



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

CLEAN ENERGY

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IN THE MATTER OF CLEAN ENERGY PROGRAM)
CUSTOMER ON-SITE RENEWABLE ENERGY -) ORDER
COMMITMENT COMPLETION TIMEFRAME FOR)
NEW APPROVALS AND EXISTING COMMITMENTS) DOCKET NO. EX04040276

(SERVICE LIST ATTACHED)

BY THE BOARD:

Since 2001, the Board of Public Utilities' (Board) Customer On-Site Renewable Energy (CORE) program has offered financial incentives to New Jersey ratepayers to encourage the installation of Class I renewable energy technologies. Eligible applicants may receive rebates for a portion of the cost of installing solar, wind, or sustainable biomass at their site.

The Board's current procedures for a CORE rebate commitment provide that a CORE project of less than or equal to 10 KW must be completed within nine months of the issuance of its commitment letter to receive a rebate. In all cases, the completion interval is measured from the date of the rebate commitment letter to the point final rebate application paperwork is received by the Program Manager. If a project is not constructed and inspected within the nine months, with all final application paperwork received by the program manager, the project rebate commitment is cancelled. There are no extensions available for projects in this class.

Nine-months for the construction, inspection, and submission of final paperwork have provided ample time for project completion. Based on its experience with the Program, Board Staff (Staff) estimates actual installation time for a typical small project at two to four weeks and the time for obtaining the local code inspection, the electric utility's inspection for interconnection, and the Program review for compliance with Program requirements at two to three months. This means that at least five months are available to accommodate any adjustments needed by the installer for such factors as the availability of its work crew. Such adjustments become necessary when, for example, several projects are under construction simultaneously as a result of the issuance of several commitment letters at or near the same time. However, current conditions deviate from the norm and the logistics of construction now require a limited modification of the time frame as set forth below.

Two independently occurring events, beyond the control of applicants, installers, or Staff, have resulted in a strain on the ability of installers to meet normal Program deadlines and of the Program Staff¹ to conduct inspections. First, as of January 1, 2008, the Program Coordinator of the CEP instituted the use of a new invoice processing system. This new, web-based system is intended and anticipated to reduce the processing time of applications by as much as thirty days. However, its inauguration was marked by the difficulties and delays often attendant upon the installation of a new technical system. While these problems now appear to have been resolved, they resulted in delays of thirty to sixty days in the processing of applications. Now that all these applications have been processed, their initial delay has added to the current high level of approved, but not yet constructed projects. A second event has further compounded the difficulty some installers have experienced in undertaking their CORE project installations. Issuance of the final 2008 Clean Energy Program budget Order by this Board, anticipated to occur by the first of the year, was delayed until the end of March 2008. I/M/O Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for 2005-2008: 2008 Programs and Budgets: Compliance Filings, Docket Number EX04040276 (Mar. 31, 2008) (2008 Budget Order). Prior to the issuance of the final 2008 Budget Order, new CORE commitment letters could not be issued in the time frame anticipated by Program Staff. As a result of these two events, an unusually high number of commitment letters were issued at or near the same time, which will cause numerous projects to be under construction and inspected by the CORE program simultaneously.

To address the difficulties confronting both applicants and Program Staff, Staff recommends that, for CORE projects that have a completion requirement in 2008, the Board extend that completion requirement by three months. Staff further recommends that any project that has a CORE rebate commitment letter issued in 2008 should also have a three month extension or one year to complete the project.

Having considered the record and Staff's recommendations, the Board FINDS that initial difficulties with the web-based processing system resulted in a delay in issuing commitment letters. The Board also FINDS that the timing of the issuance of the final 2008 Budget Order resulted in a delay in issuing commitment letters in the CORE program. The Board further FINDS that these delays have created a high volume of projects currently in receipt of commitment letters and in competition for the resources for construction due to the need to construct these numerous projects simultaneously. The Board also FINDS that this unusually high volume of approvals issued in a concentrated period of time and the need to inspect these projects will likely place a strain upon the resources of the CORE program. In addition, the Board FINDS that the effect of the delay and subsequent high volume of approval letters issued will likely continue to impact the CORE program for the remainder of 2008.

As a result, the Board CONCLUDES that nine months is an insufficient period of time for the completion and inspection of these projects. The Board further CONCLUDES that an extension should be authorized in consideration of the current unusual circumstances. The extension shall not be applied to any projects other than those of the type identified herein.

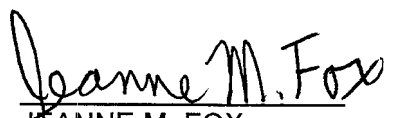
For the foregoing reasons, the Board HEREBY ORDERS that all CORE applicants that have received a commitment letter containing a completion deadline which falls within 2008, or those

¹ Clean Energy Program Staff includes members of Board Staff and the Staff of vendors under contract with the Board of Public Utilities.

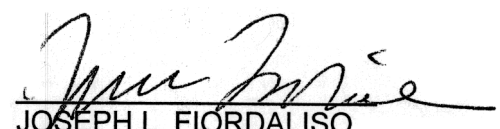
which receive a commitment letter within 2008, shall receive a three month extension of time, from nine months to twelve months, in which to complete their projects.

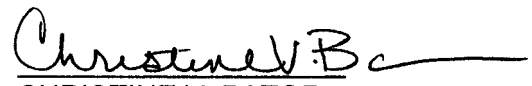
DATED: 6/24/08

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ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities

