



New Jersey Board of Public Utilities

PRESS RELEASE

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NEW JERSEY HIGHLIGHTS SUCCESS OF SOLAR MARKET

*Solar Roundtable at Monmouth University Focuses on Fastest Growing
Solar Market in the Country*

(NEWARK, NJ) -- Over sixty leading solar market participants and community representatives gathered at Monmouth University in Long Branch, New Jersey to celebrate the installation of one of the largest solar systems on the east coast and to discuss the future of New Jersey's solar market. The Monmouth University 454 kw solar installation is now one of over 1840 solar installations across the Garden State.

The BPU announced third quarter 2006 results for the growth of New Jersey's solar market at the event. The reported numbers show that New Jersey has more than doubled its solar capacity in the first nine months of 2006. Therefore, since 2006, New Jersey now has more than 1840 solar electric systems across the State with over 26 MW of installed solar capacity. The rapid growth in solar installations across the Garden State is due to New Jersey's Solar Financing Model which effectively helps drive investment in solar technologies by combining state financial incentives with net metering benefits, electric cost savings, federal tax credits and clean energy credits.

"The rate at which this market is growing is absolutely incredible and we are consistently impressed with the efforts of the solar industry and community leaders like Monmouth University who have been instrumental in growing this market," said NJBPU President Jeanne M. Fox. " However, New Jersey's solar financing model is integral to our shared success and will be even more critical to our ability to continue this level of growth and our position as a national solar market leader."

Based on its financing model, New Jersey has reduced the payback period for solar installation down to ten years or less. Both business and residential customers have taken advantage of state's Customer Onsite Renewable Energy (CORE) rebates, which reduce the upfront costs for the installation of renewable energy technologies including solar, wind and biomass by as much as fifty percent. During the first nine months in 2006, New Jersey reports over \$46 million dollars in rebates to NJ ratepayers for the installation of over 10 MW of solar photovoltaics. An additional \$56 million in CORE rebate commitments were made available by the Board in September bringing the final 2006 budget for the rebate program to \$147 million. The Office of Clean Energy estimates that an additional 200 installations representing an additional 5 MW of solar capacity will be completed within the fourth quarter. In comparison, New Jersey installed a total of 9.9 MW of solar capacity from 2001 through 2005, representing a total of \$43.9 million in rebates.

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“Despite this success, rebates alone are not sufficient to drive growth and investment, said Michael Winka, director of the Clean Energy Program. “Only when combined with the state’s Solar Renewable Energy Certificate (SREC) Program does the payback period drop to within ten years or less. SRECs are an integral component of New Jersey’s Solar Financing Model and its strategy for transforming clean energy markets in the state.”

SRECs provide long term financing for solar systems by compensating the solar generators for each MWh of clean, solar electricity produced. Preliminary reports indicate that more than 1300 eligible solar generators participated in the state’s Solar Renewable Energy Certificate (SREC) Program during the most recent trading period and that over 10,700 Solar Renewable Energy Certificates (SRECs) were purchased and retired by the regulated utilities who are required to purchase SRECs to comply with the state’s Renewable Portfolio Standards.¹

Third quarter reports reflect the impact of New Jersey’s Solar Financing Model which relies on solar rebates complemented by the state’s progressive, performance-based net metering rules and Renewable Energy Certificate (REC) programs. This integrated approach to financing and the use of RECs has been critical to New Jersey and its ability to drive growth and meet its clean energy goals. The state plans to continue to transition away from reliance on rebates towards REC-based financing in order to sustain growth in the market and meet its clean energy goals which call for an estimated 1500 MW of solar capacity by the year 2020. To reach this goal New Jersey will need to install an estimated 110 MW of solar capacity each year.

The Board of Public Utilities’ Office of Clean Energy convened the NJ Solar Roundtable Discussion, at Monmouth University, Woodrow Wilson Hall, to consider alternative models and plans to transition towards REC-based financing system. Mike Winka, Director of the NJBPU’s Office of Clean Energy, summarized the BPU’s goals and objectives as presented in a recently released *White Paper Series– New Jersey’s Solar Market: Transition to a Market-Based REC Financing*. This was followed by a panel of industry representatives who discussed alternative financing models to be considered . The BPU expects to begin the transition by June 2007.

For more information on New Jersey’s Solar Financing Model and New Jersey’s Clean Energy Program, visit www.njcleanenergy.com.

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About the New Jersey Board of Public Utilities (NJBPU)

The New Jersey Board of Public Utilities is a state agency and regulatory authority mandated to ensure safe, adequate, and proper utility services at reasonable rates for New Jersey customers. Critical services regulated by the NJBPU include natural gas, electricity, water, wastewater, telecommunications and cable television. The Board has general oversight responsibility for monitoring utility service, responding to consumer complaints, and investigating utility accidents. To find out more about the NJBPU, visit our web site at www.bpu.state.nj.us

About the New Jersey Clean Energy Program

New Jersey’s Clean Energy Program, established on January 22, 2003 in accordance with the Electric Discount and Energy Competition Act (EDECA), provides financial and other incentives to the State’s residential customers, businesses and schools that install high-efficiency or renewable energy technologies, thereby reducing energy usage, lowering customers’ energy bills and educating environmental impacts. The program is authorized and overseen by the New Jersey Board of Public Utilities (BPU), and its website is www.njcleanenergy.com.

¹ New Jersey’s Renewable Portfolio Standard also requires retail electricity providers procure RECs generated by Class I renewable energy facilities. Renewable generators participating in the PJM Settlement Market are facilitated by PJM-EIS Generator Attribute Tracking System (GATS). The PJM-EIS GATS system became operational in October 2005.