



Renewable Energy Committee Meeting Notes

July 8, 2014

BPU 1st Floor Meeting Room - Trenton, NJ

Disclaimer: *This RE Committee is an opportunity for stakeholders and other interested parties to have open and frank discussions regarding policy and issues confronting the renewable energy community that are within the jurisdiction of the Board. These meetings are intended to address issues of general concern. Staff cannot comment on or provide specific answers to questions about pending applications or petitions. Ultimately, information provided and positions developed during these meetings may or may not form the basis for Staff recommendations to the Board. By law, statements made by Staff cannot bind the Board in its decisions. Only the Board can make decisions on these matters at its Open Public Meetings. While attendees may choose to record or take notes of the meeting, please refrain from interrupting the flow and/or tenor of the discussion with questions that pertain to your note-taking.*

I. Introductions (R. Reisman)

Mr. Reisman called the meeting to order at 1:05 pm and asked the participants in the room and those on the phone to introduce themselves. Mr. Hunter read the disclaimer above.

II. OCE Updates (S. Hunter, M. Ambrosio)

a. Updates on Filings, Board Orders and Regulatory Items

Mr. Hunter reported that agenda items from the Board's June 18 agenda meeting included the CRA for FY2015 and NJCEP budgets and programs for FY2015. The Board also approved one Subsection (t) application for a project that was conditionally certified as being on a landfill, and denied Covanta Fairfax's petition seeking a retroactive waiver concerning Class 2 RECs at their Virginia solid waste incinerator.

Mr. Hunter said that items at the July 23 Board agenda meeting will include consideration of the transfer of the report and recommendations on mitigating solar market development volatility to the Legislature; and a motion for reconsideration for a Subsection (q) Round 2 project.

b. Discussion of NJCEP Program Administrator RFP / Transition Status

Mr. Ambrosio reported that the Honeywell, TRC and AEG contracts have been extended for 12 months, and that the RFP process for a new program administrator will start over again. He said Staff will release a Request for Information next week perhaps with a public hearing on it scheduled.

c. FY2015 Budget

Mr. Ambrosio said the Board approved a \$344 million funding level for FY2015 at its June agenda meeting, which is the same funding level as FY2014. He noted that because of time constraints, Compliance Filings (CFs) weren't ready in time for that meeting, so the Board extended the FY2014 CFs

until the FY2015 CFs are done. He said he expects the proposed FY2015 program changes to be issued next week for public comment. For RE, there will be proposals to streamline the registration process.

III. New Jersey Energy Resiliency Bank (M. Winka)

Mr. Winka said the Energy Resiliency Bank (ERB) is coming close to issuing its first product, with HUD having approved \$200 million in funding to be supplemented with SBC funds. He said the July 23 Board agenda will include consideration of a Sub-Recipient Agreement – a type of Memorandum of Understanding – between the BPU and EDA on the operation of the program. The Board’s August agenda will include consideration of the release for public comment of application guidelines for wastewater treatment facilities, including performance incentives. Wastewater treatment facilities will be the first to be considered followed by an expansion to other types of facilities as appropriate.

Mr. Winka noted that a public meeting on the ERB is tentatively scheduled for late July. He said the program is looking to attract CHP projects, fuel cells (with or without heat recovery) and electric storage (not including thermal storage) for funding. He said the ERB will function as a “one stop shop” with grants and low interest loans in one package. Mr. Winka said that projects receiving ERB funding will not be eligible for other NJCEP grants.

In response to a question on the phone about whether there will be resiliency metrics, Mr. Winka said that resiliency will be one of the factors that projects will be scored against, so projects must meet a minimum score. He added that the program is going to be open, but if the budget becomes constrained it will move to a competitive grant.

He said the ERB will pay for feasibility studies after the fact if a project receives an award. The ERB will be open to all public and critical facilities, non-profits and small businesses. He said HUD requires that all projects be tied to a storm, but not necessarily Superstorm Sandy. Products will be developed for each market segment beginning with wastewater treatment facilities. In terms of staffing, Mr. Winka said the ERB is currently interviewing for an Executive Director who will work for EDA (but report to both the EDA and BPU Boards) and a Deputy ED who will work for the Board, along with five other staff positions.

IV. The Solar Act (S. Hunter)

a. Subsection (q)

Mr. Hunter said Staff has been directed by the Board to monitor the progress of applications to determine the need for any additional applications in Subsection q. He said that review is ongoing. In addition, he said Staff is also working on developing a process for facilitating requests to assign escrow from an original applicant to a new applicant in the event of a project’s sale. He said a memo is being developed and will be posted on the NJCEP website when it is ready. Prior to that posting, if there is a request regarding a specific project, Staff will send a letter explaining the process to the requester.

b. Subsection (t)

Mr. Hunter said the Board is continuing to receive applications for conditional certification, although only two SREC registrations have been submitted to the Market Manager out of 10 conditional certifications previously granted. Mr. Hunter stated that Staff is working on a process for achieving full

certification which can only be met once the project is fully constructed and all necessary permit requirements have been fulfilled.

Mr. Hunter also described several process changes listed below regarding subsection t projects:

- Since subsection t projects typically require more time to obtain all permits and complete construction, Staff has implemented a two year SRP Acceptance period.
- Projects will receive conditional certification from the Board upon a satisfactory review of the application's eligibility and a positive recommendation from the NJDEP.
- The Board Orders conditionally certifying subsection t projects will also require SRP registration within two weeks of the effective date of the Order and waive the 10 day submittal requirement contained in the rules.
- In order to receive full certification from the Board, after a project is completed it will need to provide the Post-Construction NJDEP Compliance Form that has been posted on the NJCEP website Solar Act page. (<http://www.njcleanenergy.com/renewable-energy/program-updates/solar-act/solar-act-proceedings-archive>). This form allows project applicants to demonstrate that all DEP permit requirements have been met.
- When Staff has the certification that a project has met all NJDEP requirements, they can issue instructions to the Market Manager to continue processing the Final As-Built paperwork and to issue the NJ Certification number upon satisfactory completion of all SRP Program requirements.
- Mr. Hunter has asked the Market Manager to update the grid supply final as-built checklist to include this form as a requirement. The revised checklist will be posted to the NJCEP website and will be sent to the projects that are already registered in the SREC Registration Program.
- Mr. Hunter stated that subsequent Board Orders approving subsection t projects and eventually changes to the rules will include these provisions mentioned above.

c. Subsection (s)

Mr. Hunter said Staff is in the process of reviewing the public comments received regarding the deferred application criteria and milestone reporting requirements. He said that Staff is working on a recommendation with the expectation to present it to the Board at an upcoming Board agenda meeting.

V. Program Updates (C. Garrison, R. Reisman, T. Gray)

a. Solar Market Update (Presentation #1)

In introducing this agenda item, Mr. Hunter noted that it will heretofore be referred to as the Solar Market Update rather than the Mitigating Solar Volatility Report although the information presented will be similar. Mr. Garrison reported that preliminary data shows the addition of 21.1 MW of installed capacity in June, bringing total statewide capacity to 1,319.2 MW through June 30, 2014. He also noted that the pipeline contains 345.7 MW of capacity as of June 30, including grid supply projects from Rounds 1 and 2 of Subsection (q) that submitted SRP registrations. Mr. Garrison also provided a breakdown of grid supply projects by Subsection and Energy Year, along with data on deactivations, SREC trading statistics and third party ownership.

b. Biopower Working Group Update

Mr. Reisman reported that the lone application submitted in the FY2014 Solicitation was denied by the Solicitation Evaluation Committee for failing to satisfy the Solicitation's eligibility requirements.

However, the Committee recognized that some of the eligibility requirements that led to the denial – along with some other evaluation criteria and application procedures – should be reviewed for possible modification in the FY2015 Solicitation. He said the Committee compiled a series of recommendations for proposed revisions that were presented as discussion topics at a Biopower Technical Working Group meeting on June 26. Based on the input received from stakeholders at that meeting, Staff developed a draft Straw Proposal containing proposed revisions to the FY2015 Solicitation. The straw proposal is under final review and will be released shortly, followed by a 30-day comment period.

c. Energy Storage Working Group Update

Mr. Reisman said the next meeting of the Energy Storage Stakeholders Group will be held on July 29 at 1:00 pm at the Conservation Services Group offices in Iselin. The group will be discussing the 2nd Revised Straw Proposal for the FY2015 Energy Storage Competitive Solicitation, which is expected to be distributed shortly. Based on that discussion and written comments submitted by stakeholders during a 30-day comment period following the issuance of the straw, Staff will draft a Solicitation document that will be presented to the Board at one of its regularly scheduled agenda meetings. The July 29 meeting will also feature presentations (pending confirmation) on frequency regulation by a representative of PJM Interconnection and on fire safety for storage systems by a representative of the New Jersey Division of Fire Safety.

d. Operations Update (Presentation #2)

Ms. Gray reported that SREC registrations spiked in June to 1,334 – up from 943 in May and 830 in April. As a result of the high volumes, SRP Registrations received through June 12 were issued SRP Acceptance Letters the week of June 30. She also noted that 883 Acceptance Letters were issued in June, and 725 Final As-Built packets were submitted. Completions for June were 432, bringing the year-to-date total to 3,093.

VI. Update on Net Metering and Interconnection Issues (J. Teague)

Mr. Teague said a Technical Working Group meeting will be held on August 13 from 10 am – 2 pm to discuss net metering and interconnection for energy storage. He also reported that JCP&L has instituted changes in their EDI system to track third party supply customers resulting in a reduction of complaints about net metering issues from customer-generators that have switched to third party electric suppliers.

VII. RPS Issues (R. Jackson)

a. RPS rulemaking

Mr. Jackson said Staff has re-issued the document titled “Staff’s plan to propose changes to the Energy Efficiency and Renewable Energy Rules (N.J.A.C. 14:8) to implement the Solar Act 2012” to differentiate prescriptive (and perfunctory) changes and new rules (anticipated to require greater stakeholder input). Note: This updated document was sent to the renewable energy distribution list by Mr. Hunter on 6/10/14. He pointed out that Staff is on track for the Board’s August agenda meeting for this item. The rule changes for Subsections r and t that require additional stakeholder participation are not as time sensitive as the prescriptive RPS rule changes.

Mr. Hunter added that the comment period on Staff’s request for comments on the RPS rulemaking process ended on June 30th and staff is reviewing the comments towards making recommendations to the Board at the August Agenda meeting. This set of rule changes will be limited to prescriptive and

more immediate changes. The more involved rule amendments will be addressed through future stakeholder proceedings.

b. EY2013 RPS compliance

Mr. Jackson reported that an updated table on the EY2013 compliance report with estimates for EY2014 has been posted on the NJCEP website. He added that Class 1 and Class 2 RPS compliance reports are still due on October 1, 2014 while solar compliance reports are due on December 1, 2014.

VIII. Other Business

Mr. Hunter recommended that the August RE Committee meeting be cancelled, noting that the August EE Committee meeting had already been cancelled. The next RE Committee meeting is scheduled for September 9, 2014. He also stated that Liz Compitello of the Delaware Valley Regional Planning Commission was scheduled as a guest speaker for the August meeting. Since that meeting has been cancelled, we will contact her to see if she is available for the September meeting.

There being no further business, Mr. Reisman adjourned the meeting at 2:45 pm.