

Renewable Energy Committee Meeting
Tuesday, April 21, 2009, 1:00 p.m. – 3:30 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/851588523>

Meeting ID: 851-588-523

MEETING NOTES

1. Introductions

Maureen Quaid brought the meeting to order at 1 pm.

2. Discussion:

a. JCP&L, ACE securitization filings

Chris Siebens of JCP&L and Wayne Barnt of ACE discussed the JCPL and ACE securitization filings. Siebens said MW installations in NJ have been inadequate to meet the RPS requirements. He said the utilities will enter into 10-15 agreements for purchasing SRECs at a known price. It is not a utility loan program. An FAQ document is posted on the NJCleanEnergy.com website.

Siebens said there would be 3 solicitations each year, first is scheduled for July 2009. Selection of projects will be based on net present value rankings of proposals. Costs of program will settle to a non-bypassable rider. All SRECs purchased will be sold at auction.

61 MW of procurements are planned over 3 years. 33 MW in first year (23 JCPL, 10 ACE). Solicitation detailed procedures are planned for July 2009. Siebens presented a quarterly schedule for solicitations over the next several years.

Only new, net metered projects will qualify. CORE projects are not eligible, but 2009 REIP participants would be eligible. Some questions were asked about what the cutoff date would be to qualify as "new" and thus eligible for the program. Siebens recognized this question has not been addressed in detail, but suggested the cutoff date for system operation would be the same as the contract execution date.

Michael Ambrosio asked whether the motion for reconsideration might have on this schedule, and what effect that might have on the schedule. Depending on how the Board acts it could potentially impact the schedule.

Questions were raised over the distinction between behind the meter and net metered in terms of eligibility. Systems must be 500 kW or less and must be net metered. These issues will need to be addressed more specifically by JCPL and ACE as they arise.

Award rankings will be done by a solicitation manager. This entity will recommend to Board which projects should be awarded and which should not. Ranking process will be blind. Prices will be accepted as proposed, they will not all be settled at a single clearing price. Selection standards will be consistent between JCPL and ACE solicitations.

All documents including the Purchase and Sale Agreement are posted as part of the filing and on the NJCleanEnergy.com website (see <http://www.njcleanenergy.com/renewable-energy/programs/utility-financing-programs/utility-financing-programs>). SRECs will be paid as they are awarded by PJM-EIS. Programs will purchase 100% of the output up to a maximum estimated output annually. Question effects how trackers are able to compete.

b. NJ Manufacturing Incentive

Larry Barth presented information about a proposed NJ manufacturing incentive. NJ REMI stands for Renewable Energy Manufacturing Incentive. Barth summarized stakeholder comments on the

proposals regarding manufacturing incentive structure. OCE asked Market Manager to develop a proposal.

Barth said the eligibility would focus on solar panels and inverters, with other technologies considered in 2010. 50% of product (including labor, overhead and raw materials) is sourced from NJ. Alternatively any company supported by EDA would be eligible.

\$0.25/watt incentive is proposed for modules, which represents about 14% of rebate. This proposed incentive is for residential installations, with tiers down to \$0.08/watt for larger projects. Another incentive was proposed for inverters, starting at \$0.15/watt with tiers down to \$0.07/watt. Barth said a similar program was established in the state of Washington.

Dolores Phillips expressed support for the proposal. She said a \$1 million commitment might be too small to be effective, suggests \$8 million would be more effective coming from residential and non-residential budget. She applauded the incentive chart going up to 500 kW, but supports an increase in eligible project size.

A question was raised about the current manufacturing capacity in the state and its relation to the proposed 2009 budget. An EPV representative said EPV has 25 MW annual capacity in NJ, with 75% going to US market (a portion of which is sold into the NJ market) and 25% going to European market; he also noted that there are a lot of modules currently in inventory.

Ambrosio said the proposal is on its way for consideration at the May 14 agenda meeting.

Lyle Rawlings of Advanced Solar Products said his company was producing a mounting system in NJ, and requested that mounting systems be incorporated into the proposal as well, with same incentive as inverters. He said mounting systems represent similar costs to system as inverters. Winka said he could take this under advisement and consider it.

Doreen Holly asked whether federal stimulus money could be dedicated to this proposal. Winka said Governor's office is responsible for stimulus funds. Winka said BPU is anticipated to be short this year, and there will be an opportunity to allocate SACP funds collected later in the year.

Mike Strizki supported Rawlings' comments.

Pam Frank expressed concern about slippery slope of Made in New Jersey, said that she was concerned about manufacturers leaving after a few years.

Another commenter supported racking system idea because it could be quick to market in NJ; also supported certification requirements for any and all products with Made in New Jersey.

Scott Schultz said mounting systems could be scaled up quickly in NJ.

Shihab Curran of Petra Solar supported adding mounting systems and trackers should be supported. He expressed a concern about consuming \$1M quickly, but noted that would be good news. He commented that Petra Solar has a UL approved AC module manufacturing facility – they are ready to go to take advantage of Made in NJ, and supported the program proposal overall.

Susan LeGros of the Solar Alliance reiterated Solar Alliance's position, said Solar Alliance prefers keeping rebate system as transparent and competitive as possible. Solar Alliance prefers other forms of manufacturing incentives.

A caller asked whether there would be a paper trail requirement. Barth replied that this documentation would be required in the final application process.

Lyle Rawlings addressed SREC adder or SREC multiplier – intent was not to create a separate type of SREC.

Mike Winka recommended written comments on the draft filing be submitted by the end of the week. Send them to Maureen Quaid, Maureen.quaid@csggrp.com.

EDA Manufacturing Incentives

Sandy Zeglarski of EDA provided an update on EDA activities in the Clean Energy Manufacturing Fund. April 17 was the Clean Technology review. There are a few finalists still under review, and aiming for June to announce funding under first solicitation round. Phillips asked when funding would

be released to funding winners. Paula Durand of EDA said final schedules depend on milestones negotiated with each awardee.

c. Residential GT 10kW eligibility for RECs

Quaid said a new recommendation was that GT 10 kW residential systems would be required to participate in the Home Performance with Energy Star program through step 3, and that the maximum solar system size would be based on the projected annual energy use of the home after Home Performance measures have been implemented.

Rawlings expressed support for the proposal.

Ambrosio asked why approximately 30% of customers are not participating in the audit currently. Rawlings said it might just have to do with messaging to installers and the time it takes to get the new requirements out there. Quaid said there is a high number of audits being scheduled currently.

Pam Frank of SunFarm Network said that many customers believe that both audit and remediation are required, and this might be adding to the confusion.

Doreen Holly asked if we could get more classes for BPI certification; Quaid and Winka both replied that we are trying to add some more classes in NJ.

David Weissman wanted clarification that proposed limit did not limit SRECs.

Pam Frank asked about now this would work with new construction, Barth said these projects need to participate in the residential new construction program.

d. Definition of solar by licensing board for solar on public projects

Mike Winka said DCA is has issued an opinion that would require employees of licensed electrical contractors to install solar panels and be paid at prevailing wages.

Fred Hauber said DCA's advisement is extreme compared to other states. Hauber said he was trying to set up a meeting with DCA to challenge this viewpoint.

Rawlings said MSEIA is also planning to formally request reconsideration of this issue. He said in California the carrying and mounting of solar panels can be handled by any trades, but wiring them together must be done by an electrical contractor.

Ambrosio asked MSEIA to provide updates to this group as this issue proceeds forward.

e. Smart Growth restrictions on REIP rebates in new construction

Winka said a Governor's executive order may restrict REIP incentives to new construction outside of Smart Growth areas. Policies and procedures will be revised in compliance filing to address limits on incentives outside smart growth areas. There are exemptions in the executive order. A question which is still unanswered is whether these restrictions apply to SRECs or just to up-front incentives.

3. Updates:

a. Renewable Energy Incentive Program funding cycles

Mark Loeser summarized the REIP budget cycle status. Ambrosio said the 2009 budget included a continuation of the CORE budget plus some extra money. A proposal was made to shift dollars between budget categories, enabling all projects in queue and supplemental queue to be processed.

Loeser said original budget was \$7M in residential, have already received \$7M in applications, and approved \$3.1M.

Starting May 1, incomplete applications will be returned. Missed signatures, etc. will be returned with checklist and it will be up to the contractor to resubmit. Quaid said \$\$ will not be reserved for projects until applications are complete. Gray said 1/3 of applications coming in are incomplete.

David Hill illustrated how capacity blocks, funding cycles, and buffer mechanisms work in the REIP. He facilitated discussion around how these program functions relate to one another and how they will be implemented.

b. DCA fire safety

Winka said Fire Service had a significant concern and was beginning to put together a proposal. Winka partnership with fire inspectors. Fire inspectors may survey installs in each municipality. Mark Valori said May 11 Technical Working Group will be working on this issue.

c. NJ BTM trading platform transition

This item was postponed to another meeting.

d. Net Metering & Interconnection rulemaking

This item was postponed to another meeting.

e. RPS revision

This item was postponed to another meeting.

f. Solar Transition Rule Adoption

This item was postponed to another meeting.

g. Small Wind Working Group (EMP Strategy Report)

This item was postponed to another meeting.

h. Offshore Wind

This item was postponed to another meeting.

i. ARRA federal stimulus funding plans

Winka said there is not much to update. We have until May 14 to file a plan. Three pools of funds are directed toward the state. \$73M directly to State Energy Program, this plan is due May 14. Energy Conservation Block Grants is a second pool of funds, cities, counties and state will apply for these funds directly. Winka recommends that interested parties look to www.RecoveryNJ.gov for more and updated information on federal stimulus funding.

4. Next Meeting

The next meeting was tentatively scheduled for June 16, 2009 from 1-3:30 p.m. Tentative agenda item for this meeting would include 2010 budgets.

5. Adjourn

Quaid adjourned the meeting at 3:40 p.m. EST.

Renewable Energy Committee
Meeting

Attendees

Tuesday, April 21, 2009
Conservation Services Group
75 Lincoln Highway, Suite 101
Iselin, NJ 08830

1:00pm - 4:00pm

Name	Company	Phone	E-mail
Alma Rivera	NJBPU- OCE	(973) 648-7405	almarivera@bpu.state.nj.us
Andy Cozzi	Solar Connections	(732) 469-5188	andycozzi@bluestonecorp.net
Ann McShea	BPU	(609) 777-3306	anne.mcshea@bpu.state.nj.us
Bill Marshall		(908) 331-0674	bill.marshall@gmail.com
Cary Drake	Petra Solar	(973) 379-5565	cary.drake@petrasolar.com
Charlie Garrison	Honeywell	(973) 890-9500	charlie.garrison@honeywell.com
Chris Sieben	JCP&L	(610) 921-6694	csiebens@firstenergycorp.com
Cynthia Gregorio Surman	CSG	(732) 218-3417	cynthia.surman@csgrp.com
David Hill	VEIC	(802) 658-6066	dhill@veic.org
David Weisman	Green Alternatives	(973) 364-8065	greenalternatives@comcast.net
Dawn Chaplin	Honeywell	(973) 890-1891	dawn.chaplin@honeywell.com
Dennis Wilson	Renewable Power	(973) 366-2244	dwilson@optonline.net
Dolores Phillips	Sustainable Strategies	(609) 516-3526	doloresphillips@comcast.net
Doreen Holley	Zetta Joules	(609) 306-5488	doreen@zettajoules.com
Erick Battaglia	Honeywell	732-919-0010 x-202	erick.battaglia@honeywell.com
Frank Haaz	AAHG Energy	856-435-3200 x-211	fhaaz@wagnershires.com
Fred Hauber	Eastern Energy Services	(609) 801-1990	fhauber@verizon.net
George St.Onge	RRREC	(732) 801-6828	george@rrrec.net
Holly Minogue	Gabel Associates	(732) 296-0770	holly@gabelassociates.com
Jeffrey Miller	Quadrillion RE	(201) 707-4024	jmiller@quadrillionsolar.com
Jessica Cooney	VEIC	(732) 218-3415	jessica.cooney@veic-nj.org
Joe Cavaluzzi	Editorial Services	(732) 681-6945	joecavaluzzi@yahoo.com
John Drexinger		(732) 496-2781	johndrexinger@yahoo.com
John Teague	NJ BPU	(973) 648-7102	john.teague@bpu.state.nj.us
Julie Weiser	Honeywell	(973) 890-9500	julie.weiser@honeywell.com
Larry Barth	VEIC	(732) 218-3413	larry.barth@veic-nj.org
Linda Wetzel	Applied Energy		lwetzel@appliedenergy.com
Lyle Rawlings	ASP	(609) 466-4495	lyle@advancedsolarproducts.com
Mark Loeser	VEIC	(732) 218-3400	mark.loeser@veic-nj.org
Mark Valori	CSG	(732) 218-3411	mark.valori@csgrp.com
Mary Sheehy	HMFA	(609) 278-7408	muschak@njhmfa.state.nj.us
Matt Elliott	Environment NJ	(609) 394-8155	melliotte@environmentnewjersey.org
Maureen Quaid	CSG	(732) 218-3400	maureen.quaid@csgrp.com
Michael Winka	NJBPU-OCE	(609) 777-3335	michaelwinka@bpu.state.nj.us
Mike Ambrosio	AEG	(732) 447-1355	mambrosio@appliedenergygroup.com
Mike Strizki	Green Watt	(609) 731-1990	mike@greenwattglobal.com
Natalie Shapiro	CPM	(201) 612-3221	shapiro@cleanpowermarkets.com
Nick DiNucci	Solar Energy Assoc	(856) 229-5122	ndinucci@verizon.net
Owen Hyland	Alternative Energy Associates	(973) 764-5705	ohyland@altenergy.com
Pamela Frank	Sun Farm	(908) 806-8682	pam@sunfarmnetwork.com

Pat McDonald	American Capital Energy	(914) 834-2863	-
Patrick Murray	Solar Home Energy Solutions, LLC	(856) 778-4111	patm@solarhomesolutions.com
Peter Robilotta	EVCO	(973) 324- 7000 & (973) 986-7793	probilotta@evcomechanical.com
Phil Galletta	RR Renewables	(732) 634-0326	pgalletta3134@comcast.net
Reza Khani	Petra Solar	(732) 379-6964	reza.khani@petrasolar.com
Robert Simpson	Brother Sun Solar	(973) 835-2694	robertwsimpson@verizon.net
Ronald Jackson	BPU-OCE	(609) 777-3199	ronald.jackson@bpu.state.nj.us
Scott Hunter	OCE/NJBPU	(609) 777-3300	-
Scott Schultz	Advanced Solar Products		scott@advancedsolarproducts.com
Scott Weiner	Resource Energy Systems	(201) 845-8855	sweiner@resglobal.com
Shihab Kuran	Petra Solar	(732) 379-5566	shihab.kuran@petrasolar.com
Steve Wiese	CSG	(512) 653-9651	steve.wiese@cleanenergyassociates.com
Susan LeGros	Solar Alliance	(609) 513-7295	spl@stevenslee.com
Tammy Gray	VEIC	(732) 218-3418	tammy.gray@csgrp.com
Thirza Jacobus	PSE&G		thirza.jacobus@pseq.com
Thomas Raleigh			traleigh@qallieng.com
Tom Donadio	JCP&L	(973) 401-8534	tdonadio@firstenergycorp.com
Tony Shay	Petra Solar		tony.shay@petrasolar.com