

**Notes for the RE meeting  
11/15/10 – 1:00pm – 3:30pm  
CSG office – Iselin, NJ**

**Introductions:**

**2011 Compliance Filing Schedule and Regulatory Updates (Mike Winka)**

Mike W. discussed that last week there was a public hearing on both the 2011 Compliance Filing and on the Transition document. Comments from the public were received by the board from 2:00pm until 5:30pm. Comment period on the budget and compliance filing will close on 11/17/10 and the comments on the white paper – transition document will close on 11/26/10. If you send a comment please put the name of what you are commenting on in the subject line.

December 6<sup>th</sup> is the regularly scheduled agenda meeting for the BPU board – our goal is to recommend a 2011 program.

Also there is a request for a contract extension for the Honeywell contract for a 6 month extension while the board reviews the transition paper.

The Board is currently looking at a clean energy utility structure and how that could be set up to run the clean energy programs. Need to determine what statutory changes need to be implemented to make that happen.

Mike W suggested that if you have a concern about the 6 month contract extension or transition, please submit those in comments in writing.

There will be a separate discussion with Lee Solomon and senior executive staff with the two consultants Rich Sadano and Chuck from (LBL) or the board may choose to have a public meeting which could take a while to schedule.

PSE&G has filed for a 30 day meeting and may file for an extension of their Solar for All programs.

The BPU is currently going through negotiations with the EDC's with the SREC financings for changes to the program. The BPU is looking at streamlining the application process. There is a position paper and a request for comments.

Dec 15 the recommendation will go to the board.

The 4<sup>th</sup> round of the EDC financing will be presented to the board on 12/6.

Regarding Solar rules – the rule proposal will go to the board on the 12/15.

Q. When will the SACP for additional years be made public

Mike W. It is anticipated that it will be made public when the rule proposal will be made public around 12/15.

## **2011 Budget – Mike Ambrosio:**

- Mike A. reviewed the 2011 budget – there are no changes from last meeting on the budget. This is posted on the website with the compliance filings by Honeywell and TRC.
- Mike W. added that there is not going to be much carryover budget from 2010 to 2011 budget.
- There will be many commitments carryover in 2011.

## **Presentation #1 – 2011 Renewable Energy Plan Proposed Updates (Charlie Garrison)**

Discussed changes in the EDC financing – Incentive Payment

For residential - any type of residential project including residential owned, PPA and builder owned is eligible.

The registrant/system owner would need to demonstrate that the bid was approved by the EDC and submit a copy of the acceptance in the EDC SREC-based financing Program. Project expiration will expand to be 12 months from the date they receive the EDC financing commitment.

The MM will issue a 12 month commitment letter once we receive a contract demonstrating acceptance into the program.

Incentive payment will be processed after all installation requirements have been met.

Q. How will we account for level of rebates and commitments from this incentive?

Charlie G. said he should be able to break this out in the reporting.

Q. What are the steps to apply for the EFSI?

Charlie G - We have not defined the full paperwork process but there will either be an additional document required at registration for an expression of interest or a check box for EFSI in the SRP application but it is not until the back end that you will get the payment or approval.

Scott Hunter asked if we really need a formal commitment letter from the NJCEP.

Charlie thought maybe this could be added to the EDC letter.

Charlie G said we would still need to go into the BBCS system and make the changes. The commitment letter does not come until the purchase sale agreement of the SREC's gets signed.

Charlie G also asked if anyone had comments on how to streamline the application process for the EDC financing:

It was discussed that there was an EDC representation at the last meeting. A solicitation takes 6 months from solicitation opening to contract signing.

After acceptance from the EDC the customer had 10 days to come up with a deposit. It is a refundable deposit to insure that this is a serious project that will come to fruition.

Pam Frank:

Idea #1:

- Extend and expand the program both in time and capacity to cover a larger percentage of the market.

Scott Hunter said this program was intended to be training wheels for getting companies to enter into long term contracts and that is starting to happen.

Mike A said is the goal of the program to have more long-term contracts or more overall solar capacity or both. He feels the market will determine the long-term price of the SREC. There is still uncertainty of the SACP after 2016.

Mike W – said staff will look at the expansion request when we hit the two year mark and discuss this with the board. By the end of this year we should be closer to balance which should affect the price.

Idea #2 – rather than only have flat pricing why you can't bid variable pricing> Mike W said this was not done initially because the admin costs and changes.

Comment – the 10 year contracts are all over priced on the back-end.

Very strict guidelines on when the projects are no longer eligible for the EDC financing program. Maybe we should have a different window, maybe a timeframe from either acceptance or a few months after interconnection.

Idea #3 - Allow larger projects to participate in the program – increase size from 500kW to 2 MW and include grid supply projects. This would help incent reasonable sized grid supply solar projects to get built.

There was a concern that the grid supply projects would then take all the capacity in the program. The economies of scale of the large projects would compete unfairly against the small projects.

As you can see from the ESFI incentive, we are putting in projects and incentives to help drive the residential and public & non-profits right now.

Mike W. Once the system is in balanced then we can discuss further market segmentation. Right now the BPU Board and government staff feels that the solar SREC program is too expensive to the stakeholder and until the prices go down it will be difficult to segment.

Mike W. MSEIA and Solar Alliance have straw proposals and have been working with staff. Trade Ally should talk with their associations and get copies of this proposal.

**Presentation #1A – Updates on Program Guidelines (Charlie Garrison)**

### 1. SREC Eligibility for Direct Grid Supply Project

At SRP registrants for Grid Supply Projects provide documentation from the utility that the interconnection for this project is at the distribution.

Q. Does this change the definition of distribution vs. transmission by an EDC?

Mike W said no it does not change the definition but does ask the EDC to take ownership of the interconnection point and whether it is distribution or transmission. Also, it will prevent registrants from sending in paperwork before they have been approved as a grid supply project with PJM and the utility.

2. Handling SRP registrations for systems less than 10kw that have less than 70% of ideal production. Reviewed the May 14<sup>th</sup> 2009 board order that paid a pro-rated rebate for projects that once built will come in between 70% - 79%.

Charlie Garrison proposed update to guidelines for SRP

- SRP projects that are greater than or equal to 10 kW – no minimum system output requirements because they will install a revenue grade meter and will be reporting based upon actual
- 2 options for SRP projects less than 10kW – All systems will still will have a revenue meter but we can try to
  - o Ensure that GATS incorporates shading analysis into the PV Watts engineering estimate if they still want to use the estimated approach and not the actual
  - o Recommend that actual reporting verses estimate Require revenue grade meter utilization for any system failing below minimum system output.

This will be further discussed within the MM team to see what is feasible given the admin resources and budget.

### **Presentation #2 - Update on Funding Cycle 3 and SRP (Tammy Gray)**

For Funding Cycle 3 the applications that have been received are almost at budget but we will be accepting applications that exceed budget. We have reviewed up to 10/6 for REIP and 10/7 for SRP and those approvals or acceptances will be mailed in about 3 weeks.

REIP – approval letters will go out for applications received on Sept 2nd and 3<sup>rd</sup> this week

SRP – acceptance letters will go out for registrations received on Sept 24<sup>th</sup>

Q. In the SRP how many are coming in as PPA's verses customer owned

A. Tammy Gray said she would report on that at the next meeting.

Next meeting is December 7<sup>th</sup>. Meeting ended at 3:10.

Attendees – in person and phone that contacted us:

x	Ambrosio, Mike	AEG
x	Bachmann, Joanne	CSG
x	Battaglia, Erick	Honeywell
x	Brana, Rene	1st Light Energy
x	Cadoret, Joshua	Pepco Holdings
x	Carpenter, Joseph	NJ DEP
x	Corbin, Angela	Corbin Solar Solutions LLC
x	Courtney, Jim	AEG
x	DONADIO, TOM	JERSEY CENTRAL POWER
x	Flett, Michael	
x	Frank, Pamela	Sun Farm
x	Fried, Michael	Solus Energy.com
x	Garrison, Charlie	Honeywell
x	Gray, Tammy	VEIC
x	Guran, Serpil	NJ DEP-DSRT
x	Heisler, Mitch	Union Glen Engineering
x	Heller, Theresa	VEIC
x	Hendriscks, Mahogany	BPU
x	Hunter, Scott	OCE/NJBPU
x	Jackson, Ronald	BPU-OCE
x	Kahune, Will	Solar Island
x	Kennedy, Alex	Gabel Associates
x	Lambe, Jeffrey	NJR Home Services
x	Lupse, Janja	CSG
x	MacCarthy, Melissa	Ecological Systems
x	Maine, Victor	Solar Island, LLC
x	Marshall, Bill	Wishma Partners LLC

x	Mason, Casi	Crobin Solar
x	McAleer, Jim	Solar Electric NJ, LLC
x	McHale, Val	
x	O'Hearn, William	WPO Communications
x	Patnaud, Suzanne	Solar Alliance
x	Peracchio, Anne Marie	NJ Natural Gas
x	Peters, Christopher	Acadian Consulting Group
x	Rivera, Alma	NJBPU- OCE
x	Salarza, Ed	Vert-Age Solar
x	Schimpf, Frank	EnergyC2, LLC
x	Simpson, Robert	Brother Sun Solar
x	St.Onge, George	RRREC
x	Thompson, Howard	Russo Tummulty for PPL
x	Tuman, Michael	ASC Solar
x	Wall, Andy	AD Energy
x	Webb, Scott	BP Solar
x	Winka, Michael	NJBPU-OCE
x	Zislin, Neal	Renu Energy