

CLEAN TECHNOLOGY INSIGHT (Dow Jones Newsletter)

NJ Approves \$1.2B Budget For Renewables, Efficiency

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9/4/2008 - New Jersey businesses and customers that use and offer renewable energy and energy-efficiency products will be able to avail themselves of a \$1.2 billion incentive and investment budget over the next four years, with \$255 million earmarked for investments in 2009 alone, Clean Technology Insight has learned.

The New Jersey Board of Public Utilities approved the state Clean Energy Program staff's recommendation for the \$1.2 billion budget on Aug. 7, according to Janeen Lawlor, director of communications at the state public utilities' board.

The capital, raised from a surcharge that appears on electricity bills, will pay for various initiatives run by the New Jersey Clean Energy Program including solar rebates, energy-efficiency incentives, and grants and investments for start-up clean-technology companies.

"New Jersey is charting a clear course in investing in solar, wind, and energy efficiency," said Anne Marie McShea, program administrator for the Clean Energy Program, in an interview with Clean Technology Insight.

There's ongoing work on the details of the budget. "In order to continue program momentum it is necessary to put in place the next four year funding levels, while recognizing that it may be revisited based on the work currently being conducted," Lawlor said. That ongoing work may yet influence funding levels in the later years, which haven't been finally determined, according to Lawlor.

The budget is significantly above what the state spent over the past four years, when it allocated \$745 million for 2005 through 2008. Last year, for example, the program spent \$146 million on its initiatives.

Through July 31, New Jersey had paid \$31 million this year in rebates to private businesses and residents installing solar energy systems on site. It also supported wind and biomass projects through about \$900,000 in rebates.

New Jersey, which ranks second among the nation's states after California in regard to photovoltaic solar installations, has a mandate to draw 20% of its electricity usage from renewable sources, reduce electricity use by 20% and reduce carbon emissions by 20%, all by 2020. The renewable portfolio standard in New Jersey includes a 2.12% set-aside that's dedicated to electricity production from solar.

"That's the energy master plan" for the state, said McShea.

Recent initiatives include revamping the state's solar program to focus on renewable energy credits for commercial installations rather than rebates. The state is also currently evaluating responses to a request for proposals for an offshore wind project that could be up to 350 megawatts. The program has also been working with municipalities to standardize the permitting process for small wind installations, said McShea.

The Clean Energy Program will also finance grants and investments to start-ups in a program that will be administered by the state's Economic Development Authority, or EDA. EDA is taking over the administration of the grants, which were previously managed by the Clean Energy Program, said McShea. Start-ups that received investments or development support through the state's program include Pennington, N.J. based wave-power company Ocean Power Technologies Inc., she said.

"What the EDA does is help build on the direct financing that we provide by identifying financial partners, like banks that can provide additional funding," said McShea.

New Jersey would like that to encourage more start-ups to locate in the state. The predecessor company to the high-flying solar company First Solar Inc., for example, was based in New Jersey. "We are trying to recreate that a thousand times over," said McShea.

New Jersey's interest in clean energy is important for the region as the state is part of the PJM Interconnection, a transmission network that links 13 states and the District of Columbia. New Jersey is also part of the Regional Greenhouse Gas Initiative, a plan that involves several mid-Atlantic and northeastern states in controlling greenhouse gas emissions in the region.