#### **PUBLIC UTILITIES**

# **BOARD OF PUBLIC UTILITIES**

Renewable Energy and Energy Efficiency

Proposed Amendments: N.J.A.C. 14:8-2.3 and 2.6

Authorized By: Board of Public Utilities, Joseph L. Fiordaliso, President; Mary-Anna Holden,

Dianne Solomon, Upendra J. Chivukula, and Robert M. Gordon, Commissioners.

Authority: N.J.S.A. 48:2-1 et seq., in particular 48:2-13 and 48:3-87, and P.L. 2018, c. 17.

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

BPU Docket Number: EX18111244.

Proposal Number: PRN 2019-023.

Comments may be submitted through April 20, 2019, by e-mail **in Microsoft Word format**, or in a format that can be easily converted to Word, to: rule.comments@bpu.nj.gov or on paper to:

Aida Camacho-Welch, Secretary

New Jersey Board of Public Utilities

ATTN: BPU Docket Number: EX18111244

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The agency proposal follows:

**Summary** 

The Board of Public Utilities (Board) is proposing amendments to N.J.A.C. 14:8-2.3 and 2.6 to conform the existing rules to certain provisions of P.L. 2018, c. 17 (Clean Energy Act). The Clean Energy Act made several changes to the Renewable Portfolio Standard (RPS), including increasing the class I RPS obligation to 50 percent by 2030; increasing the solar RPS over the current and the next three energy years, while exempting certain providers from contributing to the increased solar obligations; setting a cap on the cost to customers of satisfying the class I RPS that is equal to nine percent of total retail cost to customers in energy years 2019, 2020, and 2021 (EY19, EY20, and EY21) and seven percent of the total retail cost to customers in any energy year thereafter; and removing the provision in the law that allowed basic generation service providers/third-party suppliers (BGS Providers/TPS) to submit class I Renewable Energy Certificates (RECs), as well as class II RECs to satisfy their class II RPS obligations. Some of the proposed amendments are intended to implement these provisions. In addition, the Board proposes amendments that, although not expressly mandated by the Clean Energy Act, are necessary to make the processes governed by the RPS rules conform to the Clean Energy Act's requirements regarding the increases in the class I and Solar RPS and to reduce the likelihood of triggering the cost cap.

To this end, the Board proposes the following changes:

- N.J.A.C. 14:8-2.3(a) Table A is proposed for replacement to conform it to the legislative increase to the class I RPS obligations through 2033;
- New N.J.A.C. 14:8-2.3(d) and 2.3(a) Table A are added, such that the solar RECs (SRECs) submitted in satisfaction of the solar RPS also satisfy the same percentage of the class I RPS;

- 3. Amendments to N.J.A.C. 14:8-2.3(h)1 and (h)2 clarify that the statute disallows the use of class I RECs for class II compliance;
- 4. Recodified N.J.A.C. 14:8-2.3(1) is proposed for amendment to begin the procedure for calculating the solar RPS compliance obligation;
- 5. New N.J.A.C. 14:8-2.3(m), which substantively replaces existing N.J.A.C. 14:8-2.3(k) (N.J.A.C. 14:8-2.3(k) Table B is proposed for deletion, as it is redundant and outdated with the changes proposed in new N.J.A.C. 14:8-2.3(a) Table A), is added to provide the necessary calculation for providers/TPS that are not exempted from the increase in the solar RPS during EY19, 20, and 21;
- 6. New N.J.A.C. 14:8-2.3(n) is added to explain that solar obligations based on exempt and non-exempt electricity supplied by BGS providers must be calculated separately and then summed to determine the total solar obligation for that energy year;
- 7. New N.J.A.C. 14:8-2.3(o) is added to provide the necessary calculation for BGS providers that are exempted from the increase in the solar RPS during EY19, 20, and 21;
- 8. New N.J.A.C. 14:8-2.3(p) is added to provide the necessary calculation for BGS providers/TPS that are not exempted from the increase in the solar RPS during EY20, 21, and 22;
- 9. New N.J.A.C. 14:8-2.3(q) is added to provide instructions for BGS providers to calculate their solar obligation during, and after, EY 2023.
- 10. N.J.A.C. 14:8-2.6(i) is changed to state that class II RECs can only be used to satisfy the class II renewable energy requirements.

The Board 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. 1:30-3.3(a)5.

### **Social Impact**

The proposed increase to the class I RPS will have a positive social impact for New Jersey by mirroring the class I requirements put in place by the Clean Energy Act. Renewable sources of electricity provide a number of social benefits that fossil fuels do not, particularly in regard to the environment.

The proposed increase to the solar RPS for the next three years will have a positive social impact for New Jersey by mirroring the requirements of the Clean Energy Act, as well as avoiding an immediate impact to the solar industry in New Jersey. The proposed amendments to the calculations for exempt and non-exempt BGS Providers/TPS, by providing the appropriate calculations to allow TPS/BGS providers to correctly calculate their obligations, will provide clarity and consistency to the regulatory process. The proposed amendments that change the relationship of the solar RPS to the class I RPS will produce a positive social impact by mitigating the cost of compliance with the increased class I RPS for the BGS Providers/TPS and, thus, to the ratepayers.

Lastly, the requirement that the class II RPS be satisfied henceforth exclusively by class II RECs will have a positive social impact both by creating additional demand for class II RECs, some of which come from municipal solid waste facilities within the State, and by increasing the number of the more costly class I RECs available to satisfy the increased class I RPS, which will mitigate the cost of compliance with that increased requirement. In addition, this requirement

will increase the total amount of electricity that must be generated from renewable sources, which will correspondingly decrease the amount of electricity that is supplied by fossil fuels.

#### **Economic Impact**

Proposed new N.J.A.C. 14:8-2.3(a) Table A will spur investment in class I resources in the State, thus providing associated economic benefits, including job creation. The proposed decrease in the solar RPS through EY33 will help to facilitate a transition away from the subsidies currently provided by ratepayers to a less costly form of incentive, while the increase over the next three energy years will avert a shock to the existing New Jersey solar industry. The inclusion of the solar RPS as a subset of the class I RPS will help reduce the cost to the BGS Providers, third-party electric suppliers, and ultimately their customers.

The proposed amendments to the calculations needed to determine the solar RPS obligation for exempt and non-exempt BGS Providers/suppliers will have a positive economic impact by providing regulatory certainty, which tends to decrease regulatory costs.

N.J.A.C. 14:8-2.6(i) will have a positive impact on ratepayers by prohibiting class I RECs from being used for class II obligations. Since class I RECs are currently valued higher than class II RECs, that is, anticipated to lead to lower ratepayer costs. Since the price of both class I and class II RECs are established by the market, however, future cost impacts are difficult to predict.

#### **Federal Standards Statement**

Executive Order No. 27 (1994) and N.J.S.A. 52:14B-1 et seq., requires State agencies that adopt, readopt, or amend State rules exceeding any Federal standards or requirements to include in the rulemaking document a Federal standards analysis. The class I and class II rules

have no Federal analogue and are 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 incorporates 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 the proposed amendments.

#### **Jobs Impact**

The proposed amendments are anticipated to create jobs in the sectors involved in class I and class II generation by increasing the class I RPS obligation, while mandating an increased reliance on class II RECs to class II RPS obligations. The proposed amendments are also anticipated to create jobs in the solar sector over the next three energy years by increasing the solar RPS. While the proposed amendments will decrease the solar RPS in subsequent energy years, the Board will have implemented a successor incentive program by the end of that time pursuant to other provisions of the Clean Energy Act.

# **Agriculture Industry Impact**

The proposed amendments, which will update the rules to bring them into compliance with P.L. 2018, c. 17, are not anticipated to have a significant economic impact upon the agricultural industry. The changes to the REC scheme will affect the industry's electricity costs only slightly and indirectly; class II energy is not a significant percentage of the energy generation relied upon in the State and energy costs in their entirety are only one of many factors which affect agricultural costs.

In the long term, the proposed increase to the class I RPS and the requirement that only class II RECs be used to satisfy the class II RPS are anticipated to act as a spur to the

development of renewable energy markets, thus reducing use of environmentally damaging fossil fuels. Ultimately, this will have a positive impact on the agricultural industry and an important beneficial economic impact on the State as a whole.

### **Regulatory Flexibility Statement**

A small business, as defined in the New Jersey Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., is a business that has fewer than 100 full-time employees, is resident in the State, independently owned and operated, and not dominant in its field. The proposed amendments do not impose reporting, recordkeeping, or other compliance requirements on small businesses operating renewable electric generation facilities in New Jersey or in the rest of the PJM region. Accordingly, no regulatory flexibility analysis is required.

# **Housing Affordability Impact Analysis**

The proposed amendments will have an insignificant impact on the affordability of housing in New Jersey because these proposed amendments address only incentives for renewable energy generation and do not affect the average costs associated with housing.

# **Smart Growth Development Impact Analysis**

Since the scope of these proposed amendments are limited to the SREC market, the proposed amendments will have no impact on smart growth development in New Jersey. It is extremely unlikely that the proposed amendments 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.

Racial and Ethnic Community Criminal Justice and Public Safety Impact

The Board has evaluated this rulemaking and determined that changes in solar incentives will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in the State. Accordingly, no further analysis is required.

**Full text** of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 2. RENEWABLE PORTFOLIO STANDARDS

14:8-2.3 Amount of renewable energy required

(a) Each supplier/provider, as defined at N.J.A.C. 14:8-1.2 that sells electricity to retail customers in New Jersey, shall ensure that the electricity it sells each energy year in New Jersey includes at least the minimum amount of qualified renewable energy, as defined at N.J.A.C. 14:8-2.2, required for that energy year, as specified in this section. Requirements for class I [and], class II, and solar renewable energy are set forth in Table A below:

Γ	Га	$\sim$	Α

What Percentage Of Energy Supplied Must Be Class I Or Class II Renewable

Energy?

Energy Year Class I Class II

Renewable Renewable

	<u>Energy</u>	<u>Energy</u>
June 1, 2004 - May 31, 2005	.74%	2.50%
June 1, 2005 - May 31, 2006	0.983%	2.50%
June 1, 2006 - May 31, 2007	2.037%	2.50%
June 1, 2007 - May 31, 2008	2.924%	2.50%
June 1, 2008 - May 31, 2009	3.84%	2.50%
June 1, 2009 - May 31, 2010	4.685%	2.50%
EY 2011: June 1, 2010 - May 31,	5.492%	2.50%
2011		
EY 2011: June 1, 2011 - May 31,	6.320%	2.50%
2012		
EY 2011: June 1, 2012 - May 31,	7.143%	2.50%
2013		
EY 2011: June 1, 2013 - May 31,	7.977%	2.50%
2014		

EY 2011: June 1, 2014 - May 31,	8.807%	2.50%
2015		
EY 2011: June 1, 2015 - May 31,	9.649%	2.50%
2016		
EY 2011: June 1, 2016 - May 31,	10.485%	2.50%
2017		
EY 2011: June 1, 2017 - May 31,	12.325%	2.50%
2018		
EY 2011: June 1, 2018 - May 31,	14.175%	2.50%
2019		
EY 2011: June 1, 2019 - May 31,	16.029%	2.50%
2020		
EY 2011: June 1, 2020 - May 31,	17.880%	2.50%]
2021		

Table A

# What Percentage of Energy Supplied Must Be Solar, Class I, or Class II Renewable

Energy Year	<u>Solar</u>	Class I	Class II	<u>Total</u>
June 1, 2018 - May 31, 2019	4.30%	14.175%	2.50%	20.975%
June 1, 2018 - May 31, 2019*	3.29%*	14.175%*	2.50%*	19.965%*
June 1, 2019 - Dec. 31, 2019	4.90%	16.029%	2.50%	18.529%
June 1, 2019 - Dec. 31, 2019*	3.38%*	16.029%*	2.50%*	21.909%*
January 1, 2020 - May 31, 2020	4.90%	21.0%	2.50%	23.50%
January 1, 2020 - May 31, 2020*	3.38%*	21.0%*	2.50%*	26.88%*
June 1, 2020 - May 31, 2021	5.10%	21.0%	2.50%	23.50%
June 1, 2020 - May 31, 2021*	3.47%*	21.0%*	2.50%*	26.97%*
June 1, 2021 - May 31, 2022	5.10%	21.0%	2.50%	23.50%
June 1, 2022 - May 31, 2023	5.10%	22.0%	2.50%	24.50%
June 1, 2023 - May 31, 2024	4.90%	27.0%	2.50%	29.50%
June 1, 2024 - May 31, 2025	4.80%	35.0%	2.50%	37.50%
June 1, 2025 - May 31, 2026	4.50%	38.0%	2.50%	40.50%
June 1, 2026 - May 31, 2027	4.35%	41.0%	2.50%	43.50%
June 1, 2027 - May 31, 2028	3.74%	44.0%	2.50%	46.50%
June 1, 2028 - May 31, 2029	3.07%	47.0%	2.50%	49.50%
June 1, 2029 - May 31, 2030	2.21%	50.0%	2.50%	52.50%
June 1, 2030 - May 31, 2031	1.58%	50.0%	2.50%	52.50%

June 1, 2031 - May 31, 2032	1.40%	50.0%	2.50%	52.50%
June 1, 2032 - May 31, 2033	1.10%	50.0%	2.50%	52.50%

# (\*BGS Providers with existing contracts)

(b) [The Board shall adopt rules setting minimum amounts of solar electric generation, class I renewable energy and class II renewable energy required for EY 2022 and each subsequent energy year. These minimum amounts shall be no lower than those required for EY 2021.] Each supplier/provider that sells electricity to retail customers in New Jersey shall ensure that the electricity it sells each reporting year in New Jersey includes at least the minimum percentage of solar energy required for that energy year as set by the Board. The Board, in consultation with the NJDEP, EDCs, Rate Counsel, the solar energy industry, and relevant stakeholders, shall periodically consider increasing the renewable energy portfolio standards beyond the minimum amounts set forth in this chapter, taking into account the cost impacts and public benefits of such increases including, but not limited to:

1.-4. (No change.)

- (c) (No change.)
- (d) Beginning in EY20, SREC obligations are a component of class I renewable energy requirements, and satisfaction of SREC obligations shall be counted toward class I renewable energy requirements.
- [(d)] (e) (No change in text.)
- [(e) (Reserved.)]

- (f) Only RECs based upon class II renewable energy, as defined at N.J.A.C. 14:8-1.2, shall be used to meet the class II renewable energy requirements.
- [(f)] (g) The following shall apply to the type of energy, and type of documentation, used for compliance with each of the requirements in this subchapter:
- 1. SRECs may be used to meet any requirement for solar electric generation[,] **or** class I renewable energy[, or class II renewable energy];
- 2. Class I RECs may be used to meet class I renewable energy requirements [or class II renewable energy requirements], but shall not be used to meet solar electric generation requirements or class II renewable energy requirements; and
- 3. Class II RECs shall be used only to meet class II renewable energy requirements[,] and shall not be used to meet solar electric generation requirements or class I renewable energy requirements.

Recodify existing (g)-(i) as (h)-(j) (No change in text.)

# (k) (Reserved)

[(j)] (I) Each megawatt-hour (MWh) of retail electricity supplied in New Jersey by a TPS/BGS provider subject to this subchapter carries with it an accompanying solar obligation. For [Energy Year 2015, each TPS/BGS provider] any electricity supplied by a TPS, such TPS shall calculate its solar obligation [as set forth in (k) below. Subsection (k) below allocates the Table B Statewide solar obligation among all TPS/BGS providers that are subject to this subchapter.] by multiplying its total retail sales by the applicable percentage requirement in Table A. For Energy Year 2019, 2020, or 2021, each BGS provider shall calculate its solar obligation as set forth in (m) or (n) below. Subsection (m) allocates the solar obligation of BGS

providers with electricity supply contracts which were effective prior to date of enactment of P.L. 2018, c. 17. Subsection (n) below allocates the Table A Statewide solar obligation among all BGS providers that are subject to this subchapter. All [TPS/BGS] BGS provider solar obligations, taken together, must equal the Statewide solar obligation set forth in Table [B below] A above for Energy Year [2015] 2019, 2020, or 2020.

- [(k) For electricity supplied during EY 2015, a BGS provider shall calculate its solar obligation by following one of the two calculations set forth in this subsection:
- 1. Those BGS providers having supply contracts that were effective prior to July 23, 2012, have a solar obligation equal to the number of SRECs mandated by the solar renewable portfolio standards requirements that were in effect on the date that these BGS providers executed their existing supply contracts. These BGS providers shall calculate their solar obligation as follows:
- i. Determine the solar electric generation requirement, converted from GWhs to
   MWhs, in effect when the BGS contract subject to this subsection was executed (see Table B below);
- ii. Determine market share of all electricity supplied Statewide during EnergyYear 2015, as follows:
- (1) Consult the Board's NJCEP website to determine the total number of MWhs of electricity supplied Statewide during the energy year by all TPS/BGS providers subject to this subchapter;

- (2) Determine the MWhs of exempt electricity supplied during the energy year from supply contracts which were in effect prior to the date of enactment of P.L. 2012, c. 24; and
  - (3) Divide (k)1ii(2) above by (k)1ii(1) above to calculate market share;
- iii. Multiply result from (k)1ii(3) above by (k)1i above to arrive at the solar obligation for an individual exempt electricity BGS provider.
- 2. Those BGS providers that do not have supply contracts which were effective prior to July 23, 2012, shall calculate their solar obligations as follows:
- i. Multiply the individual BGS provider's total non-exempt retail electricity sales during the Energy Year in MWh by the applicable percentage requirement in N.J.S.A. 48:3-87.d(3).
- ii. Determine the market share-based allocation of the increased obligation avoided by exempted electricity by consulting the Board's New Jersey Clean Energy Program (NJCEP) website to determine the additional obligation amount which must be distributed from the exempted BGS providers to the non-exempt BGS providers, calculated by Board staff as follows:
- (1) Determine the total retail electricity sales of exempt BGS providers Statewide;
- (2) Determine the total retail electricity sales of non-exempt BGS providers Statewide;
- (3) Determine the total retail electricity sales of all BGS providers and TPS Statewide;

- (4) Divide (k)2ii(1) above by (k)2ii(3) above to calculate market share of exempt BGS providers Statewide;
- (5) Determine the total solar obligation of exempt BGS providers Statewide during the Energy Year by multiplying (k)2ii(4) above by (k)1i above;
- (6) Multiply the applicable percentage requirement in N.J.S.A. 48:3-87.d(3) by (k)2ii(1) above and subtract (k)2ii(5) above;
- (7) Calculate the percentage share of total non-exempt electricity sold by dividing non-exempt electricity sold by the individual BGS provider by (k)2ii(2) above; and
  - (8) Multiply (k)2ii(6) above by (k)2ii(7) above.
- iii. Add (k)2i above to (k)2ii(8) above to arrive at an individual non-exempt BGS provider's obligation in MWh; and
- iv. For any electricity supplied by a TPS, such TPS shall calculate its solar obligation by multiplying its total retail sales by the applicable percentage requirement in N.J.S.A. 48:3-87.d(3).

#### Table B

Total Statewide Solar Obligation

Starting June 1, 2010

Statewide Solar Obligation in

GWhs or Percentage of

Energy Year Retail Sales

EY 2011: June 1, 2010 - May 31, 2011 306 GWhs

EY 2012: June 1, 2011 - May 31, 2012 442 GWhs

EY 2013: June 1, 2012 - May 31, 2013	596 GWhs
EY 2014: June 1, 2013 - May 31, 2014	2.050%
For BGS providers with existing supply	772 GWhs
contracts:	
EY 2015: June 1, 2014 - May 31, 2015	2.450%
For BGS providers with existing supply	965 GWhs
contracts:	
EY 2016: June 1, 2015 - May 31, 2016	2.750%
EY 2017: June 1, 2016 - May 31, 2017	3.000%
EY 2018: June 1, 2017 - May 31, 2018	3.200%
EY 2019: June 1, 2018 - May 31, 2019	3.290%
EY 2020: June 1, 2019 - May 31, 2020	3.380%
EY 2021: June 1, 2020 - May 31, 2021	3.470%
EY 2022: June 1, 2021 - May 31, 2022	3.560%
EY 2023: June 1, 2022 - May 31, 2023	3.650%
EY 2024: June 1, 2023 - May 31, 2024	3.740%
EY 2025: June 1, 2024 - May 31, 2025	3.830%
EY 2026: June 1, 2025 - May 31, 2026	3.920%
EY 2027: June 1, 2026 - May 31, 2027	4.010%
EY 2028: June 1, 2027 - May 31, 2028	4.100%]

(m) Notwithstanding any other provision of this section, if a BGS provider has, prior to May 23, 2018, executed a BGS contract to provide retail electricity, the solar obligation

resulting from the electricity supplied under that contract shall be determined using the provisions of this subchapter that were in effect at the time the contract was executed. For the purpose of this section, the electricity supply covered by these contracts shall be called "exempt electricity," and electricity supply not covered by such a contract shall be called "non-exempt electricity."

- (n) All contracts subject to exemption under (m) above will expire on or before May 31, 2021. Therefore, for EY 2019, 2020, or 2021, the solar obligation that attaches to exempt electricity supply must be calculated separately from the solar obligation for non-exempt electricity supply, in accordance with the applicable provisions of (o) and (p) below. If a BGS provider's energy portfolio includes both exempt and non-exempt electricity supply, the solar obligation for each shall be calculated separately and summed to determine that BGS provider's total solar obligation for the energy year.
- (o) For any exempt electricity supplied, a provider shall calculate its solar obligation as follows:
- 1. Determine the MWhs of exempt electricity the provider supplied during the energy year;
- 2. Determine the solar electric generation percentage requirement in effect when the BGS contract subject to (m) above was executed; and
  - 3. Multiply (o)1 by (o)2 above.
- (p) For any non-exempt electricity supplied during EY 2020, 2021, or 2022, a BGS provider shall calculate its solar obligation as follows:

- 1. Determine the provider's contemporaneous solar obligation for non-exempt electricity by multiplying their total non-exempt retail electricity sales in MWh during the energy year by the applicable percentage requirement in Table A above.
- 2. Determine the provider's share of the banked obligations from the increased solar requirements avoided by exempt retail electricity in the previous energy year or previous two energy years, as follows:
- i. Determine the market share of the non-exempt electricity supplied Statewide during the applicable energy year, as follows:
- (1) Consult the Board's NJCEP website to determine the number of MWhs of non-exempt electricity supplied Statewide during the energy year by all BGS providers subject to this subchapter;
- (2) Determine the number of MWhs of non-exempt electricity the BGS provider supplied during the energy year; and
- (3) Divide (p)2i(1) above by (p)2i(2) above to obtain a fraction, representing the provider's non-exempt electricity market share for the applicable energy year.
- 3. Determine the total deferred solar obligation incurred from exempt electricity supply during the previous energy year(s) as follows:
- i. Consult Table A above to determine the total Statewide solar obligation for all electricity supplied during the energy year and the percentage requirement for exempt supply.

- ii. Consult the Board's NJCEP website to obtain the deferred solar obligation for the exempt electricity that was supplied during the previous energy year or previous two energy years, as applicable.
- iii. The total amount of increased solar obligation avoided by exempt electricity supply in an energy year shall be allocated to the following two energy years.
- 4. Multiply the BGS provider's non-exempt market share from (p)1 above by the total deferred solar obligation from (p)3iii above. The result is the provider's solar obligation for the deferred exempt electricity based on the share of non-exempt electricity that it supplied during the energy year.
- 5. Add the BGS provider's contemporaneous solar obligations in MWh resulting from (p)1 above to the banked share resulting from calculated (p)4 above in MWh above to arrive at the total RPS solar obligation.
- (q) For electricity supplied during EY 2023 or later, a BGS provider shall calculate its solar obligation by multiplying its total retail sales by the applicable percentage required in Table A above.

14:8-2.6 Energy that qualifies for a [Class] class II REC

(a)-(h) (No change.)

(i) [In addition to] **Beginning on June 1, 2019, only** the other types of energy that qualify as class II renewable energy under this section[, any energy that qualifies as class I renewable energy under N.J.A.C. 14:8-2.4] may be used to satisfy the requirements for class II renewable energy.