

**Renewable Energy Committee Meeting**  
**Tuesday, March 10, 2009, 1:00 p.m. – 4:00 p.m.**

**Location:** Conservation Services Group, 75 Lincoln Hwy, Suite 100, Iselin, NJ 08830

**Call-in Number:** 1-866-740-1260  
Meeting ID: 2183408#

**Webinar:** <https://www2.gotomeeting.com/join/625892352>  
**Meeting ID:** 625-892-352

**AGENDA**

Maureen Quaid brought the meeting to order at 1 p.m. EST. About 40 people were present in the room, an unknown number participated via telephone conference call/webinar.

**1. Policy Discussion:**

**a. Residential GT 10kW eligibility for RECs**

Quaid said for systems with estimated production, the rebate is capped at 10 kW and the SREC production is capped at 10 kW. For systems with actual production, no rebate and SRECs at 100% of actual production. Winka said he thought this proposal was reasonable. Weissman asked for confirmation that system owners would be eligible for SRECs. Winka said rule change has been adopted which enables systems which are not net metered to generate SRECs. Quaid clarified that customers who want to build >10 kW would forego rebate but could build up to their net metering limit. This applies to new applications only and solar applications only.

Winka said this proposal is justified on the basis of fairness in the program, and attracting higher numbers of people to the program. Pam Frank said SREC is not a subsidy, but a product doesn't agree that this kind of signal should be sent to the marketplace. Given SREC shortfall, anything that discourages investment just means getting further behind meeting the RPS. Rawlings said motivation historically has been optics – are we encouraging McMansions, high energy use. These concerns are still here, but are less critical in the current economy. Question is whether these motivations should be balanced as they have in the past, especially in the context of SREC shortfall.

Ambrosio said from SREC market perspective, more SRECs can drive down prices and save consumers money. Rawlings said heightened concern over this proposal is because residential market is having a hard time, whereas commercial market is moving along. Winka said the next steps are to talk to the Commissioners, will likely happen this Thursday, and will need to see what direction the Board provides on this issue.

**b. NJ Manufacturing Adder**

**i. REIP: eligibility criteria**

**ii. RPS: Made in NJ SREC**

Quaid said this is something that Hunter and Duran Zeglarski with EDA are working on an operational definition of “manufactured in NJ.” Hunter said this was proposed in 2006 with a specific dollar amount, but never had any programmatic definition to the concept. Does assembly in NJ meet the threshold? Is there some dollar or percentage of value threshold? Winka said intention is to add this adder in a program update. Hunter said research is being conducted on other states. Quaid said two states provide state-content support: NY and VA. Several other states provide direct support (4) or tax credits (~10) to manufacturing companies. Weissman suggests looking at state tax burden of companies. This could be implemented as a rebate-based adder. Ambrosio asks how this adder would integrate with other program limits. Winka said one proposal is to tie the adder to the SREC market. One stakeholder suggested tax credits or other mechanisms might be better than a rebate. Rebate should flow to the purchaser of the job. What if it is other components, such as racking and mounting equipment, or inverters? Another consideration is solar supply chain and installer access to NJ product.

Next step is for the Market Managers to put a proposal on the table for an upcoming program update compliance filing. Ambrosio recommends putting a proposal in front of stakeholders before presenting anything to the Board, based on divergent opinions expressed during this meeting. Quaid to summarize proposal and circulate to REC for comment by next Tuesday.

## **c. Net Metering**

### **i. Rule-making schedule**

Stakeholder meeting on 18<sup>th</sup>. Recent phase 1 rule and solar transition rules have been adopted. McShea said a notice of stakeholder process has been circulated on RE listserve, includes change in RPS to GWh goal and allocation of that goal. Also will cover phase 2 net metering items. On a parallel path she plans to convene a stakeholder group on the rest of the RPS amendments.

Winka said first item on agenda is the solar update. Will go to a capacity goal in RPS and convert that to an SREC target. Quaid asked about status of community energy and aggregated net metering. McShea said this will be covered at meeting on 18<sup>th</sup>. Board responded that on these issues best direction is to establish Pilot program, such as Red Skye.

### **ii. Process for exceptions to current rule (e.g. Red Skye)**

Winka said Board is interested in working through Pilot programs to resolve issues. Loeser said farm communities are looking to develop aggregated net metering. What process would be involved in establishing a Pilot program? Winka said Red Skye provides a model, petition to Board might be the best option.

### **d. NJGREEN program (federal stimulus funding)**

Winka said NJGREEN is still on the table, but on the table with a lot of other things. Stimulus funds won't be delivered as quickly as planned. Originally slated for April 1, with commitment required in 90 days. Still pressure to get stimulus money out on the street, but not as fast as originally planned. Governor must commit to using existing processes NJ has in place – funds should fit in with existing programs. Federal funds cannot simply replace state funding. NJGREEN proposal was going to be an enhanced rebate program that would cover 70-80% of upfront costs, state would take SRECs. Worked out to be less than 10 MW that the first \$30M would have financed. Ambrosio said there is nothing on Board's agenda this week for NJGREEN, Board has asked for additional proposals. There are other proposals for municipalities to do energy efficiency upgrades, \$ for affordable housing, loan programs, increased rebates, etc. Open to suggestions; those for renewable energy should be forwarded to Lance Miller at the BPU. The sooner the better.

## **2. Program Updates:**

### **a. EDA CEMF**

Zeglarski discussed the Clean Energy Manufacturing Fund. She said the fund would provide grant and zero interest loan funding of up to \$3.3M per facility. Two components: grant up to \$300K for securing site and completing design; second component is up to \$3M for system completion. Eligible technologies include efficiency and renewable equipment. Benefits include more renewable energy and energy efficiency, jobs, economic development, increased volume of products manufactured in NJ. She described a 5 step program review process. Zeglarski said EDA has received 13 intake forms, 5 have been selected to move forward and 3 are under review. Most are renewable projects. EDA has received out of state interest from nearby states, as well as international interest. There are a number of evaluation criteria which help define how much any particular proposal can receive. These criteria are posted on the program website. Anticipate that a few projects will receive funding in this round. Expect demand to increase for future solicitations. Timeline for first solicitation soft launch in October 2008, accepted intake forms in January and February (and will continue to accept through March), expect first awards to be made in June 2009. Next round solicitation will open June 1, 2009. More info at [www.njeda.com/CEMF](http://www.njeda.com/CEMF) or 866-534-7789.

Ambrosio said this is linked with manufacturing adder proposals. Suggests it seems like this is the appropriate program for getting NJ manufacturers to the state. Concern about cross-border impact of "buy NJ" plans and about relationship to SREC market.

One commenter said a change in the ITC is to deliver it as an up front grant as an alternative to taking the tax credit, but this option is only for for-profit entities. Stern said anyone who takes advantage of the ITC at the federal level would still be taxable at the state level and asked what NJ's position is on this.

### **b. Grid Supply Program**

Winka said this program is on April 3 Board agenda.

### **c. NJ BTM Transition (schedule; trainings)**

Wiese briefed everyone on the transition plans for moving to GATS and highlighted several items which have been updated since the last REC briefing. He has conducted 4 briefing webinars and a 5<sup>th</sup> is schedule for later this week. He said others will be forthcoming. In addition, transition information is posted on the NJCEP

website. He said Group B early transition eligibility has been determined to include all current CPM account holders, and that the Market Managers are responding to a January Board Order with a proposal for offering all projects submitting final paperwork as of March 1 with the option to designate either CPM or GATS as their starting S/REC platform.

**d. 2008 CORE wrap-up**

**e. 2009 REIP**

Barth presented a summary of the CORE and REIP programs. He said latest information is posted to the website every Monday. Non-residential budget is filling up faster than residential so far. Next funding block rebate levels will be determined based on how quickly this funding block filled up with projects.

Loeser said in the past installers have self-selected how they are represented on the website in terms of who they serve. He is recommending threshold requirements for listing as residential or commercial wind or PV installers.

Garrison reviewed 2008 budget status. Garrison said public non-schools and public schools K-12 categories are oversubscribed, but other budget categories are undersubscribed. Garrison said the plan is to reallocate funding among the categories to enable completion of as many projects as possible. Garrison thanked installers and customers for working with the program management team to identify these funding opportunities.

In response to a question about improving transparency of project status, Garrison asked installers if it would be helpful if installers could identify their projects on the commitment status report. Several installers indicated it would be helpful, and Garrison said he could incorporate this functionality into the report starting next week.

**i. Inspections transition to QA**

Valori provided an update on the transition from quality control to quality assurance in the program. He said we will migrate to 50% inspection ratio starting April 1. Changes required in certification process, evaluation process, and inspection and monitoring process. Installers need training to migrate to QA process. Training will have two tracks: experienced installers, and new installers. Administrative training and technical training.

**ii. Guidebook (Procedure) Updates**

Quaid said plans to update guidebook on a funding cycle basis, but plan to have revision out

**iii. Upcoming trainings & workshops**

Valori talked about various training and workshop opportunities that are also posted on the NJCEP website.

**f. SREC Only Pilot Program update**

Wiese said the Pilot program has closed to new entrants. It has so far resulted in 10.2 MW of project completions, with an expectation that will grow to 13.3 MW within the next 6 weeks.

**3. Proceedings Update:**

There was no additional discussion on some of these items, as they were addressed in discussion in agenda item #1.

**a. Net Metering & Interconnection**

**b. Community Energy**

**c. RPS**

Winka repeated that 18<sup>th</sup> stakeholder meeting will address these issues.

**d. Solar Transition Rule Adoption**

**e. JCP&L, ACE securitization filings**

Hearing is scheduled for March 16. Negotiations are ongoing. Board has adopted guidelines for calculating PPAs, meaning schools can now enter into 15 year PPA contracts.

**f. Offshore Wind**

Hearing scheduled for March 26. Proposing OSW carve-out to establish OREC trading program to help finance OSW projects. There will be another hearing as part of the rule adoption process.

**g. EMP Strategy Report for Onshore Wind - due from the NJ SWWG (March 31)**

A report is due from the small wind working group by the end of the month. Draft has been prepared and is being reviewed.

**4. Next Meeting**

The next REC meeting is scheduled for Tuesday, April 21, 2009, from 1-3 p.m. EST.

## 5. Adjourn

The meeting was adjourned at 2:45 p.m. EST.

### Renewable Energy Committee Meeting - Attendees

March 10, 2009

1:00pm - 4:00pm

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