

Renewable Energy Committee Meeting

June 12, 2012

BPU 1st Floor Meeting Room - Trenton, NJ

1:00 pm to 3:00 pm

Call-in number: 1-866-740-1260 -- Meeting ID: 2183408#

I. Regulatory Update (M. Winka)

a. NJCEP Program Administrator RFP

Treasury, as of last week, issued on behalf of the Board a Request For Proposal (RFP) for a new Market Manager structure for Program Administrator and this morning an email from President Hannah was sent which laid out the particulars of the RFP. The RFP will accomplish a few things that were highlighted in Governor Christies Energy Master Plan. They will coordinate the current contracts. There are three contracts that are managed in the program. Honeywell manages the Renewable Program and the Residential energy efficiency program as market managers. TRC manages the commercial & industrial program, and then we have a program coordinator that pulls all of that together. Those contracts were initially put out to bid in June and awarded in 2006 and they took us through until the recent extensions. We have been working with treasury for over a year now to put out an RFP program administrator that will pull those three programs together under one contract. It will also establish a more efficient process to implementing the program. It will provide for approval of the program based on the Boards approval of the compliance filing instead of having to get Board approval of the compliance filing, go back go Treasury with contract modifications, bring them back to the Board etc. Once the Board approves a compliance filing, then that will be the program to move forward with how the contract would be structured. That contracts bids are due August 24th, and then there is a two week question period followed by a three week response period by Treasury and the BPU. They will then be evaluated by the evaluation team and based on that, Treasury and staff will make a recommendation to the Board and then Treasury will make a offer on a contract. Then there is an appeal process afterwards. We anticipate that process to happen before the end of the year in the November time frame, if all things work out. The current contracts have been extended to January 19th, and within those current contracts is a 90 day transition period. Again, based on looking at the plan, there is a 90 day transition period has to be part of the current contract, so we'll probably go back to Treasury close to the end of the year for a minor contract extension to take us through that period of time. This will give us coverage with the existing contracts as well as the transition to the new contracts. Of course, we will only be paying one contract at a time though. In addition, what you will see in the RFP, there is a funding level structure for the bidders. The funding level structure will look similar to the comprehensive resource analysis which will be coming out shortly.

b. Regulatory Update

The updates to Chapter 8 were approved, and there will be a presentation later in the meeting to go over the rule changes. There will be a webinar soon with SEIA to go over the rules.

We have implemented contractor remediation procedures as the issues have accelerated.

The true up order is waiting for the state budget to be passed. The treasurer has requested 200 million from the Clean Energy funds, and they were also looking for 79 million from next fiscal year. We are putting together a plan on how to transfer that money if the state appropriation is approved as is. In addition, when we understand what the FY 2013 budget looks like we will come back and put together a proposal for stakeholder comments for how we adjust the program.

Mike Ambrosio: two years ago when the funding was given to the general budget, there were some pretty substantial cuts to the NJCEP programs. This time around, based on the dollar amounts that they are talking about, there is room in the budget without having a substantial impact on the programs. There is about 50 million in funding that has not been allocated that normally we would. There are a number of new programs that are more than 50 million dollars, but Treasury determined that they were not going to modify the existing market manager contract to implement new programs right before the RFP. So between all of these additional funds, the budget cuts can be made without having to make substantial changes to the programs.

MW: And that will probably go on the August agenda. Also on the May agenda were the contract extensions for Honeywell, TRC, and AEG's contracts through January 19th, 2013. The board also approved the extension of the EDC SREC financing programs for 180 MW. We have posted the order and the proposal letters from the four EDCs on the website and distributed it to the listserv.

Question: A number of people who tried to participate in the solicitation last fall were not able to participate. They have SRP applications – is there any chance that the people who applied last fall can now extend their SRP projects so that they can participate in the new solicitation?

MW: Are they built?

Question: No.

MW: The process will take at least 180 days to start the program. They would probably need to reapply to the program and they can't be built at the time of application.

c. Legislation

There are two solar bills. One is from Assemblyman Chivukula and another from Senators Sweeny and Smith. The bills both focus on increasing the solar RPS as well as expanding the definition of onsite net metering for class 1 and class 2 renewables. It provides a definition for aggregated net metering for schools and county facilities. It also defines interconnection to the distribution system. Those are the highlights of the bill.

Question: What is the source we should be looking at for forecasting the retail sales numbers?

MW: The bill I believe delegates that to the board

There is a rule proposal on the agenda for the 18th on Onsite Net metering. The Board is moving forward to have that rule proposal in front of the commission for their consideration. If it passes it will be proposed in the next agenda. If the legislation passes that will definite onsite metering, but not the specifics.

II. Status Update (S. Hunter)

a. N.J.A.C. 14:8 rule re adoption with amendments

The Ch. 8 rule re adoption was published in the NJ register on June 4th, making them effective. Charlie and Tammy will be discussing the changes in the presentations later in the meeting. There will be a webinar hopefully this Friday with SEIA that will be open to the public to learn about the rule re adoption amendments.

b. Small wind program

NREL is still putting the final touches on their forensic study of the cause of the failures that occurred in New Jersey and once that study is released to the public then we will pick up the stakeholder process again to determine if we should reopen the small wind rebate program.

III. 2012 Program Updates (C. Garrison)

a. Overview of rule re adoption

Two important provisions of the amendments with transition or grace periods were triggered on 6/4/12.

- SREC Registration Submittal Requirements
- Production Meter Requirements for Solar Electricity to be eligible for SRECs in NJ's RPS
- Two lists provided to provide assistance in identifying a revenue grade meter that meets the accuracy requirements: <http://www.njcleanenergy.com/renewable-energy/programs/metering-requirements>

*SEIA Webinar link: http://www.seia.org/cs/events_education/SEIA_Webinars#New-Jersey-SREC-Market

b. 2013 Program Planning Timeline

- June 21: Program Suggestions to HW *
 - Late June: High-level Budget Confirmed
 - July 10: Plan Overview to RE Committee **
 - August 16: Final Overview to RE Committee **
 - August 20: Complete Draft Plan to OCE Staff
 - September 10: Final Plan Presented to NJ CEP
 - September 24: Complete Final Plan Filed w/BPU
- * **PC Meeting** ** **RE Meetings**

c. Installed Capacity Update

The preliminary installed solar capacity as of 5/31/12 is approximately 802.3 MW.

–Approximately 32 MW installed in current month.

The preliminary solar capacity project pipeline as of 5/31/12 is approximately 560 MW.

The pipeline capacity was 510 MW on 4/30/12.

IV. 2012 Operations Update (T. Gray)

a. SRP Trends

- 692 SRP Registrations received in May

- 627 SRP Final As-Built paperwork packets received in May
- b. Steps for Non Compliant SRP Registration
 - Non Compliant SRP Registration is submitted and receives an SRP Acceptance letter
 - The customer has 12 months from the date of the Non Compliant SRP Acceptance letter to resubmit a revised Compliant SRP Registration
 - Once the Final As-Built has been received the Non Compliant SRP Registration is locked in and a new SRP Registration will not be accepted. The SRECS cannot be used for compliance in NJRPS for 1 year
 - A Cancellation letter for Non Compliant SRP Registration must be included with the revised SRP Registration
 - The new Compliant SRP Registration will receive a new SRP #, SRP Acceptance letter, approval and expiration date
 - Once an Non Compliant SRP Acceptance letter has been issued, construction cannot begin, prior to submitting a revised SRP Registration for compliance

V. Update on Interconnection Issues (J. Teague)

a. Net Metering & Interconnection Meeting update

Prior to Thursday's Net Metering and Interconnection meeting, we sent out copies of documentation to be responded to by June 30th to myself with comments and suggestions for the upcoming technical working group meeting that is scheduled for late July or early August. If there are any additional agenda items, you should add those as well.

VI. Other Topics / New Business

a. Next RE Committee meeting in Trenton on 7/19/12

Renewable Energy Committee Meeting

Attendees

Tuesday, June 12, 2012
Board of Public Utilities

1:00pm - 3:30pm

Initial	Name	Company	Phone	E-mail
	Ambrosio, Mike	AEG		mambrosio@appliedenergygroup.com
	Barth, Larry	NJR	(732) 919-8040	LBARTH@njresources.com
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	Carpenter, Joe	NJDEP	(609)292-4871	joseph.carpenter@dep.state.nj.us
	Condit, Bill	Trinity Solar		bill.condit@trinitysolar.com
	Dewitt, Frank	Alternative Energy Assoc.		frank.dewitt2@gmail.com
	Garrison, Charlie	Honeywell	(973) 890-9500	charlie.garrison@honeywell.com
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	Hunter, Scott	OCE/NJBPU	(609) 777-3300	
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	Jenks, John	Quantum Solar	(856)985-0074	jwkenks01@gmail.com
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