

NEW JERSEY BOARD OF PUBLIC UTILITIES

STAKEHOLDER MEETING AGENDA RPS AMENDMENTS: OFF SHORE WIND CARVE-OUT

BPU TRENTON
44 South Clinton Avenue
10th Floor Conference Room
January 13, 2008
10:00 A.M. - 12:00 P.M.

CALL IN NUMBER:
888.476.6131
Pass Code: 535344

10:00 AM WELCOME & INTRODUCTIONS
(Lance Miller, BPU Director of Policy & Planning)

10:05 AM REVIEW: GUIDING PRINCIPLES
General guiding principles for development of OSW / OREC Market
(Scott Hunter, RE Program Administrator):

- Support Governor's EMP and other policy goals
- Consistent with New Jersey's Renewable Portfolio Standards (RPS)
- Provide adequate incentive for the development of OSW
- Minimize ratepayer impacts
- Foster sustained, orderly development of a competitive marketplace
- Reduce transaction costs

10:15 DISCUSSION: OREC STRUCTURE
(Lance Miller, BPU Director of Policy & Planning)

- How should the Off-Shore Wind Renewable Energy Certificate (OREC) be structured to provide adequate incentive for development of OSW to meet the Governor's EMP goals while minimizing cost to ratepayers?
- Should the OREC be a fixed price or competitively priced?
- What mechanism and formula should be used to determine the price of an OREC? (e.g. GSOE's Proposed Structure for an Offshore Wind Set-aside and competitive bidding process)
- Should OREC Requirement be established as a percentage of total load or rather a production requirement separate from load served?
- Who should be responsible for OREC compliance, LSE or EDCs?
- What formula should be used to determine annual OSW obligation for LSEs / EDCs?
- Should there be a capacity cap per developer (e.g. 350 MW)
- How should we address fluctuation in the Year-to-Year Production of ORECs – Should OACP be required, to compensate for under supply / deficit? Should banking be allowed?

- How might secondary markets for ORECs (e.g. Class I RECs; voluntary market) be used to provide greater stability?
- Should only offshore wind connected to the distribution system serving NJ qualify for this carve out?

11:45

WRAP UP & NEXT STEPS FOR FEB STAKEHOLDER MEETING

- BPU Draft Proposal (Feb 09)
- NEXT Meeting: February 19, 2009

DRAFT
Annual RPS Requirement:
New Jersey Off-Shore Wind Carve-Out

Year	Estimated Annual Electricity Retail Sales (MWh)	Annual Class I RPS Requirement	OSW Wind Carve-Out – by Capacity MW	OSW Carve-Out by Production @ 34% Capacity Factor (MWh)	OSW % of Retail Sales	OSW % of Class I RPS
6/1/08 - 5/31/09	82,901,457	3,183,416	na			
6/1/09 - 5/31/10	84,494,133	3,958,550	na			
6/1/10 - 5/31/11	82,849,000	4,550,067	na			
6/1/11 - 5/31/12	80,876,000	5,111,363	na			
6/1/12 - 5/31/13	78,802,000	5,628,827	1,000	2,978,400	3.78%	52.91%
6/1/13 - 5/31/14	76,912,000	6,135,270	1,250	3,723,000	4.84%	60.68%
6/1/14 - 5/31/15	75,347,000	6,635,810	1,500	4,467,600	5.93%	67.33%
6/1/15 - 5/31/16	73,813,000	7,122,216	1,750	5,212,200	7.06%	73.18%
6/1/16 - 5/31/17	72,619,000	7,614,102	2,000	5,956,800	8.20%	78.23%
6/1/17 - 5/31/18	71,778,000	8,846,639	2,250	6,701,400	9.34%	75.75%
6/1/18 - 5/31/19	70,704,000	10,022,292	2,500	7,446,000	10.53%	74.29%
6/1/19 - 5/31/20	69,517,000	11,142,880	2,750	8,190,600	11.78%	73.51%
6/1/20 - 5/31/21	68,300,000	13,660,000	3,000	8,935,200	13.08%	65.41%