

# **REC Meeting Notes**

March 09, 2010

1:00 to 3:30 pm

## **Introductions**

### **Revised 2010 Budget Process (M. Ambrosio)**

Mike Winka discussed Executive Order 14 and where we are with the state budget process. He mentioned that we are in a budget hold for the rest of the fiscal year. Governor Christie is looking to balance the budget and propose to use some amount of the clean energy fund and we are looking at what that means in our process.

It was mentioned if you want to get more detail, you can look at our budget order and commitments. We don't have any current recommendations. The administration is currently looking through the numbers. We are open for business accepting and paying out rebates. We have looked at the cash flow issue and plan to keep the program open. There has been a history of good things about clean energy and green jobs that go with it.

Mike Ambrosio discussed the budgets are based on estimates of expenses. Once actual expenses are known we do the true up budget. We are currently going through this process now. The additional carryover will offset the reduction from the budget, so it won't be as deep as some may have anticipated. The Board has on the agenda for the meeting scheduled on March 17<sup>th</sup>. During that meeting they are going to discuss the process. The following week the Board will likely have a meeting notice for a hearing. Staff is preparing a straw proposal to tie the programs to the new revised budget. Written comments will be requested and then Staff will prepare recommendations to the Board. They are looking to have a quick decision, hopefully by the end of the month.

The main message is that the program is still accepting applications. And all existing commitments will be honored. This is going to be one on the staff recommendations.

Question arose about energy fuel cell in California and that was deferred to further in the meeting provided time allows.

### **Program Operations Status**

- Operational Recap (L. Barth – Presentation 1-REIP 2010 Updated Process RE Mtg 3\_8\_2010)

L. Barth reinforced that we are open for business. He went through Presentation 1 reviewing applications received, returned, approvals given and completed incentive payments. He discussed residential, non-residential and non-rebated projects.

- It was mentioned that we get ~50 applications a week and that this has been very steady.
- There was a question about the amount of applications we are returning. Larry answered that the rate has decreased from the incomplete applications we are receiving from 25% to ~20%. He reviewed Funding Cycle 1 and the available funds.

- There was a question where this was located on the website. It was mentioned that once you are on [www.njcleanenergy.com](http://www.njcleanenergy.com) homepage you need to go to the Renewable Energy Incentive Program section of the website and on the main page for this program you will find the funding cycle and available funds when you scroll down to the bottom of the page.
- There was a question on how we determine the funding for each category. It was discussed that this was determined as part of the program last year. M. Ambrosio mentioned that we are constantly monitoring this and would move money from one fund to another as needed.
- Scott Hunter pointed out that the incentive level or rebate amount is tied to the capacity block not the funding cycle.

#### **Technical Update (M. Loeser – Presentation 2-Inspection and Training Updates)**

- 2010 Inspection Ratio's
  - M. Loeser reviewed slide with ratio's of number of Quality Control inspections vs. inspections in the Quality Assurance process
  - There was a question on how the ratio compares to last year as far as inspections are concerned. Mark mentioned it is more than last year. We are seeing an increase in inspections. (see presentation)
- Analysis of Inspection Failure
  - Top Failure modes were discussed in answer to a question at the last REC meeting (see presentation)
  - QA installers should sign up for trainings. The trainings will be discussed later in the meeting.
  - There was a question on item number 3 on the top inspection failure mode slide in the presentation. It was asked if we go by codes, but Mark clarified that we go by the manufacturer's recommendation.
- 2010 Updated Training Calendar (See presentation)
  - There was a question on when we can do trainings for financial institutions. M. Loeser mentioned he has been reaching out to them but hasn't gotten anything set up yet. He can provide information on this when there are more details. (A training was held on March 26, 2010.)

#### **Key Program Topics**

- **Trade Ally + QA Clarifications** (Sam Nutter – Presentation 3-Trade Ally & QA Process Update 3\_9\_2010\_final)
  - S. Nutter clarified that a Trade Ally is a company not an individual. We intend to scrub the list on the website on a regular basis.
  - There was a question if we publish failures out of the QA process. M. Loeser answered that we do inform the installer when they fail an inspection. This failure will make them aware that they are out of compliance.
  - It was recommended that we put a list up on the website of disqualified QA installers.

- There was further discussion on this that in theory we should remove that the trade ally is certified when they fail an inspection.
  - It was asked if a score card would be a better option.
  - It was also mentioned that this might not be fair unless the cause of the failure is listed, such as snow on the roof.
  - Larry B. mentioned that the Technical working group would be the place to discuss a listing on the QA installers.
- **Capacity Block Rebate Reduction Procedures** (Charlie Garrison – Presentation 4-Capacity Block Rebate Reduction Procedures)
  - C. Garrison reviewed commitments, projections, capacity block reporting on various slides. The incentive request calculation was discussed and making sure people understand this so when the capacity block drops they will understand that their rebate goes down.
  - It was discussed that we could add a 2<sup>nd</sup> page to the solar tech worksheet with the change in rebate levels and make sure that the customer is advised of the capacity block and incentive calculation for both levels. A signature confirming they are aware of the various calculations would be part of the application. This way depending on when the capacity block goes down, we can approve the application at either level.
  - There was a recommendation that we should include the EE rebate levels on this page as well. It was this is included in one of the slides.
  - It was discussed that we are approaching 20 MW in rebates being committed since January 1, 2009. If a customer scrubs out then the MW gets reduced as we subtract out cancellations. There was a question on how we will manage it. It was answered that once we hit that level, the price will go down and we are not going to wait for scrubs.
  - There was a comment that we should make everyone complete a new technical worksheet and not make it an add-on document. Since we require revised worksheets for the final documentation with the latest forms, we should do this for the initial documentation as well.
  - There was a question on what happens if someone uses the old form. It was answered that this is still to be determined by the OCE and DAWG. It could be one of several options.
    - Send the applications back
    - Have a new document sent out for a signature to confirm the change.
      - It was mentioned that there will be a time delay for these customers. Applicants that initially use the new form will get priority.
    - It was brought up that from an installer’s standpoint it would be helpful to download new forms and if there was a section on the website that listed the new changes. Then you wouldn’t have to go back and review new forms to see what changed.



<http://www.njcleanenergy.com/renewable-energy/tools-and-resources/dispute-resolution-process> or  
<http://www.state.nj.us/bpu/assistance/complaints/>

- **Wind Program Updates** (J. Bachmann/ Alma R. Presentation 6-Wind Program Update)
  - Small Wind working group meeting (webinar) occurred on 2/25/10. The following items were discussed.
    - Feasibility Study (A first draft of this was reviewed.) We are still requesting comments but are working on some items before making it public.)
    - NJREMI reviewed at SWWG meeting
    - Innovative Wind Incentive at SWWG meeting drafted. This is something Joanne will review later on in the meeting.
    - We will look in future to modify Guidebook to include Innovative Wind Incentive and NJREMI.
  - Yesterday there was a Stakeholder meeting regarding EO 1, 2, 3 to discuss proposed amendments. The comments were closed but re-opened. DEP was accepting comments. They will schedule another stakeholder meeting
  - Joanne went through Presentation 6- Wind Program Update. (see presentation)
    - The Wind Feasibility Study was discussed (see presentation)
    - NJREMI was discussed (see presentation)
    - Reviewed questions asked to SWWG to see if this would be attractive to wind manufacturers (see presentation) the proposal is to start with wind turbines.
    - Innovative Wind Incentive (see presentation)
      - Reviewed incentive, how it works, and next steps.
    - S. Hunter mentioned that the NJREMI wind turbines should be included to the 2010 program changes to the board for them to issue a board order.
    - J. Bachman mentioned that we feel that these additional components would be beneficial to the wind program
    - There was a question asking if we have a webpage for our acronyms? It was mentioned we don't, but a list of acronyms and definitions are listed in the Guidebook.

### **Working Group Update**

- Solar (M. Loeser)
- Wind (A. Rivera)
- Biopower (L. Barth)

(No updates were mentioned for this section above. Most items were covered in other sections of the meeting. The Solar Technical working group did not meet this month.)

### **Utility Program Updates**

- **JCPL/ACE/RECO Solicitation Update**

- Tom from JCPL mentioned that Round 3 ended March 5 and that they are meeting on the 15<sup>th</sup> with rate council and staff. Projects should be awarded soon in the second round.
- There was a question on the timing for the next round. It was mentioned that that will be clarified by the March 15<sup>th</sup> meeting. However, it is roughly 3 months.
- **PSE&G Update – Solar Loan II & Solar For All** (F. Lynk)
  - There was nothing more to report.
  - Solar loan II is open for business.
  - Solar for All properties are in the process of getting permitted.

#### **OCE Staff Legislation and Regulatory Updates** (OCE Staff)

- **Net Metering and Interconnection Rule Revisions; Phase I and II**
  - Scott. H. this will be discussed on same day solar contracting performance program March 12<sup>th</sup>.
  - They will be taking comments on the programs to date.
- **RE Grid Supply Solicitation Update**
  - Grid Supply Solicitation – This was discussed in 2009 solicitation and board proposals. Will be making a recommendation to the board by 3/31/10 for award of grants by the April 4th agenda meeting.
- **RPS Rule Revision**
  - A. McShea mentioned this will be discussed at the March 12th meeting.
    - Focus on rules for solar energy advancement and solar requirement. Additional changes will go though second round.
    - Discuss future RPS revisions for renewables. And will revisit the work of the group discussed previously and net metering and interconnection rules
    - Working on NJ PACE financing which will also be discussed on the Friday meeting.
  - There was a question on the meeting and if there will be written comments and if so when.
    - 1<sup>st</sup>) to new law and statute; it was discussed that this is a priority proposal that will go forward and there is no comment.
    - 2<sup>nd</sup>) round will go into draft rule proposal and what we would be changing in the process. 10-12pm DEP in Trenton.
- **RE Legislation Updates(s)**
  - **A3520 Update**
  - **Prevailing Wage Update** (M. Winka)
    - We put incentive together of all the programs and where the incentives go and the attorneys are reviewing along with the Department of Labor and Workforce. They will be making some decisions on what is in and not. But they need to know the programs and that process is underway. The commission at the Dept of labor hasn't been confirmed yet, so they are in a

different process than the others and are unable to have a timeframe on this.

- Everything is on the table for discussion in rulemaking as well. They will be reviewing and make a discussion.
- There was a question if Prevailing wage has to be paid at this point.
  - Winka mentioned that they should go to the Department of Labor and Workforce Development as they are the lead agency on this.

**Other:**

- There was a question on Net Metering and Public hearing that closed on March 5<sup>th</sup>. It was asked when it would take effect. It was discussed that this would be July 17 but it may be incorporated in a rule and take effect prior to that.
  - It was discussed that the BPU based upon an executive order signed in January the BPU cannot make a ruling for 90 days. We can just adopt that rule proposal. It is about the same timeframe for both.
- The question on the Fuel Cell Programs in California was asked again. It was mentioned that we do have some programs for fuel cells, but the fuel source needs to meet the NJ program requirements regarding sustainability. It was mentioned that we don't think that manufacturer mentioned meets the NJ requirements.

**Next Meeting:** April 20<sup>th</sup>, 2010

We will try to see if we could have this meeting located at CSG's Office.

## Renewable Energy Committee Meeting - Attendees

Tuesday, March 09, 2010

1:00pm - 4:00pm

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