriminatory rates to any customer who generates electricity using any Class I renewable energy source to net meter, without limitation on the amount of generating capacity. Net-metering is the practice of purchasing the excess electricity produced by the renewable energy systems of residential and business customers. Under current law, power companies are required to offer net metering to only residential and small commercial customers who generate electricity using wind or solar photovoltaic systems.

“Personal solar and wind power generators can greatly increase our use of renewable energy, but we need to make them financially attractive if we hope for their widespread adoption,” said Senator Buono.

Senator Smith added, “When economic interests coincide with environmental interests, true progress can be made.”

The bill would further require the safety and power quality interconnection standards developed by the BPU be for any customer who generates electricity using a Class I renewable energy source, without limitation on the amount of generating capacity. Additionally, the bill would increase the threshold for net metering from 0.1% to 2.5% of the State's peak electricity demand.

The bill will now go to the full Senate for approval.