

Board of Public Utilities
Memorandum

To: Escrow Agents
Cc: Subsection q. Applicants/Depositors
From: Office of Clean Energy, New Jersey Board of Public Utilities
Date: March 24, 2014
Re: Procedures for Return of Escrowed Funds for Completed Projects Approved under N.J.S.A. 48:3-87 (q), Forfeiture of Escrow for Approved Capacity Not Completed, Forfeiture of Escrow for Cancelled Projects after Designation Date, and Return of Escrow for Capacity Reductions on Conditionally Approved Projects (yet to reach designation date)

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N.J.S.A. 48:3-87(q) (Solar Act) provides that an application filed pursuant to this subsection shall include a notice escrow of \$40,000 per megawatt of the proposed capacity of the facility. . . . The notice escrow shall be reimbursed to the facility in full upon . . .the facility entering commercial operation, or shall be forfeited to the State if the facility is designated pursuant to this subsection, but does not enter commercial operation[.]” At its April 29, 2013 Agenda meeting, the New Jersey Board of Public Utilities (Board) approved an application process which included the following requirements for return of an escrow:

- 1) The developer of a proposed facility must have submitted Subsection q application and received final or conditional approval from the Board;
- 2) The facility must have completed construction and received authorization to energize;
- 3) The completed system size must be 10 MW or less, and
- 4) All SREC registration requirements must have been maintained throughout the conditional approval process

See I/M/O the Implementation of L.2012, c.24, the Solar Act of 2012; and I/M/O the implementation of L. 2012, C. 24, N.J.S.A. 48:3-87(q) (r) and (s) – Proceedings to Establish the Processes for Designating Certain Grid-supply Projects as Connected to Distribution System – Subsection (q) Application and Escrow Agreement, Dkt. Nos. EO12090832 & EO12090880V (May 9, 2013).

Office of Clean Energy staff (Staff) will initiate escrow return to depositors upon satisfactory completion of the SREC Registration Program (SRP) requirements including fulfillment of all SRP final as-built paperwork and inspection processes. Staff will issue an email to the escrow agent and depositor stating the project’s installed capacity, any shortfall in capacity installed and any subsequent amount of escrow subject to forfeiture. After confirmation by the escrow agent of the exact amount subject to return to the depositor and any amount forfeit to the State, including interest, Staff will send an e-mail authorizing disbursement of the escrow less any fees due to the escrow agent pursuant to the terms of the escrow agreement. The balance of the escrow may be released to the depositor according to the terms of the agreement between the depositor and the escrow agent.

Upon notification from Staff of the requirement to forfeit money held in an escrow account after confirmation of the amount, escrow agents must issue a check payable to **"Treasurer, State of New Jersey"**. In the memo field of the check, the escrow agent must indicate the escrow account number and the name of the "Proposed Solar Electric Power Generation Facility Owner", as listed on the original Escrow Agreement.

Send checks to:

**New Jersey Board of Public Utilities
44 S. Clinton Ave., 7th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Attn: B. Scott Hunter**

Submitted checks will be managed and deposited in the State of New Jersey fiscal accounts consistent with Board internal fiscal controls.

Escrow agents also have the option of sending the forfeited escrow funds electronically directly to the Treasury Department using the following information:

Bank: Wells Fargo

Account Name: State of NJ Clean Energy Fund

Account Number: 2000012994827

ABA: 121000248

Thank you for your attention to these details. Please do not hesitate to email any questions to Benjamin.Hunter@bpu.state.nj.us.

B. Scott Hunter
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