



## Renewable Energy Committee Meeting

September 10, 2013

BPU 1<sup>st</sup> Floor Meeting Room - Trenton, NJ

1:00 pm to 3:30 pm

***Disclaimer:** This RE Committee is an opportunity for stakeholders and other interested parties to have open and frank discussions regarding policy and issues confronting the renewable energy community that are within the jurisdiction of the Board. These meetings are intended to address issues of general concern. Staff cannot comment on or provide specific answers to questions about pending applications or petitions. Ultimately, information provided and positions developed during these meetings may or may not form the basis for Staff recommendations to the Board. By law, statements made by Staff cannot bind the Board in its decisions. Only the Board can make decisions on these matters at its Open Public Meetings. While attendees may choose to record or take notes of the meeting, please refrain from interrupting the flow and/or tenor of the discussion with questions that pertain to your note-taking.*

### I. OCE Updates (B. Ackerman, S. Hunter, M. Ambrosio)

#### 1. FY14 Budgets

1. **Mike Ambrosio:** FY 14 budget was approved by the Board in the June order. The state legislature signed a state fiscal year budget of approximately \$193 million. \$32 million will come from a SACP account. The remaining \$161 will come from budget reductions in the NJCEP budgets. Staff is getting close to finalizing the proposed budgets and will circulate next week. Staff will be presenting the draft budgets at the October meeting. We're targeting the November agenda meeting for the Board to consider those budgets. They'll be posted soon.
2. The board only set funding levels for FY 15. It was for a 4 year cycle. Staff has organized working groups. The Program Administrator must prepare a strategic plan which will form an outline for a straw proposal.
  - **Betsey Ackerman:** The update for the RFP for the new program administrator is that Treasury's hearing examiner issued his report related to the RFP protests and forwarded the report to the Attorney General's office. That hopefully means resolution to the matter. Once this happens we'll accept the decisions of the hearing examiner for a strategic plan and a program administrator.

#### 2. Board Orders and Proceedings

1. **Scott Hunter:** At the last agenda meeting on Aug 21<sup>st</sup>, the Board approved an extension request, one from 3<sup>rd</sup> party suppliers, and another from the EDCs on behalf of BGS providers for the compliance/true-up period and the due date for the RPS updates. The true-up period goes from 5/31 to 10/1/13. The compliance reports are due 10/1. The Board approved the extension request but only for the solar provisions. It is a recurring request that comes from the

solar energy advancement act of 2010. That information isn't available in time for them to report the retail sales. The Solar Act of 2012 changes that once again for this year for percentages, but these are grandfathered under the gwh requirement.

2. There were two rebate approvals from the biopower program for the 2012-2013 fiscal cycle. Bergen county and Neptune Sewerage Authority.
3. Upcoming agenda
  - Several PSA's that have been lingering for a while. There are 2 or 3 on this agenda and 2 or 3 in October.
  - Extension of the JCP&L, Rockland Electric, and ACE EDC SREC financing based petitions. Staff is going to the Board with an extension request with that timeline
  - Two motions of reconsideration of the Boards denial of subsection t apps. The two projects are: Pennoni Associates and Millennium Land Development. Also there are two recommendations for subsection t apps with no decision right now. The Board Agenda is scheduled for September 18<sup>th</sup>.

## II. Discussion of the Solar Act (S. Hunter)

### 1. Subsection q.; Actions resulting from the August Agenda meeting

1. **Scott Hunter:** At the August 21<sup>st</sup> meeting, the Board approved 21 subsection q apps. They denied 8 subsection q apps. In addition, they directed staff to open another subsection q process on October 15<sup>th</sup> with the same procedures that were done in May. The deadline to apply will probably be October 31<sup>st</sup>. It will have the same process as the one in May, 4 pm activation of the **submission email address.**

- **Question from Audience:** If someone submits a notice and it's a fraction of a second before the time starts, how will they know that your server is on? Last time your email wasn't working
  - a. **Scott Hunter:** There are several servers. We never receive them if they send it before 4 pm. We will manually turn it on at 4 pm according to the world clock.
- **Question from Audience:** Are there any plans about merit?
  - a. **Scott Hunter:** It will be first come first serve
- **Question from Audience:** Any consideration to likelihood of completion?
  - a. **Scott Hunter:** We're implementing the Solar Act as it was written. Subsection s was different than subsection q. It does not say subject to the board's discretion. It includes key sentences that legislatures had about to carry out this process.
  - b. **DEP Representative on the phone:** I would suggest that you go back to the words in the different statues about what the Board can and can't do about subsection q. Each one has to be read separately.
  - c. **Mike Ambrosio:** The policy arguments that are being put forth are being done so because you have a legal issue. The attorneys have decided that the Board does not have the ability to set criteria. If someone thinks differently then he/she would need to present a legal argument about what to do.

- d. **Betsy Ackerman:** If you want the Board to reconsider the notion you would have to file a petition to the Board.
    - e. **Scott Hunter:** We recommended to the Board that they follow the same procedure. That was approved.
  - **Question from Audience:** Can you provide some clarity on the two sections on the SRP form: identify an executed EPC contract and the site host contact.
    - a. **Scott Hunter:** The SREC registration rules say that the EPC contract is not the only document that a registrant can submit. The information that is on the checklist is what the Market Manager put in the SRP forms. The SREC registration rules say that a contract for the installation or another legally binding document can be accepted.
    - b. **Charlie Garrison:** A developer could have a contract with a land owner
    - c. **Scott Hunter:** We will develop new SREC Registration rules for each of the subsections. Just develop a letter and submit it with the SREC registration.
    - d. **Betsy Ackerman:** If you have questions specific to your project, can it be done online. That could be before the Board.
    - e. **Scott Hunter:** We're trying to honor everyone who has other provisions.
  - **Scott Hunter:** Recommended changes for the SREC Registrations will be taken up in the rulemaking process
2. Subsection r.; Initiation of public rulemaking (S. Hunter)
    1. Among the Solar Act amendments that will be undertaken at the rulemaking process there are four or five criteria that need to be fleshed out. The process will be similar to subsection s Straw proposal. By June 1<sup>st</sup> 2016 we will have the rules done (that's the deadline). Staff will develop a straw proposal and distribute to the listserv and on the website and to this committee.
  3. Subsection s.; Board Order(s) deferral – Staff Straw Proposal for Public Comment (S. Hunter)
    1. Recommendation for rulemaking to the Board.
    2. Additional application milestone requirement were included in the staff's straw and released on August 5<sup>th</sup> with a 30 day period to submit comments by September 5<sup>th</sup>. The comments have been posted on a page devoted to public comments. In that straw staff issued a timeline that we will get comments out for review. The Board Orders have a lot going on with the EDC solar financing, the RGGI filing, and the extensions. Staff will still try to stick to the straw proposal deadline.
  4. Investigating Approaches to Mitigate Solar Volatility (C. Garrison)
    1. **Solar Installed Capacity Data**
      - The installed solar capacity as of 8/31/13 is approximately 1,114 MW.
        - a. Approximately 8.4 MW installed in current month.
      - The preliminary solar capacity project pipeline as of 8/31/13 is approximately 377 MW.

- a. The project pipeline decreased approximately 159 MW in the current month.
2. NJCEP Solar Pipeline Plus Installed Projects History
  - 8/31/13 – Combined installed and Pipeline: 1,491.4 MW
    - a. **Question from Audience:** Is there data that shows new projects that are coming into the pipeline?
      - i. **Charlie Garrison:** Yes, this is a pipeline on a monthly basis, but you can check on the monthly spreadsheet posted on the web.
      - ii. **Mike Ambrosio:** Tammy Gray will also report that later in the meeting.
3. **Question from Audience:** Should you separate out the grid supply pipeline between subsections?
  - **Charlie Garrison:** It is not significant to do so yet, but it will be down the line. They are also not in there yet until the applications get approved. Right now it's just projects that were already approved from the past. The September 30<sup>th</sup> report will have a better indicator of where we are from the Solar Act applications.
    - a. The Board order helps to define that as well for the capacity under each subsection.
4. NJCEP Solar Installed Capacity Forecast – As of 7/31/13
  - The 1,105.9 MW of solar capacity installed as of 07/31/13 and the additionally forecast installed solar capacity for the remainder of Energy Year 2014 is estimated to be capable of producing approximately 1,382,100 to 1,418,900 SRECs during Energy Year 2014
  - Will adjust the Retail Sales Estimated with the EY 13 Million MWh that just was calculated. (slide 13)
    - a. **Question from Audience:** How do you come to the 8% growth?
      - i. **Charlie Garrison:** The growth may be more than that but it's a conservative factor based on history, we won't really have an accurate number until November when we see what happens with the rest of the subsection q. solicitation.
    - b. **Charlie Garrison:** The low is based upon a 4 year historical run rate and the high is based on a 1 year historical run rate. It is a moving 48 month average. Right now I don't have the ability to differentiate the growth rate for the 2015 and 2016 energy years. (slide 14).
    - c. **Larry Barth:** Are you going to scrub the grid projects that don't have a home in s, t, and q?
      - i. **Charlie Garrison:** When the Board Order came through, we took no action on expired grid supply projects. Once the order came out that we were able to process them according to the SRP process, we continued to expire at the normal 12 months mark. For the projects that were approved in the Order, since the Board directed the applicants to submit a new SRP registration for their projects we will expire the old one once we get the new application. For the eight that were denied, if they expired

we would have expired them already and sent a regular expiration letter.

- d. **Question from Audience:** Is there anomaly that we get more installed in Q1, as we're seeing a lot less in the YTD, why is it 100 MW less?
  - i. **Charlie Garrison:** We have typically seen a strong finish and the energy year doesn't end until May 31<sup>st</sup>, so there is a lot of time left. The grid supply projects alone could take up that amount. The volume is driven by residential and small commercial, but the capacity is driven by the grid supply and large commercial installs, which are harder to predict coming in.
- e. **Pam Frank:** Will the residential percentage of the net metered projects continue to grow?
  - i. **Charlie Garrison:** It has always been a large percentage, but it would take a large percentage for that to make an impact.
- f. **Current SREC Trading Statistics:**
  - i. Perhaps July could be a similar number for weighted average price, but it will start to go down through the end of November.
  - ii. Less than 1,000 of the 1,595,077 SREC Trades are above \$500, they are mostly the result of long term contracts, not an average.
  - iii. **Mike Ambrosio:** Do you have any visibility on the average on the spot market?
    - **Charlie Garrison:** No, we don't, but we've been asking.
  - iv. **Mike Ambrosio:** What is the status on the solar volatility report process?
    - **Scott Hunter:** The report is coming from CEEEP to us in the spring then we send to the legislature by July. There will probably not be a staff straw proposal as it is more of a study.

### III. Program Updates

1. Biopower working group update Energy Storage working group update (J. Lupse)
  1. The first meeting was July 23<sup>rd</sup>, and the next is September 20<sup>th</sup> at the DEP hearing room. The Biopower meeting is at 10 am, followed by the Energy Storage meeting at 1 pm. The email was sent out last week reminding everyone with Biopower notes and the Energy Storage notes will be sent out soon. There will be a straw proposal for recommendations on the solicitation. Energy Storage will need a little more time for input and feedback to get a proposal ready. The solicitation is scheduled for the last quarter for Biopower and the 1<sup>st</sup> quarter of next year for Energy Storage.
2. Operations Update (T. Gray)
  1. 589 SRP Registration Projects submitted in August
    - 532 SRP Registration approval in August for 10.4 MW
  2. 575 Final As Built Paperwork packages submitted in August
    - 370 SRP Completions for 9 MW

- Tammy said she will separate out the Res PPA's in the next update.
3. These numbers do not include Grid Supply yet; the applications are starting to come through in September for Subsection q.

#### IV. Update on Interconnection Issues (J. Teague)

1. Stakeholder meeting: Reminder on 9/11/13 is the next Net Metering & Interconnection Stakeholders Meeting
  1. Agenda went out last Friday. Working on a firefighter safety program. There is an MOU with DCA. BPU is providing funding for DCA to convert a video that they have to DVD's and distribute those to the volunteer and career fire departments in the state of NJ. More detail on that tomorrow. Anyone can call into the meeting if you can't attend in person.

#### V. RPS Issues (R. Jackson)

1. Staffs investigation into inquiries about SREC creation in PSEG's Pole-attached Solar Program
  1. Scott and Ron are planning to meet with PSE&G for more information.
2. Review the EY 13 RPS compliance process and Solar RPS preliminary calculation information
  1. RPS Compliance Process and Solar RPS preliminary calculation information was sent out and they were similar to last year. The difference is there is no exempt load for the solar requirement. The last few years we always have to get information from the EDC's and third party suppliers. They have until the end of the week to make adjustments for Ron Jackson, and then the estimates will be calculated from that number. The requirements are all in the 5 documents that were sent out on 9/5/13. Questions on the RPS requirements for 2013 can go to Ron Jackson or [oce@bpu.state.nj.us](mailto:oce@bpu.state.nj.us)
    - This was sent out September 4<sup>th</sup> 2013 and is called NJRPS EY13 solar compliance instructions.

#### VI. Other Topics / New Business

1. The next RE Committee meeting is October 9<sup>th</sup>, 2013 (Wednesday)

## Renewable Energy Committee Meeting

### Attendees

Tuesday, September 10, 2013  
Board of Public Utilities

1:00pm - 3:30pm

Initial	Name	Company	Phone	E-mail
x	Ackerman, Betsey	OCE/BPU		<a href="mailto:Elizabeth.Ackerman@bpu.state.nj.us">Elizabeth.Ackerman@bpu.state.nj.us</a>
x	Ambrosio, Mike	AEG		<a href="mailto:mambrosio@appliedenergygroup.com">mambrosio@appliedenergygroup.com</a>
x	Barth, Larry	NJR	(732) 919-8040	<a href="mailto:LBARTH@njresources.com">LBARTH@njresources.com</a>
x	Chapman, Shaun	SolarCity		<a href="mailto:Schapman@solarcity.com">Schapman@solarcity.com</a>
x	Corkedale, Olivia	Gabel Associates	(732) 296-0770	<a href="mailto:olivia.gabelassociates.com">olivia.gabelassociates.com</a>
x	Diaz, Jeremiah	CSG		<a href="mailto:jeremiah.diaz@csgrp.com">jeremiah.diaz@csgrp.com</a>
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