FREQUENTLY ASKED QUESTIONS ON THE FY16 RENEWABLE ELECTRIC STORAGE INCENTIVE PROGRAM

Note: This document has been updated with questions submitted through April 29, 2016. Some questions and answers from earlier versions of this document have been combined, revised or deleted to reflect program status as of April 29, 2016.

1) ***Q: Where can I find the application? What documents are required at the time of application submission? What is the procedure for submitting an application?***

   A: The application is available online, including information on required documents, eligibility and installation requirements, and terms and conditions. Applications and required supporting documentation must be submitted online. Hard copy or email submissions will not be accepted.

2) ***Q: Is there a way to submit an application in anticipation of client demand? For example, if we are in talks with a client that is truly considering electricity storage, but has not yet signed a contract, can we submit an application with "indicative" interest?***

   A: Applicants must include either a copy of a signed contract indicating that the applicant/system owner has purchased the electric storage equipment, or a signed commitment letter indicating that the applicant/system owner intends to purchase the electric storage equipment. If a commitment letter is provided, the applicant must also include a timeline showing the expected date when an executed contract will be submitted, and any relevant milestones leading up to that date.

3) ***Q: I am wondering if the new Renewable Electric Storage Incentive Program will only provide incentives for critical facilities, or is it open to all buildings? If so, will critical facilities be treated on a priority basis?***

   A: The Program is open to all customers served under a non-residential tariff. Priority will not be given to public and critical facilities.

4) ***Q: Please explain the incentive in terms of battery capacity and duration. Will it be in terms of $/kWh or $/kW? Is there a preferred duration (ratio)?***

   A: The incentive is based on the system's energy capacity as expressed in kWh, and is set at $300 per kWh. The energy capacity must be confirmed on the manufacturer's specification sheet. There are no requirements for duration, or for a minimum discharge time.

5) ***Q: Please provide more detail relating to project and customer/developer caps. Who is capped at each level? Is there a cap for a developer, or just a project/customer?***

   A: The maximum incentive offered per project is $300,000 or 30% of the project's total installed cost, whichever is less. The installed cost applies only to the storage system, and not to the renewable energy system with which it is integrated. At an incentive rate of $300 per kWh, a 1,000 kWh storage system would qualify for the $300,000 maximum incentive (unless 30% of its installed

cost is less than $300,000). Applicants may submit incentive requests for systems greater than 1,000 kWh, but those requests must be capped at the $300,000/30% amount.

The per-entity maximum of $500,000 relates to the system owner and applies to multiple projects under the ownership of a single site host, developer/installer or other ownership entity within one program year. The per-entity maximum would not apply to a developer/installer who simply installs multiple systems but does not own them.

6) ***Q: Why is the minimum system size 100 kWh? Residential battery systems of less than 10 kWh are now available as retrofits to existing solar PV systems or integrated with new PV residential systems. Including a set aside for residential systems for some portion of the funding would provide a larger number of applications and a more diverse experience. The software and communications and control capabilities exist to dispatch and monitor the operation of small battery storage systems as well as large systems.***

A: The minimum system size requirement relates to the FY2016 program's goal of providing incentives for storage systems for non-residential customers who can benefit from the systems' peak demand reduction, emergency back-up and frequency regulation capabilities. Suggestions for reducing the minimum size requirement in future years' programs should be brought up for discussion at a meeting of the Renewable Electric Storage Working Group.

7) ***Q: We assume this does not preclude projects from claiming ITC. Please confirm?***

A: You should consult a professional tax adviser with any questions about your system's eligibility for the federal Investment Tax Credit (ITC). Should the project be eligible for the ITC, though, it is not necessary to deduct the amount of the tax credit as a "direct incentive" in calculating the project's total installed cost.

8) ***Q: Would a solar thermal to electric system qualify?***

A: No. The solar system would have to be photovoltaic (PV), not thermal.

9) ***Q: Can a Vehicle to Grid component be included as part of a 2016 Energy Storage Rebate Application?***

A: No. Energy storage systems must be integrated with a net metered, behind the meter renewable energy generating system that serves a non-residential host site. Vehicle batteries or other devices not permanently installed at the host site are not eligible for incentives.

10) ***Q: Must an applicant apply for interconnection prior to application submission?***

A: It is recommended that applicants contact their local Electric Distribution Company (EDC) regarding interconnection as early in the process as possible to determine the EDC's requirements. However, proof of an interconnection application is not required in the application package.

11) Q: Is there a requirement that renewable electric storage systems provide emergency back-up power or islanding capability? Or will refined application and monitoring requirements to enable evaluation of the resiliency implications of the incentive design be implemented instead of that requirement?

A: There is no requirement for either emergency back-up or islanding capability. As you point out, though, data obtained from the results of this program will help inform the discussion on the incentive design for future programs and/or solicitations.

12) Q: If the completion of a proposed project is contingent upon the developer winning an RFP from a public entity for the solar installation, will it be acceptable to submit the storage portion of the project into the RES application queue (still holding the developer liable to project completion requirements)? Would the developer then, simply relinquish its reservation of RES award funding if it did not receive the RFP solar award through? This clarification will be extremely helpful in order to not exclude entities whose RFPs would not be complete until May, for example.

A: Since one of the program's objectives is to provide incentives for projects that are "ready to build", incentive commitments will not be made unless all the elements of that project fit that objective. If the storage system and the renewable energy system with which it is integrated are being installed simultaneously, each project must be ready to build at the time application is made. Incentive commitments for storage systems cannot be held pending resolution of an RFP process for solar systems.

13) Q: Is an inverter required to be eligible? What are the metering requirements? Can a direct current (DC) meter be used? We are developing a DC microgrid, where we would be connecting the renewable energy system directly to the energy storage system and powering energy efficient building loads on a DC network. In our system, we don't use an inverter as all the renewable energy is consumed (by the loads) or charged (energy storage) all on the DC side. Therefore, metered data for the energy storage system would be provided by a DC meter.

A: In addition to meeting all program eligibility requirements, applicants must also meet the interconnection requirements of their local electric distribution company (EDC). Since one of the program requirements is that the renewable energy system be connected to the state's electric distribution system and be net metered, applicants should check with their EDC to determine the necessity of an inverter and whether a DC meter may be used. Projects with RE systems that are not net metered or not connected to the distribution system are not eligible for incentives.

14) Q: Am I correct to assume a solicitation will be issued soon?

A: The Rutgers Laboratory for Energy Smart Systems (LESS) is presently conducting research on the development of a competitive solicitation for renewable electric storage and is expected to report its results to Staff, which will then make a recommendation to the Board. It is anticipated that a solicitation will be issued later in FY2016.

15) Q: What are the specific goals of the solicitation as opposed to the open enrollment that started on March 1?

A: The Board will determine the goals of the solicitation following its consideration of recommendations made by Staff. Staff's recommendations will be based on the Rutgers LESS research.

16) Q: During a webinar on February 23, it was mentioned that the application documents from last year were still available. Can you kindly point me to the link so we can review?

A: The application forms for the FY2015 solicitation have been archived on the Previous Programs page of the website. For FY2016, applications must be submitted online.

17) Q: It was mentioned that Thermal Storage is not eligible for the rebate. What is the rationale behind this? It's proven, effective energy storage which directly benefits the consumer and accomplishes all the goals of renewable integration. Why would it be excluded?

A: The FY2016 program approved by the Board is limited to storage systems that are capable of charging and discharging electricity only. Thermal storage systems (i.e., those that store energy in the form of ice or hot water) are ineligible. If you wish to suggest changes in this eligibility requirement for future programs or solicitations, we invite you to participate in the stakeholder process that informs the development of all NJCEP programs.

18) Q: Must the renewable electric storage system be interconnected with New Jersey's electric distribution system?

A: The program requires the renewable energy installation that is integrated with the storage system be interconnected with New Jersey's electric distribution system. There is no similar requirement for the storage system itself. Please consult with interconnection specialists at the appropriate Electric Distribution Company (EDC) with questions about interconnection configuration or metering requirements. Contact information for the EDC interconnection representatives can be found at http://www.njcleanenergy.com/renewable-energy/programs/net-metering-and-interconnection/ .

19) Q: Can projects that were rejected in the FY2015 solicitation be resubmitted in the FY2016 program?

A: Yes. Provided the proposed project does not have an active incentive commitment from the FY2015 solicitation, it may be resubmitted in the FY2016 program.

20) Q: Can the program requirement of a 100 kWh minimum size for the storage system be satisfied by combining multiple batteries?

A: The 100 kWh minimum applies to a single site. The energy storage units (e.g., batteries) must be integrated with a renewable energy installation tied to a single utility account. Energy storage units installed by a developer at multiple locations or on multiple accounts may not be aggregated to satisfy the minimum size requirement.

21) Q. I would like to take this chance to introduce our company and products with the hope that we can find some cooperation opportunities in the future. We are glad to provide detailed information to you.

A. Our website offers a Trade Ally Database that lists information on manufacturers and installers of renewable energy equipment who wish to do business in New Jersey. We are in the process of expanding our Database to include businesses that provide products and/or services related to renewable electric storage. Information on how your business can be listed in our database may be found at: http://www.njcleanenergy.com/renewable-energy/programs/renewable-energy-incentive-program/for-vendors

22) Q: What is the timing of the $300/kWh disbursement upon award?

A: Rebate checks are generally issued within 60 to 90 days following the receipt of a passed program inspection report. NJCEP program inspections are conducted after all final as-built paperwork has been submitted, including evidence of local code inspection and authorization to energize the equipment granted by the EDC.

23) Q: What classifies as a "certified digital signature" as indicated on section "G" on the "Tech WS Instructions" tab of the solicitation program Excel sheet.

A: The online application has instructions for downloading a signature form. Applicants will need to obtain signatures on this form, and then upload the completed signature form.

24) Q: Will there be an offering for this program for homeowners?

A: No – eligibility is limited to customers served under non-residential tariffs.

25) Q: Can you kindly point us to the listing for "public and critical" infrastructure. We have looked at the NJ office of homeland security and preparedness and NJ office of emergency preparedness, but cannot find a comprehensive list. The host believes they are in the category, but we have been unable to confirm.

A: For security reasons, the list of facilities defined as "public and critical" is not publicly available. However, it is not material to this program since priority will not be given to public and critical

facilities. Applications will be accepted on a first-come, first-served basis irrespective of the host site's function.

26) Q: Our team is still uncertain of how the bid documents are submitted. Ideally, we would like to prepare the documents that would we would like to submit, particularly as the host and developer need to execute various forms and signatures.

A: Required supporting documents – such as utility bills, site maps and contracts – must be uploaded after you submit your online application. You can upload these documents through the application portal. You will need your login credentials to access the portal.

27) Q: I need to add inverter specs to the equipment list. How do I do this?

A: If you would like to provide equipment specifications, or any other documents not specifically requested, you can upload these documents using the "optional document upload" feature on the application portal. You will need your login credentials to access the portal.

28) Q: For bids submitted, what is the expected timeline for project approval? Will you be notifying the public with respect to approvals and dollars that remain available in the program?

A: Applications will be reviewed in the order they are received. Applicants will be notified if and when their application is approved. Applicants can also track the status of their application through the portal. The program status will be periodically updated on the Energy Storage web page.

29) Q: Please advise if there are remaining funds for the program and whether applications are still being accepted.

A: Updates on available funds are posted on the Energy Storage web page.

30) Q. In the Terms and Conditions there is a requirement that states, "...applicant and host site (if different from applicant) must agree to NJCEP site inspections before and after the RES system is installed. The applicant and host site must also agree to allow a NJCEP program representative to verify the system's performance for the life of the system." Following this condition, would a storage project that has already begun installation be ineligible to receive the grant?

A. Yes. As stated in the "Eligibility Requirements" section of the on-line portal, "The applicant must receive an approval letter prior to commencing installation."

31) Q. I'm writing to inquire about the status of RES Program applications that were submitted. Do you have a sense of when award decisions will be announced?

A. Applications are reviewed in the order they are received. The program administrator cannot provide information on the status of specific applications beyond the general status information

posted on the Energy Storage web page. Applicants will be notified by email when their application(s) is approved.

32) Q. According to the rules of the incentive program, the host facility must be served under a non-residential utility tariff and owned by a customer that pays the SBC. I am currently working on a new solar battery system integration prototype located in NJ. I find it unfair that I was working on this long before this incentive and I get disqualified with the missing SBC when other less innovative projects who came up with a design in response to the incentive get funded.

A. Since the incentive program is funded through the SBC, the Board determined that only those customers who pay that charge through their utility bills should be eligible to receive incentives. The Board also determined that incentives should be awarded only to proven, commercially-available technologies -- not prototypes. If you believe these requirements should be changed in future versions of this program, we invite you to participate in the stakeholder process that drives the design of the program. Information on the process can be found on the Energy Storage Stakeholder Group web page.

33) Q. What is the purpose or intended use for the energy storage projects? For example, demand response, backup power, load shifting, avoiding demand charges, etc.

A. The program provides financial incentives for renewable electric energy storage systems that benefit New Jersey ratepayers by providing emergency back-up power for essential services, offsetting peak loads by shifting electricity to hours of higher demand and/or helping to stabilize the electric distribution system through the provision of frequency regulation services.

34) Q. When did the program start and when is it funded through? This is specific to energy storage.

A. The program began accepting applications on March 1, 2016. Applications will continue to be accepted until the program's $3 million is fully committed.

35) Q. Is there any data available on the number of participants thus far? I reviewed the Net Metering Semi-annual reports and didn't see any mention of storage projects in the reports.

A. Data on the applications submitted in the FY16 program may be found in the chart at the top of the Energy Storage web page. Data on the projects approved in the FY15 solicitation can be found by going to the Installation Summary by Technology web page and clicking on the "NJCEP Wind, Biopower, Fuel Cell Pipeline".

36) Q. I recently installed a 16 kW solar array on my property and am inquiring about any program that might be available for homeowners who wish to install storage batteries for high

demand and outage supplementation to the power grid. My solar installer indicated that such a program may be available.

A. Residential customers are not eligible to receive incentives through the FY 2016 Renewable Electric Storage Program.

37) Q. How many acres of Solar do we have in NJ? How many acres of Wind power?

A. Solar and wind are not measured in acreage but in capacity, which is a measure of their potential to generate electricity. As of February 29, 2016, New Jersey had 1,644,314 kilowatts of installed solar capacity and 9,609 kilowatts of installed wind capacity. Additional information about New Jersey's renewable energy capacity may be found at: http://www.njcleanenergy.com/renewable-energy/project-activity-reports/installation-summary-technology/installation-summary-technology.

38) Q. Does this Program require a new solar system to be installed at the same time the storage system is being installed, or can the storage system be installed with an already existing solar system that has already been approved to operate and has been operating for several years?

A. The solar system that is integrated with the renewable electric storage system may be either an existing system that was registered and installed under the SREC Registration Program (SRP) or its predecessor programs (CORE and REIP), or a new system that will be installed simultaneously with the storage system. A new system must meet all the requirements of the SRP and a registration to that program must be submitted by the time an application is submitted to the Renewable Electric Incentive Program.