

**Renewable Energy Committee Meeting**  
**Tuesday, April 21, 2009, 1:00 p.m. – 3:30 p.m.**

**Location:** Conservation Services Group, 75 Lincoln Hwy, Suite 100, Iselin, NJ 08830

**Call-in Number:** 1-866-740-1260

Meeting ID: 2183408#

**Webinar:** <https://www2.gotomeeting.com/join/851588523>

**Meeting ID:** 851-588-523

**MEETING NOTES**

**1. Introductions**

Maureen Quaid brought the meeting to order at 1 pm.

**2. Discussion:**

**a. JCP&L, ACE securitization filings**

Chris Siebens of JCP&L and Wayne Barnt of ACE discussed the JCPL and ACE securitization filings. Siebens said MW installations in NJ have been inadequate to meet the RPS requirements. He said the utilities will enter into 10-15 agreements for purchasing SRECs at a known price. It is not a utility loan program. An FAQ document is posted on the NJCleanEnergy.com website.

Siebens said there would be 3 solicitations each year, first is scheduled for July 2009. Selection of projects will be based on net present value rankings of proposals. Costs of program will settle to a non-bypassable rider. All SRECs purchased will be sold at auction.

61 MW of procurements are planned over 3 years. 33 MW in first year (23 JCPL, 10 ACE). Solicitation detailed procedures are planned for July 2009. Siebens presented a quarterly schedule for solicitations over the next several years.

Only new, net metered projects will qualify. CORE projects are not eligible, but 2009 REIP participants would be eligible. Some questions were asked about what the cutoff date would be to qualify as "new" and thus eligible for the program. Siebens recognized this question has not been addressed in detail, but suggested the cutoff date for system operation would be the same as the contract execution date.

Michael Ambrosio asked whether the motion for reconsideration might have on this schedule, and what effect that might have on the schedule. Depending on how the Board acts it could potentially impact the schedule.

Questions were raised over the distinction between behind the meter and net metered in terms of eligibility. Systems must be 500 kW or less and must be net metered. These issues will need to be addressed more specifically by JCPL and ACE as they arise.

Award rankings will be done by a solicitation manager. This entity will recommend to Board which projects should be awarded and which should not. Ranking process will be blind. Prices will be accepted as proposed, they will not all be settled at a single clearing price. Selection standards will be consistent between JCPL and ACE solicitations.

All documents including the Purchase and Sale Agreement are posted as part of the filing and on the NJCleanEnergy.com website (see <http://www.njcleanenergy.com/renewable-energy/programs/utility-financing-programs/utility-financing-programs>). SRECs will be paid as they are awarded by PJM-EIS. Programs will purchase 100% of the output up to a maximum estimated output annually. Question effects how trackers are able to compete.

**b. NJ Manufacturing Incentive**

Larry Barth presented information about a proposed NJ manufacturing incentive. NJ REMI stands for Renewable Energy Manufacturing Incentive. Barth summarized stakeholder comments on the

proposals regarding manufacturing incentive structure. OCE asked Market Manager to develop a proposal.

Barth said the eligibility would focus on solar panels and inverters, with other technologies considered in 2010. 50% of product (including labor, overhead and raw materials) is sourced from NJ. Alternatively any company supported by EDA would be eligible.

\$0.25/watt incentive is proposed for modules, which represents about 14% of rebate. This proposed incentive is for residential installations, with tiers down to \$0.08/watt for larger projects. Another incentive was proposed for inverters, starting at \$0.15/watt with tiers down to \$0.07/watt. Barth said a similar program was established in the state of Washington.

Dolores Phillips expressed support for the proposal. She said a \$1 million commitment might be too small to be effective, suggests \$8 million would be more effective coming from residential and non-residential budget. She applauded the incentive chart going up to 500 kW, but supports an increase in eligible project size.

A question was raised about the current manufacturing capacity in the state and its relation to the proposed 2009 budget. An EPV representative said EPV has 25 MW annual capacity in NJ, with 75% going to US market (a portion of which is sold into the NJ market) and 25% going to European market; he also noted that there are a lot of modules currently in inventory.

Ambrosio said the proposal is on its way for consideration at the May 14 agenda meeting.

Lyle Rawlings of Advanced Solar Products said his company was producing a mounting system in NJ, and requested that mounting systems be incorporated into the proposal as well, with same incentive as inverters. He said mounting systems represent similar costs to system as inverters. Winka said he could take this under advisement and consider it.

Doreen Holly asked whether federal stimulus money could be dedicated to this proposal. Winka said Governor's office is responsible for stimulus funds. Winka said BPU is anticipated to be short this year, and there will be an opportunity to allocate SACP funds collected later in the year.

Mike Strizki supported Rawlings' comments.

Pam Frank expressed concern about slippery slope of Made in New Jersey, said that she was concerned about manufacturers leaving after a few years.

Another commenter supported racking system idea because it could be quick to market in NJ; also supported certification requirements for any and all products with Made in New Jersey.

Scott Schultz said mounting systems could be scaled up quickly in NJ.

Shihab Curran of Petra Solar supported adding mounting systems and trackers should be supported. He expressed a concern about consuming \$1M quickly, but noted that would be good news. He commented that Petra Solar has a UL approved AC module manufacturing facility – they are ready to go to take advantage of Made in NJ, and supported the program proposal overall.

Susan LeGros of the Solar Alliance reiterated Solar Alliance's position, said Solar Alliance prefers keeping rebate system as transparent and competitive as possible. Solar Alliance prefers other forms of manufacturing incentives.

A caller asked whether there would be a paper trail requirement. Barth replied that this documentation would be required in the final application process.

Lyle Rawlings addressed SREC adder or SREC multiplier – intent was not to create a separate type of SREC.

Mike Winka recommended written comments on the draft filing be submitted by the end of the week. Send them to Maureen Quaid, [Maureen.quaid@csggrp.com](mailto:Maureen.quaid@csggrp.com).

#### EDA Manufacturing Incentives

Sandy Zeglarski of EDA provided an update on EDA activities in the Clean Energy Manufacturing Fund. April 17 was the Clean Technology review. There are a few finalists still under review, and aiming for June to announce funding under first solicitation round. Phillips asked when funding would

be released to funding winners. Paula Durand of EDA said final schedules depend on milestones negotiated with each awardee.

### **c. Residential GT 10kW eligibility for RECs**

Quaid said a new recommendation was that GT 10 kW residential systems would be required to participate in the Home Performance with Energy Star program through step 3, and that the maximum solar system size would be based on the projected annual energy use of the home after Home Performance measures have been implemented.

Rawlings expressed support for the proposal.

Ambrosio asked why approximately 30% of customers are not participating in the audit currently. Rawlings said it might just have to do with messaging to installers and the time it takes to get the new requirements out there. Quaid said there is a high number of audits being scheduled currently.

Pam Frank of SunFarm Network said that many customers believe that both audit and remediation are required, and this might be adding to the confusion.

Doreen Holly asked if we could get more classes for BPI certification; Quaid and Winka both replied that we are trying to add some more classes in NJ.

David Weissman wanted clarification that proposed limit did not limit SRECs.

Pam Frank asked about now this would work with new construction, Barth said these projects need to participate in the residential new construction program.

### **d. Definition of solar by licensing board for solar on public projects**

Mike Winka said DCA is has issued an opinion that would require employees of licensed electrical contractors to install solar panels and be paid at prevailing wages.

Fred Hauber said DCA's advisement is extreme compared to other states. Hauber said he was trying to set up a meeting with DCA to challenge this viewpoint.

Rawlings said MSEIA is also planning to formally request reconsideration of this issue. He said in California the carrying and mounting of solar panels can be handled by any trades, but wiring them together must be done by an electrical contractor.

Ambrosio asked MSEIA to provide updates to this group as this issue proceeds forward.

### **e. Smart Growth restrictions on REIP rebates in new construction**

Winka said a Governor's executive order may restrict REIP incentives to new construction outside of Smart Growth areas. Policies and procedures will be revised in compliance filing to address limits on incentives outside smart growth areas. There are exemptions in the executive order. A question which is still unanswered is whether these restrictions apply to SRECs or just to up-front incentives.

## **3. Updates:**

### **a. Renewable Energy Incentive Program funding cycles**

Mark Loeser summarized the REIP budget cycle status. Ambrosio said the 2009 budget included a continuation of the CORE budget plus some extra money. A proposal was made to shift dollars between budget categories, enabling all projects in queue and supplemental queue to be processed.

Loeser said original budget was \$7M in residential, have already received \$7M in applications, and approved \$3.1M.

Starting May 1, incomplete applications will be returned. Missed signatures, etc. will be returned with checklist and it will be up to the contractor to resubmit. Quaid said \$\$ will not be reserved for projects until applications are complete. Gray said 1/3 of applications coming in are incomplete.

David Hill illustrated how capacity blocks, funding cycles, and buffer mechanisms work in the REIP. He facilitated discussion around how these program functions relate to one another and how they will be implemented.

### **b. DCA fire safety**

Winka said Fire Service had a significant concern and was beginning to put together a proposal. Winka partnership with fire inspectors. Fire inspectors may survey installs in each municipality. Mark Valori said May 11 Technical Working Group will be working on this issue.

**c. NJ BTM trading platform transition**

This item was postponed to another meeting.

**d. Net Metering & Interconnection rulemaking**

This item was postponed to another meeting.

**e. RPS revision**

This item was postponed to another meeting.

**f. Solar Transition Rule Adoption**

This item was postponed to another meeting.

**g. Small Wind Working Group (EMP Strategy Report)**

This item was postponed to another meeting.

**h. Offshore Wind**

This item was postponed to another meeting.

**i. ARRA federal stimulus funding plans**

Winka said there is not much to update. We have until May 14 to file a plan. Three pools of funds are directed toward the state. \$73M directly to State Energy Program, this plan is due May 14. Energy Conservation Block Grants is a second pool of funds, cities, counties and state will apply for these funds directly. Winka recommends that interested parties look to [www.RecoveryNJ.gov](http://www.RecoveryNJ.gov) for more and updated information on federal stimulus funding.

**4. Next Meeting**

The next meeting was tentatively scheduled for June 16, 2009 from 1-3:30 p.m. Tentative agenda item for this meeting would include 2010 budgets.

**5. Adjourn**

Quaid adjourned the meeting at 3:40 p.m. EST.

Renewable Energy Committee  
Meeting  
Attendees

Tuesday, April 21, 2009  
Conservation Services Group  
75 Lincoln Highway, Suite 101  
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1:00pm - 4:00pm

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