

**Notes from May 15, 2007 Renewable Energy Committee Meeting
DHILL**

Introductions:

Forty one participants in person

Twelve participants by phone.

Market Manger Transition Update

Queues were posted on May 14th in the evening. The queue release reflects new applications, settlement reconciliation and database validation.

Recruiting for three open positions. The CSG technical director, VEIC account manager

Maureen announced new CORE Program Manager will be starting on June 4th.

Introduced Jessica Cooney, Cyndi Surnam and Julie Weiser.

Solar Alternative Compliance Payments (SCAP), Comprehensive Resource Analysis (CRA) and Energy Master Plan (EMP) Proceedings Update

Scott Hunter reviewed the 2007 Schedule for NJCEP Action (Summary of Proceedings Affecting the Solar Transition).. A document was distributed that lists the major strategies under consideration for reaching the 20% reduction use of renewable energy by 2020.

Energy Master Plan: Modeling and analysis under way to review components of the Master Plan.

Solar Transition is the second component. Establish multi-year Alternative Compliance Payments (ACP) and SACP. Develop and evaluate a pilot. The Summit Blue Reports on qualitative and ratepayer impacts are posted on the site. Forty one people participated in last week's meeting reviewing the reports. The next step in the proceeding is for staff to develop a straw proposal by May 23rd. Public hearings are scheduled for June 6th and June 7th (correction to the dates on the handout). The logistics for providing comments and process schedule are posted on NJCEP website and notices have been distributed. The goal from the public hearings is to have testimony from stakeholders. There is a Board Order scheduled for August 1, 2007.

Four additional proceedings are also underway (CRA, PSEG, Greenhouse Gas Reduction and 2007/2008 Compliance filings). The process and anticipated schedules for these proceedings are summarized in the handout.

CRA for Energy Efficiency and Renewable Energy Proceeding for 2009 to 2012 Funding Levels and 2008 NJCEP Budget. Finalize and distribute Summit Blue Report due for public release in June. Board Order in December to establish the 2009-2012 funding levels and the 2008 Budget is expected in December 2008.

PSEG Solar Filing Board received a proposal from PSEG on 2 year 30 MW effort. Hearing on May 31st, 2007. Pre-transmittal hearing. PSEG will recover cost at 12.08% plus administrative costs, plus system fixed costs. The financing is a 15 year loan based on the SREC value of \$476/MWh. The process and substantive issues will be on the agenda for discussion at the May 31st meeting. Summit Blue contract may be used to add an investigation of the PSEG proposal. Claire Broido Johnson asked Mike Winka about timing for the start of the program.

Comments on the process are open for comment. OAL proceedings tend to have a slower pace. The other option is for a Commissioner to be the hearing officer and this would be likely to be a more accelerated version.

Executive Order 54 Greenhouse Gas Reduction There has been a kick-off meeting. The Department of Environmental Protection (DEP) is working with the Center for Energy, Economic & Environmental Policy (CEEPP) and this effort will be coordinated with the analysis of the Energy Master Plan.

2007 Compliance Filing Order to be issued by the Board on June 14, 2006. This will confirm the reallocation of carry-forward. Comments were due last Friday on proposed reallocation of the straw proposal.

Other items identified by Mike Winka included basic generation services (BGS) auction. There has been some question regarding contract terms. Operational rules will need to be established by next October for the coming energy year.

Rule Changes (in addition to the above are also on today's agenda under item 10).

Legislature has tasked the BPU in consultation with DEP the statutory authority to use SBC to forward efficiency and renewable energy. A current question under review, and for consideration for the Board, is what latitude there is for pilots and program changes under the current level of statutory authority.

Small Wind Working Group Update

The group met on Friday May 11th. Alma Riveria provided a summary. Nineteen participants worked with the group. Nick Sagrillo was the presenter, recommended by NREL. Topics looked at how to work with municipalities and how to most effectively overcome home-rule barriers to small wind development and siting. Experience from Wisconsin, California and Nevada were reviewed. Minutes will be posted soon on the small wind working group web-site. A draft model ordinance will be developed that is specific to New Jersey. A strategy for requesting conditional use permits has worked

well in Wisconsin. The working group is being supported through the Department of Energy's Wind Powering America program – which provides technical support and experience from other similar state based efforts. The small wind working group definition of small wind is 100 kW.

A question regarding the definition of small wind for the purpose of program participation was raised. Alma manages a small wind work group list-serve.

There are two RFPs outstanding for off-shore wind. One is from Commerce and the other is from DEP.

CleanPower Choice (CPC) Update

Ben Larkey presented an update on the **CleanPower Choice Program**SM. The market manager for the finance program is working with Ron Jackson to provide responses to applicants.

Community partnerships –

Format for the first quarter report has been finalized. Data from the Clean Power Marketers and Utilities are still coming in. This report will be kept up to date going forward and be distributed at future meetings.

CORE Program Update

Volume expectations are to move to 100 to 200 new approvals per month. Additional disaggregated information on approvals is required. How many projects have submitted final paperwork and are waiting for inspections.

Weekly production reports will start being posted at the end of the week of 5/21/07

Database validation is complete.

SREC-only Pilot Update

Steve Weise, REC Program Manager provided an update on the SREC pilot program. Web site is being used to keep status of the pilot posted. The queue lists and program information will be kept up to date on this site.

Some rule questions regarding registrant eligibility and entity cap are outstanding. These have been addressed in the straw proposal. Other clarification issues involve monitoring and possible changes to the 120 day registration period. Comments on the straw proposal were due on May 11th. There were approximately half a dozen comments. The OCE staff is reviewing these and will provide a recommendation to the Board in the Compliance filing for approval on June 14th.

Timing for starting Phase II is to start on August 1st. Phase II pilot to take the issues the Board is considering – based on stakeholder inputs - into account. The Phase I pilot will continue to the end of July.

A request for the REC generation for the month and for the year are required. The market data for RECs is now a year old. Data on the number of RECs generated needs to be posted. Clean Power Markets will provide a monthly report on the monthly and year to date REC generation.

Lyle Rawlins commented that there has not been good information on the actual generation of PV based on an audit conducted by CPM. An estimate based on the audit data, with outliers excluded was 1,066 kWh annually per DC installed KW.

Grid Supply SRECs Policy

A question was raised as to whether SRECs are only available to net metered systems or are solar grid supply projects eligible for SRECs? There is concern of potential impacts to the net metered SREC market if solar grid supply projects are eligible.

Are SRECs only available to projects that meet customer's own load, or are projects that provide net excess generation eligible? It is not clear whether a rule change would be required. If so, it would be likely to be part of the RPS proceedings. A pilot program may be required.

The OCE will work to clarify this and report at the next RE Committee meeting.

Net Metering & Interconnection Work Group Meeting Summary

Scott Hunter reported on the last meeting. Comments on the notes have been received and the notes from the last meeting will be circulated to the list serve by the end of this week or next week.

The option to change to the anniversary dates were discussed. Atlantic City Electric will change the anniversary dates, while the other utilities are not willing to. There was a recommendation from MSEIA to see if after the last meeting the utilities could be approached to see if they would be willing to allow for changes in the anniversary date. It has a high impact on some customers. There may be some procedural/administrative processes that could be implemented that will be acceptable to the utilities.

There was also a question on time period for final interconnection and meter change out. The technical committee from MSEIA will follow up with utilities with a proposal for two weeks turn around. Projects have been completed and not been able to be energized for two to three months.

Rule Changes (RPS, Env. Disclosure, Net Metering/Interconnection)

Rule changes need to be mapped out in terms of which proceeding will cover each one. There are multiple proceedings and how the individual rule changes will be addressed is needed. MSEIA will develop a draft of this for comments during the June 6th and June 7th public hearings.

RPS and Net Metering/Interconnection discussed above. The Environmental disclosure forum should include the clean power marketers and the BGS and third party providers. Rules for Clean Power Choice Program are being reviewed and updated. Anne Marie McShea mentioned that an outline of changes under consideration has been developed. Environmental disclosure will be addressed by the CPC working group.

Other Business / Next Meeting

June 12th is the next meeting date at Conservation Services Group in Iselin, NJ from 1 - 3:30 p.m.

Adjournment

The meeting adjourned at 3:30 pm.

New Jersey Board Of Public Utilities Clean Council Renewable Energy Committee Meeting - Attendees

Tuesday, May 15, 2007

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