



Renewable Energy Committee Meeting

March 13, 2013

BPU 1st Floor Meeting Room - Trenton, NJ

1:00 pm to 3:30 pm

Agenda

- I. OCE Updates (S. Hunter, M. Winka)
 - a. Regulatory / Legislation Update
 1. Mike Ambrosio: On Feb 22nd there was a Request for Comments proposing a number of changes in the budget. There were some program changes and budget changes included in the proposal that we will talk about later. This included \$4 million that was proposed to be transferred from the REIP program and \$3.6 million from the Grid program. Both of those programs are still forecasted to have enough money in their programs still for the rest of the year. That order is scheduled to be considered by the Board on the March 20th agenda meeting.
 2. The Board switched from a calendar year budget to a fiscal year budget, so we're in the middle of an 18 month budget cycle that will end on June 30th. Starting July 1st they'll switch to the fiscal year budget. Budgets for that are slightly delayed, the holdup is due to the internal discussions concerning the CRA proceedings and setting the funding level for next year. The Board issued a scheduling order on the CRA proceeding, for a revised staff straw proposal to be released by March 28th. Staff is currently working on developing the revised straw proposal that will propose a funding level for FY 14 and the next 3 yrs. A public hearing is scheduled April 23rd, the close of the comment period is April 26th, and the Board will consider that at the May 29th agenda meeting.
 3. Transition: Treasury has issued a notice of intent to award Applied Energy Group (AEG) as the Program Administrator. The protest period ended March 8th, and there were two protests. Everything is on hold pending Treasury responding to the protests, but things are moving along.
 - b. Board Orders and Proceedings

1. Scott Hunter: For the March 20th Agenda meeting, we have scheduled to present the Aggregated Net Metering rule proposal from the Solar Act. The onsite generation rule adoption that was proposed in August. The public comment period ended in October and the Solar Act in July mandated that on-site generation be considered eligible for net metering as part of the definitional changes in the Solar Act. The recommendation on subsection W will also be considered on the same agenda.
2. EDC Solar finance programs are in various stages of their proceedings as well.
- c. Process for Developing FY14 Programs and Budgets

II. 2013 NJCEP Revised Budget (M. Ambrosio)

III. Discussion of the Solar Act (S. Hunter, C. Garrison)

- a. Status of proceedings; q., r., s., e (4), w
 1. Scott Hunter: e (4) and w were discussed and are on the March 20th agenda. For **Q, R & S**: Our expectation is to have a recommendation to present to the Board on the April 29th agenda meeting for **S & Q**. **R** doesn't start until 2017 so we have more time to develop that.
- b. Update on Subsections t.; Certification Program & Incentives
 1. The board issued the order on subsection t on January 23rd. We are still developing the application form with the DEP that should be out soon. It will be consistent with the Board Order and the law.
 2. Because the development of an incentive is a weightier issue than the development of the certification program. We anticipated it would take a little longer to develop. Sources and uses of the funds are being discussed, and we have taken comments on these issues. We have, with the EDC Solar financing programs, the directive from the May 23rd 2012 board order for the EDCs to extend these programs and develop a carve out for landfills and brown fields, a total of 5% of the total program size.
- c. Investigating Approaches to Mitigate Solar Volatility
 1. Comments by RENU Energy, Quantum Solar, Alpha Inception (*please reference the website for documents with comments from the below entities*
http://www.njcleanenergy.com/files/file/Renewable_Programs/SolarDevelopmentVolatility-Discussion-RenuEnergy_0113.pdf)
 - [Renu Energy](#)
 - [Quantum Solar](#)
 - [Alpha Inception](#)
 2. Discussion of comments & next steps

- Scott Hunter: Need to keep in mind that solar carve outs come with costs, and the goal is to have solar power in NJ with the least cost to the ratepayer.
- Scott Hunter: I am going to take an opportunity to develop a problem statement from the comments that we received and seek comment on that as well as start to develop the possible solutions. Once we have that problem statement developed and possible solutions, the next step would work to CEEEP to develop a scope of work or an RFP/RFQ to get a vendor on board to produce a report that the vendor is looking for.
- *Comment from caller on the phone:*
 - a. *“The biggest unexpected change was the significant decrease in the cost to install solar systems which widened the margin between the cost and the alternative compliance payment. This accelerated the rate of investment. The consequence of that was that we went into a mode of unexpected surplus. The unexpected volatility was the rate at which investment was actually made over what was anticipated. “*
 - b. Scott Hunter: *What is the tool in your opinion, that would respond to that?*
 - c. *Caller: One tool that can be used is to periodically monitor what the total installed cost for solar systems the industry is experiencing, and compare that to what the alternative compliance payment schedule is, and see if we’re starting to enlarge that gap, like we did between 2010 and 2012, then proactively modify the schedule to bring it down.*
- Lyle Rawlings: We feel that there is a requirement to change the framework that we have to address the volatility. The BPU has said they want to meet the RPS goals at the lowest cost to the ratepayers, but also while preserving opportunity for all market segments to participate.

IV. Program Updates (C. Garrison, T. Gray)

a. Revised 2012-2013 Renewable Energy Program Budget

1. See attachment 1 for budgets
2. The installed solar capacity as of 1/31/13 is approximately 973.4 MW
 - Approximately 17.8 MW installed in current month
3. The preliminary solar capacity project pipeline as 1/31/13 is approximately 732 MW

- The project pipeline decreased approximately 13 MW in the current month
 - 4. On an annual basis, there isn't too much volatility in solar capacity added. Only when you look at month to month numbers is when volatility starts to become clearer.
 - 5. Scott Hunter: To clarify, The SREC Registration Pipeline are projects that are registered with contracts and are given 12 months to complete with the option of a 6 month extension. This is just what is in the registration pipeline, this doesn't include the large grid supply projects that are in the PJM Queue but don't have a contract to install yet. It also doesn't affect the ability of developers to go out and sell more net metered projects. We're not limited to 731 MW being developed in the next year; this is just what is in the registration pipeline.
 - 6. Deactivation volatility: Need to take into account what programs were ending 12 months prior to the project scrubbing out (EDC Financing or other loan programs)
 - 7. Charlie Garrison will include "Solar Capacity by Interconnection Type" report on website, with the understanding that these numbers are subject to change and only preliminary.
 - 8. Scott Hunter: Do developers develop projects based upon the SREC Prices? I don't necessarily agree that they are the primary driver of their decisions
 - Charlie Garrison: Certainly I believe that some do, but not the entire market.
- b. Operations Update
1. 548 SRP Registrations received in February 2013. 72 received as of March 5th, 2013.
 2. 575 Final As-Built Paperwork packages received in February 2013.
 3. 645 Registration Acceptance letters issued in February for 16.3 MW
 4. 549 SRP Completions done in February (471 Residential/78 Non Residential)
 5. Webinar on SREC Registration Program paperwork and technical deficiencies is now on the web: The Webinar recording can be viewed [here](#) and Presentation PDF [here](#).

V. Update on Interconnection Issues (J. Teague)

- a. Overview of 2-15-13 NM INX Stakeholders Meeting
 1. We had a stakeholder meeting on the 15th of February. Scott & Rachel covered the Solar Act, followed by the net metering adoption of the on-site net metering rule. Rachel said there was a draft on the NJ Register. At the conclusion of the meeting Scott

and Rachel sent out survey questions to the listserv that they asked for a reply by the 22nd, so they are working on those. The meeting notes should be coming out possibly next week and they will be posted.

b. EDC NM billing issues

1. The EDC's were supposed to give a report on the scrubbing procedures as well as the extension of the delivery of electrical service. They weren't able to meet prior to our stakeholder meeting, but they did meet on the 21st of February. Josh from ACE did email their meeting notes to us. They said they discussed the petition to change the delivery voltage and the other EDCs are looking at a draft that will be submitted by ACE. The procedures for the scrubbing methods will be presented to staff as well. There was an EDI conference call on March 7th. One problem is that the EDC's have not all responded to the proposed EDI changes, only JCP&L so far. We are still working on the coordination of all the EDC's on this.

VI. RPS issues (R. Jackson)

a. 2012 RPS Compliance Update

1. Of the calculated numbers from EY 2011 and the preliminary EY 2012 numbers we're 99% compliant to the EY requirements.
2. Scott Hunter: There is an error on the chart for SACPs submitted in EY 2010; it was not 0.
 - Ron Jackson: We will fix that

b. Implementation of metering requirement at NJAC 14:8-2.9 (c)

1. Ron Jackson/Scott Hunter: We had a meeting with PSE&G about their concerns over the metering requirement.
2. Scott Hunter: Yesterday, we circulated a short description of the issues. PSE&G is also estimating meter readings when they can't access the meter. Anyone can submit the meter readings, but they are supposed to be verified by the BPU. Our read of the regulation is that a meter reading device needs to be installed, we didn't know that that interval meters give intervals that need to be calculated to find the meter reading. Our only guidance was that they had to be ANSI C12 certified. This is causing significant hardship on PSE&G loan customers as well as other customers who have interval meters.
 - Alex Stern (PSE&G): When we did come in and meet with you we had brought in Hartz Mountain, who pointed out that they have also undertaken development outside of the loan program and used interval meters so that you can see the overall solar development perspective. A number of

customers/solar developers have only just received notice from PJM GATS that they weren't going to receive SRECs. The concern is that if it is not dealt with soon, more and more people will start to realize that they are not getting SRECs. We've never had an issue like this where there is a real possibility of going a long period of time without getting SRECs.

- Thirza Jacobus (PSE&G): Just to clarify, the solar loan program requires annual reconciliation. In the event that a project goes for an extended period of time without getting any SRECs, they will owe us cash. However, the program rules allow us to do that billing process only once every 12 months. It depends on the anniversary month of the loan when those 12 months is up.
- Mike Ambrosio: Is staff opposed to meters that require a multiplication or is it that you don't believe the rules allow for that?
- Scott Hunter: It's the fact that the verifications responsibility falls to the board. If GATS comes to us and says XYZ customer is producing twice as much SRECs as their system could possibly produce, then we have to call out one of our contractors to go do a site visit to look at the system, the meter, take a meter reading and try to troubleshoot the issue. They would have to do the calculations as well. GATs cannot modify their user interface because it would affect 21,000 customers. We are talking to other states to see how they have handled this type of situation before.
- Charlie Garrison: There are multiple issues. One issue is that GATS needs to have the ability to accept a previous reading, a present reading and a multiplier. The second issue is that there are sometimes multiple SREC meters, so they have to be able to accept multiple meters and then be able to do the calculations for all of those meters. The third issue, beyond the metering of everything working perfectly is when they don't work perfectly and they do an estimate. The tracking becomes very difficult for someone to verify.
- Scott Hunter: At a minimum, we don't expect people to change out their meters. The accuracy of the meter isn't being questioned; it's the data that's being entered into GATS. We would like some type of paper trail to be kept. The estimation issue is another issue in itself.
- Chris McDermott: To clarify something about our meters, which are similar meters that many people have that are

outside of the Solar Loan Program. Our revenue grade meters do not have this multiplier issue, which I think is unique to the EDC meters. The screen on our meters does keep a cumulative kWh reading as required by the regulation. The issue however is when those meters transmit data to us through a data acquisition system so we can see the meter readings on our screen. It transmits the data in intervals. Secondly, from the verification perspective, if you want to make sure that people are not over reporting I'm not sure if you can look exclusively at the EDC's and people with meters outside of the EDC program. A lot of the responsibility relies on GATS, and right now GATS will only raise flags about over reporting if production is more than 30% of the baseline. GATS doesn't adjust that on a monthly basis for actual sunshine.

- Scott Hunter: GATS doesn't do verifications and the issue is not the broader market. We're trying to solve the issue of entering data into GATS system. Using this calculation model and throwing out the spreadsheet would result in our inability to verify data that was entered into GATS system that was from an ANSI certified meter, but involves some calculations.
- Alex Stern: Requiring people to maintain records that would be available through what they represented in GATS is probably the appropriate way to go.
- A residential caller explained that her GATS account gives her a number they expected her to put in. Scott Hunter said they ("the BPU") complained about that to GATS when they first learned of it. Caller confirmed that they are still doing it, but she has never put in higher number than what was expected.
- Howard from NJ SRECS: The number that GATS puts in is an estimated number and is based on the average production for that particular month. It is helpful for people to use so that they know their meters are working properly.
- Scott Hunter: We are going to work with PSE&G, but anyone who has any comments, can submit those to OCE@bpu.state.nj.us about the form of the information that should be kept, the frequency or what the data that should be kept and the length, whether a photo of the meter or the online portal is useful and the data backup to enable verification of SREC meter reads when you can't physically enter in one piece of data that comes directly from the meter. We expect to be able to turn that information and approval around to GATS to enable people to enter in their calculations based upon their

meter readings for creating SRECs. Send comments as soon as possible and we'll get that to GATS by the end of the month.

- Scott Hunter: Regarding the estimation and PSE&G's practice of estimating what the meter should read and creating SRECs from that, then truing them up, I don't read the RPS regulations as accommodating that practice. I don't see the linkage between the RPS regulations and the regulations that govern how the utilities bill customers for energy services, but I'll let Alex explain that rationale and make the argument.
- Alex Stern: Our point was for PSE&G loan customers as well as any customer, the fact is that the utility doesn't enter the home and doesn't look at the meters for regular consumption generation usage every month, simply due mostly to access issues. That said, the Boards regulations have long time recognized that challenge and we've dedicated a meter reading workforce to get the meter reads. The regulations recognize that and permit us to use estimates that are trued up with actual. 14:8.2.9C says that in order to get the SRECs we can only accept meter readings of a meter that records kWh of production of electrical energy. That is what we're doing here and it is what we do when we measure consumption as well. The difference is that some months we do get an estimate, but ultimately it is trued up with a meter of this sort. We fully recognize what you don't want, and you don't want someone putting an estimated read every month forever, and there should be a reasonable amount of time and limitation of length, in recognition that the regulations do say you must use a meter.
- Scott Hunter: Where in the RPS regulations are the rules concerning estimated SREC generation for all customers? There are rules that enable estimation for consumption, but if the Board intended it to also be available for SREC generation, there would be a similar counterpart for 14:3.7.2C.
- Alex Stern: I think the difference here is that the 14:3 regulations have been around for decades and were well thought out- not that 14:8 was not well thought out. 14:8 has been an evolution over the last decade or so.
- Scott Hunter: Adding those rules to the RPS rules would be a significant change to the RPS rules, and would have to go through the rule making process.
- Alex Stern: If you don't allow some degree of estimating and understanding that meters can break, you're going to have

unintended consequences. What we proposed is a work around that doesn't preclude updating the rules to codify.

- Scott Hunter: The Board just got out of the estimating business from the June rule that required meters to be installed by November 30th. To me, this would be a step backwards. I would have to recommend that you petition the Board.
- Mike Ambrosio: What is the issue with not reporting one months of generation, and then double counting the next month? Even if they report estimated only to PSE&G for the one month and then it is trued up the next month for PSE&G.
- Thirza Jacobus: Yes, this is possible but at huge cost. We have 750 residential customers in our Loan Program, and different ones get estimated every month. Operationally, you are manually doing lots of calculations. Our loan documents only give credit to our customers when an SREC is actually created as well.
- Alex Stern: At this point we may be getting to this just being a PSE&G problem and not an 'everyone' problem. If that's the case then I think we heard Scott's action plan of providing comments and for us to make a business decision on how it is going to work on its use of estimated reads now that GATS isn't allowing for that.

VII. Other Topics / New Business

- a. The next RE Committee meeting is April 9th, 2013 in Trenton



New Jersey's Clean Energy Program: 2012 Renewable Energy Program Update

Charlie Garrison

3/13/2013



Revised 2012-2013 Renewable Energy Program Budget

	2012 + 6 Month 2013 Budget From 11/20/12 Board Order	Line Item Transfers	Revised 2012 + 6 Month 2013 Budget
Programs	(a)	(b)	(c)=(a)+(b)
Customer On-Site Renewable Energy	\$4,150,000.00		\$4,150,000.00
Clean Power Choice	\$32,400.00		\$32,400.00
Offshore Wind	\$5,518,408.00		\$5,518,408.00
Renewable Energy Program: Grid Connected (Formerly REDI)	\$4,025,386.40	(\$3,600,000)	\$425,386.40
Renewable Energy Incentive Program	\$23,074,184.40	(\$4,000,000)	\$19,074,184.40
Edison Innovation Clean Energy Fund (formerly CST)	\$1,831,042.40		\$1,831,042.40
SUB-TOTAL Renewables	\$38,631,421.20	(\$7,600,000)	\$31,031,421.20



Revised 2012 - 2013 Renewable Energy Program Budget by Program Manager

Renewable Energy Programs	Honeywell	OCE/EDA	Utilities	Total
Customer On-Site Renewable Energy	\$4,150,000.00			\$4,150,000.00
Clean Power Choice			\$32,400.00	\$32,400.00
Offshore Wind		\$5,518,408.00		\$5,518,408.00
Renewable Energy Program: Grid Connected (Formerly REDI)		\$425,386.40		\$425,386.40
Renewable Energy Incentive Program	\$19,074,184.40			\$19,074,184.40
Edison Innovation Clean Energy Fund (formerly CST)		\$1,831,042.40		\$1,831,042.40
SUB-TOTAL Renewables	\$23,224,184.40	\$7,774,836.80	\$32,400.00	\$31,031,421.20



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Renewable Energy Committee Meeting

Attendees

Tuesday, February 14, 2013
Board of Public Utilities

1:00pm - 3:30pm

Initial	Name	Company	Phone	E-mail
x	Ambrosio, Mike	AEG		mambrosio@appliedenergygroup.com
x	Barth, Larry	NJR	(732) 919-8040	LBARTH@njresources.com
x	Bellin, Mark	Cooper Levenson	(908) 601-2601	mbellin@cooperlevenson.com
x	Corkedale, Olivia	Gabel Associates	(732) 296-0770	olivia@gabelassociates.com
x	Garrison, Charlie	Honeywell	(973) 890-9500	charlie.garrison@honeywell.com
x	Gray, Tammy	VEIC	(732) 218-3418	tammy.gray@csgroup.com
x	Heffernan, Rich	BGC Partners		rheffernan@bgcpartners.com
x	Hill, David	VEIC	(802) 378-3684	dhill@veic.org
x	Hunter, Scott	OCE/NJBPU	(609) 777-3300	
x	Jackson, Ronald	BPU-OCE	(609) 777-3199	ronald.jackson@bpu.state.nj.us
x	Jenks, John	Quantum Solar	(856) 985-0074	jwkenks01@gmail.com
x	Jones, Sherri	Board of Public Utilities		
x	Lupse, Janja	CSG		janja.lupse@csgroup.com
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x	Miller, Tom	Hess Corporation		tsmiller@hess.com
x	Ragan, Rick	Solar Wind Energy		rick@solarwindenergy.com
x	Reisman, Ron	VEIC		rreisman@veic.org
x	Sparrow-Hood, Walt	PSE&G	(973) 430-5224	WALTER.SPARROW-HOOD@PSEG.COM
x	Teague, John	NJBPU	(609) 292-0080	john.teague@bpu.state.nj.us
x	Templeman, Andre	Alpha Inception		andre@alphainception.com
x	Zislin, Neal	Renu Energy	(908) 371-0014	nzislin@renuenergy.com