

Administratively Determined Incentive (ADI) Program Frequently Asked Questions (FAQ)

Installing Solar Panels

1. Does New Jersey have a solar program for customers interested in installing solar?

The [Administratively Determined Incentive \(ADI\) Program](#) is the permanent solar program that provides administratively set incentives (Solar Renewable Energy Credits (SREC-II)) for residential projects, net metered non-residential and community solar installations of 5 MW (dc) or less in size. Incentive values are unique to the solar facility market segment.

The table with incentive values can be found on the ADI Program homepage, [here](#).

2. Is it free to install solar panels?

The State of New Jersey (NJ) and the New Jersey Board of Public Utilities (NJBPU) **DO NOT** have a program offering free solar panel installation for NJ residents.

Any claims that such a program exists are **FALSE**. The solar installer or salesperson is referring to third party-owned (TPO) solar systems that are advertised as free but financed through a power purchase agreement (PPA) or solar lease.

Technically, you are not paying for the solar installation, but you still will have a monthly payment to make. *See #6 below for more detailed information on PPAs and solar leases.*

3. Am I eligible to receive a free roof replacement with the installation of a solar array?

Roof replacements are **NOT FREE** when installing a solar system.

Before installing solar, you should schedule a roof inspection to see if your roof is structurally sound enough to support a solar panel system. You may also want to consider your roof's lifespan in relation to the lifespan of a solar panel installation, which can be 25–30 years.

Ideally, the two lifespans should align so that the roof structure and the panels can be replaced simultaneously.

4. Does the ADI Program offer rebates?

The ADI Program does not offer rebates for solar installations. Customers whose systems have satisfied the registration requirements of the ADI Program are eligible for Solar Renewable Energy Certificates (SREC-IIs). More information on SREC-IIs can be found under the next question, **below**. More information on ADI Program registration can be found [here](#).

5. Where can I find a solar installer?

You can find a list of solar installers on New Jersey's Clean Energy Program's (NJCEP) [Trade Ally Database](#). We encourage you to try and obtain proposals from at least three installers to compare them to each other.

6. What is a Solar Renewable Energy Credit (SREC-II)?

Solar facilities registered in the ADI Program are eligible to receive incentives through the sale of the Solar Renewable Energy Credits ("SREC-IIs") that the participant's solar system produces.

One SREC-II is created when a solar system generates 1,000 kilowatt hours (kWh) of electricity. The value of the SREC-II is administratively set in the ADI Program by the NJBPU.

Projects participating in the ADI Program are eligible to receive SREC-IIs for 15 years (known as the project's "Qualification Life"). Whether the SREC-IIs are received by the host customer, by the installer, or by a third-party owner is determined based on the type of contract structure the customer enters into with their solar installer or third-party owner.

Solar Financing Options

7. What types of solar financing are offered to customers who are interested in installing solar panels?

It is critical that you understand the type of contract that you are entering into with your solar installer or third-party owner (TPO).

The three most common solar installation contract structures are:

- [Solar Loan](#)
- [Solar Lease Agreement](#)
- [Solar Power Purchase Agreement \(PPA\)](#)

We encourage you to thoroughly review your contract agreement with your solar installer or TPO before executing the contract. The type of contract structure the customer enters into with their solar installer or TPO determines who will receive the SREC-II and who will be eligible for tax incentives.

Solar Loan: A solar loan allows a homeowner to borrow money from a lender or solar developer for the purchase and installation of a solar system.

The homeowner owns the solar system, possibly subject to a lien or security interest held by the lender. Lenders for solar loans can be banks, credit unions, state programs, utility companies, solar developers, or other solar financing companies. There are many variations, and the proposed contracts for each offer should be fully included in the terms and conditions of solar leases and the proposed contracts for each offer. Each offer's proposed contracts should be fully and thoroughly compared before any contract execution.

Solar Lease: A solar lease allows a homeowner to enter a contract to make monthly payments, usually fixed but escalating, to a solar leasing company/developer in exchange for receiving the electricity produced by the solar system at a discounted price.

The initial payment amount is often less than the utility charges for generating the same amount of electricity. Still, the lease payments generally escalate at a fixed rate, which could result in the lease amounts becoming higher than the utility charges, depending on the rate of increases with the utility bills. A typical lease term is 15 to 25 years.

- The solar leasing company/developer pays for and/or performs the procurement and installation of the system, repairs and maintains the system, and owns the system located on the property.
- The leasing company generally also owns the SREC-IIs produced by and the tax incentives related to the system.

There are many variations, and the proposed contracts for each offer should be fully included in the terms and conditions of solar leases and the proposed contracts for each offer. We recommend that you speak to at least three solar installers. Each offer's proposed contracts should be fully and thoroughly compared before any contract execution.

Solar Power Purchases Agreements (PPA): Under a solar PPA, while the customer does not own the solar system itself, the customer agrees to host the solar system on his or her property and to purchase the energy the solar system generates through a long-term contract with the developer or other third-party owner. The typical solar PPA term is approximately 15 – 25 years.

Most PPAs price the power based on the electricity used (e.g., \$0.05/kWh). However, some PPAs price the power based on a flat monthly amount (e.g., \$85/month). Generally, the initial monthly PPA payment amount is less than the amount you would pay your electric utility for the same amount of electricity. However, monthly PPA payment amounts typically escalate at a fixed annual percentage, which could result in the monthly PPA payment amount becoming higher or lower than the monthly electricity utility payment amount in the future, depending on the percentage escalation and changes in future utility rates.

- In a PPA, the Power Provider, not the customer, owns any SREC-Its the solar system generates and typically receives any tax incentives.
- The solar leasing company/developer pays for and/or performs the procurement and installation of the system, repairs and maintains the system, and owns the system located on the property.

There are many variations, and the proposed contracts for each offer should be fully included in the terms and conditions of solar leases and the proposed contracts for each offer. We recommend that you speak to at least three solar installers. Each offer's proposed contracts should be fully and thoroughly compared before any contract execution.

Submitting ADI Initial Registration and Final Registration Documents

8. Who submits the ADI Initial Registration and Final Documents?

Although customers can submit their ADI registration packet, typically the installer submits it on behalf of the customer. Some of the program documents are technical and are required to be completed by someone knowledgeable about solar equipment and ADI program requirements and rules.

The ADI program checklist and forms are on the ADI Program homepage, [here](#).

All ADI program documents must be uploaded and submitted in the [ADI Program online registration portal](#). Customers who submit ADI program registration materials on their own will be required to set up an account in the ADI program online registration portal.

For instructions on using the ADI Program online registration portal, please refer to the Portal Entry Customer User guide on the [ADI Program online registration portal](#) under "Program Resources".

9. Who registers and manages my SREC-IIs once I receive the NJ Certification Number?

Lease/PPA

Customers that have entered into a lease or PPA agreement typically do not own the SREC-IIs and are not eligible for the incentives; therefore, there is no action needed by the customer.

Loan/Purchase Agreement

Customers that own the system through a loan or purchase agreement own the SREC-IIs and are eligible for the incentive. The customer must take two steps to receive that incentive

- Registration with PJM-GATS
- Registration with InClimate

Customers should review their contract or contact their installer to confirm who is responsible for registering and managing the SREC-II account. Customers should never assume that the solar installer will manage their account.

If the installer is responsible, they will register with PJM-GATS on the customer's behalf and manage the SREC-II account. If the customer does not have an agreement with their solar installer for the registration, they will be required to register on their own with PJM-GATS.

Information regarding the steps required for registration with PJM-GATS can be found [below](#).

ADI Program Registration Process

There are four distinct registration processes required for an SREC-II owner to receive incentive payments. To be eligible to register for your SREC-IIs, you must first submit a registration in the ADI program. The ADI program has a two-step registration process. Once your initial registration packet has been deemed complete, an ADI conditional acceptance letter will be issued, allowing 12 months for the solar installer to complete the installation, obtain permission to operate from the utility company and submit post-construction documents.

When your solar system installation is complete, you must submit your post-construction certification package by the 12-month deadline. You will then receive a NJ certification number via email. This number is required to register for your SREC-IIs with the GATs Administrator and the SREC-II Administrator.

Once you receive your NJ Certification Number, if you wish to earn your Solar Renewable Energy Certificates II (SREC-IIs), you must first open an account in the PJM-EIS Generation Attribute Tracking System (GATS). GATS registration instructions are at, [GATS-Solution Aid - Registering a Generator](#). If you have any questions about registering your solar facility in the GATS tracking system, you can also contact the GATS Administrator at gatsadmin@pjm-eis.com or 877-750-4287.

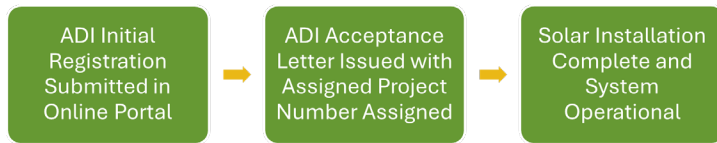
After your account is approved in the GATS tracking system, you must open an account with InClimate, the SREC-II Administrator at [How to Receive Payments – Solar Incentives NJ](#).

You can contact the SREC-II Administrator at (877)-754-3149 or at admin@solarincentivesnj.com.

The ADI Program Registration Process Steps to get Certified:

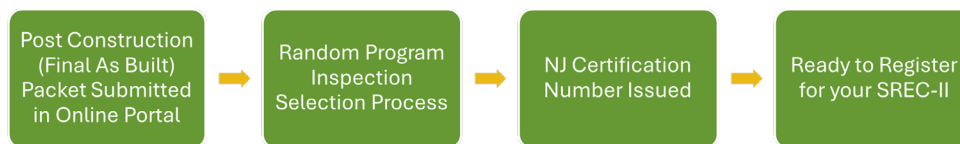
Step 1: Submitting an ADI Initial Registration

An ADI Initial Registration packet is submitted in the [ADI online registration portal](#). The registration packet is reviewed to ensure all ADI Program requirements have been satisfied, at which time an ADI Conditional Acceptance letter is issued. The ADI program checklist and Forms can be found on the ADI program homepage, [here](#).



Step 2: Submitting a Post Construction (Final As-Built)

When the solar installation is complete and the system has received permission to operate from your utility company, the final as-built documents must be uploaded to the ADI online portal on or before the expiration date noted in your ADI acceptance letter.



For any questions regarding the status of your ADI registration, please contact, NJREINFO@NJCleanEnergy.com.

Step 3: Open a PJM-EIS Generation Attribute Tracking System (GATS) Account

Once you receive your NJ Certification Number, you must open an account in GATS to create SREC-IIs based upon metered generation from your solar system. GATS registration instructions can be found [here](#).

You can also contact the GATS Administrator at gatsadmin@pjm-eis.com or 877-750-4287 for any questions on how to register your solar facility in the GATS tracking system.

Step 4: Open a Payment Account with the SREC-II Administrator

Once your account is approved in the GATS tracking system, you must open an account with InClimate, the SREC-II Administrator at [How to Receive Payments – Solar Incentives NJ](#).

You can contact the SREC-II Administrator at (877)-754-3149 or admin@solarincentivesnj.com.

Buying or Selling a home with an existing solar system

10. I am buying a home that has an existing solar system. How can I transfer ownership of the solar system and the incentives from the previous homeowner?

Customer's purchasing homes that include an existing solar system can transfer ownership of the system prior to the closing of the purchase of the home. To transfer ownership, you are required to complete and submit a [Schedule A Form](#) to [PJM-GATs](#). This form requires signatures from the previous and new homeowner(s) to complete the transfer. By completing this form, this will allow the ownership of the system and the incentives to be transferred to the new homeowner.

11. Can I transfer my solar lease or PPA to the new homeowner for the remainder of the contract?

Selling a house with a solar lease or PPA can be different from selling a house with a solar loan. Since you don't own the solar panels, you cannot sell them to the next owner. Instead, you can transfer the lease/PPA through the solar company to the new buyer or buy out the remainder of the payments.

Transfer the Lease/PPA

You can work with the solar company to transfer the lease/PPA to the new home buyer. The buyer will need to be willing and able to take over the payments. The solar company and the lender will need to approve the transfer. The solar company may require a credit check, and the lender will need to include the monthly lease payment in their house payment calculation.

Buy-Out the Lease/PPA

Alternatively, you have the option of buying out the lease or PPA. You can pay off the lease or PPA early by purchasing the solar system from the solar company, at or prior to closing.

IMPORTANT: Please make sure that you fully understand the terms of the contract agreement that is applicable if you sell or buy a new home.

Educational Resources and US Department of the Treasury Consumer Advisories:

- [Consumer Solar Aware-US Department of the Treasury](#)
- [Solar Consumer Advisory](#)
- [Before You Buy Solar Panels](#)
- [Before You Sign a Solar Lease](#)
- [Before You Sign a Power Purchase Agreement](#)

Solar Renewable Industry Association (SEIA) Solar Guides

- [Solar Renewable Industry Association \(SEIA\) -Consumer Guide to Home Solar](#)
 - [Solar Renewable Industry Association \(SEIA\) The Smart Solar Guide](#)
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My solar installer is non-responsive or has gone out of business

12. What do I do if my solar installer goes out of business?

On the NJCEP [Trade Ally Database](#), you can find a list of solar installers willing and able to assist customers whose original solar installer is not responsive or is no longer in business. .

Customers that are abandoned by their solar installer may be at various stages of the registration process and need assistance completing the registration requirements. We encourage stranded customers to seriously consider hiring a new solar installer to assist them in completing the remaining registration requirements. You can find a list of solar installers who are willing to assist you on the NJCEP [Trade Ally Database](#) under "Solar: Assistance for Distressed Customers".

The "Operations and Maintenance" category was created to assist customers who require a solar installer to maintain and/or repair their systems post-installation. This list includes solar installers willing to assist customers where the initial installer has ceased operations or one party or the other chooses not to continue the relationship on an ongoing basis.

Electric Utility Company and Billing

13. Why is my electric utility company denying me solar when all of my neighbors have solar?

In some utility territories, there may not be an open circuit at your location, or the circuit might be restricted or constrained, making additional interconnections for new solar installations unavailable or limited.

The electric utility websites provide general areas where circuits are restricted.

- [Atlantic City Electric / Pepco](#)
- [Jersey Central Power & Light \(JCP&L\)](#)
- [Public Service Electric & Gas \(PSEG\)](#)
- [Orange & Rockland \(RECO\)](#)

Note: Maps may not be up to date on the utility companies' website. You should contact your utility company to confirm availability on the circuit. You can find your utility companies contact information [here](#).

14. Why does my utility company continue to bill me after solar is installed on my property?

Even after you install solar, you will likely receive a monthly electric bill from your utility company. Weather conditions, higher energy consumption times, or an issue with the production of your solar system can cause you to receive a monthly electric bill. Solar systems are sized on average annual consumption.

15. Why is my utility bill so high when I have solar panels?

Solar systems are sized on average annual consumption, therefore if you received a high utility bill, chances are you may be consuming more energy than the amount used to design your system. You may have a performance or operational issue with the solar system, or the system can be undersized and simply cannot offset 100% of your average annual consumption.

Contact your Electric Distribution Company (EDC) for additional clarification, which can be found on the EDC website under [Utility Contacts](#).

Submitting a Complaint or a Petition

16. How can I file a complaint?

You can find Information on submitting a complaint regarding the interconnection of your solar project or any utility billing issue [here](#). A complaint should not be submitted until you have contacted your EDC (electric utility) to try to resolve any outstanding issues.

Contact information for each EDC can be found [here](#).

You can find Information on submitting a complaint regarding your Solar Contractor and/or the Owner of your Solar Electric Generating Facility [here](#). A complaint should not be submitted until you have contacted your solar installer and/or the owner of your solar system/SREC owner to try and resolve the outstanding issue.

17. Where can I find instructions on how to file a petition to the Board Secretary?

Instructions on how to file a petition can be found [here](#), under the "Dispute Resolution Process". The customer or a legal representative must submit the petition. Solar installers can file on behalf of their customers only if the company has legal representation.

Community Solar

Please visit the [Community Solar](#) homepage for Subscribers for additional information.

ADI Program Extensions

18. Does the ADI Program offer extensions?

ADI solar facilities accepted in the ADI program may be eligible for a one 6-month extension. The registrant may apply for an extension for any solar facility that cannot complete the installation and submit a complete Final As-Built (Post Construction Certification) Packet with permission to operate from the Electric Distribution Company (utility company) in the ADI online registration portal by the expiration date noted in the ADI Acceptance Letter. ADI Extension Request Policy and Checklist with instructions can be found on the [ADI Program Homepage](#).

Solar Panel Recycling

19. Where can I recycle my solar panels?

Please refer to the below resources for additional information on solar panel recycling:

- [NJDEP's Division of Sustainable Waste Management](#)
 - For questions related to solar panel recycling under this division, email, recyclingfacilities@dep.nj.gov
 - [U.S. Environmental Protection Agency \("USEPA"\) Hazardous Waste](#)
 - [U.S. Department of Energy \("USDOE"\), Solar Energy Technologies Office \("SETO"\), PV End-of-Life \("EOL"\) Action Plan](#)
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ADI Program Contacts

New Jersey's Clean Energy Program
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Administratively Determined Incentive (ADI) Program
NJREINFO@njcleanenergy.com
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