

New Jersey Board of Public Utilities

PRESS RELEASE

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Nations' Best Standards Bring Solar Boom to New Jersey

Transparency, Simplicity Bring Clean Energy Success

Washington, DC (April 26, 2005) The Solar Energy Industries Association (SEIA) congratulates New Jersey on its 200th solar installation. The state has produced a booming solar market in record time, using well-planned financial incentives, and, critically, a system of rules that make it possible for would-be consumers to hook up to the grid. New Jersey's interconnection standards and simplified net metering now have a proven track record as a low-cost, easy to implement regulatory tool that has removed all significant barriers to distributed generation. As other states seek to establish renewable energy industries, we urge them to repeat this success by adopting New Jersey's wellconsidered, uniform standard— now responsible for a 550 percent three-year growth in that state's solar market.

Interconnection standards describe how distributed generation technologies (like fuel cells, solar, small wind generators, and microturbines) interconnect to the electric grid. While streamlined standards ensure the reliability of the grid and the safety of utility workers, overly complex, lengthy, and unnecessary rules drive up the costs and choke off development of these innovative clean industries.

The New Jersey standard provides for expedited processing, with fixed fees if the generator passes a set of conservative screening criteria. The process is easy to understand and completely transparent. Utility discretion, which has in the past been abused to the detriment of small generators, is limited - even allowing for automatic approval of small home generators should a utility choose not to reply to their customer. For larger commercial systems, New Jersey allows up to 2 megawatts of customer-sited interconnected and net-metered facilities. The New Jersey rules builds on the tremendous work by utility companies and government agencies nationwide in developing the IEEE 1547 and UL safety and operational standards. Equipment costs are kept low by allowing pre-tested units certified as safe to be installed without unnecessary additional tests and redundant equipment.

The New Jersey rule also brings a balanced fee schedule that removes barriers to the grid, without subsidizing individual customers. Explicit deadlines give utilities time to assess system impacts, while ensuring customers don't get trapped in "approval limbo."

New Jersey's two megawatt net metering limit is the largest in the country for solar and encourages larger, low-cost systems. The higher limit is key to allowing solar to contribute a

significant share of future energy needs. Simplified net metering where the customer can use the full output of their renewable generator - without the imposition of fees, insurance requirements or offsets - is critical to making solar cost effective.

“New Jersey’s model is far and away the best framework for a successful program – you can see that when the barriers are removed, renewable energy can provide a significant portion of our energy needs,” said Rhone Resch, Executive Director of SEIA. “We encourage other states to adopt this proven model, as opposed to other failed or speculative approaches.”

SEIA is the national trade association of solar energy manufacturers, dealers, distributors, contractors, installers, architects, consultants and marketers. Established in 1975, SEIA works to expand the use of solar technologies in the global marketplace.

About the New Jersey Board of Public Utilities (NJBPU):

The New Jersey Board of Public Utilities (NJBPU) is a state agency and regulatory authority mandated to ensure safe, adequate, and proper utility services at reasonable rates for New Jersey customers. Critical services regulated by the NJBPU include natural gas, electricity, water, wastewater, telecommunications and cable television. The Board has general oversight responsibility for monitoring utility service, responding to consumer complaints, and investigating utility accidents. To find out more about the NJBPU, visit our web site at www.bpu.state.nj.us.