



Renewable Energy Committee Meeting

March 13, 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)
i. Board Orders and Proceedings

At the last REC meeting we reported on the February agenda, but just to reiterate, one of the only items on the agenda other than extensions, project approvals or rebates was the deferral of the Smart Growth Policy for 2012 program. That was deferred to the Governor's office and the Dept. of Community Affairs can finalize their document, just so that it can be incorporated in that overall document, nothing other than timing in that regard. There was a Fisherman extension of their project which was on the March agenda, Fisherman's offshore water project. That was extended to September or the initial decision from the Board based on the 2 reports that were just finalized and distributed. The BP report, the Board's consultant and the report from rate counsel. On the regular agenda there were a number of applications approved for Pay for Performance. Under the Green Growth fund we approved Fieldview Solutions which is an Energy Efficiency Technology for data management warehouses and an extension of Bayshore's wind project given the litigation and permit issues. There was a 3rd extension the Board approved and fixed the minor pre-noted approval award. Rockland Electric's Energy Efficiency stimulus program was approved by the Board. That was a late starter, approved through December and only for their low income program.

On the Energy agenda, since we had a number of PSA's, under the EDC solicitation program, the Board worked with the parties, ACE, JCP&L, RECO and rate counsel to develop a first evaluation and approval by the utilities. It would be a 4 month approval for projects less than or equal to 10 kW and 6 months for projects greater than 10 kW. A whole list of criteria would have to be met and a certification by the customer/applicant under that process. The initial review and initial decision on an extension can be done through the utilities.

ii. Legislation

There are 2 work groups based on bills that were passed. One is the SBC work group, which is for commercial and industrial SBC programs, mainly affects energy efficiency but will probably affect somewhat the RE program. It wasn't limited to EE, but since most of the rebate funding is through the EE program, it is mainly an EE bill. It allows the commercial and industrial customer to apply for a credit for 100% of their SBC funds that they would pay into the SBC in that year applied against 50% of the project. My have been limited to just EE; will check on that.

The other for the EE committee is the DR (distributor generation) bill, that's an energy project and they're proceeding working with electric utilities to look at requirements in that bill. Renee Dimunick heading that up on energy side, questions can be addressed to the energy folks. There was a piece of legislation released at a committee yesterday A-1383, which would have redefined/added some definitions on the class 1 definition for small scale hydro and alternate technology that's approved by DEP, but not using fossil fuel and reducing green house gases and a re-definition of fuel cells to be sustainably fueled fuel cells.

iii. Solar Transition

We're going through a transition to look at financing vs. rebates but also developing as we're required to develop a RFP to re-bid the program. That's going through reviews at Treasury and OMB and OIT, before it gets to Board for consideration. We're in the middle of that process and should see something soon out of the Board regarding that. This is linked to next agenda item. We have a straw proposal, we went through that last

Thursday and we have a comment period that is going to be open until this Friday. Public hearing scheduled for Thursday the 22nd, 9:30 in Trenton.

iv. Governor's Proposed 2013 Budget

State proposed FY 13 budget, which they're in the middle of discussing right now. There was a line item for \$210 million to be lapsed from the clean energy fund to the general account for different types of projects. \$42.5 million lapsed to the general fund from the clean energy fund for energy bills. \$10 million of that \$210 was for state energy efficiency projects. We typically have budgeted in the past \$52.5 million to address the amount appropriated by the legislature for their energy bills and EE projects but the \$210 million is in the current year fiscal budget. The fiscal year budget has to be signed off by June 30th. We'll take action as it becomes firmer. We're starting to look at areas where we could set aside dollars for programs that haven't started yet. There will be a natural slow down in some degree as far as programs moving forward.

v. 2013-2016 Funding Levels/CRA Proceeding (M. Ambrosio)

The important messages are for the time being, there are no changes to the programs being proposed. It is a wait and see; existing programs are continuing to move forward. 2012 budgets are set based on estimates of expected. Once actual expenses are known we true-up for the difference between actual and estimated expenses. Normally staff puts input as to what programs may have carryover, but due to transition there is too much uncertainty. The budgets that were approved in December will remain until further notice. An important clarification when we get to the Revised Budget, normally staff would have already suggested how to reallocate these dollars. Column D is not the revised budget for purposes of showing how much carryover we have. So we left the carryover in whatever program it was in. Leaving it where it was until staff provides further direction based on what happens in the budget and staff's review of programs to make a determination where dollars should be allocated. Because of the transition, when we develop new programs there are 3 steps to the process: we develop them through the course of budget development through the year, Board approves them and a budget which they did in December, and then staff would work the Treasury to develop contract modification necessary for some of the new programs. Treasury said they are about to issue an RFP for transitioning the management of the programs so it doesn't make sense to be adding new things now with or changing the contracts with only a few months left. The message here, Mike's opinion only, is that there is plenty of room in the budget to accommodate without having to gut the programs like they did 2 years ago. Also for the time being, no changes to the program's budgets or incentives until we have more guidance.

II. Status Updates (S. Hunter)

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

Putting the finishing touches on the rule re-adoption document that is required to adopt the regulations that were proposed in March 2011, for title 14 chapter 8, which involves RPS net metering and interconnection environment disclosure, regulations. Expect to take that to Board at April agenda meeting.

ii. Small wind program

We're still waiting on the National Renewable Energy Labs findings on the failure of the 2 wind turbines that occurred this time last year; there was mechanical and electrical failure. Once report on findings is released by NREL we will reconvene small wind working group to take some comments and discuss reopening the program. Sometime in March that report should be made public. Final report will be available likely this summer. It will probably be April or May of this year for small wind working group meetings to recommence.

III. 2012 Program Updates (C. Garrison)

i. Installed Capacity Update

- The preliminary installed solar capacity as of 2/29/12 is approximately 689 MW; approximately 39 MW installed in current month.
- The preliminary solar capacity project pipeline as of 2/29/12 is approximately 542 MW; the pipeline capacity was 547.9 MW on 1/31/12.

ii. SRP Guidebook Update

- SRP Guidebook update was released on 3/9/12.

- On 2/22/12 Market Manager hosted a webinar to review 2012 program changes.
- All 2012 forms and checklists are posted on our website

The following link can be utilized to access all of the above documents

<http://www.njcleanenergy.com/renewable-energy/home/home>

IV. 2012 Operations Update (T. Gray)

- Registrations received were slightly higher in February than January. We are only a few weeks out for initial review due to the high volume of applications that we've returned or have not been usable.
- Coming to an end with REIP Final As Built, only a handful left.
- We haven't seen a real decline in initial applications comparing February and March numbers from last year to this year.

V. Update on Interconnection Issues (J. Teague)

Last month we were told we had a problem with the complaint in regards of failure to notify customer to generate and energize. Broke down complaints we received in NJCEP, 44 total complaints during that period, which went up to last week. Of those 44, total of 25 related to failure to notify customer generator. Broke those down to EDCs; 2 from ACE, 6 from JCP&L, 17 from PSE&G, none from Rockland. Concern is the notification failure to notify customer generator, coming from PSE&G. All the complaints on website have been addressed; of the 15 that came to John, only 3 still need to be resolved.

VI. Biopower Working Group (R. Reisman)

We had a meeting last week, about 25 people attended and another dozen on the phone. We went over program rule changes, incentive levels. There was a presentation from Dave Specca of the Rutgers Eco Complex on his sub-committees recommendations to the BPU on biopower, and also a discussion with John Barby from the BPU on implementation activities for the biopower recommendations and the EMP. We will have another working group meeting probably in June. There will also be on May 7th at the Rutgers Eco Complex an innovative technology conference on biopower, they may still be looking for presenters, if interested contact Dave Specca.

April 18th for the next REC meeting.

Renewable Energy Committee Meeting

Attendees

Tuesday, March 13, 2012
Board of Public Utilities

1:00pm - 3:30pm

Initial	Name	Company	Phone	E-mail
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