

Minutes of March 20, 2007 Renewable Energy Committee Meeting

The meeting took place at Conservation Services Group's Iselin Office, 75 Lincoln Highway

In attendance: About 35 in person, 20 on the phone.

A list of those who attended the meeting in person is included at end of this document.

Energy Master Plan Update

Lance Miller provided an update by telephone. A document with electricity and heating assumptions for the business as usual (BAU) and alternative cases is posted on BPU's website. Comments are being accepted on these assumptions through 3/21/07.

Transportation assumptions will be open for comments in the next week or so. Rutgers will be running scenarios based on these assumptions. There will be a stakeholder process to review and solicit comments on these results. A draft of the master energy plan is expected to be available by the end of June. Week of September 10th will be formal hearing.

Executive Order 54, GHG reduction goals for 2020 are part of the Energy Master Plan. The scenario runs mentioned above will be evaluated according to meeting this target. Discussions on meeting the longer term 2050 target of 80% reduction are also underway with the Department of Environmental Protection (NJDEP).

The Federal Dept of Interior's Mineral Management Services has requested comments on the draft off-shore wind Environmental Impact Statement (EIS). A 60-day comment period started last week. The OCE is working with the Clean Energy States Alliance to draft comments.

1. Market Manager Transition Update

Maureen Quaid, Renewable Team Leader for the Honeywell Team, provided an overview of new staffing, including

- Ben Larkey, Clean Power Choice Program Manager
- Steve Wiese, SREC Pilot Manager
- John Verrochi, CORE Program Manager.

The Honeywell team was happy to be able to host the meeting at the Iselin office and welcome the RE Committee members to its new office.

2. Small Wind Working Group Update

Work of the group funded by the USDOE. Scott Hunter clarified that the scope for this group is small scale on site wind. The next small wind working group meeting will be scheduled in April (date to be determined) – the topic will be a continued discussion of barriers and issues related to small wind project siting. Email Alma Rivera (alma.rivera@bup.state.nj.us) to be placed on the list serve and for next meeting announcement.

The CORE program experience is that total installed costs are high -- ~ equal to solar. Scott indicated that siting issues are suspected of playing a major role in contributing to these costs. The home rule authority for siting and permitting leads to a patchwork and unclear requirements. Comments and participation are welcome. The development of model ordinance, for application at the county or municipal levels are strategies that are being considered.

A study conducted by Navigant Consulting for the BPU includes cost estimates for renewable energy technologies. Available on the BPU web site.

Success from Atlantic City wind project is likely to encourage new wind project applicants.

3. CORE Program Update

David Hill of Vermont Energy Investment Corporation presented a series of tables indicating the number of applications, project approvals, and check authorizations that the CORE program processed since Honeywell and its partners took on the program.

He also discussed, briefly, a settlement that was forthcoming and its effect on private solar installations. He indicated the program's intention to publish online the presettlement less-than and greater-than 10 kW queues. They are located at <http://njcep.com/media/COREQueueGT10KWUpdated321071.pdf> and http://njcep.com/media/COREQueue_LT10KWUpdated321071.pdf.

David said it is the program's intention to enhance its IT capabilities to include web-based application processing and project status querying. He said that the Market Manager would be recommending such enhancements for hopeful implementation by early September.

Kim Hoff, Marketing, marketing coordinator, who manages the CEP's web page content, said that the CEP web site will be improved in content and timeliness.

Federal Investment Tax Credit

New approval letter language was reviewed. The aim is to advise recipients that their rebate amounts would be reduced to the extent of any changes in contemplated changes in the Federal Investment Tax Credits. There was a question regarding whether the OCE and Board would provide more specific information than was in the approval letter. MSEIA, Mark Warner also asked if the option of allowing a customer with limited tax liability to opt to select to maintain their CORE rebate at the same level as before the increased tax benefits. Mike Winka said this could still be considered, but may not be likely. If this option is allowed, the mechanisms will need to be simple and designed to avoid having people select the maintenance of current rebate as a default.

4. SREC-Only Pilot

The SREC Pilot Model and slides were reviewed. The revised pilot time frame is for March to July. The registration forms will be approved by the Office of Clean Energy.

Lyle Rawlings asked a question about how much capacity would be approved in the pilot. Mike Winka answered that there is not a specific cap. Mike also indicated that if the project financial forms indicate that the project requires \$800 SACP then it would be considered unreasonable. The current project parameters for the SREC pilot are that the SACP needs to remain at \$300.

MSEIA is concerned that projects will require greater than \$300 for the ACP. There is uncertainty regarding how any pro-forma indicating that projects will lose money are treated. Therefore there is a speculative risk for any increase in the SACP.

A follow up meeting to review Pilot program details and review the pilot approach to addressing the issues discussed will be scheduled by the Market Manager.

5. March Compliance Filing

Clean Power Choice – Maureen Quaid provided an overview of the design changes under consideration.

REC facilitation process and recommended changes were reviewed. Dina Deana from Clean Power Markets provided information on how the current review process works. Procedures for tracking REC production in case of inverter or meter replacement need to be established and provided to the industry. The Market Manger team will provide this information as part of the REC facilitation

and SREC only pilot components of their scope of work.

EDA and Business Venture Assistance – Program design changes under consideration were reviewed by Maureen Quaid. Dolores Phillips asked about the status of the Business Venture Assistance applications that were submitted in 2005. Ron Jackson and Scott Hunter updated the group on the status and progress of the review of applications for the solicitation in question. The Office of Clean Energy will be sending letters regarding these applications in the near future (several weeks).

6. Governor's Greenhouse Gas Initiative

Scott Hunter reported on the forum held at Rutgers on March 19, 2007. The Board is working with the DEP on how to reach the Governor's goals. The Energy Master Plan will is designed to evaluate GHG impacts and progress towards meeting the goals. The DEP is preparing an inventory of strategies for meeting the goals by 2020 and 2050. They will use a good amount of information from the Energy Master Plan. Stakeholder processes are ongoing.

7. Rule Changes

The OCE is reviewing changes to the Summit Blue Study. Once that report is finalized, the Board has asked that public comment be open for 30 days with at least 15 day warning for meeting. The Summit Blue economic analysis is being modified to capture new proposals related to the GHG targets. Depending completion of the analysis hearings in the middle of May are still possible.

Scott Hunter also announced a net metering interconnection meeting is scheduled for Board review next March 27.

8. Other Business

Cassandra Kling suggested changes to the application process, including having the certification letter be included directly in the application. She also suggested reviewing the requirements for module supply letters. The Market Manager team took note of these suggestions and agreed to circulate a list of the appropriate email contacts – by program for recommended program procedure and guideline changes.

9. Next Meeting

The Market Manager team recommended that starting in May the RE Committee will shift to the second Tuesday of the month. Accordingly, the next two meeting dates are April 17 and May 8, 1-3 p.m. These meetings will be held at the Conservation Services Group Office, 75 Lincoln Highway, Iselin, within walking distance of the Metro Park Train Station.

List of attendees

New Jersey Board Of Public Utilities Clean Council			
Renewable Energy Committee Meeting			
Date	March 20, 2007		
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