

New Jersey



NEW JERSEY SOLAR POLICY INNOVATION

Scott Hunter

Renewable Energy Program Admin,

Office of Clean Energy

NJ Board Of Public Utilities



New Jersey Board of Public Utilities, Office of Clean Energy



New Jersey



New Jersey's Clean Energy Goals

20 percent by 2020

20 percent reduction in GHG by 2020 and 80% by 2050

20 reduction in energy use by 2020

20 percent use of renewable energy by 2020

INCLUDING 2% SOLAR



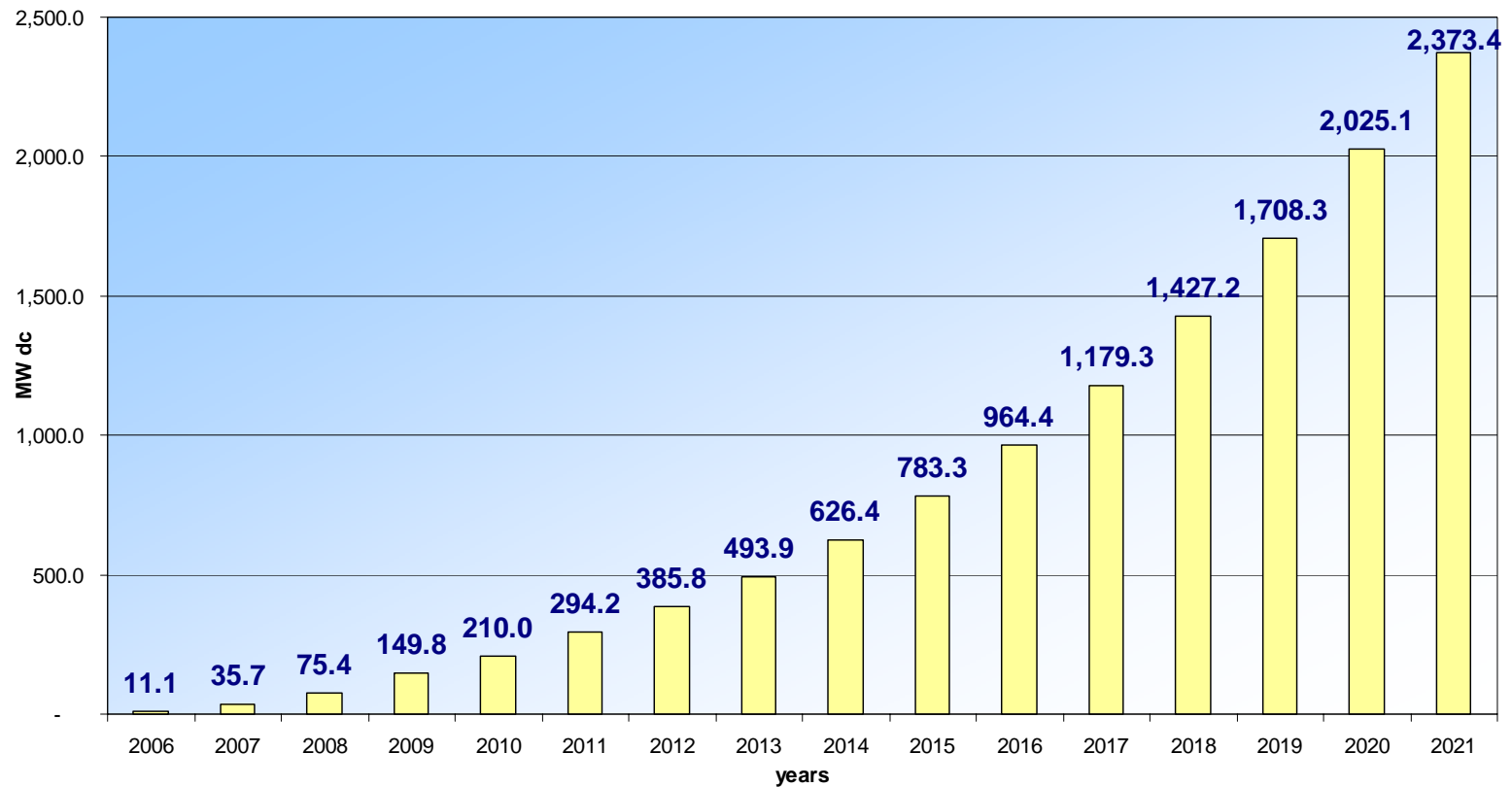
New Jersey Board of Public Utilities, Office of Clean Energy



New Jersey



New Jersey's Current RPS Requirement for Solar in MW dc



New Jersey Board of Public Utilities, Office of Clean Energy

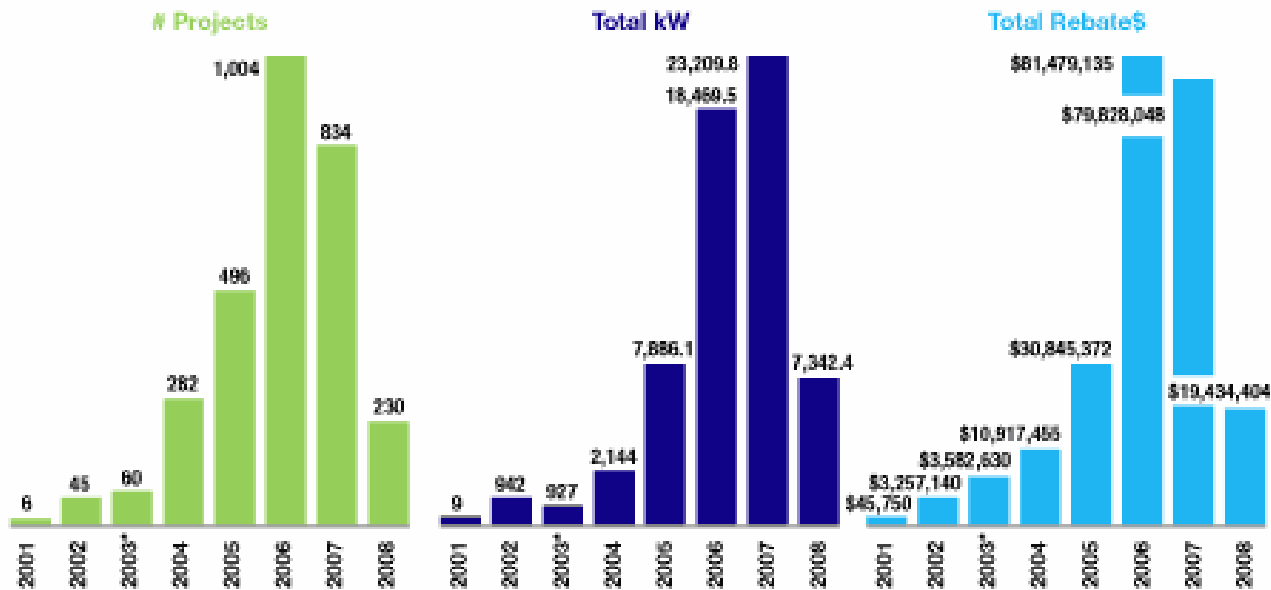


New Jersey



New Jersey Solar Installations & Capacity

**All New Jersey Renewable Energy Technologies
(2001 - March 31, 2008)**



*Total NJCEP + Utilities
CORE program managed by utilities 2001 through mid-2003
2008: includes Check Requests Pending Payment; preliminary results as of 03/31/08.



New Jersey Board of Public Utilities, Office of Clean Energy



New Jersey



NJ Solar Financing w/ Rebates

- NJ Rebates / SBC Funds (50% Rebate)
- Fed Tax Credits
- Electric Cost Savings / Net Metering
- Renewable Energy Certificates / RPS & Voluntary Markets
- Private Capital / Out of Pocket



New Jersey Board of Public Utilities, Office of Clean Energy



New Jersey



NJ Solar Market Transition September 12, 2007 Board Decision:

- **NEW Financing Model: Competitive, Multiple Year SACP with Rebates for Smaller Projects**



New Jersey Board of Public Utilities, Office of Clean Energy



New Jersey



NJ Solar Market Transition September 12, 2007 Board Decision:

- SREC Qualification Life: 15 Years
- SREC Vintage: 2 Years (RPS Rulemaking Required)
- SACP Schedule: 8 Year rolling SACP (2009 -2012)
- Annual percentage decrease in SREC/SACP Levels: 3%
- SREC Pilot: Extended until made permanent through Rule Making (April 2008)
- Rebates for smaller projects (2009 -2012)
- Legacy Projects SRECs per date of installation



New Jersey Board of Public Utilities, Office of Clean Energy



New Jersey



Financing Model: Competitive, Multiple Year SACP for Solar Renewable Certificates w Rebates for Smaller Systems

Target IRR: Averaged across all systems 12%

SREC Life : 15 years

SACP Schedule: 8 year rolling Solar Alternate Compliance Payment

Safety valve: 2 % annual rate cap and capacity cap at 1500 MW

SACP 2009 - 2017

Energy Yr	2009	2010	2011	2012	2013	2014	2016	2017
\$/MWh	\$711	\$693	\$675	\$658	\$641	\$625	\$609	\$594

**Probably not doable under the current federal RPS
But in the end we need a national RPS**



New Jersey Board of Public Utilities, Office of Clean Energy



New Jersey

➤ Working Assumption For Target IRR: 12%:

SREC Levels Required to Achieve Target IRR

Energy Year	2009	2010	2011	2012	2013	2014	2015	2016
SREC	\$611	\$593	\$575	\$558	\$541	\$525	\$509	\$494

Approved 8 Year SACP Schedule

Energy Year	2009	2010	2011	2012	2013	2014	2015	2016
SACP	\$711	\$693	\$675	\$658	\$641	\$625	\$609	\$594



New Jersey

- **Staff recommended the continuation of rebates for smaller solar systems at \$53.25M Funding level (with modifications)**

OCE Proposed Rebate Levels for Smaller Projects

Years	Rebates	Rebate Blocks
	\$/W	(MW)
2009	3.00	7
2010	2.25	6
2011	1.50	8
2012	0.75	9
	Total MW	30
	Total Rebate RPI	\$ 53,250,000



(Rebates and block size to be determined in the ongoing CRA Funding Proceeding)

New Jersey Board of Public Utilities, Office of Clean Energy



New Jersey

- **SAFETY Valve:** BPU will monitor the costs of solar installations relative to the total retail market electricity costs and to provide for a “safety valve” in the RPS rule making as needed.



New Jersey Board of Public Utilities, Office of Clean Energy



New Jersey



FUTURE OF SOLAR IN NEW JERSEY

Solar REC-Only Pilot Program

Enables Customer to Bypass CORE Rebate Queue

- Voluntary Participation
- Self-Financed Projects, Forego CORE Rebate or Grant
- Obtain OCE Inspection of Solar System
- Remote Monitoring of System Output
- Register System Capacity and Output Estimate
- Financial Statement of Project Financing
- 2 MW Entity Cap per annum
- 2 MW Net-metering CAP



New Jersey Board of Public Utilities, Office of Clean Energy



New Jersey



FUTURE OF SOLAR IN NEW JERSEY

Solar REC-Only Pilot Program Update

Over 130 MW Received, 71 MW Accepted and 2.3 MW Installed to Date as of June '08



SREC-Only Pilot Program - Weekly Summary Report

For the period 6/28/2008 through 7/4/2008

		Current Period		Program To Date	
		#	MW	#	MW
Submitted ¹ Capacity	Moved to Pilot from CORE Queue	0	0.000	6	1.842
	Initial Registrations Accepted	1	0.000	213	72.143
	Denied or Withdrawn	0	0.000	84	35.215
	Pending Acceptance	-1	-0.001	36	23.329
	Total Received	0	-0.001	333	130.686
Revised ² Capacity	Initial Registrations Accepted	1	0.000	213	71.891
	Final Registrations Accepted	1	0.000	15	2.366
	Enrolled in SREC Program	2	0.002	12	2.306

¹ Submitted capacity shows the proposed capacity as stated on the original registration form.

² Revised capacity shows the proposed capacity considering any revisions made to the original registration. Revisions are proposed by the registrant and can reflect changes in project design due to program-related constraints (i.e., entity caps), or other constraints.



New Jersey Board of Public Utilities, Office of Clean Energy



New Jersey



More information on New Jersey's Solar
Market Development Initiative at
www.NJCleanEnergy.com



New Jersey Board of Public Utilities, Office of Clean Energy

