



January 15, 2008

Dear New Jersey Solar System Owner:

New Jersey's Renewable Portfolio Standard (RPS) requires electricity suppliers to secure a portion of their electricity from solar facilities connected to the local distribution grid in New Jersey. Solar Renewable Energy Certificates (SRECs) represent the renewable attributes from your solar facility, bundled in minimum denominations of one megawatt hour of production. The SRECs program provides a means for solar certificates to be created on your behalf and sold to electric suppliers to meet their solar RPS requirement. All electric suppliers are required to use the SRECs program to show compliance with this part of the State's Renewable Portfolio Standard.

SRECs are designed to provide you with an economic incentive to investing in solar electric systems which improve our electric distribution grid. While the additional income received from selling the solar certificates increases the economic value of your investment, solar electric system owners also have the option of retiring their SRECS as a personal statement about the need for more clean energy.

To assist you with getting started with the SRECs program, find enclosed a copy of the following:

- Attestation Form
- Getting Started in the NJ SRECs Program
 - Glossary of Terms
 - Schedule of SRECs Training Conference Calls
 - Frequently Asked Questions

The NJBPU Clean Energy Program has hired an administrator, Clean Power Markets, Inc., for the Solar Renewable Energy Certificate (S-REC) Program. If you have questions about this program, please contact me at (larry.barth@csgroup.com) or Clean Power Markets, Inc. at 201-612-3221 (njsrec@cleanpowermarkets.com).

Thank you,

A handwritten signature in black ink, appearing to read "Larry Barth", written in a cursive style.

Larry Barth
CORE Program Manager
New Jersey's Clean Energy Program™
c/o Conservation Services Group
75 State Route 27, Suite 100
Iselin, NJ 08830



New Jersey's Clean Energy Program Solar Renewable Energy Certificates (SRECs) Program

Attestation Form

All information requested below is required: Please make writing legible!

Solar Generator Owner Name / Company:	
BPU Application Number (if known):	BPU -
Installation Address:	
City, State, Zip	
Contact Person:	
Phone:	
Fax:	
E-mail:	
DC Capacity (kW = # modules * module rating):	
Date Placed in Service (yyyy-mm-dd):	

- I, _____ (name) declare under penalty of perjury, that:
- I am the owner or the authorized agent of the solar photovoltaic generation facility at the location provided above;
 - The information provided on this form is true and correct to the best of my knowledge;
 - This solar photovoltaic facility generates renewable energy, consisting of 1) the actual electric energy, measured in kWh, that is either consumed on the premises or delivered via a net metering agreement, or other electricity sales contract, to _____ (utility or transmission / distribution owner) like the production from any other power plant, and 2) all environmental and renewable energy attributes associated with renewable energy production. These attributes are represented by SRECs, or "solar renewable energy certificates."
 - As a condition of participating in the New Jersey SRECs program, I certify that the environmental and renewable energy attributes as represented by each SRECs, which include the air, water, land, labor, emission allowances, emission reduction offsets or benefits, of the electric power are not also being claimed, delivered, sold and/or transferred to any other entity, in whole or in part.

I attest that the statements above are true and correct.

Name: _____

Signature: _____

Date: _____ Place of Execution: _____

Please return this form:

By Mail:
New Jersey Clean Energy Program
Solar RECs Program
c/o Conservation Services Group
75 Lincoln Highway
Iselin, New Jersey 08830

By Fax:
New Jersey Clean Energy Program
Solar RECs Program
c/o Conservation Services Group
Fax: (732) 634-8010



New Jersey's Clean Energy Program Solar Renewable Energy Certificates (SRECs) Program

Getting Started – Glossary of Terms

SRECs Website - A website has been established to create and track SRECs. Solar generators in New Jersey can establish an electronic account for creation and disposition of their SRECs. This site is now available for you to sign up and establish an account at (www.njcep.com/srec).

Generating SRECs (solar certificates) - For systems installed and operating before March 1, 2004, SRECs will be generated each month thereafter for deposit in your account. Systems installed after this date begin generation of SRECs on the date of utility sign-off/inspection. For solar generators smaller than 10 kW, an engineering estimate is used to calculate the monthly SREC generation. The website allows uploads of monthly meter readings and/or production information for systems 10 kW and larger.

Aggregators and Agents - Some solar system owners have agreements with agents or “aggregators” to handle the disposition of their SRECs. If this applies to you, the Office of Clean Energy requires a copy of a signed agreement with the aggregator which documents who is handling SRECs from your installation.

Electronic Bulletin Board - Once solar certificates are in your account, you can use an electronic bulletin board on the SREC website to let others know you have SRECs for sale. Interested buyers can also make a request to buy SRECs. Buyers and sellers can then contact each other offline and execute a sale. Once a sale is made, you the seller will use the website to transfer SRECs to the buyer. Electricity suppliers will also use the website to retire SRECs that have been used to meet their RPS requirements.

Reporting Years – SRECs’ “Reporting Years” run from June 1 to May 31. For reporting year 2007, SRECs based on solar generation from June 1, 2006 through May 31, 2007 are eligible. Electricity suppliers will have until August 31, 2007 to acquire the SRECs they require to meet their 2007 reporting year requirement; after August 31, 2007, any remaining Reporting Year 2006 SRECs will no longer be eligible for meeting compliance under the New Jersey Renewable Portfolio Standard, but can be sold in voluntary REC markets. Each subsequent Reporting Year will operate similarly.

Monthly Meter Readings / Production Data - *For solar facilities 10 kW and larger*, you or your agent must enter the data from your meter or inverter documenting the kilowatt-hours of generation from your solar installation. This information must be uploaded into the appropriate account, either yours or your agent's, following the instructions that are available on the website. *For solar facilities smaller than 10 kilowatts*, we use engineering estimates based on the PV Watts calculator (<http://rredc.nrel.gov/solar/calculators/PVWATTS/version1/>) initially to determine the number of SRECs generated from your installation. In both cases, if you are using an agent/aggregator to manage your SRECs, your agent may perform this function on your behalf.

Information We Need For You to Participate - To participate in the program, we need information from you. If you are working with an agent/aggregator, please have your agent / aggregator send us a copy of your agreement. No other action is needed on your part past that point, since the agent/aggregator will perform all the functions required to manage your facilities' SRECs per your agreement.

If you are not using an agent, we ask that you return the attached “attestation” as soon as possible following the instructions on the sheet. The attestation asks for important contact information and includes a statement that you are not selling the environmental attributes, as represented by the solar renewable energy certificates (SRECs), to any other entity or through any other program. All solar generators that wish to participate in this program must sign this attestation. With your e-mail address, we can keep you posted of appropriate events. Solar facility owners without an agent must sign up for an account on the website.

Please go to www.njcep.com/srec and click on “Open New Account”. Follow the instructions to set up your account. Once your attestation has been received by the NJBPU, your solar system will be linked to your account, and SRECs deposited on a monthly basis. If you have questions, please contact Clean Power Markets, Inc. at njsrec@cleanpowermarkets.com.



New Jersey's Clean Energy Program Solar Renewable Energy Certificates (SRECs) Program

Getting Started - Schedule of Training Conference Calls

We will be holding a number of teleconference-based training sessions for those who are new to the New Jersey Renewable Energy Certificate (SREC) Program. The training sessions will be conducted via a conference call on these dates, all participants:

Tuesday, July 15 at 11AM EDT
Friday, August 15 at 3PM EDT
Monday, September 15 at 10AM EDT

If you are available to participate, please call in to: **1-866-910-4857, pass code 124632**

If you have a computer with internet access available during the call, please have that available so that you can walk through the program with us. Background information on the program can be found on the program website at www.njcep.com/srec. Please select the link on Background Information and review the Training Overview of the program before the training session if you can. If you have not yet set up an account on the system, please set up your account before the call to get the most out of the training session.



New Jersey's Clean Energy Program Solar Renewable Energy Certificates (SRECs) Program

Getting Started - Frequently Asked Questions

What is an SREC?

SREC stands for Solar Renewable Energy Certificate and is a tradable certificate that represents all the clean energy benefits of electricity generated from your solar electric system. An SREC can be sold or traded separately from the power. It is issued once a solar facility has generated 1000kWh (1MWh), through either estimated or actual metered production, and can be listed on the [bulletin board](#) on this website.

What is the New Jersey SREC Program?

The New Jersey SREC Program provides a means for SRECs to be created and verified on your behalf. It also facilitates the sale of SRECs to electric suppliers that are required to invest in solar energy under New Jersey's Renewable Portfolio Standards (RPS). The RPS requires electricity suppliers to get a minimum of 0.01% of the electricity they sell in 2005 from solar energy systems located in New Jersey. This requirement increases each year, so that a total of 90MW of solar electricity will be required by 2009. That's enough electricity to power approximately 8,000 homes. All New Jersey electric suppliers are required to use the SREC Program to show compliance with this part of the State's renewable portfolio standard.

How do SREC'S Differ from Green Tags?

"Green Tags" is a generic term which refers to renewable energy certificates (RECs) generated from a variety of renewable energy sources including solar, wind, small hydro and biomass. Green Tags are widely used to meet various state renewable portfolio standards and are traded in wholesale and voluntary retail markets across the U.S.

Who is eligible to participate in the New Jersey SREC Program?

All solar system owners in New Jersey with grid connected generators can set up an electronic account for the sale and trade of SRECs on this website. You must [register for an electronic account](#), and attest to the ownership or disposition of the renewable energy certificates. The attestation form can be downloaded from the "Background Information" page on the SREC website. The SREC Program Administrator will link your solar system to your electronic account when these steps have been completed.

What portion of my electricity is eligible for the program?

Each kWh produced by your solar electric system that is metered or that is verified through an approved method of estimation, is eligible to be counted towards SRECs. Your solar electric system begins generation of S-RECs on the date of utility sign-off/inspection.

How are SREC's generated and sold?

Once you have registered and established an account on the SREC website, SRECs will be generated each month and deposited in your account. For solar generators smaller than 10 kW, an engineering estimate will be used to

calculate the monthly SREC generation. For solar electric systems that are larger than 10 kW, the SREC website will allow you to upload your monthly meter readings and/or production information into the site. Once SRECs are in your account, you can use an electronic bulletin board on the SREC website to let others know you have SRECs for sale. Interested buyers can also make a request to buy SRECs through the bulletin board. Buyers and sellers can then contact each other offline and execute a sale. Once a sale is made, the seller will use the website to transfer SRECs to the buyer. Electricity suppliers will also use the website to retire SRECs that have been used to meet their RPS requirements.

Who buys New Jersey SRECs?

SRECs can be bought by electricity suppliers, renewable energy marketers, private businesses and individuals interested in supporting the development of solar energy. A list of electric suppliers that are required to purchase SRECs, interested 'aggregators' and brokers will be available on the SREC website. Additionally, the website will list the weighted average price for SRECs, updated periodically, to inform buyers and sellers of the going price.

How much are SREC'S sold for now?

The price of SRECs will fluctuate. If a supplier of retail electricity in New Jersey does not purchase a sufficient quantity of SRECs to meet their RPS requirements, they must pay the Solar Alternative Compliance Payment set at \$300 per MWh (or SREC) for 2007. Therefore, due to transaction costs for suppliers to obtain SRECs, the Office of Clean Energy estimates the range for SREC trading to be between \$3 to \$250 per MWh. Brokers of RECs routinely report values for Class I RECs in the voluntary market at around \$3 to \$4 per MWh.

Can someone else sell my SREC for me?

Yes, some solar electric system owners may have agreements with agents or "aggregators" to handle the disposition or sale of their SRECs. However, only one party can claim ownership or rights to an SREC at any one time. Each solar electric system can be linked to only one SREC account. For an aggregator to be authorized to sell or trade SRECs, the aggregator must provide a written agreement with each solar system owner that has hired the aggregator to handle their SRECs. The SREC Program Administrator will then link those solar electric systems to the aggregator's electronic SREC account.

How often can an SREC be sold?

An SREC can be sold an unlimited amount of times but only to one party at any time. No single SREC can be jointly claimed by two parties.

If I don't sell my SREC what are my options?

If you choose not to sell your SREC, you can "retire" it which means that you maintain rights to all the clean energy benefits and nobody else will claim those benefits or count them towards their goals or mandates. You can post retired SRECs on your account. However, SRECs are only able to be retired within the reporting year in which they are generated, i.e., June 1 to May 31 plus the three month true-up period. On September 1 each year, unretired SRECs from the previous year will expire.

If I sell my SRECs, can I still claim that I am solar powered?

No, if you sell your SRECs, you have sold the claiming rights for being solar powered. However, you can state that you are "hosting" a solar system on your roof.

Is SREC income taxable? Will I be issued a 1099 if I sell my SRECs? Is there sales tax on an SREC?

There is not a definitive ruling on this issue. We recommend you discuss the issue with your tax accountant and perhaps a tax lawyer.

What happens if I sell my house?

Ownership of the solar energy system and the SRECs it generates typically transfers to the new property owner when a home is sold. If you sell your house, you must download the "Major System Change Form" from the SREC home page, fill that out, and submit it to the program administrators. The new owner will also be required to submit a new attestation form.

Can I move my solar energy system to a new property?

Yes. In this case you must download the "Major System Change Form" from the SREC home page, fill that out, and submit it to the program administrators. This form can be downloaded from the SREC website.

What if I change or add additional equipment to my solar system?

If you make any changes, such as adding additional modules, changing inverters or changing your meter, you must fill out and submit a "Major System Change Form". This form can be downloaded from the SREC website.

The SREC Web site says that New Jersey will require only 90 MW of solar power to be generated in NJ by 2009. If that is correct and an SREC is issued for each 1 MW generated then only 90 SREC will be bought and sold. Is this correct?

No. SRECs are issued for every 1 MWh (megawatt-hour) of solar production. The confusion comes in distinguishing between megawatts (MW), which is a measure of installed capacity, with megawatt-hours (MWh), which is a measure of electricity generation. So, 1 MW of solar installations is the same as 1000 kilowatts (kW) of solar installed. Each kilowatt installed will generate approximately 1200 kilowatt-hours of solar electricity per year, or 1.2 megawatt-hours of solar electricity. Therefore, 90 MW of solar installed will produce: $90 \text{ MW} * 1000 \text{ kW/MW} * 1.200 \text{ MWh/kW} = 108,000 \text{ MWh}$ of electricity. This translates into 108,000 solar RECs, since each solar REC is issued for every 1 MWh of electricity produced.

Who should I contact with questions?

New Jersey's Clean Energy Program
Tel: **866-NJSMART (866-657-6278)**

Clean Power Markets
Tel: **201-612-3221**
njsrec@cleanpowermarkets.com