

Notes for the RE meeting 12-7-10

Regulatory updates (M. Winka)

Mike W – On December 6th the board approved the 2011 program compliance filing for all the market managers, utilities, EDA and Sustainable New Jersey. The budget approved was for \$319,500 million less the \$77.5 million being used for other clean energy focused legislative appropriations. The Board order that was approved was very similar to the compliance filing. Utilities funding for Clean Power choice budget was restored and so was Comfort Partners budget.

Mike W discussed the competitive solicitation included in the 2011 program plans. \$30 million is being allocated and the Board plans to issue an RFP in early 2011. Mike discussed that with the competitive solicitation the board is looking for a portion of the market to be managed by a for profit or not-for-profit using a revolving loan structure. This firm would have to generate a certain amount of energy savings for a fixed payment.

Mike W. Update on transition program – Board is reviewing the comments to the transition document and board will develop a straw proposal and hold public comment. The Board is mostly looking at a energy efficiency/renewable energy utilities structure. The goal of a change is that the net cost would be less after this new structure than before it became in place.

Energy Master Plan is being updated and a draft is expected by the end of the year.

2011 Compliance Filing program plan updates (C. Garrison) PowerPoint #1

Charlie G provided a summary of program changes for 2011

Solar program changes

- SRP projects will no longer be required to achieve a minimum system output
- RPS rules allow systems under 10kW to use estimated annual production.

Question –All SRP projects will require a meter?

Charlie G - this has always been in the SRP program it was in the SRP pilot board order. New in 2011 is that we will be asking for documentation that show when the utility gave permission to energize the system.

Scott Hunter said that the utility is required to issue written interconnection with date to the customer.

There was a concern was that there is no timeline for the utility to provide the documentation on the Level 2 interconnection. Scott H. said that that was changed in the new Level 2&3 interconnection application.

Scott Hunter stated that in Section 14 - chapter 8 – subsection 5.8 of the rules state the utility must provide this to the customer.

Scott H. stated that the reason we need to have the date of interconnection is to have an accurate 15 year SREC generation start date.

Mike Ambrosio suggested that sitting down with the utilities and learning what they can do to speed getting this dated document would be beneficial.

It was discussed that maybe there is a document left with the customer when the EDC representative swaps out the meter.

Question – what is the goal turnaround time to get an NJ certification number? The goal would be 5 to 7 weeks but right now it is taking 8 to 10 weeks. Market manager will be transitioning staff to assist in this process starting in January.

Charlie discussed on-site inspections and stated that that the utility financed program projects and self installs are not going to always receive inspections.

Charlie said that the PSE&G solar financing will be handling their own inspections.

Charlie stated that the 2011 inspections will have reduced work in on-site inspections and include some on-site verifications.

There is a new incentive available for eligible projects that participate in the EDC SREC based Financing. The incentive is based on projects that participate in a bid dated in 2011 and meet eligibility requirements. The incentive budget is reserved only after the bid contract is awarded.

The board order approving the bid contract will extend the project expiration date. No additional approval letters for the project extension will be mailed to the customer.

It was discussed that the EDC will not know which individuals are applying for EFSI. The market managers said that it would be assumed that if an applicant is qualified for the EFSI and the bid gets approved he would have wanted the ESFI incentive.

There was still a concern that we are not notifying applicants directly that money is reserved for them for the ESFI if they complete the project.

Charlie feels that we can post a list of those that have been approved in the program.

Concern on the phone was why PSE&G loan program was not included in this incentive. Mike W said that the purpose of this program is help undersubscribed programs and the PSE&G loan program is not undersubscribed. It has already been determined that no rebates are needed to make solar installations financially feasible.

Current rules for the ESFI incentive – you can not get an increase in the incentive but you can get a lower amount.

2011 Operations Update (T. Gray) Presentation 2

Tammy G reviewed what is required and no longer required for the SRP registration packet:

| No Longer Required | Required |
|--|---|
| Copy of the contract 10 year certification document 12 months of utility bills PV Watts – ideal and designed Site Map | SRP Registration Form – Utility Co and Acct # Technical worksheet ESFI Intent to Participate Form or cover letter for those that are not eligible for the incentive (only if applicant plans to participate) |

The Expression of Interest for the next auction date is (by 5pm) 2/11 and the deadline is 2/16. We have agreed to make the deadline for SRP Registration submissions to our program for 2/4.

There will be a write up on the website for the ESFI

Question – EDC contract terms are 12 months from the time we sign a PSA, some people feel that larger projects may need more time, how does the project get an extension. Mike W. and Scott H. said that this would need to be raised with the EDC and the EDC will determine the approach.

PSE&G handles extensions on their loans on a case by case basis.

Question – Why are you getting rid of the 12 months of electric bills?

Tammy G. said that the utility currently handled determining if the system size was acceptable based upon the current consumption so the program does not need to do this also.

Tammy also reviewed the New Final As Built package requirements – There is only one packet to be submitted to complete the paperwork requirements of the program. The program inspection or waiver will be the last part of the process. All paperwork to complete the project must be received before the program will inspect the system or issue an inspection waiver.

Tammy reviewed what was included in the Final As Built packet and what was no longer needed:

| No Longer Required (a) | Required |
|--|--|
| <p>UCC Interconnection application</p> | <p>Final As Built Package - Final As Built Technical Worksheet - PV Watts actual and ideal including shading analysis - Site Photos (inverter, modules) - Meter worksheet - Proof of NJREMI</p> <p><u>NEW FOR 2011</u> - Final As Built Site Map - NJREMI/ESFI Technical Worksheet - PV Commissioning Form - Interconnection completion documentation - Site photo of revenue grade meter - For 2011 approvals - EDC SREC financing acceptance documentation</p> |

Tammy G. - If you do not have all your paperwork complete you will not be moved to program inspection or QA. We will hold your project until we get all paperwork.

Tammy G also mentioned that the REIP projects will also need to submit:

- **Final Rebate Confirmation Sheet**
- **Tax Cert (non-profit or commercial)**
- **EE Documentation (FC1 & FC2)**

It was discussed that in the purchase and sale agreement in the EDC contract it does say that the customer can petition the board for an extension.

Question as to when these new procedures take into effect –
 Charlie G - January 1, 2011

Tammy reviewed the SRP trend and approvals:
 SRP registrations received where 449 registrations last month. The processing team has approved 963 since Sept 1, 2010. We do post status of the REIP and SRP approvals on the website under those main pages

Scott H. recommended that we should put this graph on the website. We have about 600 SRP's that we have received to date that still need to be approved and we are getting about 400 more a month. The graph is available on the main SRP page.

Mike W. discussed the contract extension for the market managers – board has requested a 6 month extension and that would be tied to the transition.

However, Mike W. that if there is a solicitation for the new program in January, the board said that the program can be transitioned by July.

Solar Alliance wants to discuss timelines for SREC registrations. It was suggested that it is now about 8 week timelines and we need to communicate that to the installers and registrants.

It was also discussed that the solar alliance is very concerned about the long processing time and wants to make sure that any transition takes this into account.

Mike W. - Current administration is all about get dollars on the street and we currently have very low admin costs RE has the best ratio only 5% of budget goes to admin costs.

Tammy G. said we are seeing an increase in the number of As Built packages.

PSEG Pole Attached Solar Installations - Susanna Chu & Al Risolia – Presentation 3

Susanna C gave an update on Segment 2 of the Solar for All program - the neighborhood solar pole attached units.

There are 13 megawatts currently installed and 40 megawatts DC is the goal for the pole mounted systems.

Al R. reviewed how the systems were attached, (pole mounted units are connected to sample groups and the sample groups have revenue grade metering and monitoring capabilities), where they were located and number currently installed:

- Total of 687 aggregators are currently installed.
- Approximately 38,000+ units are reporting to the host computer dashboard with meter data.
- Network design and installation of aggregators is ongoing.
- For optimal Network design the installation of pole attached units in each geographic area is completed first, then install data is analyzed to determine proper locations for aggregators.

Al R. reviewed the methods for submitting kWh for SRECs to PJM-GATTTS which was reviewed and approved by PJM:

1. AFTER START OF ENERGY SALES:

The AC kWh generation for pole attached solar sources directly from PJM energy sales. This is the ideal state which will be reached once network is fully deployed and project is fully constructed. Method has been reviewed and approved by PJM.

2. PRIOR TO START OF ENERGY SALES:

The generation for pole attached solar will be entered by PSE&G via PJM BTM Generator. This is the interim plan needed in order to recognize kWhs for all pole units which are installed and operating, including units that are not yet reporting in through the communications system.

All revenues from the sale of SRECs generated from the Segment 2 – pole attached solar project through the full recognition of SRECs generated will directly benefit ratepayers. Revenue on a unit is fully communicated

Revenue for the sales of SREC's is used to offset the costs of the program to the ratepayers. Current 228 SRECs to date were used to offset the costs of the program.

Energy is sold into the wholesale market.

For optimal communication design there is a lag in energy sales.

Each solar panel is being monitored for efficiency and the ones that are not producing properly can be improved.

Panels do face different ways and it is based upon shading and equipment obstacles.

Question - Have you hit any capacity issues based upon the other renewable energy systems installed in that node? No our issues are more about that many of the poles have other obstructions.

Next meeting is January 11th from 1:00pm to 3:30pm at CSG in Iselin, NJ.

Renewable Energy Committee Meeting - Attendees

Tuesday, December 7, 2010

1:00pm - 3:30pm

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