



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 THE BAYONNE MUNICIPAL) ORDER
UTILITIES AUTHORITY ENERGY FROM WIND)
PROJECT – PETITION TO INCLUDE A RELAY METER)
AS AN ALTERNATE TO A METER COMPLIANT WITH)
ANSI C12.1-2008) DOCKET NO. EW12080761V

Party of Record:

Stephen Gallo, Executive Director, Bayonne Municipal Utilities Authority

BY THE BOARD:

By this Order, the Board of Public Utilities ("Board") considers a request by the Bayonne Municipal Utilities Authority ("BMUA" or "Petitioner") for a waiver of the requirement in the Board's renewable portfolio standards ("RPS") rules that energy production meters comply with the standards set by American National Standards Institute ("ANSI") C12.1-2008. Petitioner, whose project is a 1.5 megawatt wind turbine which is used to power the BMUA's main sewage pumping station, seeks approval of an alternative total energy production relay/meter in lieu of an ANSI-compliant meter. Without such approval, the energy measured by Petitioner's meter will not be eligible to serve as the basis for renewable energy certificates ("RECs").

BACKGROUND

A REC represents the environmental attributes of one megawatt hour ("MWh") of renewable energy. N.J.S.A. 48:3-51. Under the RPS, each seller of electricity to retail customers in New Jersey (whether through the energy market by entities known as third party suppliers or through the electric distribution companies for non-shopping customers through basic generation service) must ensure that the electricity it sells in any given energy year includes at least the minimum amount of renewable energy specified in the RPS for that year. N.J.S.A. 48:3-87 d, N.J.A.C. 14:8-2.3. Electricity suppliers may satisfy this requirement by purchasing and retiring RECs. N.J.A.C. 14:8-2.11. RECs, therefore, have a monetary value, and their creation and sale by a renewable energy facility such as Petitioner's wind project is a revenue source for that project.

The costs of compliance with the RPS, including the costs of the necessary RECs, are incorporated into the retail price of electricity that is reflected in customers' energy bills. Since RECs are ultimately paid for by ratepayers, the Board seeks to ensure that the energy upon which they are based is measured as accurately as possible. In pursuit of this goal, on June 4, 2012, the Board eliminated from its RPS rules a previously existing exception which allowed systems under ten kW to submit estimates in place of metered data. This action by the Board, which means that all RECs must now be based upon metered data, and that the meter used to record that data meet ANSI Standard C12.1-2008, is indicative of the importance the Board places upon accurately metering as the basis for the creation of SRECs. N.J.A.C. 14:8-2.9(c)(i).

BMUA is a municipal public utilities authority located in Bayonne, New Jersey. According to correspondence from Petitioner's electrical engineer, the project is anticipated to produce approximately 2700 MWh of electricity annually. According to its petition, the wind turbine tower and generator were erected by January 19, 2012, but project completion was significantly delayed by the failure of the vendor of the transformer to complete the manufacturing and testing of this equipment. Petitioner represents that when the equipment was finally delivered and installed it was three months late, and that the transformer had been constructed to accept the installation of a built-in meter manufactured by Schwieter Engineering Laboratories, Inc. ("SEL Meter"). This meter records the total electricity produced by the wind turbine, and BMUA's intention is to use the SEL Meter readings as the basis for the RECs BMUA intends to have created.

When Petitioner contacted staff for the Board's market manager for the New Jersey Clean Energy Program's renewable energy programs ("NJCEP staff") regarding the type and accuracy of the revenue meter for recording total energy production, according to the petition, Staff sent Petitioner two documents discussing the ANSI C12.1 revenue grade meters. One of these documents, Production Meter Requirements for Solar Projects ("SRECs"), referenced a "List of Eligible System Performance Meters" which included a table identifying those meters which meet or exceed a +/- 2% accuracy. The document provided by Staff states that "Only those meters that have a 'Y' [yes] designation in the column titled PBI eligible meet the +/- 2% accuracy standard. Therefore those are the only meters on this list that meet the NJCEP requirements." Petitioner states that it understood from these documents that the +/- 2% accuracy requirement was the critical factor in meeting the ANSI standard. Petitioner's electrical engineer informed it that the SEL Meter, under normal operation, would be accurate within 1% or less. However, the engineer also stated that the SEL Meter was not a 'revenue certified device,' and as such did not appear on the "List of Eligible System Performance Meters."

Petitioner obtained a letter from the manufacturer of the SEL Meter confirming the SEL Meter's accuracy to within +/- 2%. According to the information provided, in June 2012, Petitioner's contractor, Hatch Mott MacDonald ("HMM"), forwarded this letter to NJCEP staff. On July 6, 2012, the NJCEP conducted its final inspection. NJCEP staff reviewed the relay/meter information as part of its final inspection, and approved the project. However, the NJCEP Renewable Energy Program Inspection Report included the statement that in order to earn RECs which could be used to satisfy New Jersey's RPS, the meter must also conform to the ANSI C12.1-2008 standard.

By letter dated August 16, 2012, Petitioner filed an "appeal" with the Board requesting a waiver of the ANSI C12 meter requirement. Petitioner represents that the SEL Meter satisfies the requirements of the NJCEP program under which BMUA had originally applied, the Customer On-site Renewable Energy program. Additionally, according to BMUA, the cost of replacing the current meter would be approximately \$20,000.

Based upon BMUA's representations and documentation of the SEL Meter's accuracy to within +/- 2%, its reliance upon communications with the NJCEP staff, as well as the significantly low value of a NJ Class I REC relative to that of NJ SRECs, Staff recommends that the Board waive the requirement for this project that the meter used to measure renewable energy for the purpose of determining NJ Class I RECs be ANSI C12.1-compliant.

DISCUSSION AND FINDINGS

Petitioner's request that it be permitted to use a meter which is not compliant with the ANSI C.12.1 standard requires a waiver of the Board's rules. In considering BMUA's request to waive N.J.A.C. 14:8-2.9(c)(i), the Board applies the two-pronged test set forth at N.J.A.C. 14:1-1.2(b)(1): first, whether the request is in accord with the general purposes and intent of the rules; and second, whether full compliance with the rules would adversely affect ratepayers, the utility, or the public interest.

To determine the general purpose and intent of its rules, the Board looks to the policy underlying the rule in question. As noted above, the Board has codified a requirement that all RECs be based upon readings from a meter compliant with ANSI C.12.1 to ensure the greatest accuracy possible for the meter readings upon which RECs, which are subsidized by ratepayers, will be based. In this instance, Petitioner has supplied documentation from both its electrical engineer and from the manufacturer of the SEL Meter that this meter meets or exceeds the +/- 2% accuracy standard of ANSI C.12.1. The Board **FINDS** the information provided as to the SEL Meter's accuracy to be credible, and therefore **FINDS** that the request to waive the requirement of ANSI compliance accords with the general purposes and intent of the rule.

The Board also considers whether full compliance with the rule would adversely affect the interest of the public. See N.J.A.C. 14:1-1.2(b)(1). The development of a wind energy project by the BMUA is consistent with New Jersey's Energy Master Plan, which calls for New Jersey agencies to take the lead in renewable energy development. Petitioner has provided an estimate that the 1.5 MW wind project produces approximately 2700 MWh of electricity annually to offset existing power needed for its sewage pumping station. The ability to use the RECs created on the basis of this energy would provide an additional source of revenue to this publicly funded project which reduces its need for additional funding from residents. Therefore, the Board **FINDS** that the rigid application of its rules would be contrary to the public interest under the facts presented to the Board in this matter. Therefore, the Board **HEREBY FINDS** that approving the waiver of its rules regarding meter standards for this project will further the public interest.

Therefore, based on the above, the Board **HEREBY WAIVES** the requirement of N.J.A.C.14:8-2.9(c)(i) that the meter be ANSI C.12.12.1-2008 compliant. The Board further **DIRECTS** its Market Manager to issue a letter stating that the approval of this project no longer requires the installation of a meter meeting ANSI C.12.1-2008.

DATED: 2/20/13

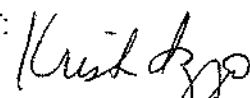
BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT

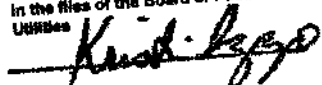

JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER


MARYANNA HOLDEN
COMMISSIONER

ATTEST: 
KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



IN THE MATTER OF THE BAYONNE MUNICIPAL UTILITIES AUTHORITY ENERGY FROM
WIND PROJECT – PETITION TO INCLUDE A RELAY METER AS AN ALTERNATE TO A
METER COMPLIANT WITH ANSI C12.1-2008
DOCKET NO. EW12080761V

SERVICE LIST

Elizabeth Ackerman, Director
Division of Economic Development &
Energy Policy
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
PO Box 350
Trenton, NJ 08625-0350

Michael Winka
Office of Clean Energy
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
PO Box 350
Trenton, NJ 08625-0350

Benjamin S. Hunter
Office of Clean Energy
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
PO Box 350
Trenton, NJ 08625-0350

Allison E. Mitchell
Office of Clean Energy
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
PO Box 350
Trenton, NJ 08625-0350

Kristi Izzo, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
PO Box 350
Trenton, NJ 08625-0350

Rachel Boylan
Office of Clean Energy
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
PO Box 350
Trenton, NJ 08625-0350

Babette Tenzer
Division of Law
Dept. of Law & Public Safety
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, New Jersey 07102

Bayonne City Hall
Bayonne Municipal Utilities Authority
Attn: Mr. Stephen Gallo
630 Avenue C
Bayonne, NJ 07002