

New Jersey Clean Energy Program
Renewable Energy Committee Meeting
November 13th, 2007

DH DRAFT

Conservation Services Group Office, 75 Lincoln Highway, Iselin, NJ

In attendance: From Sign-In Sheet: Approximately twenty-nine people attending in person

By Phone: (approximately 8 people).

1. Introductions

The meeting started with introductions for participants in person and by phone.

2. 2008 Program Plans

Scott Hunter indicated that the comment period on CORE 2008 budget allocation proposals that were reviewed at the special RE committee meeting held on October 31st runs through November 25th. The staff's plan is to roll recommendations for the CORE program budget allocations into the program plan filings that are expected to be on the agenda for approval at the December 19th Board Meeting. Mike Ambrosio provided an update on the filings that have been submitted by the market managers. A Clean Energy Council meeting is scheduled for November 27th at the BPU in Trenton where the filings will be reviewed. Staff recommendations to the Board are due by December 5th. The comment period on the Honeywell filings is through November 30th.

David Hill provided a summary review of the program changes for the renewable energy programs contained in the Honeywell Team's filed program plans for 2008. There was discussion regarding marketing and communications activities in each of the programs. It was clarified that in the case of the CORE and CPC programs the changes listed refer to redirection of emphasis for the program's marketing and outreach communications rather than increases in marketing budgets or in traditional marketing activity.

3. BPU Proceedings

A meeting to discuss community energy and securitization issues is scheduled for next Tuesday November 20th, 9:30 am in Trenton. An agenda will be distributed to the list serve before the meeting. A second meeting to address other rule changes – related to the SREC/SACP solar market transition - will be scheduled once the SACP Order is signed. This second meeting is likely to occur during the first or second week of December. The rulemaking procedures for the SREC/SACP transition are

expected to include discussion of RPS, securitization, and grid supply projects. The rulemaking is expected to be completed by May of 08.

OCE staff indicated that the written Board Order on the solar market transition – subject of the August 12th, 2007 Board meeting - is pending final legal review.

There was some discussion regarding clarification of how SACP costs will be treated in the basic generation services (BGS) Order. While final determination will be contained in the Order it is anticipated that prudently incurred SACP and SREC costs will be treated as a “pass-through” cost.

Energy Master Plan – current expectations are that the draft EMP will be released in mid to late November with hearings in December and a 60 day public comment period. The CRA proceedings (which will address recommended funding for renewable and energy efficiency programs for 2009-2012) will be scheduled after the EMP has been finalized. A staff straw proposal for CRA programs and funding levels is expected to be released during the 60 day comment period for the EMP.

4. Small Wind Working Group

Alma Rivera reported that the community of Ocean Gate adopted the first small wind model ordinance on November 12, 2007. Alma thanked the members of the group and participants in Ocean Gate for moving this forward. Ocean Gate is anticipating proceeding with two 50 kW installations.

Other municipalities and townships have also been expressing interest. For example, Cape May and City of Gloucester have requested community informational workshops and the Market Managers will be following up. The Market Manager team will also be participating in the The League of Municipalities meeting in Atlantic City this Thursday, and meet with officials in Jersey City on Friday.

Alma also noted that staff are working to respond to electronic questions submitted regarding the offshore wind RFP.

5. Bio-Power Working Group

Carol Collins provided an update on recent activity working with municipalities and townships that have expressed interest in renewable projects. She also noted the initiation of a technical advisory committee for bio-power resources.

In some cases there are facilities that have been producing electricity with resources that may be eligible for RECs, but have not participated in making these available in the market. The Market Manager team is working on some outreach and communications to help make these facilities aware of opportunities to participate in the REC market.

Facilitation of permitting through “green-tape” mechanisms will be explored and promoted where feasible.

Carol also reviewed some additional tracking developed by the Market Manger team. There was discussion of life cycle analyses and sustainability and how these are treated by the DEP in terms of determination of sustainability.

6. CORE Program Update

Larry Barth reviewed CORE program activity. New approvals for the month slowed down due to budget constraints – there were 65 new approvals for October.

There was discussion of how Mark Loeser (CORE Program Account Manager) has been working to scrub projects that are not completing – in order to allow the money that is freed up from these scrubs to be allocated to new approvals from the queues.

There were 58 payments and checks issued in October representing ~\$7 million in payments. Larry indicated the team continues to focus on a rapid turn-around and 60 day time frame from completion to rebate payments.

There were 161 new applications received in October.

Charlie Garrison indicated that he is working with Scott Hunter to provide a 3Q Solar Market Update. This will provide an indication of progress towards the SREC target for the energy year.

Charlie also reviewed the budget status. Since the last RE committee meeting there have been \$12 million in total payments. The total paid year to date is now \$55 million.

The uncommitted funds at this point are slightly more than \$7 million. New approvals will stop before all \$7 million are allocated due to the size of projects that are near the top of the queue.

Charlie also reviewed the latest version of category status report. As of 11/09/07, 78% of outstanding commitments approximately \$64 million are approved. A total of 21% have submitted final applications and are in inspection and payment status categories.

7. SREC Only Pilot Program Update

Maureen Quaid provided an update on the SREC-Only Pilot. Registrations are now up to 268 projects – ~112 MW of capacity. 154 projects have been accepted for 51.5 MW of capacity.

There was discussion of outstanding uncertainties pending the upcoming discussions and potential rulemaking on securitization. There was also some discussion about how the current completion commitment period of 12 months will be addressed – since many projects may be waiting until the final SREC-SACP written Board Order is issued before starting construction.

The initial registration package has been updated. Final registration document has been posted.

Maureen also reviewed the metering and monitoring procedural changes under development and the market manager plan for communicating and implementing these changes. This led to some discussion regarding the economics of metering and reporting requirements for the SREC-Only Pilot. There are concerns that the requirements for metering and reporting not be too burdensome or costly for smaller projects, and that consistency with the requirements of PJM-GATS system be addressed as protocols are developed.

8. Clean Power Choice

Maureen provided an update on the 3Q report. There has been a notable increase in web visits and enrollment forms received. Total program enrollment to date is now over 13,000.

Maureen also noted that drop-outs from the program appear to be an increasing issue. The market manager team is communicating with the utilities to examine what is driving this trend.

Next Meeting

The next meeting date is December 11th (tentative). The meetings will be held at Conservation Services Group, 75 Lincoln Highway in Iselin.