



## **Renewable Energy Committee Meeting**

May 14, 2013

BPU 1<sup>st</sup> Floor Meeting Room - Trenton, NJ

1:00 pm to 3:30 pm

### I. OCE Updates (S. Hunter)

#### 1. Regulatory / Legislation Update

1. The aggregated net metering rules were published in the NJ Register on April 17<sup>th</sup>. Those were effective upon submittal to the OAL. In that same change the on-site generation rules were published as well, and effective when they were published.

#### 2. Board Orders and Proceedings (CRA & Budget)

1. At the last board agenda meeting, the PSE&G Solar4All and PSE&G Loan 3 programs were extended. The expectation is that the settlement will be presented to the Board on the May 29<sup>th</sup> agenda.
2. Ongoing proceedings- there is a public hearing on the Clean Energy Program budgets for FY14 on May 23<sup>rd</sup> at the DEP's office. This Friday (May 17<sup>th</sup>) we have a standby charge stakeholder meeting. There were comments taken about the tariffs for standby charges and whether any changes are needed.

#### 3. Other items

1. Question from audience: What is the status of the EDC Financing Programs?
  - Scott Hunter: We're in the settlement discussions now.
  - Rachel Boylan: An extension for ACE and JCP&L and separately for Rockland Electric will be on the May 29<sup>th</sup> agenda. ACE & JCP&L are to be extended to Sept 30<sup>th</sup> and Rockland Electric will have an extension until October. We're hoping for resolution before those dates.

### II. Discussion of the Solar Act (S. Hunter/R. Boylan)

#### 1. Status of proceedings; q., r., s., t.

#### 2. Update on Subsection s.; Board Order(s) approval, denial & deferral

1. At the last board agenda meeting, staff presented recommendations to approve 3 of the 57 applications we received for subsection s projects and deferral of the remaining 54. 7 projects were denied for being not statutorily compliant with the Solar Act. 27 projects were denied for lack of all final federal state and local approvals by the application date. The remaining 20 projects were deferred and directed staff to go back to the stakeholder process and convene with stakeholders to see what information would be useful to the Board to make a decision. We circulated an email to the RE Listserv that contained a description of what the Board directed and some information for milestones and information that we could require of subsection s applicants. We will then distribute a straw proposal and finalize it for the next RE committee meeting.

We will then turn this into a recommendation for the Board by no earlier than the June agenda meeting.

- Question from Audience on how to reconcile denied projects
    - a. Rachel Boylan: Your first avenue of redress would be to file for a motion of reconsideration. You have 15 days from the issue of the Board Order to submit that. I believe it is NJAC14:1-8.6 for reconsideration, if not it's 6.8. You can also file an appeal of a Board action, but appeals do take a long time.
    - b. Scott Hunter: We're going to talk about the additional data requirements that staff would like to have from stakeholders to develop a recommendation to the Board as well, starting today.
3. Update on Subsection q.; Board Order
1. The Board approved an application process that will go into effect on May 15<sup>th</sup> at 4pm as well as an escrow agreement. Staff recommended that the MW requirement be expressed in DC Megawatts which will result in less aggregate project approvals to have less aggregate impact on the SREC market.
    - instructions,
    - notice of intent,
    - application form and
    - standard form escrow agreement
  2. Questions
    - Question from audience: What are the chances of changing the rules to give us time to have the escrow agreement signed within the 5 day window?
      - a. Scott Hunter: I can't speak to whether we could defer the whole execution from the depositor and the accredited financial institution, but we've been told that some banks will not take the money for their deposit until Board staff signs. So we're prepared to hold off on signing off on the execution until your companies sign.
      - b. Unfortunately there is a short timeframe between now and tomorrow at 4pm, so we will be going forward with the approved process. You are welcome to file an appeal to the process, however.
    - Question from audience: If there is a developer but no owner operator, can the developer sign the escrow?
      - a. Rachel Boylan: We want it to be the owner/operator to be the signer of the escrow agreement.
    - Can you confirm that you only get your escrow money back when you come online or you are rejected by the board?
      - a. Scott Hunter: That is what the law says.
      - b. Audience member: What if you have problems with the project and need to pull out?
      - c. Rachel Boylan: If you pull out before the effective date of your designation, you would get your escrow back.
      - d. Scott Hunter: The Board Order does say it would consider additional processes so it shouldn't cause too many issues with projects that scrub out.

- Question on the phone: What was the distinction between Brownfields on subsection q?
    - a. Scott Hunter: Brownfields should apply under subsection t for certification. Or they can go through q if they're not sure if it's a brownfield.
  - Question on the phone: Question on the escrow banks and the requirements for them. There's some confusion if the bank needs to have a principle office in the state of NJ. There was a list distributed that are approved to use but they don't have principle offices in NJ.
    - a. Rachel Boylan: Where does it say this?
    - b. In the footnotes of the very last page of the escrow agreements called the investment guidelines.
    - c. Scott Hunter: The list of banks that we distributed came to us from the DEP because they had experience with the DEP's landfill closure escrow program. I doubt that the banks would be in conflict. Perhaps it's the savings and loan office has to be in NJ, not necessarily the bank. We will look into this further, but if it's one of the 6 banks we put on the FAQ list then it is safe to use.
  - Question on the phone: Under subsection t, Can a project on a landfill have a portion that is open and a portion that can be closed
    - a. Rachel Boylan: You would have to have your ducks in a row with the DEP- I believe the DEP will handle the closure of a landfill in stages, so you might not have a problem with getting all your permits. We can't speak for them, but we think it's possible.
  - Question on the phone: If we applied under subsection q for a landfill, and we get the DEP to approve the landfill and use the t?
    - a. Scott Hunter: Generally, we don't like to do a lot of hypotheticals, but you can send me an email with your question.
  - Question from the audience: Can you please go over subsection s deferral process and what we anticipate going forward.
    - a. Scott Hunter: The Board directed staff to work with stakeholders to develop criteria on the 20 projects and milestones to be developed on the projects. The straw proposal will be out before the next RE committee meeting and discuss it then. We will then take public comment on it and present a recommendation to the Board for hopefully the July agenda meeting. The Board wants to make sure that the projects will go forward and are held to a timeline. They're trying to mitigate the impact on the SREC market, having capacity out there that could swing either way is bad for the market.
  - Discussion continued on definition of inclusion and definition of "speculative" projects. Scott Hunter directed comments on what the additional data and criteria should be for subsection s deferrals to be submitted in writing to the OCE for discussion at the next RE Committee meeting and will be incorporated into the straw proposal.
4. Investigating Approaches to Mitigate Solar Volatility
1. The installed solar capacity as of 4/30/13 is approximately 1,049 MW

- Approximately 23 MW installed in current month
- 2. The preliminary solar capacity project pipeline as of 4/20/13 is approximately 687 MW
  - The project pipeline decreased approximately 15 MW in the current month.
- 3. Scott Hunter: Charlie circulated the Mitigating the Solar Volatility report. We were planning to discuss the next steps in that process. We have a draft summary of that proceeding and what we have done so far, and we're ready to start into the next phase of the meeting to define what the solutions are toward having a full record to give to our contractors that go out to bid for a study that we can present to the legislature. By the next RE committee meeting we should have that straw proposal out and start to solicit comments to potential solutions to mitigating solar volatility.

### III. Program Updates (J. Lypse, T. Gray)

#### 1. FY14 Renewable Energy Program Proposed Plan

##### 1. Timeline:

- 5/7/13 Notification sent to RE distribution list and plans posted on NJCEP website
- **5/14/13:** Draft Plan to be presented to RE Committee
- 5/23/13: Public hearing (Trenton 1 PM)
- 5/24/13: End of written comment period (must be received by 5 PM)
- 6/21/13: Targeted Board Agenda date for presentation to the Board
- 7/1/13: Effective date for FY2014 Plan and Budget (unless specifically noted)

##### 2. New Incentive program for energy storage technology

- During Q3 of 2013, Board Staff and the Market Manager will hold discussions with interested stakeholders to develop program guidelines, incentive structure and target market
- The findings of these stakeholder meetings will provide input which will be utilized to develop a competitive solicitation process

##### 3. Biopower program changes:

- The incentive structure will change from a fixed incentive schedule to a competitive solicitation which will be administered by the Market Manager
- During Q3 of 2013, Board Staff and the Market Manager will hold discussions with interested stakeholders to develop the solicitation process
- The intent is to develop a solicitation schedule for FY14
- The solicitation would rely upon past project eligibility requirements and program application forms

##### 4. The REIP financial incentive for sustainable biopower feasibility studies and wind feasibility studies will be eliminated for FY14

#### 2. Operations Update

##### 1. 608 SRP Registrations Received in April 2013.

- 596 Registration Acceptance letters issued for 13.4 MW.

##### 2. 772 Final As-Built Paperwork packages received in April 2013.

- 598 SRP completions for 12.5 MW.

3. Pre Expiration Notification to begin
  1. We have been seeing a significant increase in expirations/deactivations
  2. Pre Expiration notification email to installer to be sent approximately 45 days prior to expiration date.

IV. Update on Interconnection Issues (J. Teague)

1. The next Net Metering and Interconnection stakeholder meeting is June 7<sup>th</sup> at 10 am.

V. Other Topics / New Business

1. The next RE Committee meeting is June 11<sup>th</sup> 2013 at 1pm in Trenton.

**Renewable Energy Committee Meeting**

**Attendees**

Tuesday, May 14, 2013  
Board of Public Utilities

1:00pm - 3:30pm

<b>Initial</b>	<b>Name</b>	<b>Company</b>	<b>Phone</b>	<b>E-mail</b>
x	Barth, Larry	NJR	(732) 919-8040	<a href="mailto:LBARTH@njresources.com">LBARTH@njresources.com</a>
x	Beerley, Brent	Community Energy	(215)778-3898	<a href="mailto:bbeerley@communityenergyinc.com">bbeerley@communityenergyinc.com</a>
x	Bellin, Mark	Cooper Levenson	(908) 601-2601	<a href="mailto:mbellin@cooperlevenson.com">mbellin@cooperlevenson.com</a>
x	Carpenter, Joe	NJDEP	(609)292-4871	<a href="mailto:joseph.carpenter@dep.state.nj.us">joseph.carpenter@dep.state.nj.us</a>
x	Corkedale, Olivia	Gabel Associates	(732) 296-0770	<a href="mailto:olivia@gabelassociates.com">olivia@gabelassociates.com</a>
x	Drexinger, John	Pro-Tech Energy Solutions	(908)526-3322	<a href="mailto:jdrexinger@pro-techenergy.com">jdrexinger@pro-techenergy.com</a>
x	Flett, Michael			<a href="mailto:mflett@flettexchange.com">mflett@flettexchange.com</a>
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x	Gennello, Joe	Honeywell	(609)517-8332	<a href="mailto:joe.a.gennello@honeywell.com">joe.a.gennello@honeywell.com</a>
x	Gray, Tammy	VEIC	(732) 218-3418	<a href="mailto:tammy.gray@csgrp.com">tammy.gray@csgrp.com</a>
x	Hunter, Scott	OCE/NJBPU	(609) 777-3300	
x	Jackson, Ronald	BPU-OCE	(609) 777-3199	<a href="mailto:ronald.jackson@bpu.state.nj.us">ronald.jackson@bpu.state.nj.us</a>
x	LaRoy, Bob	RCL Enterprises	(856) 339-4014	<a href="mailto:rclsolar@comcast.net">rclsolar@comcast.net</a>
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x	Martin, Bruce	Millenium Land		
x	McAleer, Jim	Solar Electric NJ, LLC	856-220-7070	<a href="mailto:jim@SolarElectricNJ.com">jim@SolarElectricNJ.com</a>
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x	Murphy, Justin	Millenium Land	(609)969-0959	<a href="mailto:justinmichaelmurphy@verizon.net">justinmichaelmurphy@verizon.net</a>
x	Reisman, Ron	VEIC		<a href="mailto:rreisman@veic.org">rreisman@veic.org</a>
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