

Renewable Energy Committee Meeting Agenda

February 8, 2011

Location: CSG Office Iselin, NJ

1:00 to 2:45

Meeting called to order 1:00pm
Introductions

Regulatory Updates – Mike Winka

Filing Updates: Two extensions of E3 program from SJH gas and NJ Natural. NJ Natural was approved, they will be approved through 2011 or until there is a transition of NJCEP. There is some condition in there.

PSEG under e3 programs have made a filing. They filed in 3 markets. They have 30 days to go through that completeness review. We need a decision on if it is complete by February 28. If it is, it starts the 180 day clock from the time they submitted in the 3 markets: Hospitals, multi family, local Government/urban areas. They were all oversubscribed – These are new funds, not just extensions which is why they are going through the entire review process. There is a new condition that old extensions have to go thru a new filing, and there has to be in the appropriate time frame for when that E3 filing expires.

PS has requested to move 10MW of capacity from 1A to 1B in solar 4 all (Fred Link will do an update later on).

RECO has an e3 filing for extensions, which is not on the agenda for the 10th but will be on the March 9th agenda.

True up order on program budget needs further clarifying. The Board is looking for comments on goals of program. Honeywell and TRC's compliance filing was not fully complete, so to get a full circle, we're asking for the goals and we will submit to committee for comments submitted by March 10th. Next committee meeting is March 16th.

RULES

On agenda for the 10th is the Off-shore wind economic development rule, which is a proposal of the rules, a special adoption of the energy economic development act that was signed into law last year. Rules will be adopted as final, as soon as we file them with OAL (office of admin law). They will be proposed as final, and then there will be a time frame for BPU to get public comment and then file as regulatory process.

A2529 was passed by both houses of legislature, amended the issue in regards to SRECs and definition of distribution (go to OLS for entire version of law). Purpose of the SRECs distribution, in that anything larger than 10MW would come to the board for review and determination. Also in there is a provision for energy efficiency renewable

portfolio standard, there was a discussion of changes to class 1 and class 2 by adding heat recovery systems for industrial processes (that fits in more with EE). That bill is on the Gov's desk currently; we don't have indication if he will sign it or veto it at this time.

In that regard, we'll probably proceed with the re-adoption of sub-chapter 8 on the RPS and the interconnection/net metering rules which have to go forward and then whatever the special adoption on the prior solar act will probably proceed after that.

Waiting on publication of the 15 year solar ACP, it is tied to a release of the Energy Master Plan. Public hearings will start at the end of March. Statutorily, the EMP has to come out 60 days prior to the public hearings, which puts the publication date around February 18th to meet statutory req. if it doesn't meet that date then the public comment period will be extended.

EE Portfolio Standard- We would start a stakeholder process for that rulemaking, in addition the things that are in this new solar amendment to ADICA, there are some things that would require us to go through and make some additional rulemaking.

Status on Transition

Proceeding with developing a comment response document based on the comments received and issuing a straw proposal. That is based on a discussion with treasury on the process, which should occur around the end of February or beginning/mid march. That would start with a straw proposal that would be followed by public comment period hearing then recommendation to the board on a process. That is tied to a discussion on contract for a new RFP for a new structure for the CEP. We are starting discussion with treasury. Board approved the contract extension for 6 months through June, and it is highly likely that we would have to go back to the board to increase that 6 month extension.

On a side note, we've had some discussions w/ dept of community affairs to use some of their weatherization assistance money for extending contract for comfort partners. This may be able to increase C.P program, and even go beyond what we anticipated.

Annemarie McShea: The first hearing for the EMP is scheduled march 29th but we're already passed the 60 day window.

MW: Maybe it was a 45 day notice? The Notice has to be avail for 60 days (came out on jan31st), but not the plan.

Discussion of Draft RPS Compliance:

Scott Hunter was not at the meeting to update. Ron Jackson was asked if he had anything to add.

Ron Jackson: We had a meeting on Monday with stakeholders on the report, we took comments on what we sent out after the last meeting. There were questions on pricing data.

MW: One of the key facts in the RPS reporting is that in 2010 SREC payments to solar ACP payments came in at about 50%, even on BGS utility side that was little less than 50%, this year in 2011, based on the numbers, they are better than 70% on SREC compliance vs. solar ACP. The utilities are up in terms of those out and actually purchasing SRECS as opposed to making the solar ACP payments, Things have moved around, it not PS, it's more JCPL that's on the shorter side of that percentage. We're moving in the right direction- right meaning to get in the solar APC in balance and drive the price down from a very high spot market price, close to the solar ACP. We cannot live with very high solar ACP payments for SRECs, without some other tweaking happening within the program. It was never the intent to live at the high side of the solar ACP. We've been saying that all along and that is one of the key parts of the report. We are currently in 280 MW we need to start in 2012 driving the price down.

RJ: Stakeholder meeting- questions about pricing data and batching to make it more efficient. Also, a question if whether the BGS should report thru the ACP or report themselves. PJM/EIS/GATS were there which gave some answers, but there is still time to comment on data that's out there. We're still taking comments, please send them to me: Ronald.jackson@bpu.state.nj.us

Mike Ambrosio: Last month, the Market Managers put up slides on the new process about MM not checking UCC, or checking usage against the production, they had put out a start date of January 28. There were concerns about new process and delays in time it took the utilities to submit that info. OCE held a meeting w/ utilities about two weeks ago. Appeared to be some confusion as to what was required. Once it was clarified, all 4 utilities agreed to be able to provide that info would be emailed within 20 days of receipt of the final interconnection application from the customer. Essentially, the old processes would remain in place through 2/15 and starting 2/16 the new procedures would go into place. Two issues that have come up since- One, I had asked utilities could be sent directly to MM. Fred said they couldn't send any customer specific information to anyone other than customer without the customers consent. Could we modify the application to give that consent?

Charlie Garrison: I believe we have that covered. We already have a bullet in the app and one of them is authorization for us to get the account and bill information approval. It could be an easy change.

PSEG (Fred Link): That's okay.

JCPL (Tom): Without going back to the notes, that sounds pretty clear. I think there was an issue about the 20 days, and I think that got settled.

ACE (Josh): Internally we are still working on the notification within 20 days. The meter goes out w/I 20 days but I don't think we've come to a conclusion on that internally.

MA: We will need to know relatively soon if we can kick this off next week. I thought ACE was one that was getting the notice out by email. Josh, can you follow up with me or Charlie in the next couple of days?

ACE (Josh): Yes

Tammy Gray: That email will be sent to whom?

FL: If on the app we have the customer and contractors emails, we would send it to both. If we only have the customer generator. Going forward we'll think of ideas to capture the installers email.

MA: You should just give us the email you want it sent to, and we'll have reach out to the utilities to send a copy to them as well.

Q: I've had some customers haven't gotten an email.

MA: they realistically the customers don't need it, it's really important for the contractors and the MM to have it. It was important that the installers to know and Honeywell to know so they could process the SREC app.

FL: Yes, but our interconnection is with the customer generator

MA: Yes, but they can get the letter later, the email can come sooner.

MA: I think we should make sure that the interconnection application should have the spots for the emails for everyone.

Each utility is drafting their own interconnection application.

Mike A requested Charlie and his team to take the lead in coordinating with the utilities and that above authorization is in the application and there is a place to list email addresses. And that you get them the email address for notification. If you could follow up with the utilities this week.

CG: I would point out that the email going to the installer is the most important. MM should be the backstop. Don't delay implementing this due to anything with permission to the MM.

TG: We used to do this, but there was no way to identify what projects they are. Will it be noted by the installation address?

MA: Good point, utilities don't always know that, but shouldn't we have that information on there, is there a way? Add a field for application # (BPU ID).

FL: Charlie how do we get the BPU ID?

CG: John said they are going to revise the interconnection so we can have a place for the BPU id. The customer/contractor will fill that out giving in the interconnection app.

FL: I don't think the filing clerk system as a spot for BPU ID.

CG: It probably doesn't. If you could include the account # and you give us the address.

FL: Are we making this overly complicated? Really isn't it easiest for the EDC to contact the installer? And the installer to then submit the approval with the BPU ID?

MA: I thought your team (HW) wanted to be copied on this?

TG: No, we would prefer not to be, and to have it sent in with the final paperwork all together.

CG: I think that was in the conversation when we thought we needed to make it effective Jan 1st. We would expedite things by accepting the document directly.

MA: Ok, since we're starting on the 15th, forget the whole conversation on copying the MM.

Q: On 2/15 will have new interconnection process/new forms?

John Teague: Yes.

Discussion off line will be held with Mike A, CG regarding solar loan program.

MA: On a related issue- Honeywell approached us last week with what should they be doing with ones currently in the pipe line, do they need to wait until they get the notification to energize from the utility, do they have to hold them or do they continue with the process up until the 15th. I think what I heard from Scott was that in cases where they have the authorization they should use that date, but not hold up others to wait for the authorization date, but I am waiting for clarification from Scott.

Presentation #1 – Program Update – Charlie Garrison

Transition overview to new 2011 forms and procedures

New forms have been on the form since mid January; please continue to transfer over to new forms. Please understand since we're not monitoring the usage check but the EDC is.

Effective date for submissions to be 2011 Final As-Built paperwork is February 15th. Anything received after that must have the final interconnection energized date.

Joe Gennello: Can you today leave the interconnection date field blank in GATS reports?

TG: You would have to do it manually though

CG: Scott did not want to give the wrong interconnection date, so would rather give no date.

MW: Yes, my understanding is that GATS would have to reach out to the EDC to get the correct interconnection date, it's either a little work on the front end or back end.

CG: After 2/15, GATS won't have to reach out to anyone, because they will know that's the correct date. In the past we've had complaints about

Q: Aren't adding essentially 3 weeks of downtime for a customer who has a working system. Now they have an additional 3 weeks to send out that notification, and you got a customer who has virtually a month of production that won't be counted for.

CG: The whole process to get your energized date isn't changing, there will still be a date out there, but we're just not transmitting the date to GATS.

MA: Yes, there is a lag time, the customer will still get 15 years, it will just start 3 weeks later from when they actually energize. I understand that, I'm just not sure what we can do to work around that.

Q: Has there been a timeframe for the EDC's that they have to comply with timeframes?

MA: Time periods were unclear, so staff is going through rule updates to clarify timelines and dates. I think there is some sort of timeframe for approvals and final applications

CG: there is an added step for level 2. One of the steps didn't have a time frame, just said "reasonable" and didn't have a specific time table. It needs to be consistent with level one and level 3.

FL: as we explained these go out to other people, there is more work that needs to be done which is why there is no specific time frame.

Q: Is 3 months is reasonable?

MA: it really depends on the specific circumstances. If there are issues, it's going to take longer.

MW: We would need to have a discussion about the actual time frames, and what issues will do to that time frame. We will have John send out a request for timeframe.

Q: Utilities are not processing paperwork in order.

FL: Well they all go out to different departments and it's based on workload.

Q: Not speaking about PSEG. Either way, so you do not want us to send us a final As-Built without the Interconnection approval, correct?

CG: Yes, it will cut down on processing time if you can submit everything together.

Q: what is the processing time for interconnection approval for level 1?

MW: 10 days.

Q: I have ones that are long past 10 days...we email and call, and get nothing.

MW: Like I have said, staff can respond to specific instances if you send an email. Send these specific instances to BPU staff.

JT: Send the solar ones to me. John.Teague@bpu.state.nj.us

FL: In our case, we just need to institute an email process, the process itself doesn't change, just the notification.

CG: Do you want to just make a clarification about the permission vs setting the meter?

FL: As long as the EDC is within the 20 day window, they can do whatever process works for them. In our case, (PSEG) the setting of the meter will trigger the energized date. Notification will come within 5 days of that, and we'd still be within the 20 day limit.

MA: Charlie is correct that some other Utilities will authorize them to energize first and then set the meter. At least two said that. What we are looking for is the authorization to energize date, period- regardless if you set the meter or not.

MA: Interconnection approval should happen in 20 days

Q: How do we know they got it?

MA: If it's not happening in the time frame please let us know and we'll investigate.

Online Application portal – Should begin this Thursday – phase 1
Contractor testing will not get you any extra time – but it will help to uncover any issues with the software.

Phase 2 portal testing is not giving a time advantage; still need to submit paper apps

For portal names, we will ask for one official name, and if you have any other associated names, so that we can link all projects to one installer name.

Grid Supply projects – Registrants need to provide documentation the facility is interconnected to the electric distribution line in NJ.

Add-on projects – New cert # is not issued for additions. New 15 years will not be issued for the same cert # and same revenue grade meter. Same process is still being used – change to GATS must be reported.

Multiple Phases- Assignment of multiple cert # to projects built in distinct phases. Each phase must have a unique app id and dedicated ANSI C12 meter recording the system output that will be used to determine SREC generation.

There should be cover letter clarifying if you are doing an add-on project, and note the original BPU ID#. There is no limitation on one cert number per account.

Q: How does utility know about add-ons?

FL: It is a new interconnection application.

Q: Do you have to reference the old project?

FL: I'm not sure but it would require a new interconnection application.

MA: It seems like you would have to for the net metering and the usage, you would have to know the output of the full system, not just the one. So at some point in the process they would have to know what was already installed.

CG: Yes, and it's important to get that interconnection done so the EDC approves it.

Q: Is the vision for the online portal to organize the application process and document management? Or will there be a place for an electronic signature also?

CG: We want a wet signature, but you can scan it into the portal.

Q: Are there any future plans about the e-signature?

CG: There are some legalities about accepting an e-signature, so having a copy of the signature holds more legal weight, it hasn't been something we've looked into now, but we can in the future.

Q: Online portal- contractor is portal, how does registrant fulfill legal terms, when they are responsible for submission. Who is really in control, site host or registrant?

JG: I believe you've already submitted these questions to me offline, and I will get back to you

MW: Yes, we're working on the info, and I agree we have to be clear on the forms and we'll get that to you.

Q: Could it be possible to put a statement on the application form that the terms in the instructions (dated) are part of the agreement (contract with customer)?

JG: Ok we will think that through. I get that you're trying to incorporate what the rules were at the time of approval into your agreement.

2011- Operations update –Tammy Gray

EDC SREC based financing update- As of Feb 4th accepted applications for solicitation. EOI is due 2/11 by 5 pm. REIP/SRP # needs to be sent to NERA by 2/14 at 5 pm.

MW: I guess people are living in the spot market. Our goal is to lower the SREC Costs to be within the levels of the structured market, and specifically for larger projects within the PS Loan program, which is I think \$300. I think everybody else needs to take a cue from that.

Q: Can you clarify that the BPU's target is \$300 for the SREC price?

MW: Yes our goal was to reduce that price. I think the bids in the EDC Solar financing program are within \$400-\$450, and that is for larger projects. The Lowest price was 230 or 250. I would just take a cue from where we are.

Processing timelines: We are adding staff and cross training. As of 1/31 approved 150/week vs the 100 we were approving per week. Payment and Cert # processing numbers are also doubling per month.

New Forms: 2011 forms are now posted on the website. Project status queries please contact 1-866-NJSMART or our general email box – njreinfo@csgroup.com. Please try to avoid calling the processing team for your initial questions.

Questions/Answers:

Q: I got an application back because it was a grid supply. I called PJM, and they want me to do a feasibility study, which there is a 1 year queue for. When did this apply?

MW: PJM rules are PJM rules. The board cannot interfere with those rules on how their applying their directive under the rulings.

Q: So I have to wait a year?

FL: PJM has 4 queues in the year. Once the queue closes, it takes PJM about 3 months to do those studies. The next queue I think is in April. You may have to wait a few months, but it shouldn't be a year.

Q: I heard it was a year, I will follow up. However, I have an existing project that was approved June that didn't contain any of this language. Are we going to have any difficulties with getting the interconnection?

MW: Again, if it's grid supply, it's going to be through the PJM process. It's not whether our rules apply or don't apply. It's PJM's evaluation process. For larger projects it can have a longer wait time.

Q: On the 12 month history that the ED is now going to look at. When we get the residential 12 month history, we do the system size based on that. By the time we do paperwork for interconnection, time has moved on. What are the 12 months that the utility looking at.

FL: They look at the most recent 12 months when they get the interconnection application.

2nd Q: What if the tenant moves?

FL: We would enter into a new interconnection with the new customer generator.

Q: Yes but would you accept the old load?

FL: The new customer is going to have to establish what their load is, if it's the same as the last tenant, we'll use that. But we need a new interconnection application.

1st Q: But what about my question? It is unlikely that the usage will stay the same, and I design my systems very close to the usage. How do I guarantee what you look at?

JG: The process isn't any different, the utilities have been checking anyway.

Q: In the past, since NJCEP was checking the usage, if there were any issues, we would be notified. I assume that when the utilities check the usage, they might not get the same amount as NJCEP, but it was close enough that there was some fluff. Now I'm worried there is no fluff.

FL: All I can say is that they'll generally use 12 months, but if you have a case to be made, you can talk to them and ask them to use a different number. We have access to what the entire customer's past usage is. But if you have a case about an earlier period, we'll work with you.

MW: I can't speak for the utilities, but I haven't seen anything rejected; they'll only say it when it's not really close at all, like 3 times over. I think everyone recognizes that it's not an exact science.

Meeting Adjourned at 2:55 PM.

Next meeting is March 16th in the Iselin Office.

Renewable Energy Committee Meeting Attendees

Tuesday, February 08, 2011
Conservation Services Group
75 Lincoln Highway
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1:00pm - 3:30pm

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