Agenda Date: 2/11/15
Agenda Item: 8F

STATE OF NEW JERSEY

Board of Public Utilities
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CLEAN ENERGY

AMENDED ORDER[1]

IN THE MATTER OF THE IMPLEMENTATION OF L. 2012, C. 24, THE SOLAR ACT OF 2012;	)	Docket No. EO12090832V
IN THE MATTER OF THE IMPLEMENTATION OF L. 2012, C. 24, N.J.S.A. 48:3-87 (Q)(R) AND (S) – PROCEEDINGS TO ESTABLISH THE PROCESSES FOR DESIGNATING CERTAIN GRID-SUPPLY PROJECTS AS CONNECTED TO THE DISTRIBUTION SYSTEM – REQUEST FOR APPROVAL OF GRID-SUPPLY SOLAR ELECTRIC POWER GENERATION PURSUANT TO SUBSECTION(S) – SUPPLEMENTAL FILINGS:	)	Docket No. EO12090880V
Day Four Solar/Ralph Laks; W2-019	)	Docket No. EO12121093V
North Park Solar; W2-078	)	Docket No. EO12121122V
EffiSolar Development; LLC; W2-082	)	Docket No. EO12121117V
EffiSolar Development; LLC; W1-120	)	Docket No. EO12121118V
EffiSolar Development; LLC; W1-119	)	Docket No. EO12121119V

PARTIES OF RECORD
(See Attached Service List)

BY THE BOARD:

BACKGROUND

The Electric Discount and Energy Competition Act ("EDECA"), N.J.S.A. 48:3-49 to -107, was enacted on February 9, 1999. Among its purposes was to lower the high cost of energy and improve the quality and choices of service for all the State's consumers, N.J.S.A. 48:3-50a(1). EDECA established the framework for the deregulation and restructuring of the State's electric and natural gas utilities, and set certain directives and timetables regarding the implementation of electric retail choice. EDECA also mandated that the New Jersey Board of Public Utilities ("Board") adopt renewable energy portfolio standards (the "RPS"), N.J.S.A. 48:3-87, culminating in the adoption by the Board of Renewable Portfolio Standards ("RPS") regulations, N.J.A.C. 14:8-2.1 to -2.11. The RPS are designed to encourage, among other things, the development

[1] The Board's findings on page 19 of the initial version of this order included a partial listing of the approved projects. This Amended Order reflects a complete list of the projects and corrects a typographical error.

of renewable sources of electricity. N.J.A.C. 14:8-2.1(a). EDECA also mandated that the Board create a renewable energy trading program which led to the creation of renewable energy certificates, including solar renewable energy certificates ("SRECs") that can be used to assist in meeting the RPS. The Board was given broad authority and discretion, based on its expertise, to implement and oversee the transition from a regulated to a competitive power supply marketplace. N.J.S.A. 48:3-50.

The legislative and regulatory actions to promote renewable energy, in particular solar energy, have been generally successful. The "price of success" in the solar energy market is that as the supply of SRECs surpassed the demand established in the Board's rules and in the statute, the price fell significantly, since the price of SRECs is set by the market. The current estimates of solar market activity, generated by Staff on a monthly basis and critiqued by market participants in monthly open stakeholder meetings, appear to show that with over 245 MWdc installed in 2014 bringing cumulative installed capacity to more than 1430 MWdc, and a high pipeline of new solar registrants, the market for SRECs will probably be "long" that is, there will be probably be more SRECs than needed to satisfy the solar portion of the RPS, through EY[2] 2017 or beyond.

The Solar Act of 2012, a bi-partisan effort to stabilize solar market development, was signed into law by Governor Christie on July 23, 2012, and took effect immediately. L.2012, c.24, § 3 ("Solar Act"). The law amends N.J.S.A. 48:3-51 and N.J.S.A. 48:3-87, which are provisions of EDECA.

The Solar Act doubled the near term solar RPS and added requirements that are not in the Board's current RPS rules, particularly the Board approval or designation of certain projects as being "connected to the distribution system" in order to earn SRECs. In addition, the Act requires the Board "complete a proceeding to investigate approaches to mitigate solar development volatility and prepare and submit…a report to the Legislature, detailing its findings and recommendations (and) evaluate other techniques used nationally and internationally." N.J.S.A. 48:3-87(d)(3)(b). The Solar Act also amended the definition of "connected to the distribution system," which is the primary eligibility criteria for facilities seeking to participate in the SREC market. As amended, "connected to the distribution system" is now defined as follows:

> (1) connected to a net metering customer's side of a meter, regardless of the voltage at which that customer connects to the electric grid, (2) an on-site generation facility, (3) qualified for net metering aggregation as provided pursuant to ... [N.J.S.A. 48:3-87(e)(4)], (4) owned or operated by an electric public utility and approved by the board pursuant to ... [N.J.S.A. 48:3-98.1], (5) directly connected to the electric grid at 69 kilovolts or less, regardless of how an electric public utility classifies that portion of its electric grid, and is designated as "connected to the distribution system" by the board pursuant to ... [N.J.S.A. 48:3-87(q) through (s)], or (6) is certified by the board, in consultation with the Department of Environmental Protection, as being located on a brownfield, on an area of historic fill, or on a properly closed sanitary landfill facility. Any solar electric power generation facility, other than that of a net metering customer on the customer's side of the meter, connected above 69 kilovolts shall not be considered connected to the distribution system.
>
> [N.J.S.A. 48:3-51]

[2] EY or Energy Year is defined as the 12-month period from June 1 through May 31, numbered according to the calendar year in which it ends. N.J.S.A. 48:3-51.

With certain exceptions, the altered definition means that Board approval is required for proposed facilities anticipating interconnection with the electric grid in a direct grid supply configuration to be eligible to generate SRECs. N.J.S.A. 48:3-87 (q),(r) (s) and (t) ("Subsections q, r, s, and t") provide different approval processes and qualification requirements for proposed grid supply facilities depending, in part, upon a classification of land use upon which the facility is proposed to be located. For example, Subsection t required the Board to develop a certification program for facilities proposed to be located on "properly closed landfills. The Board has done so.[3] Pursuant to Subsection q, for Energy Years 2014—16, any proposed grid supply solar projects not expressly exempted by other provisions of the Solar Act or addressed in Subsection s(2) or Subsection t must submit an application to the Board for designation as "connected to the distribution system." The Board "shall" approve such designation if the facility has filed a "notice escrow" of $40,000 per megawatt (MW) and is 10 MW or less. The total number of MW approved under Subsection q in each relevant energy year may not exceed 80 MW.

The subsection is at issue in this matter, Subsection s applies to land actively devoted to agricultural or horticultural use that is valued, assessed, and taxed pursuant to the Farmland Assessment Act of 1964, N.J.S.A. 54:4-23.1 to -23.24, at any time within the 10-year period prior to the Solar Act's effective date ("farmland"). Under Subsection s, a solar electric power generation facility on qualifying land that is not net-metered or an onsite generation facility (that is, the electricity is not being used to satisfy the electrical needs of structures on or adjacent to the land where the solar facility is located) is subject to a review process by the Board to determine whether the proposed project should be approved as connected to the distribution system and therefore eligible to earn SRECs. This is incremental to satisfaction of the SREC Registration Program ("SRP") process.

A proposed solar generating facility on farmland can be reviewed under either Subsection s(1) or s(2). The provision relevant here, Subsection s(2), provides that the Board can approve a proposed facility on farmland if "PJM issued a System Impact Study for the facility before June 30, 2011," the facility filed a notice of intent to qualify under Subsection s(2) with the Board within (60) sixty days of the effective date of the Act, (i.e., by September 21, 2012), and the Board approves the facility as "connected to the distribution system." The Legislature specified that "[n]othing in this subsection shall limit the board's authority concerning the review and oversight of facilities," except for those approved under Subsection q. N.J.S.A. 48:3-87s.

By notice dated July 23, 2012, Board Staff notified stakeholders of the passage of the Solar Act; that the Board was creating processes to implement the provisions of the Solar Act; and directed that, as required by the provisions of the Solar Act, notices of intent be filed with the Board on or before September 21, 2012 by any proposed solar generating facility seeking to qualify under Subsection s(2).

By Order dated October 10, 2012, the Board initiated several proceedings required by the Solar Act under the caption In the Matter of the Implementation of L.2012, c. 24, the Solar Act of 2012 (Docket No. EO12090832V). After public notice, on November 9, 2012, a public hearing was held with stakeholders to discuss the various provisions of the Solar Act, and to receive oral comments on implementation of the Board's various responsibilities under the Solar Act. During the November 9th public hearing presided over by Commissioner Fiordaliso, the public was invited to submit comments on the Board's implementation of Subsections q, r, s, and t including potential criteria for review of Subsection s approval and data requirements for inclusion in a Subsection s application. Staff discussed the requirements of Subsection d (3) (b) requiring the

[3] In the Matter of the Implementation of L. 2012, C. 24, N.J.S.A. 48:3-87 (T) – A Proceeding to Establish a Program to Provide SRECS to Certified Brownfield, Historic Fill and Landfill Facilities, Order dated 1/24/13.

Board to complete a proceeding on solar development volatility within two years of the effective date of the Act. Staff encouraged market participants interested in solar development volatility to join the open monthly Renewable Energy Stakeholder meetings where this proceeding would be advanced. Staff also announced the expected issuance of an application for Subsection s projects by December 1, 2012. Participants were encouraged to submit written comments on the suggested criteria for the Board's consideration of applications pursuant to Subsection s by November 23, 2012.

With respect to the solar development volatility proceeding, after several public stakeholder discussions and the issuance of two separate requests for public comment, Staff engaged the Rutgers University Center for Energy, Economics and Environmental Policy (CEEEP) to compile a literature review of national and international approaches to mitigating solar development volatility and to conduct a study based on the results of the literature review, the New Jersey solar market experience, and the record in the public proceeding. (Report of the New Jersey Board of Public Utilities to the New Jersey Legislature, "Findings and Recommendations from the Proceeding", July 23, 2014 ("CEEEP Report").

The CEEEP report adopted a definition of solar development volatility as being "significant and rapid changes in market capacity additions over time both in aggregate capacity and within sectors." The report found that the "market had experienced volatility… in response to changes in federal incentives, substantial declines in solar module costs and SREC price fluctuations (most prior to the Solar Act), with the grid supply market segments showing the most volatility." In a discussion of the causes, drivers and mitigants of volatility, the report evaluated the development volatility of market sub-sectors and found that "grid-supply projects have provided substantial capacity to the market on an inconsistent basis". The grid supply sector was found to have the most volatility as expressed by the greatest variability of average quarterly installation capacity. The report identified as one key mitigant for the future development of the New Jersey solar market "future limits on large grid supply solar projects that have the potential to rapidly alter market supply and demand dynamics (CEEEP Report at 3, 30, 66).

The Subsection s Application Process

On November 30, 2012, Board Staff distributed the Subsection s(2) application via mass email to renewable energy stakeholders, and posted the application form on its webpage and on the webpage of the New Jersey Clean Energy Program. Any company applying for eligibility for SRECs under N.J.S.A. 48:3-87(s)(2) was required to submit a completed application package by December 17, 2012.

A completed application was to provide information and, where relevant, attach appendices in response to questions within four general categories, designed specifically to aid Board Staff in making a recommendation to the Board as to which proposed projects should be approved under Subsection s. The required information included the following:

1. PJM Interconnection Queue Documentation
2. Permits and Qualifications
3. Current Status of Project Development
4. Project Financial Data

Applicants submitted applications for fifty-seven (57) projects. Board Staff reviewed the application for each of the fifty-seven (57) projects (including late applications and those which did not satisfy the minimum statutory requirements), along with any additional correspondence or comments submitted by the applicant. Following a thorough review of application materials and site visits to the projects which, according to the applications, appeared to have made the

most progress toward completion, Staff ranked the projects by progress toward completion based on the data submitted. The key criteria utilized by Staff to judge project progress included the application submissions regarding project completion status, anticipated completion date, pictures of any completed construction, and percentage of funding expended. Staff conducted field visits of the top twelve (12) projects to determine accuracy of the applicant's reported completion status for the proposed facilities.

Following a thorough review, Board Staff then recommended that three applications, substantially closer to completion than the rest, be approved as "connected to the distribution system"; that thirty-four (34) projects be denied approval; and, finally, that twenty (20) projects be deferred for further consideration, after submission of additional information and additional milestones had been achieved. The Board adopted Board Staff's recommendations at its April 29, 2013 Agenda meeting,[4] approving three applications, denying thirty-four (34), and deferring a decision on twenty (20) applications for proposed solar electric generation facilities which did not demonstrate significant progress on the relevant facilities but did indicate that all unappealable federal, state and local approvals had been secured by the date the applications were submitted. The deferred applications are identified below.

	Location	**Docket No.**	**PJM No.**	**Proposed Project Size**
GreenPower Dev.	Upper Deerfield	EO12121089V	PJM V4-009	12.5MW dc
Millennium Dev.	Raritan/Ringoes	EO12121090V	PJM W2-050	7.8 MW dc
Pittsgrove Solar	Pittsgrove	EO12121092V	PJM V2-035	2.3 MW dc
Day Four Solar	North Hanover	EO12121093V	PJM W2-019	6.0 MW dc*
Frenchtown III Solar	Kingswood	EO12121096V	PJM W2-016	12 MW dc
Alethea Cleantech	East Amwell	EO12121104V	PJM W2-061	3.3 MW dc
EffiSolar Development	Florence	EO12121107V	PJM W3-080	15 MW dc*
EffiSolar Development	Freehold	EO12121109V	PJM W2-088	20.9MW dc
EffiSolar Development	Stewartsville/Greenwich	EO12121111V	PJM W2-091	11.4MW dc
EffiSolar Development	Kingwood/Frenchtown	EO12121113V	PJM W2-083	16.4MWdc
EffiSolar Development	Howell	EO12121114V	PJM W3-079	14 MW dc*
EffiSolar Development	Lumberton	EO12121116V	PJM W2-090	20 MW dc*
EffiSolar Development	North Hanover	EO12121117V	PJM W2-082	20 MW dc
EffiSolar Development	Pemberton	EO12121118V	PJM W1-120	22.4MW dc
EffiSolar Development	Pemberton	EO12121119V	PJM W1-119	20.2MW dc
Spano Partners	Millstone Township	EO12121121V	PJM W1-113	6.5 MW dc
Spano Partners[5]	Millstone Township	EO12121122V	PJM W2-078	5.9 MW dc
Spano Partners	Manalapan	EO12121123V	PJM W1-032	1.7MWdc
Community Energy	Wrightstown/N.Hanover	EO12121132V	PJM W1-129	6.0 MW dc
Community Energy	West Pemberton	EO12121133V	PJM W2-102	8.4 MW dc

- The starred projects are those which were identified by Staff in the May 10 Order as apparently having transposed the number of MW ac with the number of MW dc

[4] I/M/O the Implementation of L.2012, c.24, the Solar Act of 2012, Dkt. No. EO12090832V and I/M/O/ the Implementation of L.2012, c.24, N.J.S.A. 48:3-87(q) (r) and (s) – Proceedings to Establish the Processes for Designating Certain Grid Supply Projects as Connected to the Distribution System – Request for Approval of Grid Supply Solar Electric Power Generation Pursuant to Subsection (s), Dkt. No.EO12090880V (May 10, 2013) ("May 10 Order").

[5] Now known as North Park Solar LLC.

The Board directed Staff to work with stakeholders to develop a recommendation to the Board for additional information and milestone reporting requirements to enable further consideration of the deferred applications. May 10 Order at 58.

In response to the Board's directive, at the May 2013 renewable energy ("RE") stakeholder meeting, Staff facilitated a discussion among the stakeholders of which additional information and reporting requirements were likely to enable further consideration of the deferred applications. Staff also requested initial public comment from the State Agricultural Development Committee ("SADC") and the New Jersey State League of Municipalities ("NJSLOM"). Staff also received initial comments from Justin Michael Murphy, Esq.

On August 5, 2013, Board Staff issued a straw proposal ("Straw Proposal") for supplementary application criteria and milestone reporting requirements for stakeholder comment. The preliminary comments from Mr. Murphy, Ms. Payne (SADC) and Mr. Cerra (NJSLOM) were appended to the Straw Proposal. Written comments on the Straw Proposal were due on or before September 5, 2013.

After carefully reviewing the comments received on the Straw proposal, Board Staff issued a second straw proposal with additional criteria and several questions for stakeholders ("Revised Straw"). Written comments were originally due May 14, 2014; this deadline was extended to June 5, 2014 to allow additional comments to be submitted.

Following the public process described above, and after careful consideration of the comments received on the Straw and Revised Straw, as well as the policies articulated in the 2011 Energy Master Plan and the Board's May 10 Order, Staff recommended the following criteria for further evaluation of the deferred applications:

1) Impact of the SRECs forecasted to be created by a facility on both the SREC market and on solar development in the State
2) Impact on preservation of open space with special attention to farmland preservation programs,
3) Economic benefit, and
4) Impact on an electric public utility's ability to provide safe, adequate, and proper service to its customers.

The Board approved the recommended criteria but also added that it would consider the effect of the solar development on the local community, and any documentation of municipal support. With respect to economic benefit, it added that special attention would be given to job creation. The Board further directed the applicants seeking consideration of their supplemental filings to submit information and documentation responsive to eight specific questions within thirty days of the effective date of the Order. This Information included:

1) Expected commissioning date with description of remaining milestones in construction process;
2) Documentation of current interconnection status and all federal, state, and local approvals as of the effective date of this Order;
3) Forecast of annual MWh of facility production based on facility capacity and commencement date;
4) Demonstration of location and associated impacts including identification of farm parcel location within an Agricultural Development Area ("ADA") or Farmland Preservation Program 'project area;' proximity to the nearest preserved farmland; and concentration of solar capacity in megawatts within the nearest ADA;

5) The current zoning designation(s) for the proposed host site and the date of the most recent change in zoning designation;
6) Evidence of community support, including but not limited to current support by the local authority(ies) having jurisdiction over farmland preservation in the municipality(ies) containing the location of the proposed solar facility and any local historic preservation body;
7) Project decommissioning plans for the end of the useful life of the facility; and
8) Expected number of newly created jobs identified by type, such as construction or operations, directly related to the proposed facility identified in the supplemental filing and associated only with that facility. For each job, the anticipated duration should be provided.

The Board also directed that each applicant submit a certification, signed by the applicant, that all information provided and statements made in the supplemental filing were true and correct to the best of the applicant's knowledge.[6]

Seven applicants submitted supplemental filings pursuant to the October 31 Order.

	Location	**Docket No.**	**PJM No.**	**Proposed Project Size**
Day Four Solar	North Hanover	EO12121093V	PJM W2-019	6.0 MW dc
EffiSolar	Freehold	EO12121109V	PJM W2-088	20.9 MW dc
EffiSolar	Kingwood	EO12121113V	PJM W2-083	10 MWdc
EffiSolar	North Hanover	EO12121117V	PJM W2-082	10 MW dc
EffiSolar	Pemberton	EO12121118V	PJM W1-120	10 MW dc
EffiSolar	Pemberton	EO12121119V	PJM W1-119	10 MW dc
Northpark Solar	Millstone	EO12121122V	PJM W2-078	5.9 MW dc

Staff has reviewed each supplemental filing and the supporting documentation provided in light of the four criteria approved by the Board in the October 31 Order. Where necessary, Staff has sought additional information or documentation from the applicants. This Order addresses applications that have submitted supplementary information. A summary of the supplemental filing along with Staff's review and recommendations is set forth below.

Staff Recommendations

As noted above, Staff was directed toreview the supplemental filings according to the four criteria approved by the Board. Following a thorough review, Staff has made the following determinations regarding each of the listed projects.

Day Four Solar – North Hanover

Day Four Solar's ("Day Four") 6 MW dc proposed solar project is located in North Hanover Township, New Jersey. Staff has reviewed this information in light of the four approved criteria.

[6] In re the Implementation of L.2012, c.24, the Solar Act of 2012, Dkt. No. EO12090832V and I/M/O/ the Implementation of L.2012,c.24, N.J.S.A. 48:3-87(q) (r) and (s) – Proceedings to Establish the Processes for Designating Certain Grid Supply Projects as Connected to the Distribution System – Request for Approval of Grid Supply Solar Electric Power Generation Pursuant to Subsection (s) – Additional Approval Criteria, Dkt. No. EO12090880V (October 31, 2014) ("October 31 Order").

1) Impact of the SRECs forecasted to be created by a facility on both the SREC market and on solar development in the State

The Board has previously determined that its approval of projects as "connected to the distribution system," pursuant to Subsection s(2) should be limited to projects whose approval would not cause further volatility in the New Jersey solar market. May 10 Order at 53. One driver of market volatility is the presence of large grid supply projects. Another is uncertainty regarding how much capacity may be expected to come on line in the future. Volatility is mitigated by transparency in the "pipeline" of solar projects under development, which enables market participants to anticipate the coming market conditions and plan accordingly.

This project is anticipated to come on line on June 1, 2016, and the applicant has committed to meeting the milestones approved by the Board in the October 31 Order. These facts indicate that the capacity represented by this project is transparent to the market. In addition, the applicant has furnished evidence of current community support for its project, which tends to indicate that the development of the project is likely to progress smoothly with regard to any unexpected issues that arise.

2) Impact on preservation of open space with special attention to farmland preservation programs

This criterion reflects the Board's recognition of the weight given the preservation of open space in State policy. "[I]n enacting Subsection s, the Legislature sought to limit the development of solar facilities on farmland." May 10 Order at 52-53. The Board also noted the interest of the executive branch in limiting solar development on farmland. May 31 Order at 17.

Day Four acknowledges that the site of the proposed solar facility is within the Burlington County ADA and within a quarter mile of a preserved farm. However, the applicant asserts that its project is not located within a priority preservation area and is, in fact, ineligible for Burlington County's "highest priority" list. Priority preservation status is based on the presence of prime agricultural soils and also of septic suitability that could create a greater danger of development. The applicant states that the site of its project has neither, and documents this claim with a letter dated November 12, 2014 from the coordinator of the Burlington County Farmland Preservation Program and a map of the soils on the site and the surrounding area.

In addition, the applicant notes that adjacent uses include homes, a mobile home park, and commercial development, all of which have a greater impact upon the land than a solar farm would. Finally, the site of the proposed facility has been identified as a potential Transfer of Development Rights ("TDR") area. North Hanover is in the early stages of developing a TDR plan and applicant states that a solar facility is a low-impact use that permits the return of the underlying land to near-original state once the facility has been decommissioned. The attached Planning Board approval supports this statement. The applicant also submitted a letter of local community support from the North Hanover Township Committee dated December 8, 2014.

The applicant also notes that one side is bordered by wetlands in the North Run stream corridor but does not identify any impacts upon the wetlands. The DEP Letter of Interpretation permitting the use was supplied attached. Applicant states that the Land Use Board required a decommissioning plan to ensure return to near-original conditions after the useful life of the solar facility, projected to be twenty-five years. Applicant has provided the decommissioning plan.

The application identifies a 6 MW facility under construction as well as two other grid supply solar projects seeking approval as deferred applications under Subsection s of the Solar Act within North Hanover. The two deferred applications would add an additional 26 MW of solar generation but they are not located within the priority preservation area of the ADA. The area is zoned as Residential-Agricultural; applicant has attached the resolutions of approval of its variance.

Since applicant has demonstrated that the site is not on the priority preservation list of the Farmland Preservation Program and that adjacent land, with one exception, is already developed, Staff has determined that the proposed project would not have an adverse impact upon the preservation of open land or farmland.

3) Economic benefit, in particular the creation of jobs

The applicant asserts that the current farming use "would not" require the tenant farmer to hire any additional workers, whereas the proposed solar facility would create construction jobs, support local commercial businesses during construction, create "periodic" technical jobs for maintenance and repair, and three full-time security guards. According to the Planning Board approval, the security jobs would last for one to two years. Elsewhere in the application there appears a table indicating approximately thirty jobs from construction and approximately four for operation and maintenance. The applicant also states that its woodland management plan includes management of forest resources and a Christmas tree farm, requiring a tree farm manager; the management plan was attached to the supplemental filing, as is a letter of support from the Township Committee, dated December 8, 2014.

In addition, the applicant asserts that the project will have beneficial economic and environmental impacts on the State. The application summarizes the beneficial effects found by a consultant when he utilized the National Renewable Energy Laboratory's Jobs and Economic Development Impact ("JEDI") model to evaluate them; these effects include direct, indirect, and induced benefits. The applicant also included a table of the avoided costs its consultant has calculated using the Environmental Protection Agency's analysis of monetized benefits resulting from emissions reduction.

Based on the number of jobs created, as supported by the use of the JEDI model, as well as the avoided costs based upon the EPA's analysis of monetized benefits, Staff agrees that this project should result in an economic benefit to the State.

4) Impact on an electric public utility's ability to provide safe, adequate, and proper service to its customers.

The applicant has demonstrated that it has an executed Interconnection Service Agreement and Interconnection Construction Service Agreement with Jersey Central Power and Light through PJM. As the electric distribution company ("EDC") for the area in which the proposed project is located, JCP&L has the responsibility for determining that interconnecting a generator will not impinge on its ability to provide safe, adequate, and proper service. Thus, the existence of the interconnection agreement demonstrates that energizing the facility will not interfere with the EDC's statutory obligation.

Based upon its analysis of the supplemental filing in light of the four Board-approved criteria, Staff recommends that the Board approve the Day Four project in North Hanover.

North Park Solar -- Millstone Township

North Park Solar's ("North Park") 5.9 MW dc solar project is proposed to be located in Millstone Township, New Jersey. Staff has reviewed the information submitted in the supplemental filing in light of the four approved criteria.

1) Impact of the SRECs forecasted to be created by a facility on both the SREC market and on solar development in the State

The Board has previously determined that its approval of projects as "connected to the distribution system," pursuant to Subsection s(2) should be limited to projects whose approval would not cause further volatility in the New Jersey solar market. May 10 Order at 53. One driver of market volatility is uncertainty regarding how much capacity may be expected to come on line in the future. "[A]ccurate information about potential future supply and demand dynamics is critical to all market participants. Uncertainty or inaccurate information about future market conditions can drive both over- and under-investment relative to the RPS." CEEEP Report at 2.3.1.3. Volatility is mitigated by transparency in the "pipeline" of solar projects under development, which enables market participants to anticipate the coming market conditions and plan accordingly.

The applicant identified the commissioning date as June 1, 2015, and provided a list of remaining milestones with module delivery in process, inverter delivery and racking delivery imminent, and equipment scheduled to be installed, tested, and operational by June 1, 2015.

The applicant has attached an email from a PJM engineer dated July 24, 2014 confirming that interconnection is on target to occur on June 1, 2015. It has also attached copies of its approvals in support of its statement that all of its governmental approvals have been obtained. Applicant notes that although two of its local approvals have expired, new or renewed permits will be received in the near future.

Given that commercial operation is anticipated in the current calendar year, the applicant has provided a detailed set of intermediate milestones to meet this date, and the state and local approvals already received, Staff sees minimal uncertainty associated with completion of this project and the creation of the associated SRECs. Thus, approval of this project should not have an adverse impact on the SREC market or solar development in the State.

2) Impact on preservation of open space with special attention to farmland preservation programs

Applicant states that there is no ADA within the Township of Millstone boundaries and that there has been no objection from the Farmland Preservation Program. North Park states that it is aware of preserved farms within the Township but that all of these farms are on property that was zoned residential, whereas the site in question is zoned industrial.

In addition, Applicant has provided documentation that the site is industrially zoned and was previously being developed as a second phase of an existing industrial park which is immediately contiguous to the site. Applicant supplied a "Memorialized Resolution Granting Extension of Final Site Plan Approval with Variances adopted August 13, 2014" from the Township of Millstone Planning Board.

According to the applicant, the Township has never designated a commercially zoned property as preserved farmland and its own site would have been developed as part of an industrial park

had it not been approved for applicant's solar facility. Applicant also advises that the proposed facility is the second phase of a two-phase solar project and that the first phase has already been deemed "connected to the grid" in a prior Board order and is under construction.

In light of the pre-existing industrial zoning of the site and the alternative development as the second phase of an industrial park, the evidence of current support of the Township Planning Board, and the lack of an objection from the area's Farmland Preservation Program, Staff does not believe that development of this solar facility would impact the preservation of open space or the farmland preservation program.

3) Economic benefit, with particular emphasis on job creation

The applicant has attached a study on "Economic Impacts of Energy Infrastructure Investments" and states that based upon the methodology used in that study, it estimates that up to 74 construction jobs will be created during the seven-month construction period, in addition to 3 maintenance jobs once the facility is in operation.

The applicant's estimate, as supported by the methodology laid out in the attached study, appears to demonstrate significant job creation as a result of the project.

4) Impact on an electric public utility's ability to provide safe, adequate, and proper service to its customers

The applicant has demonstrated that it has an interconnection service agreement and construction service agreement with JCP&L through PJM. As the EDC for the area in which the proposed project is located, JCP&L has the responsibility for determining that interconnecting a generator will not impinge on its ability to provide safe, adequate, and proper service. Thus, the existence of the interconnection agreement demonstrates that energizing the facility will not interfere with the EDC's statutory obligation.

Based upon its analysis of the supplemental filing in light of the four Board-approved criteria, Staff recommends that the Board approve the North Park Solar project in Millstone Township. Staff also recommends that approval be conditioned upon applicant's demonstration that the two expired local approvals have been renewed or replaced with current approvals.

EffiSolar – North Hanover

EffiSolar's ("EffiSolar North Hanover") 10 MW dc solar project is proposed to be located in North Hanover Township, New Jersey. Staff has reviewed the information submitted in the supplemental filing in light of the four approved criteria.

1) Impact of the SRECs forecasted to be created by a facility on both the SREC market and on solar development in the State

The applicant stated in his cover letter that Effisolar North Hanover is voluntarily reducing the size of the North Hanover project from 20.0 MW DC as originally submitted to 10.0 MW DC. Applicant anticipates that this facility will generate approximately 12,500 MWh annually, except in the first year of operation when generation is projected to be fifty percent less.

The Board has previously determined that its approval of projects as "connected to the distribution system," pursuant to Subsection s(2) should be limited to projects whose approval would not cause further volatility in the New Jersey solar market. May 10 Order at 53. One driver of market volatility is uncertainty regarding how much capacity may be expected to come

on line in the future. "[A]ccurate information about potential future supply and demand dynamics is critical to all market participants. Uncertainty or inaccurate information about future market conditions can drive both over- and under-investment relative to the RPS." CEEEP Report at 2.3.1.3. Volatility is mitigated by transparency in the "pipeline" of solar projects under development, which enables market participants to anticipate the coming market conditions and plan accordingly.

The applicant identified the date of commercial operation as June 1, 2016, and provided a list of intermediate milestones commencing with "Scope and Engineering" on August 2, 2015 and concluding with "Closeout" on July 1, 2016. A copy of the interconnection agreement with JCP&L has not been appended, but applicant states that the agreement was made and placed into suspension in December 2012. Applicant states that the applicable approvals were supplied with its original application and relies upon the Permit Extension Act, N.J.S.A. 40:55D-136.1 et seq; which provides that the running of permits issued between January 1, 2007 and December 31, 2014 is tolled through the end of that period. Permits shall not be extended more than six months beyond December 31, 2014. N.J.S.A. 40:55-D-136.3, 4. The applicant identifies the North Hanover Township Joint Land Use Board Resolution memorialized on July 27, 2011; the approval granted by the Burlington County Planning Board on September 8, 2011; the Soil Conservation District's certification approval dated August 26, 2011; and the New Jersey Department of Environmental Protection ("NJDEP's") Freshwater Wetlands General Permit, Water Quality Certification, and Waiver of transition Area for Access, issued in August 2011.

Furthermore, a company associated with applicant, EffiSolar Development, jointly provides the information in the supplemental filing with its financing partner. The involvement of the entity financing this project indicates a level of investment certainty which further supports the conclusion that the risk associated is low.

Given the detailed set of milestones set out in the application, as well as the list of local and State approvals received, Staff believes that the uncertainty associated with this project's completion is relatively low. Approval of this filing should not adversely affect the SREC market or solar development in the State.

2) Impact on preservation of open space with special attention to farmland preservation programs

Applicant states that the site does not lie within the County's ADA and is not targeted for preservation; applicant also avers that the land is zoned industrial and lies within a planned sewer service area. According to applicant, if the solar facility does not go forward, the County's Farmland Preservation Plan and the county-NJDEP cross acceptance process provide that the site is to be developed industrially. The applicant acknowledges that there are several preserved farms on the other side of the Defense Access Highway but states that nearly half of the site lies within a designated Flight Hazard Area in which solar is a preferable use to housing or other dense development. The applicant cited to an August 31, 2011 no objection letter issued by the Deputy Asset Manager of the Joint Base McGuire-Fort Dix-Lakehurst as evidence of community support. No independent commissioning plan has been provided; instead the applicant details the steps that it would take to decommission the project, including a statement that no permanent changes will be made to the site and that it could be returned to agricultural use. With respect to the concentration of solar capacity within the nearest ADA, the applicant stated that this information was irrelevant as the site does not itself lie within the ADA.

The applicant did not provide evidence of current community support but stated that a letter of support from the Township had been requested. The applicant also states that the strongest

evidence of community support is the unanimous Zoning Board approval, which was granted in July 2011.

Since the project is not located with the County's ADA and is not targeted for farmland preservation; is zoned industrial; is intended for industrial development in the relevant planning documents; and is located in large part within a designated Flight Hazard Area, Staff believes that its development does not pose a threat to the preservation of open space or farmland. Staff has determined that approval of this resized project should not impact on the preservation of open space.

3) Economic benefit, with particular attention to job creation

The applicant has provided a table showing an estimated total of 219 jobs broken down by project stage and job type and the estimated duration of each job. Although no study or economic modelling has been provided to support these figures, the applicant has provided a very specific projection of what jobs will be entailed, how many, and for how long. In light of this projection, Staff is persuaded that approval of this project should provide an economic benefit.

4) Impact on an electric public utility's ability to provide safe, adequate, and proper service to its customers

The applicant referenced the submission of an interconnection service agreement and construction service with JCP&L through PJM supplied to staff with its initial application in December 2012. Applicant further stated the agreements were placed in suspension pending start of construction and referenced a "Suspension Letter From EffiSolar to First Energy dated December 11, 2012". As the EDC for the area in which the proposed project is located, JCP&L has the responsibility for determining that interconnecting a generator will not impinge on its ability to provide safe, adequate, and proper service. Thus, the existence of the interconnection agreement demonstrates that energizing the facility will not interfere with the EDC's statutory obligation.

Based upon its analysis of the supplemental filing in light of the four Board-approved criteria, Staff recommends that the Board approve the resized EffiSolar North Hanover project.

EffiSolar - Pemberton (PJM No. W1-119)

EffiSolar's ("EffiSolar Pemberton) 10 MW dc project is proposed to be located at North Pemberton Rd. in Pemberton, New Jersey with PJM interconnection queue number W1-119.

1) Impact of the SRECs forecasted to be created by a facility on both the SREC market and on solar development in the State

The applicant stated in his cover letter that it was voluntarily reducing the size of the project from 20.2 MW DC as originally filed to 10.0 MW DC. Applicant anticipates that this facility will generate approximately 12,500 MWh annually, except in the first year of operation when generation is projected to be fifty percent less.

The Board has previously determined that its approval of projects as "connected to the distribution system," pursuant to Subsection s(2) should be limited to projects whose approval would not cause further volatility in the New Jersey solar market. May 10 Order at 53. One driver of market volatility is uncertainty regarding how much capacity may be expected to come on line in the future. "[A]ccurate information about potential future supply and demand dynamics is critical to all market participants. Uncertainty or inaccurate information about future

market conditions can drive both over- and under-investment relative to the RPS." CEEEP Report at 2.3.1.3. Volatility is mitigated by transparency in the "pipeline" of solar projects under development, which enables market participants to anticipate the coming market conditions and plan accordingly.

The applicant identified the date of commercial operation as December 31, 2015, and provided a list of intermediate milestones commencing with "Scope and Engineering" on March 2, 2015 and concluding with "Closeout" on January 30, 2016. A copy of the interconnection agreement with JCP&L has not been appended, but applicant states that the agreement was made and placed into suspension in December 2012. Applicant states that the applicable approvals were supplied with its original application and relies upon the Permit Extension Act, N.J.S.A. 40:55D-136.1 et seq, which provides that the running of permits issued between January 1, 2007 and December 31, 2014 are tolled through the end of that period. Permits shall not be extended more than six months beyond December 31, 2014. N.J.S.A. 40:55-D-136.3, 4. The applicant identifies the Pemberton Township Zoning Board of Adjustment resolution granting preliminary and final site plan approval, dated March 2011; the Burlington County Planning Board's approved in November 2010; the Soil Conservation District's conditional certification approval of November 2010; and the NJDEP's Stormwater Discharge permit, dated December 2010.

Furthermore, a company associated with applicant, EffiSolar Development, jointly provides the information in the supplemental filing with its financing partner. The involvement of the entity financing this project indicates a level of investment certainty which further supports the conclusion that the risk associated is low.

Given that commercial operation is anticipated in the current calendar year and that the applicant has provided a detailed set of intermediate milestones to meet this date, Staff sees minimal uncertainty associated with completion of this project and the creation of the associated SRECs. Thus, approval of this resized project should not have an adverse impact on the SREC market or solar development in the State.

2) Impact on preservation of open space with special attention to farmland preservation programs

The project site is located on the south side of North Pemberton Road. Applicant identified the current zoning designation for the proposed project site as Agricultural Residential, a zone created in 1978, and states that the property is located in the non-Pinelands section of the zone. The applicant acknowledges that the site is within the Burlington County ADA's North Project Area, but states that it is not on the County's Acquisition Targeting List ("ATL"). The applicant also acknowledges that there are several preserved farms on the other side of Pemberton Road, as well as a farm on the ATL, but adds that there is also an airport on one side of the property and a planned high-density residential development on another. The applicant asserts that residential development is the likely alternative if this land is not developed as a solar facility. The applicant stresses the relatively light impact of a solar facility relative to that of residential development. No independent commissioning plan has been provided; instead, the applicant details the steps that it would take to decommission the project and commits to ensuring that no permanent changes will be made to the site and that it could be returned to agricultural use. With respect to the concentration of solar capacity within the ADA, the applicant stated that it had no means of determining the concentration of solar capacity on land not owned or leased by itself. Elsewhere, the applicant asserted that if all grid-supply projects with PJM approvals were constructed, less than one percent of the ADA's land area would be affected and calculates that within the North Project area, only one acre in eleven is likely to have its development rights purchased by the County.

The applicant did not provide evidence of current community support but stated that a letter of support from the Township has been requested. The applicant also pointed to language in the approval of its use variance containing statements on the benefits solar energy would provide to the community, the consistency of solar development with the Township's Master Plan, and the lighter impacts of solar development as opposed to residential.

In light of the alternative development plans for the project site, as well as the fact that this site is not on the County's ATL, project approval should not have an impact on the preservation of open space or farmland.

3) Economic benefit, with particular attention to job creation

The applicant has provided a table showing 209 jobs created by this project, broken down by development stage, job type, and duration of job. Although no study or economic modelling has been provided to support these figures, the applicant has provided a very specific projection of what jobs will be entailed, how many, and for how long. In light of this projection, approval of this project should provide an economic benefit.

4) Impact on an electric public utility's ability to provide safe, adequate, and proper service to its customers

The applicant referenced the submission of an interconnection service agreement and construction service with JCP&L through PJM supplied to staff with its initial application in December 2012. Applicant further state the agreements were placed in suspension pending start of construction and referenced a "Suspension Letter From EffiSolar to First Energy dated December 11, 2012". As the Electric Distribution Company ("EDC") for the area in which the proposed project is located, JCP&L has the responsibility for determining that interconnecting a generator will not impinge on its ability to provide safe, adequate, and proper service. Thus, the existence of the interconnection agreement demonstrates that energizing the facility will not interfere with the EDC's statutory obligation.

Based upon its analysis of the supplemental filing in light of the four Board-approved criteria, Staff recommends that the Board approve the resized EffiSolarPemberton - PJM No. W1-119 project subject to submission of evidence of current community support within 15 days of the effective date of this Order.

EffiSolar - Pemberton (PJM No. W1-120)

EffiSolar's ("EffiSolar Pemberton") 10 MW dc project is located at North Pemberton Rd. in Pemberton, New Jersey with PJM interconnection queue number W1-120.

1) Impact of the SRECs forecasted to be created by a facility on both the SREC market and on solar development in the State

The applicant stated in his cover letter that EffiSolar Pemberton was voluntarily reducing the size of the project from 22.4 MW as originally filed to 10.0 MW. Applicant anticipates that approximately 12,500 MWh will be generated by the facility, except in the first year of operation when generation is projected to be fifty percent less.

The Board has previously determined that its approval of projects as "connected to the distribution system," pursuant to Subsection s(2) should be limited to projects whose approval would not cause further volatility in the New Jersey solar market. May 10 Order at 53. One

driver of market volatility is uncertainty regarding how much capacity may be expected to come on line in the future. "[A]ccurate information about potential future supply and demand dynamics is critical to all market participants. Uncertainty or inaccurate information about future market conditions can drive both over- and under-investment relative to the RPS." CEEEP Report at 2.3.1.3. Volatility is mitigated by transparency in the "pipeline" of solar projects under development, which enables market participants to anticipate the coming market conditions and plan accordingly.

The applicant identified the date of commercial operation as December 31, 2015, and provided a list of intermediate milestones commencing with "Scope and Engineering" on March 2, 2015 and concluding with "Closeout" on January 30, 2016. A copy of the interconnection agreement with JCP&L has not been appended, but applicant states that the agreement was made and placed into suspension in December 2012. Applicant states that the applicable approvals were supplied with its original application and relies upon the Permit Extension Act, N.J.S.A. 40:55D-136.1 et seq, which provides that the running of permits issued between January 1, 2007 and December 31, 2014 are tolled through the end of that period. Permits shall not be extended more than six months beyond December 31, 2014. N.J.S.A. 40:55-D-136.3, .4. The applicant identifies the Pemberton Township Zoning Board of Adjustment resolution granting preliminary and final site plan approval, dated March 2011; the Burlington County Planning Board's approved in November 2010; the Soil Conservation District's conditional certification approval of November 2010; and the NJDEP's Stormwater Discharge permit, dated December 2010.

Furthermore, a company associated with applicant, EffiSolar Development, jointly provides the information in the supplemental filing with its financing partner. The involvement of the entity financing this project indicates a level of investment certainty which further supports the conclusion that the risk associated is low.

Given that commercial operation is anticipated in the current calendar year and that the applicant has provided a detailed set of intermediate milestones to meet this date, Staff sees minimal uncertainty associated with completion of this resized project and the creation of the associated SRECs. Thus, approval of this project should not have an adverse impact on the SREC market or solar development in the State.

2) Impact on preservation of open space with special attention to farmland preservation programs

The project site is located on the south side of North Pemberton Road. Applicant identified the current zoning designation for the proposed project site as Agricultural Residential, a zone created in 1978, and states that the property is located in the non-Pinelands section of the zone. The applicant acknowledges that the site is within the Burlington County ADA's North Project Area, but states that it is not on the County's Acquisition Targeting List ("ATL"). The applicant also discloses that there are several preserved farms on the other side of Pemberton Road, as well as a farm on the ATL, but adds that there is also an airport on one side of the property and a planned high-density residential development on another. In addition, the applicant asserts that the site is also approved for a major residential subdivision and that residential development is the likely alternative if this land is not developed as a solar facility. The applicant stresses the relatively light impact of a solar facility relative to that of residential development. No independent commissioning plan has been provided; instead the applicant details the steps that it would take to decommission the project and commits to ensuring that no permanent changes will be made to the site and that it could be returned to agricultural use. With respect to the concentration of solar capacity within the ADA, the applicant stated that it had no means of determining the concentration of solar capacity on land not owned or leased by itself. Elsewhere, the applicant asserted that if all grid-supply projects with PJM approvals

were constructed, less than one percent of the ADA's land area would be affected and calculates that within the North Project area, only one acre in eleven is likely to have its development rights purchased by the County.

The applicant did not provide evidence of current community support but stated that a letter of support from the Township has been requested. The applicant also pointed to language in the approval of its use variance on the benefits solar energy would provide to the community and its Master Plan and the lighter impacts of solar development as opposed to residential.

In light of the alternative development plans for the project site, as well as the fact that this site is not on the County's ATL, project approval should not result impact the preservation of open space or farmland.

3) Economic benefit, with particular attention to job creation

The applicant has provided a table showing an estimated total of 209 jobs broken down by project stage and job type and the estimated duration of each job. Although no study or economic modelling has been provided to support these figures, the applicant has provided a very specific projection of what jobs will be entailed, how many, and for how long. In light of this projection, approval of this project should provide an economic benefit.

4) Impact on an electric public utility's ability to provide safe, adequate, and proper service to its customers

The applicant referenced the submission of an interconnection service agreement and construction service with JCP&L through PJM supplied to staff with its initial application in December 2012. Applicant further stated the agreements were placed in suspension pending start of construction and referenced a "Suspension Letter From EffiSolar to First Energy dated December 11, 2012". As the EDC for the area in which the proposed project is located, JCP&L has the responsibility for determining that interconnecting a generator will not impinge on its ability to provide safe, adequate, and proper service. Thus, the existence of the interconnection agreement demonstrates that energizing the facility will not interfere with the EDC's statutory obligation.

Based upon its analysis of the supplemental filing in light of the four Board-approved criteria, Staff recommends that the Board approve the resized EffiSolar Pemberton - PJM No. W1-120 project, subject to submission of evidence of current community support within 15 days of the effective date of this Order.

Staff has thoroughly reviewed the supplemental filings described above. Based on the additional materials submitted, approval of the five projects described above will not hinder the goals of the Energy Master Plan and of the Legislature identified by the Board in the May 10 and October 31 Orders, and, if constructed as proposed, should provide economic benefits without impinging on the preservation of open space and productive farmland.

Approval of the five projects would result in approximately 42 MW dc of additional capacity located on farmland being eligible to produce SRECs, a reduction of approximately 40% from the capacity originally proposed. This amount of capacity is able to produce 50,400 MWh and an equal number of associated SRECs annually. Approximately 26 MW of this capacity will come on line in the current calendar year, providing significant transparency to the solar market. Staff recommends that the Board approve these projects subject to the conditions set out below.

In the October 31 Order, the Board approved milestones for the completion of these projects, with all steps to be satisfied by the applicable date from the effective date of the Order approving the project:

1) SRP registration secured within 14 days;
2) Mounting system on-site and installed within 300 days;
3) More than half of the solar panels installed within 360 days;
4) All solar panels installed within 420 days; and
5) All equipment installed, system testing complete, and request sent to EDC to test and authorize operation of system by June 1, 2016.

Staff recommends that the Board direct the applicants to adhere to these milestones. If an applicant foresees an inability to adhere to any of these milestones, the applicant must notify Staff at least 14 days prior to the date of the milestone, provide an explanation of the reason that it will not be able to adhere to that milestone, and request an extension for a specific period of time. Staff recommends the Board grant Staff discretion in providing reasonable extensions which must subsequently be reflected by the applicant in the required quarterly SRP Milestone Reporting Forms. If Staff denies this request, Staff recommends that the applicant have the right to petition the Board.

Under existing Board rules at N.J.A.C. 14:8-2.4(c), electricity must be generated during the solar facility's qualification life, as defined at N.J.A.C. 14:8-2.2 to be eligible to serve as the basis for creation of SRECs. The rules define the facility's qualification life for production of SRECs as "beginning on the date the facility was authorized to energize under N.J.A.C. 14:8-5.8." Staff recommends that the Board clarify that for these projects a facility's qualification life begins on the date the facility is authorized to energize by the authority having jurisdiction, since these projects are not net metered projects with an authorization made pursuant to N.J.A.C. 14:8-5.8.

Two of the projects recommended for approval, Day Four and North Hanover, are not expected to be commissioned (and therefore eligible to generate SRECs) until June 2016. Therefore, to maintain transparency in the solar development market, Staff recommends that all of the projects be required to file in the SRP within 14 days of the effective date of this Order. However, since the SRP registration length is currently one year, Staff recommends that the Board extend the SREC registration length for the Day Four and North Hanover projects from the one year in the RPS rules to two years to coincide with the delayed date of eligibility to generate SRECs.

FINDINGS AND DISCUSSION

As the Board noted in the May 10 Order, the Legislature stated in Subsection s. that "[n]othing in this subsection shall limit the board's authority concerning the review and oversight of facilities." May 10 Order at 6, citing N.J.S.A. 48:3-87(s)(2).

The Board directed the applicants to submit supplemental information on their proposed projects at its October 22, 2014 Agenda meeting as subsequently reflected in the October 31 Order. Following the comprehensive public process initiated and managed by Staff, the Board approved four criteria for further evaluation and asked for information on eight specific questions. In approving these criteria and asking these questions, the Board was guided primarily by the Energy Master Plan ("EMP"), the legislative policies underlying the Solar Act, and the areas which the Legislature committed to the Board's review for the specific purpose of determining whether a given project should be eligible for ratepayer subsidies in the form of SRECs. October 31 Order at 16-17, citing EMP at 7.2.6 and N.J.S.A. 48:3-87 (r),(s). The Board **FINDS** that the responses to these questions and supporting documentation provide

sufficient information for the Board to evaluate the projects under review for their consistency with the energy, open space, and reliability policies of the State and of this Board.

As noted above, the Board submitted the CEEEP Report to the Legislature on July 23, 2014. This report was developed in response to legislative direction; drafted by experts in the area of solar development based upon input from solar market participants in the public proceeding; and provided to the public with opportunity for comment prior to its finalization. The Board **FINDS** that this report is an appropriate source of information on and evaluation of the means to mitigate volatility in New Jersey's solar market.

After thorough review of the record and Staff's recommendations, the Board **FINDS** the supplemental filings are generally consistent with the Board's intent in requesting the additional information. The Board **FINDS** that the five projects identified above -- Day Four Solar's 6 MW facility in North Hanover, New Jersey, proposed for interconnection as PJM W2-019; EffiSolar's 10 MW facility in North Hanover, New Jersey, proposed as PJM W2-082; North Park Solar LLC's 5.9 MW facility in Millstone Township, New Jersey proposed as PJM W2-078; EffiSolar's 10 MW facility in Pemberton, New Jersey proposed as PJM W1-119; and EffiSolar's 10 MW facility in Pemberton, New Jersey proposed as PJM W1-120 -- have demonstrated that they have satisfied the criteria set out in the October 31 Order.

Therefore, the Board **HEREBY APPROVES** these five solar electric generation facilities as "connected to the distribution system" under N.J.S.A. 48:3-87(s)(2) subject to satisfaction of the milestones identified in each supplemental filing and subject to submission of evidence of current local support as noted in Staff's recommendations.

To maintain transparency in solar development market, the Board **DIRECTS** all applicants to file in the SRP within 14 days of the effective date of this Order. However, for the Day Four and North Hanover projects, the Board **HEREBY WAIVES** the one-year registration length provided in the Board's rules and extends the SREC registration length for these projects to two years to coincide with the delayed date of eligibility to generate SRECs.

The Board **HEREBY DIRECTS** the applicants to adhere to the milestones described in their supplemental filings and supply consistent data in quarterly Milestone Reporting Forms required of all grid supply projects in the SREC Registration Program. If an applicant foresees an inability to meet any of these milestones, the applicant must notify Staff in writing at least 14 days prior to the date of the milestone, provide an explanation of the reason that it will not be able to adhere to that milestone, and request an extension for a specific period of time. The Board **HEREBY AUTHORIZES** Staff to grant a reasonable extension of a milestone. If Staff denies this request, the applicant may petition the Board for a waiver of the time frame.

The value of SRECs is set by the market and not by the Board. Therefore, nothing in this Order constitutes any representation concerning the market price of SRECs.

This Order shall be effective on February 23, 2015.

DATED: 2/11/15

BOARD OF PUBLIC UTILITIES
BY:

RICHARD S. MROZ
PRESIDENT

JOSEPH L. FIORDALISO
COMMISSIONER

MARY-ANNA HOLDEN
COMMISSIONER

DIANNE SOLOMON
COMMISSIONER

UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:

KENNETH J. SHEEHAN
SECRETARY

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

Docket No. EO12090832V – In the Matter of the Implementation of L. 2012, C. 24, The Solar Act of 2012;

Docket No. EO12090880V – In the Matter of the Implementation of L. 2012, C. 24, N.J.S.A. 48:3-87 (Q)(R) and (S) – Proceedings to Establish the Processes for Designating Certain Grid-Supply Projects as Connected to the Distribution System – Request for Approval of Grid- Supply Solar Electric Power Generation Pursuant to Subsection(s) – Supplemental Filings:

Docket No. EO12121093V – Day Four Solar/Ralph Laks; W2-019
Docket No. EO12121122V – North Park Solar; W2-078
Docket No. EO12121117V – EffiSolar Development; LLC; W2-082
Docket No. EO12121118V – EffiSolar Development; LLC; W1-120
Docket No. EO12121119V – EffiSolar Development; LLC; W1-119

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