

Renewable Energy Committee Meeting

September 20, 2011
CSG Office - Iselin, NJ
1:00 pm to 3:20 pm

Meeting called to order at 1:00 pm
Introductions

I. Regulatory Update (M. Winka)

Mike Winka: Tomorrow there is an agenda meeting, so there are a number of items on the clean energy agenda; we're approving new protocols or revised protocols, mostly changes from code and adding new programs into the protocol. We have our 5th revision to the budget. They're basically moving dollars to and from programs that are spending money to programs that have money in the budget. One change is the extension of Home Performance with Energy Star, an initiative through the end of the year for the winter season heating and then things will pick up on the budget for that issue. The 2011/2012 state energy plan, that's a DOE funding source, somewhere around \$1 million, is federal formula funding to the state. Our submission in that regards that to continue the EE rebates on non IOUs and other programs we started under the ARRA program. We have the extension request from the EDC's and the RESA third party suppliers, in regards to the 2011 reporting and true up period, and that's on the agenda. The requests were 30 days from the EDC's and RESA was asking for 90 days. The board and staff will be making a recommendation tomorrow. The 15 year schedule for solar ACP is on the agenda for tomorrow. The regulations provide for the president to establish the ACP advisory committee, and probably any association that had something to say about the solar ACP was invited to participate. There were several rounds of discussions, it was deferred based on the Energy Master Plan, (once the EMP was out and the draft, we picked that back up again with a proposal.) You can talk to your assoc. member to see what the proposals were. I don't think we made them public, just to the association members. Depending on how the board reacts to the recommendations we'll see where to go.

Mike Ambrosio: Is the board adopting a schedule tomorrow?

MW: It's a process

Scott Hunter: But it will release the schedule that the staff recommended, and we'll be taking public comment.

Michael Fried: When will that release take place?

SH: After the board agenda meeting, it will be distributed.

MW: We're starting the funding level discussion from 2013 to 2016, the last funding level in the 2009 to 2012 funding levels was adopted by the board in December of 2008, and we're starting that process to have the board make a decision on the 2013 to 2016

funding level by early 2012. Also on the agenda is the offshore wind consultant, based on the offshore wind economic development act. It was directed to procure the services for the consultant for the applications for off shore wind. We have one application in already from fisherman Atlantic City wind farm, which is within the 3 mile limit. The off shore provisions have not been opened up in terms of applications.

SH: It would be valuable to talk about what the CRA (Comprehensive Resource Analysis) is. Rate council said there should be a rate impact on every year for the budget. Rate impact analysis is done during the CRA, it sets the funding levels for the next four years.

MW: The process is, there were two statutory requirements for four funding levels set in legislation. The board would go through a funding level procedure (called a comprehensive resource analysis) every four years. We start that with asking questions in a proceeding, then the board sets up a hearing with a commissioner or the president of the board, based on that we then develop the funding levels with the rate impact associated with that funding level for each year for the next four year, based on the EMP goals and or the goals that are established for the Clean Energy Program by the board, and how to achieve those goals based on SBC. We then establish those funding levels and there is a rate impact that occurs, and the board accepts that rate impact that goes into the SBC. Then every year there is a proceeding that occurs on the SBC, mostly every utility then goes through that process of incorporating that within their rate structure in their rate. That analysis happens on the rate impact happens every 4 years, not every year. We already have a rate impact set by the board for 2012.

SH: Some confusion may come from the term for new funding – the funding was really established with the CRA that's approved by the board

MW: Right, it's new funding for the next year, but the funding level is not new, the funding level is established by the board, and the rate impact has already been set.

SH: Somebody that misses every meeting might not understand that.

George St. Onge: Is the revenue meter new rule, on the agenda for tomorrow?

SH: No, Staff is responding to the comments, maybe on the agenda for October 14th.

a. Energy Master Plan

MW: EMP is out in draft, there are four workgroups set up, one on the clean energy funding level, biomass, transportation and innovative technologies. They're due to come out with the draft by the end of the month, and will be public by the 15th of October.

b. Legislation

Legislation was in yesterday, there were a number of bills on the legislature regarding clean energy. The board made a couple of suggestions on amendments to all of the bills on there, but I don't know what the outcomes all were. One of the ones that we opposed was an order that would have required that the funding level to stay the same or equal to the funding level for 2011 and we pointed out that that would have meant reducing the funding level instead of what I think the bill was supposed to which was increase the

funding level, so we didn't support that bill. The RFP/RFI is out, we circulated those comments to the work groups for the EMP and all of the comments will be circulated on the website.

c. RFI / RFP for 2013-16 NJCEP

MA: I want to clarify a few agenda items; one is the 2013-2016 NJCEP that's really the CRA proceeding that Mike talked about that the board will kick off the proceeding tomorrow to consider taking comments on the funding level for next year. The RFI/RFP is related to management oversight of the programs. What Mike was saying was that the treasury reissued the RFI, a number of entities submitted comments in response to the RFI, and we will post the comments on the website so everyone can see the response to the RFI. Staff is in the process of taking those comments and developing a RFP to post and take proposals on program management.

MW: Obviously we were trying to get a RFP out by September, but we're not going to issue that before we get a recommendation from the work groups on clean energy funding program and part of that question was administration, and it's not good format to come out with an RFP before we get some of those recommendations. Based on public hearings that will be set up for those reports, it will be a tight time frame to get the RFP out by the end of the year. The contracts for Honeywell and TRC expire 1/19/12, and we're in the process of working with treasury and then make a recommendation to the board on next steps on those contracts. Obviously our recommendation is to extend those contracts. We're not going to make a recommendation that they wouldn't be extended. The issue is the time frame for that extension, 6 month or 12 months. We'll keep you up to date on when the board makes that decision.

Janja Lupse: When will we have the RFP responses –October/November?

MW: As soon as we can issue the RFP after we get the recommendations from the workgroups, so yes, probably Oct/Nov time frame. We need to be on the street with the RFP before we can make a decision on the extension of those contracts. So we're just trying to make sure the timing works out.

d. Overview of Sept 15th discussion of “Next Steps” for the solar transition

MW: I talked to Tom Johnson who said this was going to be the solar summit, and the board was going to present a position on SRECs which Tom said he was never going to print any retractions but he thought it got it close to right. It was a large crowd. We were asked by the board to take a look at the structure of the markets- the EDC SREC programs and both PSE&G programs and the three other utility programs, in addition there were a number of comments from EMP hearings about some structure to look at the bottom or surety of the market, we have a solar ACP in terms of a cap and they were asking staff to look at the other mechanisms on the other side of the market. Obviously, the acronym is a floor program in regards to that market, so that was added as a requirement or direction from the board to look at those. We started that process on the 15th by asking a series of questions, we'll start to narrow down those questions and hopefully narrow down that field. It's not possible to have a discussion with 150 people in the room. We have to get down to a work group that can work on a solution or

recommendation, that we can have input on or that we can just write it ourselves. I think it's better if we get to a work group that is representative of the industry and work out a recommendation and provide that to the board. On the other side, there's rate council and other folks that are in that process. We're taking all the comments and recalculating them and we'll get to a more focused discussion on options across the board. In the next 3 weeks we'll get a discussion on that. Our goal is to get a recommendation from the board on the EDC/SREC programs before the December solicitation. One thing we looked at that the solar alliance made a proposal on was the added new capacity in the market because of the solar advancement and the fair competition market. That added additional capacity within the solar RPS. The initial order was in regards to the reporting year capacity, we're presented that to the DAGs, they've read that and they've provided us some direction on how to interpret that order, well have that discussion, there's a recommendation that we'll make to the board, but then there's also a process we have to follow because a subsequent order in regards to those proceedings was it set specific capacity for the participants in those programs. There's a recommendation that the staff will make in regards to that additional capacity, then the board will provide some direction in terms of our process. The last solicitation may not be the last solicitation. That was the 8th solicitation that just ended and we're going through the evaluations from the solicitation manager, and we'll make some recommendations to the board in the October agenda.

Adam SunRun: Is there a recommendation tomorrow on EDC?

MW: No, there's a recommendation for the Solar ACP for the 15th. I think that we are a couple of meetings away from having that discussion.

Status Update (S. Hunter)

N.J.A.C. 14:8 rules amendments

We're no longer calling it a rule re adoption, it is a rule amendment to the regulations in Title 14, Ch 8. The rationale is that it is explained pretty well in the July stakeholder meeting notes that are on the CEP website. Those amendments were posted in the NJ register from March 30th board agenda meeting, on May 2nd with a 60 day comment period that ended July 2nd. We're compiling those comments into a comment response rule adoption document with recommendations for the board and it probably won't go to the board until October or November. That includes all of chapter 8, Renewable Portfolio Standards, environmental disclosure, net metering/interconnections, etc.

GS: What about the revenue meter? We have 6 months to put the meters in after the adoption?

SH: We're working with the market manager to notify all the existing systems about the new law when it's effective, so we hit the ground running.

MF: You're going to require re inspection?

SH: No, perhaps verifications. We will do a random pull for inspections, but not targeting this metering requirement though.

GS: If we're just sending in meters, wouldn't picture and meter form be ok?

SH: I don't think our plans are firm or final on how we're going to check.

GS: So it will be sent over to GATS?

Tammy Gray: We've already spoken to them so we're trying to figure out the best way to move forward.

Scott Schultz: At some point they have to transition over from estimated meter reading to actual meter reading, and the actual, I don't know what paperwork would be required, but they need something to transition the user.

JL: Wouldn't they have to be online?

TG: I don't know if there's automation involved, we have talked to them about that though. We're not there yet on exactly how we're going to move forward but we have discussed it with them.

Angela Sehein: Does it have to be installed on the exterior of the house?

TG: No.

AS: So if you're going to verify you have to notify the customer that you might need access to the house.

Small wind program and upcoming SWWG

SH: Staff has recommendation for the MM based on the public stakeholder process and comments we've received from the small wind working group to changes to small wind rebate program to ensure that no additional program participants are left with a failed wind turbine that they no one will take down. We'll be making changes to the compliance filing through the small wind working group, which will reconvene around late October. Once we have the finalized recommendations for changes to the compliance filing, we'll forward to SWWG for comment, and then we'll convene to discuss those changes late October.

Net metering Meeting

Agenda from topics that were discussed on the 16th are on the net metering section of the website and materials as well. There was a request to convene a working group to discuss the Solar Alliance and IREC requests to change the regulations from screening for interconnection and the maximum penetration levels for renewables on circuits. We're reaching out the DOE to gage their willingness and availability to discuss that specific issue and other technical issues surrounding net metering and interconnection. We'll reach out to the trade associations and the net metering and interconnection listerv to see if anyone is interested in attending those technical meetings. We don't anticipate those to occur until November at the earliest.

MW: The tracking system- That's up and live?

Charlie Garrison: That's already live.

SH: The first part of the agenda last Friday was the discussion of the contiguity and adjacency issues, of the ability of having a generator located on one property and supply power to an adjacent property not currently contained in the net metering/interconnection regulations as they exist. We're developing some new language to this stakeholder

process and we got some comments to update that scroll. We'll be making those changes and putting them out for public comment again before we start the rulemaking process. MW: Also the safety issue of the mark out. When you call for a mark out, there are all the utility infrastructures that are marked out. This may not be covered by that rule, so there are some safety issues we need to address.

2012 Preliminary Program Budgets (M. Ambrosio)

2011 7&5 Report

9/20/2011

2011 Carry Over Summary

	2011	Estimated	Estimated	
	Budget from	2011	2011	Estimated
	9/21/11 Order	Expenses	Carryover	Commitments
	(a)	(b)	(c)=(a)-(b)	(d)
Energy Efficiency Total	\$325,875,452.17	\$150,531,907.36	\$175,343,544.81	\$106,250,471.95
Renewable Energy	\$90,112,891.01	\$51,281,469.81	\$38,831,421.20	\$31,329,907.95
EDA	\$57,634,153.38	\$7,035,017.00	\$50,599,136.38	\$31,140,000.00
OCE Oversight	\$7,701,050.81	\$5,974,124.80	\$1,726,926.01	\$0.00
CEP Total	\$481,323,547.37	\$214,822,518.97	\$266,501,028.40	\$168,720,379.90
True Grant	\$25,000,000.00	\$10,625,500.00	\$14,374,500.00	\$14,374,500.00
Total	\$506,323,547.37	\$225,448,018.97	\$280,875,528.40	\$183,094,879.90

- (a) = Revised 2011 budget (pending approval at the 9/21/11 board agenda meeting)
- (b) = sum of actual expenses through 7/31/11 plus projected expenses from 8/1/11 to 12/31/11
- (c) = estimated 2011 carryover = 2011 budget minus estimated 2011 expenses
- (d) = estimated commitments as of 12/31/11 to be paid in 2012 or 2013

2011 Estimated Revenues from EDA interest and loan repayments				\$51,293.44
FY 2011 Trust Fund Interest				\$652,396.37

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True Grant	Actual Expenses	Projected Expenses	Total Estimated Expenses
	\$4,625,500.00	\$6,000,000.00	\$10,625,500.00

True Grant expenses represent funds advanced to the True Grant awardee

Draft 2012 Budgets

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Proposed 2012 Program Funding						
	New 2012	Estimated	Other		Estimated	2012 Funding
Budget Category	Funding	2011 Carryover	Anticipated New Funding	2012 Funding	Commitments	Less Commitments
	(a)	(b)	(c)	(d)= (a)+(b)+(c)	(e)	(f)=(d)-(e)
Energy Efficiency	\$300,250,000.00	\$175,343,544.81	\$896,522.37	\$476,490,067.18	\$106,250,471.95	\$370,239,595.23
Renewable Energy	\$20,000,000.00	\$38,831,421.20		\$58,831,421.20	\$31,329,907.95	\$27,501,513.25
EDA Programs	\$0.00	\$50,599,136.38	\$51,293.44	\$50,650,429.82	\$31,140,000.00	\$19,510,429.82
OCE Oversight	\$6,500,000.00	\$1,726,926.01		\$8,226,926.01	\$0.00	\$8,226,926.01
True Grant	\$0.00	\$14,374,500.00		\$14,374,500.00	\$14,374,500.00	\$0.00
Total NJCEP	\$326,750,000.00	\$280,875,528.40	\$947,815.81	\$608,573,344.21	\$183,094,879.90	\$425,478,464.31
Legislative Action	\$52,500,000.00	\$0.00	\$0.00	\$52,500,000.00	\$0.00	\$52,500,000.00
Total	\$379,250,000.00	\$280,875,528.40	\$947,815.81	\$661,073,344.21	\$183,094,879.90	\$477,978,464.31

(a) = 2012 funding level from September 30, 2008 CRA Board Order

(b) = estimated 2011 carry over from EE, RE, EDA and OCE Oversight budget sheets

(c) = Other Anticipated Funding: EDA interest and loan repayments

(d) = New 2012 funding, plus estimated carry over, plus other anticipated new funding

(e) = estimated program commitments as of December 31, 2011

(f) = 2012 estimated funding levels, less program commitments, as of December 31, 2011

**These are the numbers are all subject to change. They are for discussion purposes and are the numbers the Market Mangers are currently working with.

Proposed 2012 Funding from 2008 CRA Order

C&I EE	\$172,500,000.00
Residential EE	\$115,000,000.00
Low Income	\$30,000,000.00
Clean Energy Tech Fund	\$7,500,000.00
Total EE	\$325,000,000.00
RE	
Wind	\$25,000,000.00
Biomass	\$15,000,000.00
Small Solar	\$6,750,000.00
Clean Energy Tech Fund	\$7,500,000.00
Total RE	\$54,250,000.00
Total 2011 Funding	\$379,250,000.00

Proposed 2012 New Funding Allocation

C&I EE	\$147,250,000.00
Residential EE	\$65,000,000.00
Low-Income	\$35,000,000.00
Other EE	\$53,000,000.00
Total EE	\$300,250,000.00
RE	\$20,000,000.00
EDA	\$0.00
OCE Oversight	\$6,500,000.00
Legislative Action	\$52,500,000.00
Total	\$379,250,000.00

Note: draft allocations set out in the 2008 CRA are no longer relevant given the \$52.5 M State Appropriation

Additional Sources of Funding

EDA Interest and Loan Repayments	\$51,293.44
Trust Fund FY11 Interest	\$652,396.37
Funding Reconciliation Adjustment	\$244,126.00
Total	\$947,815.81

Funding Reconciliation Adjustment

Adjustment from 4/13/11 Order	(\$1,993,267.00)
Corrected Adjustment	(\$1,749,141.00)
Difference	\$244,126.00
update when report issued-Should =	\$244,126

GS: The REMI program – so is that dead?

MA: No, EDA is working on an alternative with a rebate based program. Right now it's .25 cents a watt-

CG: Right, There's a schedule based on the product.

MA: Right now they're working on it; do you have any comment on what you're working on?

EDA: Nothing beyond that, shortly we will have updates though for you.

Sarah (Rate Council): On the summary page of the draft 2012 budget, the legislative action, on the left hand, the \$52.5 million- is that an appropriation that has already happened?

MA: Yes, the fiscal year 2012 state budget appropriated \$52.5 million from the clean energy trust fund.

Sarah: I'm just wondering about the timing of that. I thought that the appropriate was from the funds that had already been selected.

MA: There was the same \$52.5 million last year's state budget. What Treasury has done is that while the state works on a fiscal year July to July, we work on a calendar year. So they took the funds out during this calendar year or budget year for fiscal year 11, and apparently the same thing during calendar year they'll take another 52.5 out for the current fiscal year.

MW: We have an agreement with Treasury that they will make that deduction out of the 2012 clean energy budget not the 2011.

Sarah: So the appropriations already happened, that's the agreement you have with Treasury to take the money out of cal 2012, is that in the legislation?

MW: No, it's just a fiscal year amount, we could pay it out of 2011, but it's a 2012 fiscal year and since it's probably better if we plan it in 2012 as opposed to draw it down in 2011.

Sarah: Is that a written agreement?

MW: No it's just a paperwork issue between the funds, but the state appropriations act is available and that's where the \$52.5 million comes from.

SH: Didn't we talk about zeroing out clean power choice?

MA: Yes but MW wanted to leave it in.

Beth (Rate Council): I'm not understanding where \$20 million under line item transfers comes from?

MA: That will be out in the next version that was the \$20 million that Mike talked about for CHP, and then this morning we decided that rather than showing it here we'll create a new CHP line under Energy Efficiency. If you look at the EE budget sheet there's a minus \$30 million, and I put \$10 million of it up top to the multi family pilot, and another \$20 million that came out of to Renewable Energy. Based on this morning's discussion I'm going to add another line under EE for the CHP solicitation and I'll put it on the EE page instead of rolling it in with the RE program budget.

Sarah: Are we going to get the back up for the proposed allocations?

MA: No, it's based on the discussions at these meetings and recommendations from staff. They'll probably be revised a few more times based on the comments that come in.

Beth: When does the revision come out with that new line item?

MA: Probably in the next few days. Once I get the final numbers from staff about their budgets and then I'll circulate them around.

SH: So the \$20 million for EE is from 2012 budget and the \$7.5 million for RE is from the 2011 budget?

MA: The \$20 million is from the 2011 budget. So you have \$7.5 million in there now If you go to the renewable page, you see that you have a budget of \$11.2 million, but only \$3.5 committed. The difference is uncommitted, unspent and that's what you have available for this year. The proposal is to add another \$9.5 in for next year. So right now the difference between \$11.2 and \$3.5 is what you have, minus the \$360 in expenses so

that's how much you have available. The 20 million from this year's budget, it's a line item transfer from this year's budget. I'll show it differently in the next version.

2012 Program Planning (C. Garrison, D. Hill, R. Reisman)

Events to Come

Sept. 26 – Complete draft of Compliance Filing submitted to BPU

October – BPU Solicits public feedback on filing

November – MM incorporates feedback into final filing as needed

December – BPU adopts MM's plan

SREC Registration Program (SRP) Modifications

- Transitioning to electronic registration and processing

CG: We are working on this but it has not gone as quickly as we would have liked it to.

- New paperwork requirements for 2012
 - One recent EDC electric bill
 - Site map
 - Contract (key items)
 - Construction schedule

CG: We say these are new, but really these are requirements that we are bringing back from 2010.

- Maintain 10% rate of project verifications for SRP
 - Conduct meter verifications as requested by OCE

Solar Program Outreach

- Solar Technical Working Group
- Financing webinars
- Outreach to realtors and appraisers (both RE and EE)
- Educate the public on importance of "Efficiency First"

Wind Program

- REIP wind program still temporarily closed due to safety concerns stemming from blade failure and fire

- Need to assess the impact of the lengthy program shutdown
- MM provided draft recommendations to OCE revising 2011 program requirements and structure based on working group input and written comments
- Revised 2011 program will become 2012 program recommendation
- Small Wind Working Group meeting scheduled for 3rd week in Oct.
- REIP Wind Program currently has revisions under review
- Wind Program once reinstated is recommended to have more segment focus and outreach.

Biopower Program Outreach

- Recommending more segment focus and outreach to high potential, high value industries and contractors:
 - Partner with the Rutgers EcoComplex and other NJ universities and colleges to expand industry knowledge and opportunities for biopower systems in NJ.
 -
 - Review and update statewide feasibility studies that could serve as a basis for site- and project-specific feasibility studies
 - Highlight Rutgers’ 2007 “Assessment of Biomass Energy Potential in NJ”
- Promote availability of funds for project and site-specific feasibility studies

Preliminary 2012 RE New Funding

<u>PROGRAM</u>	<u>(\$Million)</u>
Offshore Wind	\$.500
REIP	\$10.000
RE Direct Grid Supply (non-solar)	\$ 9.500
Total	\$20.000

GS: The Combined Heat and Power program is \$35 million?

MA: No, \$20 million. There was \$35 million in it for next year.

GS: Will there be RECs for CHP?

Ron Reisman: Unless it's sustainable biopower

MA: Not under current law or legislation.

David Hill: If it's a class 1 renewable it can.

RR: Natural Gas would not get RECs, but if it was anaerobic digestion it could.

CG: We haven't seen any come through since the program began.

RR: There are 2 in the pipeline right now, but for this budget.

AS: For 2012 paperwork, what is the construction schedule?

RR: It will be for all SRP apps, it doesn't have to be very detailed, but we'd like a start date and an end date probably.

JB: We're not really sure yet how detailed it will be, it is just in the rule proposal.

GS: Is the contract part for 2012 Calendar Year? Or Energy Year?

SH: If the board approves the compliance filing then it goes into effect Jan 1, 2012.

MW: It should basically be the same time frame, the rule adoption and the compliance following.

2011 Program Update (C. Garrison)

The preliminary installed solar capacity as of 8/31/11 is approximately 430.4 MW.

- 31.1 MW installed in current month

The preliminary solar capacity project pipeline as of 8/31/11 is over 541 MW.

- Approximately 529 MW (97%) of pipeline projects are registered in the SRP program.

Guidebook Timeline:

1. Draft version of SRP guidebook will be out this week
2. MM will accept comments for 30 days from date of release.
3. MM will review comments with OCE and if necessary make changes where appropriate
4. Final version of guidebook will be posted after review with OCE

SRP Guidebook Update Key Items:

- Eligibility to Participate in SRP
- System output meter location and adjustment factor
- Eligibility for systems installed at the same site
- SRP Extension Policy

MF: How often are you scrubbing the lists?

CG: Once the expiration date is passed we send out a notification. We allow some amount of time for them to respond, but once we're sure that they haven't reached out to us, we would expire the project. Very rarely do people write to us to ask us to cancel the project early, but sometimes that happens.

MF: what about old REIP's and CORE's?

TG: About twice a month we go through and expire any projects that are passed their dates.

CG: There are about 20 CORE projects that are all covered by some sort of board order or an extension, and we look at those dates and if they haven't made those requirements by their expiration date then they would be expired.

MF: The old CORE's are being handled in what timeline?

CG: It's about 30 days to do what I just described, and make sure they haven't gotten their paperwork in and to get that notification letter out.

Q: What of the percentage of the pipeline projects are Grid Supply?

CG: There is a column on the spreadsheets for Grid Supply to find what that amount is. Maybe on the next update I can add that as a bullet in my next presentation.

TG: There were 12 approved in August.

Fred Lynk: Don Cook asked me to bring this up, on your last slide you talk about guidebook changes, the first bullet there. Is there any ongoing obligation on the part of the EDC's to vouch for the projects that are going to continue to be eligible for SRECs. When we give an interconnection agreement, we ascertain that the load is 100% or less. If an expansion takes place in the future, we'll ask the customer generator to submit a new interconnection app. How do we coordinate things like that with the SRP registration program?

CG: This bullet point is written from the view of the SRP registration. It's telling the customers that they must work this out with their EDC to get the authorization. We don't approve that application for SRECs until we get that EDC notification.

DH: That would apply also to the eligibility for the systems too and the discrete phasing of them would be the same type of thing.

FL: I don't have a problem with that. Don may have read something into this, if the load drops off and they still have the same customer generator, we've not been policing that as long as it's the same customer generator. If we have a new customer generator, then we ask for a new interconnection. We do not routinely monitor what's happening with these solar systems if they're still eligible for the size system they've installed, that's not what this is about though, correct?

SH: No, this was a direction from the board to give a notice, because there was a particular customer who didn't know he actually had to have a utility bill to net against in order to net meter.

CG: It also gives to each of the EDCs, something to refer to because this is something that will be in writing and the customer has to acknowledge this, so when the customer says 'I didn't know', you can say yes you did because the clean energy program advised you that you had to have the load.

Glen Coding (Green Sun Energy): The pipeline data you present, what qualifies an application for pipeline? Is there any way to track the scrub rate of projects that don't follow through?

CG: Pipeline is based on all approved projects in SRP, REIP, CORE and others that are fully compliant, but in our system are only in the data entry status. The second part, and people have asked this before. It varies between 16-20%. SRP scrub rate is at about 15%,

and the REIP is at the higher end of that at 20%. CORE might be 25% or 30% because there aren't many and they're winding down. The plan going forward would be to provide some data on the scrub rate though.

GC: Also you provide a forecast chart where we project out the next few months, and the forecast high and forecast low are the actual numbers. Can you publish the previous month forecast low and the actual forecast the next month too, so we can do a true up?

CG: You can basically see that, for comparison I could send you a January report, I don't want to confuse the whole list.

GC: Sure, I just wanted to be able to see a line of the previous months forecast with it's actual.

CG: In the next version I'm going to increase the amount of time in the forecast as well.

GC: Great, thank you.

2011 Operations Update (T. Gray)

August applications were higher but due to the EDC Solicitation. We're at 412 by about mid September, so we're on track to get around 700 again in September.

- SRP Registrations received through 8/3 are being approved the week of 9/12
- SRP Registrations being reviewed 8/10

We're slightly behind on approval timelines from the EDC solicitation applications.

NJ Certification Numbers

SRP Registrations 3-4 weeks

REIP/CORE Applications 4-6 weeks

Record Month for August:

August Approvals: 797 projects – 129 MW

August Cert Numbers Assigned: 685 - 27 MW

Year to Date

Approvals 5352 Projects -531.6 MW

NJ Certification 3706 Projects -164.6 MW

GS: At the meeting the other day there were new companies entering the field. I was wondering if consumers could go to the website to see the various deals offered by the no money down offers. There are discrepancies between what I would think is a good deal, and an average deal.

TG: We couldn't post that information, they have their own websites and that's not our role.

CG: We just have a vendor list for residential or commercial, or if they offer PPA's now.

RR: There's also a hyperlink on the companies name that would take you to their website.

MA: I think it doesn't make sense to publish people's offerings, but there is a consumer education role in there that encourages customers to get multiple offers and shop around.

Luke ASL Solar: We are also seeing a lot of offers from companies who are originally out of state and inflating the system costs to abuse that solar loan tax credit. Can we address that or let consumers know, or determine a cap or fair market price that customers should expect to pay for a system.

Lyle Rawlings: For PPA's that illegal too.

Luke: I've seen systems where there selling at \$12/watt. So the income tax credit is going to wipe out that out of pocket cost.

MW: If you have that you should send to the IRS, because that's where the enforcement can take place. I'm sure the IRS would like to know that.

Update on Interconnection Issues (J. Teague and C. Garrison)

CG: As far as the web form goes, I sent out a notice to the distribution list and people are starting to use that. AEG sent the first report to each of the four EDCs. The process has begun where the list will be forwarded to the EDCs and then they will respond to the customers using their own internal process. Then twice a month they will update us if it's been resolved and what comments they have. I also want to point that that if you're doing the initial application step, at that point you don't have the SRP number or an EDC reference number. So those items would only be required after you've done the initial application. We'll have to make those pull down menus on the form not mandatory because you wouldn't have a number.

SH: We covered a lot of things at that meeting on Friday the 16th. One was that bloom energy fuel cells has a request to be considered a class one renewable for purposes of net metering and interconnection. That might not be an issue to this committee, but it is an issue for net metering and interconnection.

LR: We fought that ten years ago.

SH: Well you fought it in relation to societal benefit charge fund use and grants and rebates. Here it is an issue for net metering and interconnection because we have in the statute a tool for the board to review the impact on rate payers for net metering and 2.5% of peak load to review the costs and the impacts of the program and interconnecting net metering fuel cells is going to hasten the day that we're at 2.5%.

SS: We're at 1% now right?

SH: No, I think 1.5%

LR: It is a conceptual problem that to say that a fossil fuel device is a renewable energy resource.

SH: They're pointing to the regulation that fuel cells are called class one renewable energy.

MW: The statute defines class one renewable without any addition. The question is whether the statute controls or the regulation controls.

SH: We had circulated the bloom proposal and we're waiting for comments.

GS: The fuel behind it is natural gas?

SH: Yes.

MW: The statutory language just said that fuel cells are a class one REC, it didn't say it had to be fueled with renewable fuel. The issue that Scott said is that we dealt with the

SBC funding, but we're going to have to have the attorney's go back and look at the statutory definition.

GS: What is the benefit that a natural gas product is classified as renewable energy?

MW: I would imagine they would get RECs and they would get resale for the price of electricity, just like a solar system or wind system.

SH: There's also a benefit to have a streamlined interconnection process.

FL: I was at the net metering meeting; it wasn't clear to me what blooms path forward was. Have they made a formal petition for a declaratory order?

SH: We've been taking comments on their proposal, but we didn't give them any instruction to petition the board.

MW: We can ask informally, but I think that path way forward is that we'll respond to them in the net metering and interconnection meeting.

Upcoming Events

a. RE Committee meeting schedule for 4th Quarter

October 11, November 14, December 20 (this date may be changed) (all in Iselin)

Renewable Energy Committee Meeting

Attendees

Tuesday, September 20, 2011
 Conservation Services Group

1:00pm - 3:30pm

Initial	Name	Company	Phone	E-mail
	Ambrosio, Mike	AEG		mambrosio@appliedenergygroup.com
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	Corkedale, Olivia	Gabel Associates	(732) 296-0770	olivia@gabelassociates.com
	Damiani, David	CSG	(732)218-4420	david.damiani@csgroup.com
	Ferraro, Joanne	Solar & More	(973) 810-0936	jferraro@solarmorestore.com
	Ferraro, Tom	Solar & More	(973) 810-0937	tferraro@solarmorestore.com
	Fried, Michael	Solus Energy.com		mike@solusenergy.com
	Garrison, Charlie	Honeywell	(973) 890-9500	charlie.garrison@honeywell.com
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	Hill, David	VEIC		
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