

## **Renewable Energy Committee Meeting**

January 10, 2012  
CSG Office - Iselin, NJ  
1:00 pm to 3:00 pm

Meeting called to order at 1:02 pm  
Introductions

Regulatory Update (M. Winka)

a. Legislation

MW: I don't think the solar bill was posted yet. There are two bills that were passed and on the way to the Governors' desk. A2528 came out of Chivukula's committee. It's in regards to the collection of the SBC in total and how that's distributed through the residential, small industrial commercial, large industrial commercial programs and being able to collect those in those buckets based on what's generated, and the establishment of a credit to the commercial industrial rate payer so they are able to get a credit on SBC filing on the clean energy funds for their work they do in the efficiency programs. We will let you know how that proceeds. The other is S4463 which is from Chivukula and Smith. It is a local renewable energy collaborative, there's a pilot program to allow for local municipalities to develop renewable energy collaboratives when they aren't located on the site for on-site generation or on the customer side of the meter. Those bills are on their way to the Governors' desk. You can download them from the website office of leg affairs.

b. Board Orders and Proceedings

MW: On the agenda from December was the 2012 NJCEP program and budget, which the board approved. There were some changes to the programs based on presentations from market managers. They're all listed in the board order. A majority of them that are listed are mostly on the Energy Efficiency side. On the renewable side there was a change in the wind incentive where we're continuing to hold on the small wind program pending the study from NREL. The report should be out by end of January. The staff will make revised filing with the market managers based on the outcome. There's also a clean energy business website that we're working with Rutgers to develop on the manufacturing and development side. Sustainable Jersey also made a presentation this morning on the compliance filing at the EE committee meeting. The comment period is open until Friday of this week. The smart growth policies were removed out of the 2012 order and will go under a separate order. The last is that we had proceeded to move the REMI program from operating as a customer-rebate through the market managers to EDA as the CEMI program to expand to include energy efficiency and the incentive is for the manufacturer. At this point in time we are deferring that. A claim was filed from

the Chinese Gov't in regards to the US programs, NJ was named in that claim. So until we can work through those issues with the US trade rep, we are deferring those programs.

MA: In the December Honeywell filing, REMI was removed and then the board authorized REMI as proposed. The REMI program that was approved by Dec 31<sup>st</sup>- that was approved and put back in the filing. The EDA Filing is deferred pending further action by the board.

MW: In that same agenda meeting there was an MOU of agreement that was signed with EDA for the CHP program be managed in part by EDA. Also on the agenda were the contract extensions for HW and TRC. The one year extension that we had expires January of this year, we filed for a re-extension pending the release of the EMP, and being able to digest some of the responses from the RFI that was issued by treasury, and the release of the RFP for a new program admin for njcep. We filed that with the treasury. Treasury is reviewing that, the board approved those pending treasuries approval and treasury hasn't approved those yet. As you know, Solomon has retired and is back on the bench, we have a new president and in terms of the transition, they are working through the issues of the EMP and the transition of the structure of the bpu with the office of management and budget which is reviewing the contract for the extension. Any contract renewal that exceeds \$10 million requires OMB approval. This is the 3<sup>rd</sup> contract extension. That's part of the meeting that is ongoing with the OMB and the new president which is scheduled for Jan 20<sup>th</sup>. There is a 1 month contract extension and then from there will be to be determined. We'll let everyone know how those negotiations are going.

George St Onge: Is REMI set to expire December 31<sup>st</sup>?

MA: Applications that approved up until Dec 31<sup>st</sup> have until March 31<sup>st</sup> to submit their as-built paperwork, provided we're not over the \$1 million budget.

GS: Are you going to renew that for another year?

MA: That is what Mike talked about, that is EDA's CEMI program which is on hold from the World Trade Organization appeal.

GS: Same \$1 million budget?

MA: It is \$2 million, but payments will go to manufacturers not customers.

MW: As for Proceedings, there is one that is ongoing and two informal processes. One is the funding level for 2013-2016 which given the bill A2528 is signed into law, those funding levels will have to conform with the bill. We should have a draft out by the end of the month in terms for staffs draft position for funding for next four years. To be in line with the goals of the EMP, in regards to shifting over the incentive programs to a financing program as we develop those programs from 2013-2016. Another goal is to issue an RFP to streamline the process of the current contracts, to have one program administrator to administer the clean energy program. The other two proceedings we started last Thursday with a large CHP fuel cell group to get input into the incentive structure for large CHP greater than 1 megawatt. We have a standalone CHP fuel cell program under TRC's C&I program. This is a solicitation that we issue after we get through a stake holder process to discuss the incentive structures. Staff with EDA will put

together a solicitation targeting in the 1<sup>st</sup> quarter to be released. Again, that is a program for large CHP and standalone fuel cells.

c. Solar Transition – Next Steps

MW: The other proceeding is the solar transition. The next meeting is on Jan 12, this Thursday. The agenda is a presentation by CEEEP, right now they have the data from the EDC solicitation program, and they are working on the data from PSE&G, but it will probably be ready within their presentation. MCEIA has asked for time to present, but I haven't seen the presentation yet. We also sent around a summary of activities to date,. We have two options based on the bills not proceeding and the goals of the EMP; we revised our initial options to be coordinated with the EMP, which talked about increasing the RPS. We will throw that back on the table.

Pam Frank: The CEEEP reports- will those be made available?

MW: The presentation will be made available. We will probably distribute that when we get all of it. We don't want to release a report until we have all data.

**Status Update (S. Hunter)**

a. N.J.A.C. 14:8 rule amendments

SH: Regarding the Rule Proposal to amend the net metering interconnection and RPS as well as Environmental disclosure and other items from Title 14, Ch 8. The board proposed the amendments in March 2011, and comments were due in July. We're still in the process of working with our lawyers to respond to comments. We're in the process of developing a comment response document and rule adoption document. We would like that to be to the Board in the February agenda. It will require all solar systems have to have a meter, which is something we've been talking about since 2006. The proposal would implement the rule 6 months after rule amendments are adopted. We will keep the stakeholders abreast on the rule amendment.

b. Small Wind Program

SH: The program is not being reopened yet, and we are still looking at consumer protections. We need to ensure that we do not have issues where turbines fail. We're deferring reopening until the NREL study comes out. We've also joined the interstate turbine advisory council which is a new group of clean energy states with most active wind programs that are looking at developing better programs. We will use NREL, Itech and what we come up with in the stakeholder process to revise the small wind program.

c. Biopower Working Group update

SH: Pretty much the same thing, although that has a full program that was developed in the CF for 2012, but the rebate levels changed and the working group is being reinstated. When is the next meeting?

Ron Reisman: The date will be announced in the next few weeks, should be mid to late February.

Lance Miller: When will the rule proposal for the net metering for onsite generation be held?

MW: Yes, staff had been deferring further action on that pending legislative initiatives, which were A4226 and S2371 both revised the definitions. We'll probably come up with a schedule with legal and DAG to get that posted.

SH: And it may coincide with the rule adoption for the rest of Title 14.

MW: We've gone through the end of the stakeholder meetings. The next step is to go to the board, and give our recommendation. I don't expect us to come back with another stakeholder meeting in terms of any of those definitions.

Angela Sehein: So now what is the procedure or paperwork for the SREC meter?

SH: Just educational material, but no paperwork is anticipated.

Charlie Garrison: One of the things the Clean Energy Program will do is add a trade ally database for metering.

MW: That's determined by code- licensed electrician.

CG: the listing will have the standard disclaimer, that we do not research these companies, it's a convenience listing.

Question from Audience: According to the net metering assembly bill for onsite generation, do they get retail or whole sale?

MW: Retail transaction. PJM has started a proceeding in regards to this.

## **2012 Approved Program Plan and Budget – C. Garrison**

### **NJ REMI Incentive**

- NJ REMI Incentive will end on 12/31/11.
- Projects must meet all requirements below to receive NJ REMI incentive payment
  - a. NJ REMI payments are limited to the \$1 Million budget approved in the 2011 Plan and Budget.
  - b. The project must have received an NJCEP REIP approval letter or SRP project acceptance letter prior to 12/31/11.
  - c. The project must submit Final As-Built package demonstrating full compliance with the NJ REMI requirements on or before the earlier date of 1) expiration date listed in the original project approval or acceptance letter or 2) March 31, 2012.

### **Solar Projects**

- Starting with SRP paperwork received in 2012, the Market Manager will collect the name of the NJ electrical license holder and NJ license number on the SRP application in order to demonstrate that the contractor has a valid business permit and holds a non-expired license from the New Jersey Board of Electrical Contractors.

- The SRP project status tracking will be expanded to include required updates upon the achievement of certain project construction milestones consistent with the proposed regulatory amendments.

### Wind Program

- The temporary hold on submitting new REIP Wind program applications is being continued.
- Wind Projects that have not received an extension but will be expiring prior to the opening of the 2012 REIP for wind systems may be eligible for only one extension (4 months if < or =10 kW, 6 months if > 10kW). Once the 2012 REIP program for wind system is accepting new applications, no extensions will be granted for projects that were approved under the previous rebate programs, those projects must resubmit a new application under the new program guidelines.

### Bio power Program

- The Bio power Working Group will be reconvened and meetings will resume on a regular basis.
- The working group will use available reports such as:
  - 2007 Rutgers study,
  - 2008 Summit Blue study, and
  - 2011 EMP
- The REIP Bio power incentive structure for 2012 has been revised to offer higher rebates than in previous years, increased emphasis on CHP over power-only generation and to reduce the number of tiers within the structure.

### Final 2012 RE Funding

REIP Wind and Bio power Rebates/feasibility studies:	\$7.195 million
Program Admin:	\$2.305 million
Total:	\$10.00 million

NOTE: These amounts are available for new projects and may also include uncommitted carryover that may be identified that may be identified by the end of the year true-up during Q1, 2012.

Jim McLeer: On the solar electrician license and name, is that on the application form or on the as-built paperwork?

CG: On the application

AS: What was the 10 days referring to?

CG: That's within 10 days of signing a contract you need to apply to the SRP program.

AS: What's the 10%?

CG: That's the change in system size, you need to notify gats with a major system change form. This is after it has been completed and if it gets changed. If it's less than 10%, you do not have to bring it to our attention.

AS: What if a customer has a system that they are recording generation through an inverter?

SH: They have the ability to determine if it's ANSI C12. Or they could call the BPU and request an inspection. It could be fraud.

AS: What about the licensed electrician, there are companies that have workers install the panels and then electricians tie them all together.

MW: The division of consumer affairs, if you're unpacking the panels, that does require a licensed electrician.

AS: Yes I think some companies aren't abiding by that.

MW: This is why we're instituting this law.

Scott Schultz: What is the status of the Portal?

CG: We're still testing it. The IT team is working on it. Some months from now hopefully it will be running.

CG: We're getting some projects that haven't finished their EE measures. The way that the filing was written, it didn't say when you had to put them in. We need to bring this to a close, and get the final as-built to the Market Manger we're going to talk about that tomorrow.

MA: We're going to propose within 60 days if your solar deadline has passed, you have 60 days from the day of order. If it's more than 60 days from the order you have until then. However most of these projects have expired already.

## **2012 Program Update – C. Garrison**

### **Solar Installed Capacity Preliminary Data**

- The preliminary installed solar capacity as of 12/31/11 is approximately 564 to 566 MW.
  - Approximately 35 to 36 mw installed in current month
- The preliminary solar capacity project pipeline as of 12/31/11 is over 616 MW.
  - Over 99% of pipeline projects are registered in the SRP program.

GS: When does the legislature meet on the new RPS goals?

MW: It might be today. They have to repost everything; it will probably be a while.

Question from the Phone: The BPU can increase the RPS regardless of what the legislature does?

MW: Yes.

Phone: What is their position?

MW: You'll have to ask them. Right now we're trying to provide them a recommendation. In the EMP the Governor's goal was to increase. However, the board acts independently from the Governor.

Chris McDermott: On data and transparency – can we get an update on the utility financing program and how much has been built.

SH: That will be a result from the CEEEP study.

PF: They have a year to complete after they were approved, right?

SH: We don't even have all the data on the contracts

MW: You will see all that on Thursday as to what has been built. It will be presented, but it's not in the report yet. I think for solar for all 80 mw is all committed, and the loan program is all committed. The EDC solicitation is all committed. What gets built will be on a month to month, year to year basis and we'll have that on Thursday.

### **2012 Operations Update (T. Gray)**

638 apps were received in December. As of last week, we approved apps received through 11/25 and reviewing up to 11/29.

In Dec, 620 SRP and 42 REIP as built packages were received.

632 approvals at 39.36 MW

552 NJ Cert #'s at 62.8 MW.

Year to Date: 8,032 Projects at 771 MW

Year to Date NJ Cert #'s: 5,546 Projects at 277.6 MW

PF: There's a solar transition, but there's also the solar advancement act to increase the solar RPS. Does it matter for the solar transition where that direction is coming from? What are the goals of the solar transition group that came out of the master plan?

MW: One in the same thing. We summarized the goal of the master plan. The master plan said increase the solar RPS, so we revised our goals.

MA: The master plan is what the board is required to consider. Perhaps it is important to reconsider what needs to be adopted. But that is my non legal opinion.

### **Update on Interconnection Issues - J. Teague**

We had gotten some input that California wants to take our complaint process. Our complaints have diminished; at least that I don't get them directly anymore. The interconnection issues that Linda sends us have gone done considerably. We are considering to look for ways to improve it though. I'm quite happy with it.

Next meeting is solar transition on Thursday at 1

Next REC meeting is on Feb 14<sup>th</sup> at 1 in Iselin.

**Renewable Energy Committee Meeting**

**Attendees**

Tuesday, January 10, 2012  
 Conservation Services Group

1:00pm - 3:30pm

Initial	Name	Company	Phone	E-mail
	Ambrosio, Mike	AEG		<a href="mailto:mambrosio@appliedenergygroup.com">mambrosio@appliedenergygroup.com</a>
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	Boone, Byron	LRE	(312)422-5281	<a href="mailto:BBOONE@LREENERGY.COM">BBOONE@LREENERGY.COM</a>
	Carpenter, Joe	NJDEP	(609)292-4871	<a href="mailto:joseph.carpenter@dep.state.nj.us">joseph.carpenter@dep.state.nj.us</a>
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