

NEW JERSEY BOARD OF PUBLIC UTILITIES

SECOND REQUEST FOR COMMENTS AND NOTICE OF STAKEHOLDER MEETING ON NOVEMBER 10, 2008

DEVELOPMENT OF A COMMUNITY RENEWABLES PROGRAM

ISSUED NOVEMBER 5, 2008

This notice is a request for public comments on a new renewable energy program the Board of Public Utilities is considering creating, called Community Renewables. The new program would allow residents and/or small businesses to join together to create shared renewable energy generating systems, rather than each resident or business having to install and operate its own individual renewable energy system. By joining together, residents and businesses could take advantage of economies of scale in construction and operation of renewable energy systems. This would allow smaller customers, that otherwise could not afford to participate in the renewable energy marketplace, to promote and use renewable energy.

The issues upon which comment is herein requested will also be discussed at a public stakeholder meeting at 1:00 p.m. November 10 at the Board's Newark Hearing Room.

The Board directed OCE to commence a stakeholder process to develop specific recommendations for a community-based solar (renewable) program and to develop proposed modifications to the RPS and net metering regulations in its Order of December 6, 2007, Docket Number EO06100744 (December 6 Order), which established the solar transition to market-based incentives for solar. The Board, in its Order, found that the development of community-based solar (renewable) energy systems could create a way for smaller customers to participate in the solar market place at a lower cost than that of building a small system on each customer's residence. Allowing communities to cooperate on one large project may be a more efficient and cost effective way of encouraging the development of renewable energy projects than installing thousands of 'behind-the-meter' projects at individual locations. Specifically, overall goals of a Community Renewable Program are set out in the above referenced Order as follows: *to promote the sustained and orderly market development; reduce regulatory uncertainty to the extent reasonable and prudent; minimize ratepayer impacts; minimize transaction cost and; support other policy goals to reduce emissions of greenhouse gases, encourage participation by a wide variety of types of customers, and relieve congestion on the electric transmission.* (Docket Number EO06100744, December 6 Order)

The Board held stakeholder meetings on the Community Renewables program on July 23rd and September 11th, 2008, and an initial request for comments was distributed to the Board's Renewables and INX listservs on August 27, 2008.

Several options were presented and discussed to accomplish the goals described above. Meeting Agendas and presentations are posted at NJCleanEnergy.com at the Net Metering Committee web pages (<http://www.njcleanenergy.com/main/net-metering-interconnection-standards-working-group>.)

This second request is to solicit additional public input on the following questions related to Community Renewables:

1. Given the Board's directive to staff on September 12, 2007 and subsequent stakeholder requests to broaden the scope of inquiry to include other Class I resources, **what type of projects by technology type and capacity size should be included?**
2. Given an expectation of community renewables to include solar, wind and biomass projects presumably larger than 2 MW in size, **what are the economic requirements of community scale renewable energy projects?**
3. **Which existing market regulations or incentives are most appropriate** to enabling market adoption of Community Renewables, i.e, Clean Power Choice, Third Party Electric Supply, RECs through NJ RPS, net metering or aggregated net metering, other or none of the above?
4. **What legislative changes may be required** to enable Community Renewables per the recommendations in Question 3?
5. **Are there any electricity-providing entities that already exist and that the Board already regulates, through which the goals of Community Renewables can be met?** For example, the Board regulates utilities, third-party electricity suppliers, net metering customer-generators, etc. Do any of these existing entities/structures (or others not listed) provide an avenue for residents and/or small businesses to pool efforts and/or investment so as to cooperate in installing and operating a renewable energy generating system?
6. **What should be the relationship that the Board requires between the entity that owns the Community Renewable generating unit and the end users of the electricity from the unit?** For example, the Board could define a Community Renewables project as an association of customers that jointly install, own and operate a renewable energy system. Or the Board could define it as an association of customers that all buy shares in a renewable energy system run by a third party. There are myriad options regarding this key relationship between the owners and/or operators of the renewable energy system and the end users of the energy from the system. Which option should the Board pursue to best further the goals of the Community Renewables program?
7. **How should a "community" be defined?** What kind of grouping of customers should be eligible to participate in a Community Renewables project? Should all community members be required to live:

- i. within a specified utility territory?
 - ii. within a specified distance of each other?
 - iii. within an established zoned community association, town or municipality?
8. **What classes of customers should be eligible to participate in a Community Renewables program** (e.g., Residential, small business, commercial)?
9. **What requirements should the Board impose in order to protect the customers who participate in the Community Renewables program?** What limits or responsibilities should be put on the entities and structures that want to participate in the Community Renewables program, to ensure safe, adequate and proper electric service to these customers?
10. **Should only net metered projects be eligible for Community Renewables** or should Community Renewables include or be limited to projects that interconnect directly with PJM and serve a local community or group of residents and businesses?
11. **Is aggregated Net Metering a prerequisite for an effective Community Renewables Program?**

As mentioned above, these issues will be discussed at a public stakeholder meeting on November 10, 2008 at 1 p.m. at BPU Newark Office, BPU Hearing Room, 8th Floor Two Gateway Center.

Please submit all comments to Anne Marie McShea, OCE Policy Administrator at anne.mcshea@bpu.state.nj.us by November 21, 2008.