



## **ALLOCATE ADDITIONAL SOCIETAL BENEFIT CHARGE DOLLARS TO BUSINESS-RELATED ENERGY PROGRAMS**

### **DESCRIPTION**

Funds collected for energy efficiency, clean energy and renewable energy programs under the Societal Benefits Charge (SBC) should be allocated to three categories of ratepayer—residential, small commercial, and large commercial and industrial—in the same proportion as they contribute to it. In other words the SBC paid by business ratepayers should be used by business ratepayers.

The State should establish a credit against a business' SBC equal to the cost of certain energy efficient or renewable energy products or services. This credit would encourage businesses to purchase and install energy-saving products and services by allowing the businesses to claim a credit against the SBC.

### **BACKGROUND**

The SBC is paid by all electricity consumers in New Jersey. Because commercial and industrial (C&I) ratepayers consume 64 percent of the State's electricity, they pay significantly more money under the SBC.

SBC funds are then distributed among six policy initiatives, one of which falls under the State's Clean Energy Program. Currently, the Board of Public Utilities (BPU) administers the program and decides the funding allocation between residential and C&I customers. Within the C&I money, there is also funding for schools and other public buildings. Recently, the rebates for solar energy projects have been eliminated for larger C&I ratepayers and are only available for residential and small businesses.

Furthermore the backlog and paperwork at the BPU has left many projects in limbo for months. A renewable project that is submitted today is not guaranteed funding. Combined Heat and Power (CHP) grant programs have almost a year wait from submission to approval as well.

### **NJBIA POSITION**

The BPU should strive for a more balanced ratio in funding C&I energy conservation projects. Money should be divided between different ratepayer classes based on their share of SBC contributions.

The Legislature should enact a tax credit to encourage additional efficiencies and renewable energy projects by businesses.

The backlog and uncertainty in the application process for energy related grants and tax credits must be reduced in order to help businesses invest in energy efficiency programs and help the State achieve its overall energy goals.

**LEGISLATIVE HISTORY**

A-616 was introduced January 8, 2008 and referred to the Assembly Telecommunications and Utilities Committee. The bill would more equally allocate the SBC funds among residential, small commercial and large C&I utility customers. It would also establish a credit against the SBC for energy efficiency projects and provide for certain energy assistance grants.

**CONTACT**

Sara Bluhm, Assistant Vice President, Energy & Federal Affairs – [sbluhm@njbia.org](mailto:sbluhm@njbia.org) or 609-393-7707, ext. 204.