

ROCKLAND ELECTRIC COMPANY

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October 21, 2009

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Rockland Electric Company



 Rockland Electric Company Service Territory

2008 Total Customers: 72,398

Residential: 63,197

C&I and Lighting: 9,201

2008 Total Sales: 1,687 GWh

Residential: 763 GWh

C&I and Lighting: 924 GWh

SREC Based Financing Program



- RECO target is to purchase 3.77 SRECs over the next three years.
- RECO must then re-sell the SRECs through the PSE&G Auction along with ACE and JCP&L.
- Gains (or losses) go back into the program operating budget.
- RECO will recover program operating costs plus an SREC Transaction Fee through its RGGI surcharge.

SREC Based Financing Continued



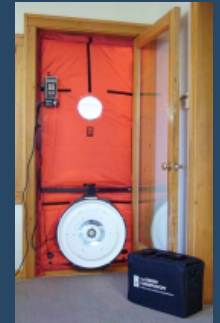
- Requests for Solicitation (RFP) events will take place each year for 3 years.
 - In coordination with similar programs through JCP&L and ACE, RFPs will be issued and bids evaluated by an outside solicitations manager.
 - Bids will be from solar system owners or developers for systems within the RECO service territory.
 - Aspirational goal – 50% of MW from projects less than or equal to 50 KW.
 - Bids will offer a set price per SREC to be generated over a period for 10-15 years as specified by the bidder.
 - Bids are ranked based on lowest Net Present Value (NPV) and recommended for award up to the total MW goal for that particular solicitation event. Actual awards must be approved by the NJBPU.
 - Developer cap waived due to size of program.

Solar Loan Program



- Petitioned New Jersey BPU September 2, 2008
 - Three Year Residential Program
 - \$6M in loans over three years.
 - 200 participants with average system at 7 KW.
 - 1.4 MW installed over three years generating 1,663 MWh annually.
 - Qualifications
 - Must be owner occupied residence in RECO's service territory.
 - Must meet minimum credit standards.
 - Third Party Financed
 - 10 Year Loans @ 6.5% Interest.
 - Financing can be funded via SRECs.
 - Loan can be combined with other OCE rebate programs and Federal Tax Credits.

New Jersey Economic Stimulus



- Proposing Three Programs at Total Budget of \$1,037,425
 - Low Income Direct Installation
 - Customer eligibility - income at or below 225% of the federal poverty guidelines, and or receive certain types of benefits such as HEAP and Lifeline.
 - Customer benefit – energy audit, health and safety testing, installation of up to \$6,500 energy efficiency measures, and energy education.
 - Residential Enhanced Rebates
 - Enhancement of NJ CEP rebates for electric HVAC and Energy Star appliances (central air conditioning, heat pumps, geothermal heat pumps, Energy Star clothes washers, room air conditioners and dehumidifiers).
 - For HVAC equipment, the customer must receive a NJ Home Performance audit.
 - On-Line Energy Audit
 - On-line energy audit linked to the customer billing system and local weather data.
 - Provides recommendations for cost-effective measure replacement, money-saving tips and information on relevant energy efficiency program offerings.

Demand Response Programs

- AC Cycling Program – Filed August, 2008:
 - AC Cycling goal is 1 MW in Year One, 3 MW by Year 3
 - 1,000 customers per year; 1 KW per customer - Residential & Small C&I
 - RECO to provide a programmable thermostat and a \$50 incentive to all participants
- Demand Response Incentive Program
 - Approved as a pilot for 2009
 - Curtailment Service Providers (CSPs) authorized to recruit and register customers in PJM DR program in spring 2009
 - CSPs receive an incentive of \$22.50 per MW day in addition to PJM incentives
 - To earn incentive, customers must provide registered load reductions during an event or test called by PJM from June through September 2009.
 - 1.5 MW registered in the RECO service territory.
 - There were no events called, therefore payments will be based upon results of test. Results of tests to be provided by PJM to RECO in November, at which time payments are made.