

Customer On-site Renewable Energy (CORE) Program Update August 17, 2006

All of the policies, assumptions, and timelines set out below are subject to change based upon future directives of the Board of Public Utilities.

The New Jersey Board of Public Utilities reserves the right to modify or withdraw this Program. Program procedures and rebate levels are subject to change or cancellation without notice. Approved projects will be honored under the terms stated in the commitment letters.

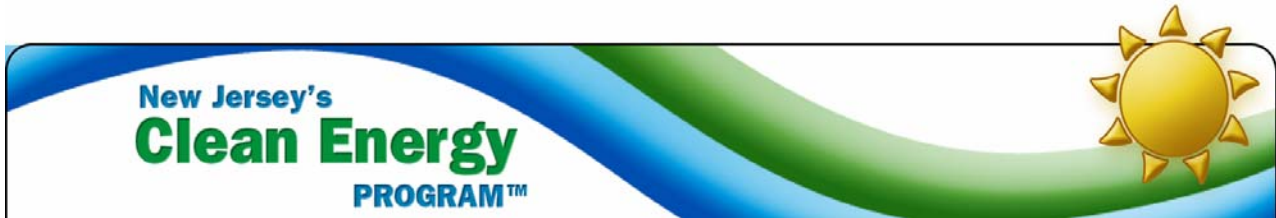
Rebate Revisions for Solar Applications Effective September 1, 2006

August 17, 2006 - The Board of Public Utility Commissioners at their August 17, 2006 Board Agenda meeting voted to approve the following rebate changes for solar photovoltaic applications in the Customer Onsite Renewable Energy (CORE) Program effective September 1, 2006.

	All Private Sector Solar PV Applications effective 09/01/06	All Public and Non-profit Sector Solar PV Applications effective 09/01/06
0 to 10,000 watts	\$3.80 per watt	\$4.40 per watt
10,001 to 40,000 watts	\$2.75 per watt	\$3.45 per watt
40,001 to 100,000 watts	\$2.50 per watt	\$2.80 per watt
100,001 to 500,000 watts	\$2.25 per watt	\$2.60 per watt
500,001 to 700,000 watts	\$2.00 per watt	\$2.05 per watt

Figure 1. Adjusted CORE Rebate Schedule by Applicant Sector

To receive approval for solar photovoltaic project rebate commitment at rebate levels currently in effect, COMPLETE applications must be RECEIVED by the CORE processing staff no later than close of business on August 31, 2006.



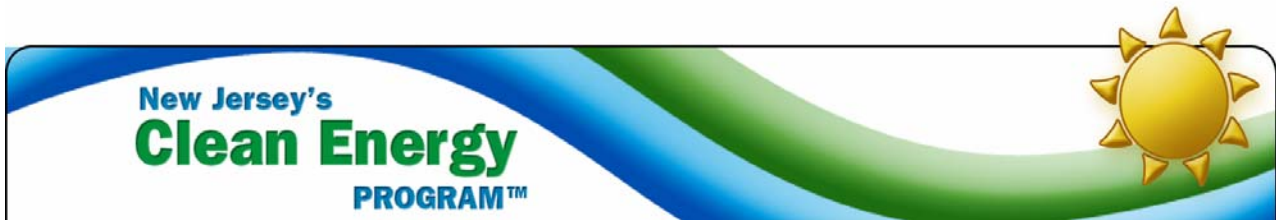
The Office of Clean Energy will return as unprocessed all incomplete applications missing any documentation relevant to CORE program requirements. For example, fully executed contracts are required with all private sector applications. These contracts must include acknowledgement of the applicant requirement to repay a pro-rated share of the rebate if the rebated equipment is sold or transferred outside of New Jersey within 10 years of rebate payment date. A complete application package must also contain a signed certification from the applicant agreeing to the rebate repayment provision.

Please note that the CORE rebate program has a queue established for private sector applications awaiting rebate commitment approval. The private sector budgets for solar applications less than or equal to 10 kW and for solar applications greater than 10 kW are each fully subscribed for calendar year 2006. CORE rebate applications submitted today will not receive rebate commitments until 2007 and only if and when the Board approves the 2007 NJCEP Program and Budget. New applications are date stamped when they are received and placed in queue as they are deemed complete by the CORE Processing Team. New approvals from the established queues are made on a first-in first-out basis when project cancellations or additional funds make new commitments possible. As stipulated in the CORE application materials, a commitment for a CORE rebate is made when an approval letter is issued by the Office of Clean Energy. The Board of Public Utilities reserves the right to change, cancel or withdraw the terms and conditions of the program.

Clarification and Implementation of Previously Announced Policies and Procedures

Maximum Renewable Energy System Capacity for Residential Applicants

On February 13, 2006, the Board of Public Utilities limited the amount of renewable energy system capacity eligible for rebate for residential CORE applicants to the first 10 kW of project capacity. All CORE applicants served electricity under a residential tariff are limited to rebate for 10 kW of capacity. An exemption to this requirement will be granted for farmers, non-profit organizations, houses of worship, or multi-family dwellings served with residential electricity tariffs that can provide documentation of

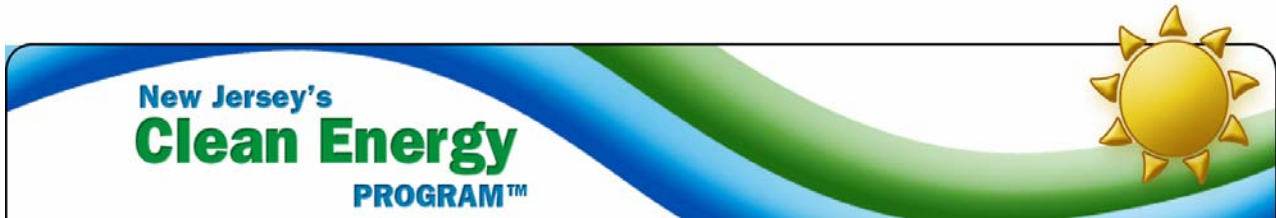


electricity expenses devoted to the farm, non-profit or multi-family dwelling. The required documentation for a farm or multi-family exemption to the residential 10 kW cap is an IRS tax return demonstrating business tax deductions for electricity expenses exceeding \$1200 per year (rough equivalent to 12,000 kWh or output of a 10 kW system). Non-profit organizations or houses of worship with residential electricity service must produce documentation demonstrating the portion of annual electricity use devoted to non-residential applications. Applicants requesting rebate for projects greater than 10 kW served under a residential electric tariff and awaiting rebate approval in “Private Greater than 10 kW Queue” that have not expressed the desire to pursue an exemption to the residential 10 kW cap will be transferred to the “Private Less than 10 kW Queue”.

In no case will an application for CORE rebate be approved which proposes a renewable energy system with the capacity to produce more than 100% of the site’s exhibited annual electricity consumption. Annual electricity consumption must be documented by submission of sufficient portions of an electricity bill or multiple bills to enable verification of one full year history of electricity consumption. For applications where one full year of electricity consumption cannot be documented, the CORE Processing Team shall have the discretion of estimating annual consumption based upon applicant submission of a list of on-site loads with expected annual operating hours, building use and square footage data. The CORE Processing Team and Office of Clean Energy staff shall determine whether the documentation supplied justifies the system size proposed considering all other CORE application requirements and limitations.

Public Sector Applicants with Projects that Utilize the Federal Investment Tax Credit

The Office of Clean Energy reminds public sector applicants, their partners and vendors that public sector project applications that plan to use the Federal Investment Tax Credit must apply under the lower, private sector CORE rebate level. This requirement is consistent with the intent behind the two levels in the CORE rebate structure. The Office of Clean Energy will pursue recapture of the rebate differential from applicants that use the higher public sector rebate with partners enjoying the federal Investment Tax Credit.

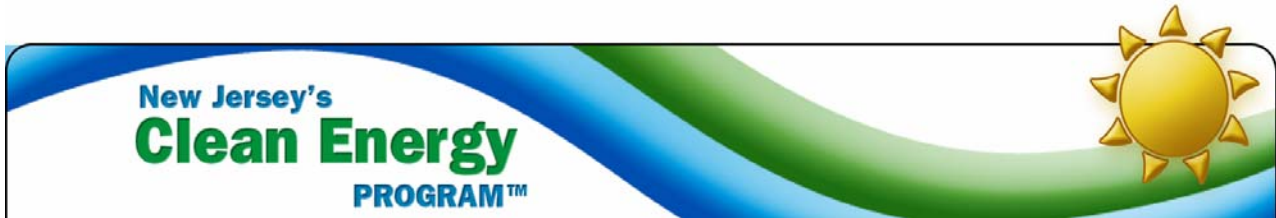


Appeals Process for Decisions of the CORE and Office of Clean Energy Staff

Appeal of an application denial, cancellation, return, or denial of an extension request decision by the CORE Processing Team can be made to the Office of Clean Energy. The Office of Clean Energy staff will attempt to communicate an evaluation of the informal appeal requested within 30 days. Informally appealed cases where CORE Processing Team determinations are supported by OCE staff can be formally appealed to the NJCEP Appeals Committee.

An NJCEP Appeals Committee, including, at a minimum, a representative of the NJBPU Senior Management Team, the OCE Director, and the NJCEP Contract Manager, has been formed for the purpose of considering formal appeals of the determinations made by OCE staff. An NJCEP Appeals Committee decision on a formal appeal of the OCE determination will be communicated within a maximum of 30 days. All formal appeals, the party requesting the appeal, the reason for the appeal and the final determination and vote will be posted on the website. Further, decisions of the NJCEP Appeals Committee can be further appealed to the Board of Public Utilities through the processes described at www.bpu.state.nj.us.

The following pages provide a chronology of changes in policies and procedures in the Customer Onsite Renewable Energy (CORE) Program. Recent changes in policies and procedures supplant earlier versions. For instance, the requirement that a contract be submitted with the application materials from private sector applicants for rebate commitments greater than 10 kW announced on February 13, 2006 supplants the requirement for a contract to be submitted within 90 days which became effective in May 2005. This compilation of program updates together with the directives from the New Jersey Board of Public Utilities found under "Clean Energy Board Orders" at www.bpu.state.nj.us as well as the CORE program web pages, technical worksheets and application materials found at www.njcep.com together form the policies and procedures governing participation in the CORE rebate program.



Customer On-site Renewable Energy (CORE) Program Update March 7, 2006

Clarification and Implementation of Changes Announced 2/13/06

Due to the overwhelming success of the CORE Program, the number of rebate applications received by the Office of Clean Energy has the potential to exceed the CORE Program budget if all of the applications that have been received were approved and completed. To ensure that the CORE Program remains within the overall four year funding level approved by the Board of Public Utilities and the 2006 CORE Program budget, the Board directed the Office of Clean Energy to implement several changes to the CORE Program by Order dated February 13, 2006. This Order is available on the website of the New Jersey Board of Public Utilities at www.bpu.state.nj.us.

It is important to note that the program changes described below will not impact projects for which a rebate approval letter has been issued. The Office of Clean Energy will honor all commitments as set out in any rebate approval or extension letter issued by the Office of Clean Energy. The Office of Clean Energy will continue to process payment requests for all completed projects for which an approval letter was issued provided the project meets all program requirements and deadlines.

The following provides a brief description of the program changes directed by the Board which are being implemented by the Office of Clean Energy:

1. **Rebate Change:** The CORE rebate level changes announced on February 13, 2006 take effect on March 15, 2006. To receive a rebate under current rebate levels a **complete** application must be received by the CORE processing staff by close of business on Tuesday March 14, 2006. Applications will be time stamped as they are received. As established in prior CORE procedures, applications missing any elements or not time stamped by close of business on March 14 will be returned as incomplete, will not be processed, and will not be placed in queue. Returned applications may be corrected and resubmitted, time stamped, reviewed and placed in queue, if found complete, for approval under rebate levels in effect at the time of resubmission.
2. **Project Queue:** The Board has previously established CORE Program budgets for each of the following types of projects:



- a. Non-public (private) less than or equal to 10 kw
- b. Non-public (private) greater than 10 kw
- c. Public – Schools
- d. Public – Other

When sufficient funds do not exist in any of these budget categories, the Office of Clean Energy will place complete applications in queue. To the extent sufficient funds exist in any of these budget categories, the Office of Clean Energy will process rebate applications and issue rebate approval letters for complete applications in the order they are placed in the queue. Rebate approval letters for projects placed in queue will be issued when additional funds become available either through project attrition, line item budget reallocation, or other sources.

The Office of Clean Energy will post on the program web site information regarding the number of projects in the queue and each project's position in the queue. The information will be published in a manner that protects sensitive or confidential information.

3. **Contracts Required with CORE Application Materials:** The Board has eliminated the 90 grace period for submission of executed contracts for private sector projects greater than 10 kW. Any applications for private sector projects greater than 10 kW received after February 13, 2006 must include an executed contract with the application or the application will be returned as incomplete. For applications received prior to February 13, 2006 an executed contract is not required for the application to be found to be complete and placed in the queue. However, projects with complete applications that are placed in queue will be notified by letter that they must submit an executed contract by May 14, 2006 to remain in the queue.

As funds become available, the Office of Clean Energy will begin to issue rebate approval letters for projects in the queue. Projects that have submitted executed contracts and the CORE Contractor's Project Status Report discussed below can be moved ahead of projects in the queue that have not submitted these forms and are not deemed to be complete applications.

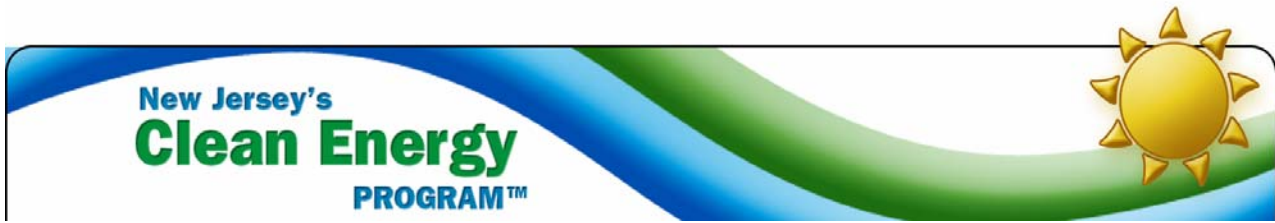
4. The Board has directed the Office of Clean Energy to verify the validity of existing CORE rebate commitments prior to approving additional commitments. To meet this directive the Office of Clean Energy will be sending a letter to each installer listed on an approved application requesting that they complete a [CORE Contractor's Project Status Report](#) for each project including the following information:
 - a. Anticipated start date for construction
 - b. Anticipated project completion date
 - c. Verification of module supply from a solar manufacturer or distributor



Applicants with projects in the queue must submit this information by March 30, 2006 to remain in the queue as a complete application. For projects where a rebate approval letter has been issued, submission of the information as directed will weigh heavily in consideration of extension requests.

Implementation of Additional CORE Program Changes – Effective April 7, 2006

1. **Minimum Production Capacity for Solar Applications Requesting CORE Rebate:** solar electric array orientations proposed for CORE rebate must achieve a calculated system output of at least 80% of the default output estimated by PVWatts. Additionally, all individual series strings of modules output must be at least 70% of the default output calculated by PVWatts. The current rule for CORE rebate eligibility requires the calculated system output exceed 75% of the PV Watts default output and all individual series strings exceed 70% of PV Watts default output. All applicants and vendors are encouraged to utilize the obstruction analysis feature of the Clean Power Estimator tool found on the website of New Jersey's Clean Energy Program at www.njcep.com.
2. **Maximum Production Capacity for All Applications Requesting CORE Rebate:** system size proposed for CORE rebate or System Rated Output as declared on the application materials must not have the ability to produce more electricity than is consumed on the site, as exhibited by a utility bill or bills demonstrating "annualized electricity use". The new requirement that system output not generate more than 100% of annualized electric use makes the CORE rebate policy consistent with the Net Metering and Interconnection Rules. The previous standard allowed system output to generate up to 125% of annual electric use.



NOTICE of Program Revisions in the Customer On-site Renewable Energy (CORE) Program effective March 15, 2006

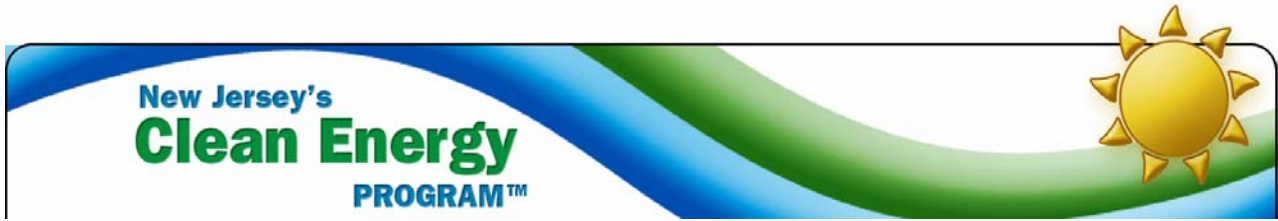
February 13, 2006 - The Office of Clean Energy announces the following program changes in the Customer Onsite Renewable Energy (CORE) Program. To ensure the availability of funds and a more effective application process in the CORE program, the Office of Clean Energy is implementing the following procedural and rebate changes.

1. Require a fully executed contract to be supplied with the application package for all private sector applicants now including projects greater than 10 kW
2. Hold all private sector applications for CORE rebates in queue until budget commitments are freed by project cancellation or expiration and funding availability allows additional commitments
3. Require installers to document anticipated project start and completion dates, and verify the adequacy of solar module supplies
4. Reduce the CORE rebate levels for both private and public sector projects; and
5. Limit residential single family CORE rebate applications to the first 10 kW of project capacity, and create an exemption process for farms, non-profits (including houses of worship), and multifamily dwellings on residential rates.

The Office of Clean Energy will consider applications complete for release from their respective queues when the requirements above are fulfilled as appropriate.

Solar PV applications received after March 15, 2006 will be subject to the following new rebate structure:

Rebate Applied to Solar PV System Capacity	All Private Sector Applicants effective 3/15/06 (per watt)	All Public and Non-profit Applicants effective 3/15/06 (per watt)
0 to 10,000 watts	\$4.35	\$5.15
10,001 to 40,000 watts	\$3.20	\$4.15
40,001 to 100,000 watts	\$3.00	\$3.50
100,001 to 700,000 watts	\$2.80	\$3.40



December 21, 2005 NOTICE of Revised Rebates
for Solar PV Applications in the Customer On-site Renewable Energy (CORE)
Program - Effective February 1, 2006

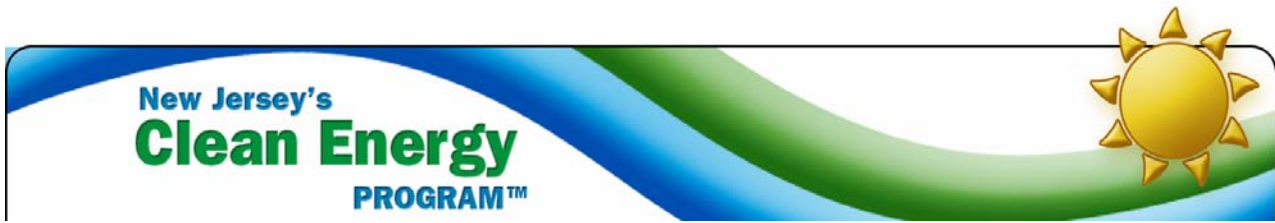
December 21, 2005 - The Office of Clean Energy announces the following rebate changes for solar photovoltaic installation in the Customer Onsite Renewable Energy (CORE) Program effective February 1, 2006.

	Solar PV Rebate effective 02/01/06; if public, non-profit or AMT documented applicant	Solar PV Rebate effective 02/1/06; for private sector, residential, commercial and industrial CORE applicants eligible for ITC
0 to 10,000 watts	\$5.30 per watt	\$4.95 per watt
10,001 to 40,000 watts	\$4.35 per watt	\$3.70 per watt
40,001 to 100,000 watts	\$3.75 per watt	\$3.20 per watt
100,001 to 700,000 watts	\$3.60 per watt	\$3.05 per watt

Figure 1. Adjusted CORE Rebate Schedule with Two Levels as proposed by the CEC

To receive approval for solar photovoltaic projects at rebate levels currently in effect, COMPLETE applications must be RECEIVED by the CORE processing staff no later than close of business on January 31, 2006. The Office of Clean Energy will return as unprocessed all incomplete applications missing any documentation relevant to CORE program requirements.

Effective with applications received after February 1, 2006 along with the reduced rebates listed in Figure 1, the CORE rebate program will also begin providing \$0.25 per watt extra for solar photovoltaic modules manufactured in the state of New Jersey. And also effective with applications received after February 1, 2006 along with the reduced rebates listed in Figure 1, residential solar applications less than 10 kW will be eligible for \$0.25 per watt additional rebate for participation in the New Jersey Home Performance with Energy Star Program (see Figure 2, below).

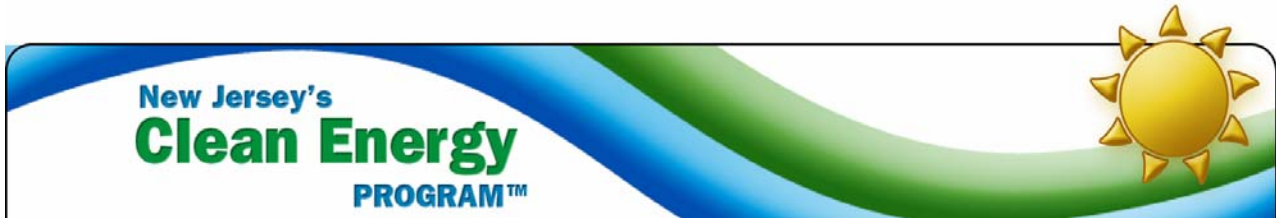


Revised Rebates for Solar PV Applications in the Customer On-site Renewable Energy (CORE) Program Effective February 1, 2006 (continued)

PV System Size	OCE Staff Proposal CORE Rebate Adders		
	Assembled in NJ (\$0.25)	NJ Home Performance with Energy Star* (\$0.25)	Maximum Adder (\$0.50)
1kW - 10 kW	\$5.20	\$5.20	\$5.45
Rebate on 10 kW	\$52,000	\$52,000	\$54,500
>10kW - 100kw			
>10 kW - 40 kW	\$3.95	n/a*	\$3.95
>40 kW - 100 kW	\$3.45	n/a*	\$3.45
100 kw system	\$377,500	n/a*	\$377,500
>100 kW - 500 kW	\$3.30 \$1,320,000	n/a*	\$3.30 \$1,320,000
500 kW system	\$1,697,500	n/a*	\$1,697,500
>500 kW - 700 kW	\$3.30	n/a*	\$3.30
>500 kW - 1 MW			
Maximum Rebate	\$2,127,000	n/a*	\$2,127,000

* Only available for Residential projects not to exceed 10 kW

Figure 2. CORE Rebate Adders for Solar PV Applications for installation of NJ-made PV modules and for participation in the NJ Home Performance with Energy Star Program



**November 14, 2005 Correction to
Customer On-Site Renewable Energy (CORE) Program
Policy Update Originally Distributed, November 7, 2005**

To: All CORE Applicants and Installers

Re: Revised Guidelines for Project Completion Deadlines and Extensions

Attached are revised guidelines concerning CORE project completion deadlines and extension policies. The new policies are effective immediately.

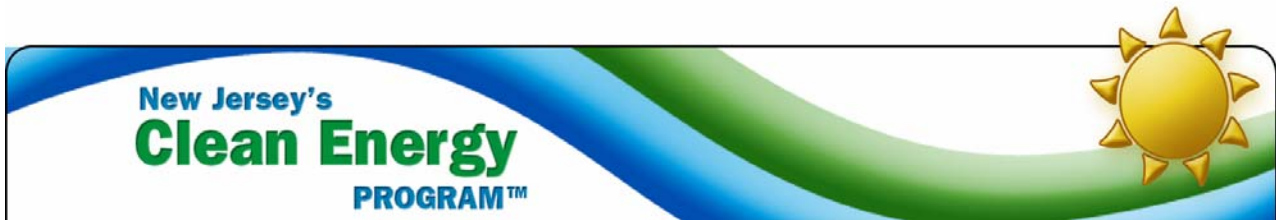
The Office of Clean Energy continues to support the development of a vibrant renewable energy industry in New Jersey and believes these revised policies will help to streamline processes and make the program more effective.

Please call the CORE Processing Team at 609.777.3315 if you have any questions or concerns regarding the new policies.

Sincerely,

Mike Winka

Director
Office of Clean Energy



Guidelines for Completion Deadlines and Extensions

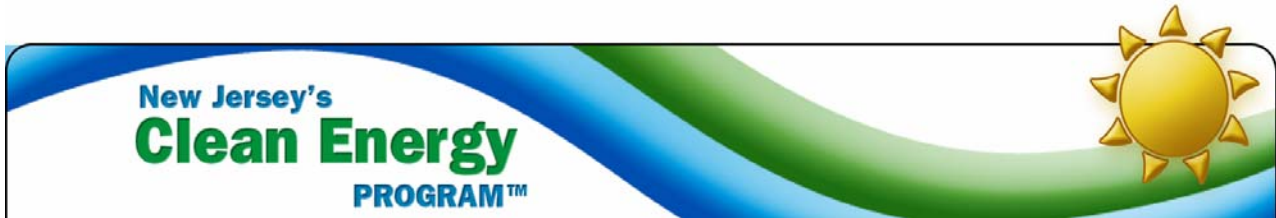
This document presents guidelines regarding CORE project completion deadlines, and when extensions (if any) may be granted. This policy is intended to strike a balance between the need for rigorous and efficient program administration, including the need to strongly discourage speculative project applications and eliminate distressed projects that cannot complete as planned, with the need for reasonable completion intervals that reflect implementation realities and the need for commercial contracting confidence.

All of the policies, assumptions, and timelines set out below are subject to change based upon future directives of the Board of Public Utilities.

Assumptions

Project completion intervals are tightly linked with several other aspects of program implementation. The following policy recommendation is therefore based on the following assumptions:

1. Project commitment letters will be processed and issued by the Program Manager on average in less than 30 calendar days from the point of receipt of a complete application.
2. Whenever material changes are made in program policy, particularly any change that affects rebate amounts, there should be a reasonable commercial transition period.
3. In all cases, the completion interval is measured from the date of the rebate commitment letter to the point final rebate application paperwork is received by the Program Manager.
4. To facilitate the extension decisions, customers/contractors are encouraged to provide change notices or other notifications to the Program Manager (currently OCE) of project developments that might affect completion schedule. Progressive documentation of project issues to the Program Manager will significantly improve the case for a project extension. However, providing false or misleading information will result in cancellation of the rebate commitment.
5. The Policies and Procedures Guidebook for the CORE Program, which is currently under development, will include a process for written appeals of extension decisions made by the Program Manager.
6. The Program Manager will also take into consideration the potential impact on budget caps when reviewing requests for extraordinary extensions.



Guidelines for Completion Deadlines and Extensions (cont.)

The following sets out the revised policies for completion deadlines and extensions for all CORE applications effective as of this notice.

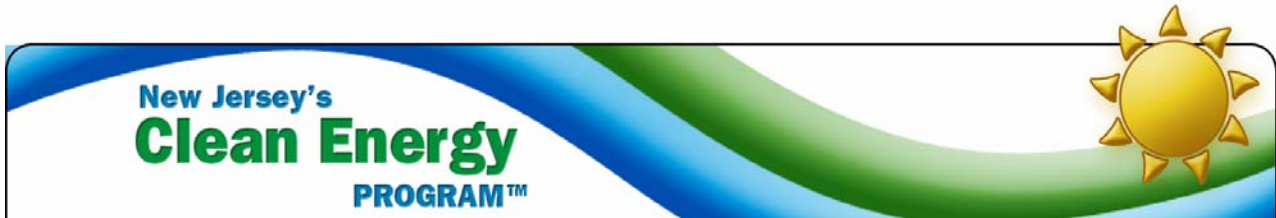
Policy

For **all projects under 10KW** in size:

1. Projects will be given 9 calendar months to complete, as measured from the date on the commitment letter to the date the final rebate application is received by the Program Manager.
2. No extensions will be granted, but projects may reapply under rebate levels in force at the time of reapplication. (corrected 11/14/05)

For all **Private projects over 10KW** in size:

1. Projects will be given 12 calendar months to complete, as measured from the date on the commitment letter to the date the final rebate application is received by the Program Manager.
2. If the project cannot complete within the initial 12-month period, the customer/contractor may apply for an extension. Extension applications must be received before 5:00 PM on the expiration date of the initial rebate commitment, and must include detailed documentation regarding the reasons for the delay. As noted above, progressive documentation of project issues to the Program Manager will significantly improve the case for a project extension.
3. The Program Manager will consider extensions in cases where significant progress has been made toward completion of the project, and where the delay was unavoidable and unforeseeable at the time of the rebate application. Approval of any extension will depend on the totality of circumstances related to reasonable progress toward each of the items listed below and the reason why the delay was unavoidable and unforeseeable as demonstrated through documentation provided with the extension request.
 - a. Physical construction has started at the customer's site, which means that: a) construction permits have been granted (where applicable), b) project materials either on-site or in storage, and c) installation work started;
 - b. Irrevocable orders have been placed with the manufacturers of the major items of equipment (PV modules and inverters);

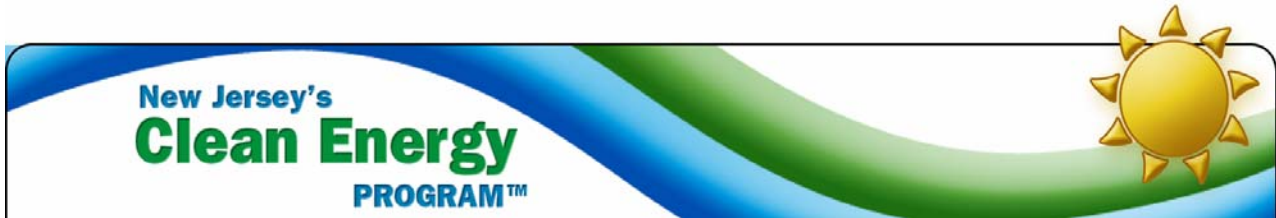


Guidelines for Completion Deadlines and Extensions (cont.)

- c. Construction permits have been approved by the authority having jurisdiction (where applicable);
 - d. Engineering and design work has been started and progressed to a significant degree; and
 - e. Material and/or equipment have been received from the manufacturer, and are either on-site or in storage.
4. If granted, the extension will be for 6 calendar months.

For all **Public (School, State, County and Municipal) projects over 10KW** in size:

1. Projects will be given 12 calendar months to complete, as measured from the date on the commitment letter to the date the final rebate application is received by the Program Manager.
2. If the project cannot complete within the initial 12-month period, the customer/contractor may apply for an extension. Extension applications must be received before 5 PM on the expiration date of the initial rebate commitment, and must include detailed documentation regarding the reasons for the delay.
3. The Program Manager will grant extensions using the same approval guidelines established above for Private sector projects (>10KW), with additional consideration of procurement (i.e. customer contracting) and/or related litigation delays. Documented evidence of contracting and/or litigation delays will be strongly considered in the extension approval.
4. If granted, the extension will be for 12 calendar months.
5. After the expiration of the extension, a further extension may be granted only in cases where litigation related to public entity contract award can be documented. If granted, the further extension will be for 6 months.
6. In determining the impact on the hard budget caps, funds for this sector will be considered fully obligated at the time a commitment letter is approved.

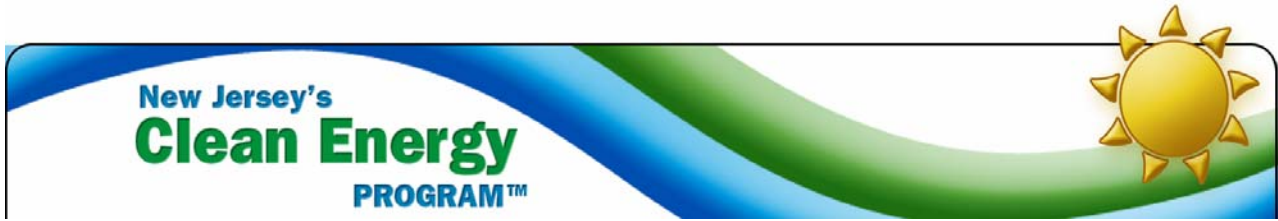


Guidelines for Completion Deadlines and Extensions (cont.)

Implementation

Transition to this new policy should be made based on the following guidelines:

1. Any project whose rebate commitment has already expired, and, for which an extension application has been denied, may appeal. Appeals must be made within two calendar weeks of the release of this new policy. Consideration of the appeal should be based heavily on the new guidelines.
2. A NJCEP Appeals Committee, including, at a minimum, a representative of the Program Administrator, the Program Coordinator and one additional person selected by the Office of Clean Energy, will be formed for the purpose of considering appeals. Appeals of any denial of an extension request will be decided by the NJCEP Appeals Committee within a maximum of 30 days.
3. This deadline and extension policy is effective immediately and applies retroactively to all rebate commitments that have not yet expired. As noted above, policy changes would normally have a 30 day transition period. That transition period is waived in this case since changes in deadline enforcement policy have already been implemented retroactively. Specifically, any <10KW project should have their expiration date adjusted to be 9 months from the commitment letter date. Any commitments that subsequently expire should be handled as per the new guidelines (regarding extensions, where applicable).



Inspection Announcement regarding Federal Tax Incentive Customer On-site Renewable Energy (CORE) Program

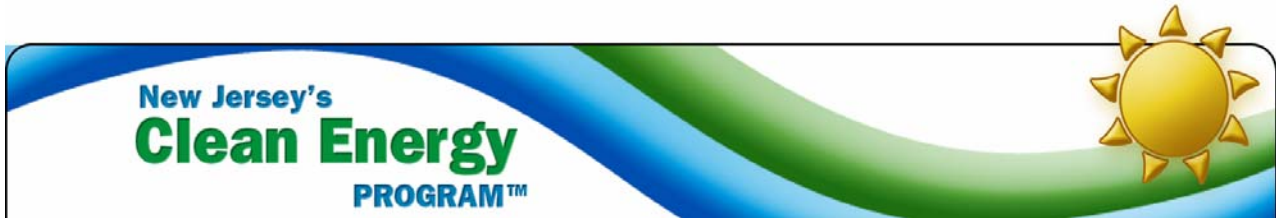
Requests for CORE rebate inspection on systems installed at the end of the year, that are near expiration of rebate commitment or seek to document being placed in service before January 1, ***must*** have their request for inspection submitted by close of business on December 23, 2005. Any requests received *after 5pm on December 23, 2005* will ***not*** be inspected by the end of the year.

On September 8, 2005, the Office Clean Energy announced rebate changes for applications received after August 8, 2005 that cannot prove ineligibility for the federal Investment Tax Credit. Applications received and approved after August 8, 2005 must be ***installed and pass inspection*** by the Program Inspector before January 1, 2006 to be eligible for maximum CORE rebate levels. Applications approved after August 8 from applicants that cannot take advantage of the federal Investment Tax Credit must be supplied with documentation to this effect. Applicants must document tax status with such documentation as an IRS Determination Letter for public institutions or an Alternative Minimum Tax filing from previous year for a private sector applicant. Private sector applicants may be asked to return the difference in rebates if they seek the federal Investment Tax Credit.

Applications for rebate on solar electric systems in the CORE program will be approved for a maximum rebate according to the schedule announced on May 25, 2005 assuming the system **is placed in service before January 1, 2006. For private sector applicants including corporations and residential ratepayers, if the system is placed in service after December 31, 2005, the applicant will be provided rebate according to the following reduced schedule:**

Effective date of Revised Rebate for CORE application received for processing on or after August 8, 2005

	Solar PV Rebate [^] effective 8/8/05, if placed in service before 01/01/06 or until further notice if public, institutional or AMT documented applicant	Solar PV Rebate effective 8/8/05, if placed in service after 12/31/05
0 to 10,000 watts	\$5.30 per watt	\$5.10 per watt
10,001 to 40,000 watts	\$4.35 per watt	\$3.90 per watt
40,001 to 100,000 watts	\$3.75 per watt	\$3.45 per watt
100,001 to 700,000 watts	\$3.60 per watt	\$3.20 per watt



-----Original Message-----

From: Hunter, Benjamin

Sent: Friday, November 04, 2005 5:08 PM

To: vendor@njcep.com

Cc: INX@njcep.com

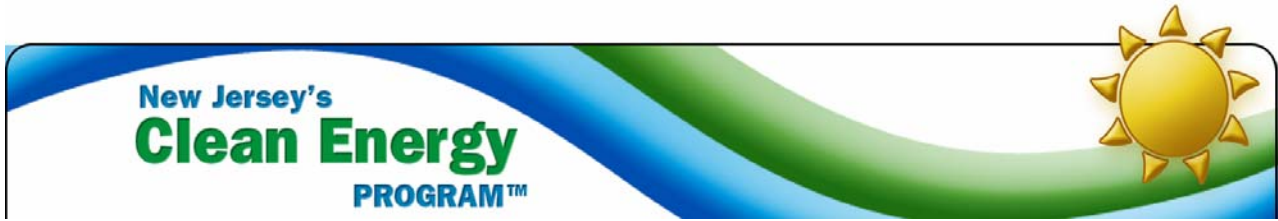
Subject: Grid Connected RE Systems Should NEVER be Installed Without an EDC Approval to Interconnect

Attention Vendors and Installers Participating in the Customer Onsite Renewable Energy (CORE)program

It has come to the attention of the Office of Clean Energy that applicants in the CORE program have submitted Interconnection Application forms after having their Class I renewable energy generation equipment installed. This practice is contrary to the intent of the program, unsafe and financially risky. The recommended process for applying for rebate in the CORE program is that simultaneous with the submission of CORE Rebate Application materials, page one of the application for Interconnection is filed with the appropriate Electric Distribution Company. After Interconnection Agreement is approved, the installation can be completed, the local electrical inspection passed, and then the completed copy of the Interconnection Application (both pages) filed with the EDC for interconnection.

The EDCs have agreed to e-mail the "approval to interconnect" to both the customer and the Office of Clean Energy. The Office of Clean Energy will not process a request for CORE Rebate payment without documentation of an approval to interconnect from the local EDC.

B. Scott Hunter
Renewable Energy Program Administrator
New Jersey Office of Clean Energy
New Jersey Board of Public Utilities
PO Box 350, 44 S. Clinton Ave.
Trenton, NJ 08625
www.njcep.com



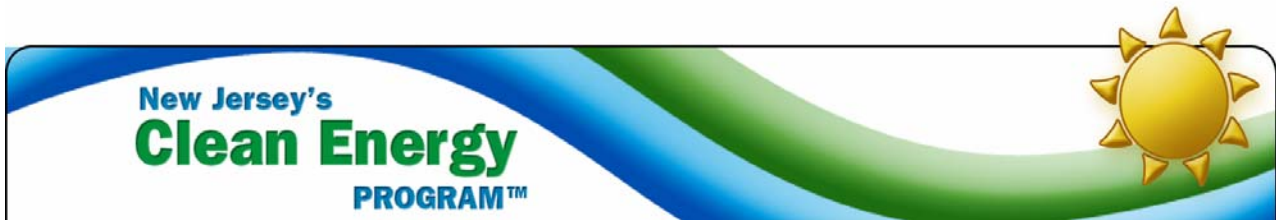
Customer On-site Renewable Energy (CORE) Program Rebate Level Update September 9, 2005

Applications for rebate on solar electric systems in the CORE program will be approved for a maximum rebate according to the schedule announced on May 25, 2005 assuming the system **is placed in service before January 1, 2006. For private sector applicants including corporations and residential ratepayers, if the system is placed in service after December 31, 2005, the applicant will be provided rebate according to the following reduced schedule;** 1 to 10,000 watts at \$5.10, 10,001 to 40,000 watts at \$3.90, 40,000 to 100,000 watts at \$3.45, 100,001 to 700,000 watts at \$3.20.

Public sector, institutional, non-profit and corporations that can document an inability to use federal Investment Tax Credits such as those taxed under the Alternative Minimum Tax will be approved for the maximum rebate as announced on May 25, 2005. Applicants must provide documentation of their inability to take advantage of the federal Investment Tax Credit with their CORE application package. Applicants that do not supply this documentation will be provided the reduced rebate if their systems are placed in service after December 31, 2005.

Effective date of Revised Rebate for CORE application received for processing on or after August 8, 2005

	Solar PV Rebate effective 7/1/05, if placed in service before 01/01/06 or until further notice if public, institutional or AMT documented applicant	Solar PV Rebate effective 7/1/05, if placed in service after 12/31/05
0 to 10,000 watts	\$5.30 per watt	\$5.10 per watt
10,001 to 40,000 watts	\$4.35 per watt	\$3.90 per watt
40,001 to 100,000 watts	\$3.75 per watt	\$3.45 per watt
100,001 to 700,000 watts	\$3.60 per watt	\$3.20 per watt



Customer On-site Renewable Energy (CORE) Program Policy Enforcement Update August 29, 2005

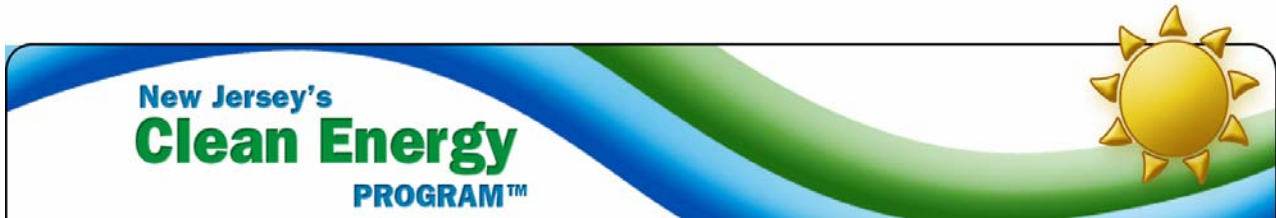
To: All CORE applicants and installers

RE: Policy Enforcement Effective Immediately

The Customer On-Site Renewable Energy (CORE) Program has expanded significantly over the last two years. This growth is the result of New Jersey's Clean Energy Program rebate that reduces the upfront capital costs of systems; the Renewable Energy Portfolio Standards with a solar electric set aside and the establishment of the first market-based renewable energy certificate trading system for solar that has helped to develop longer term financing; and the net metering/interconnection rules that have provided consistency for technology connection to the distribution system. This has been and continues to be a very successful state program. We have all helped to grow a new industry in New Jersey and we should take immense pride in that accomplishment. We have done that at the same time we have significantly reduced administrative costs for operating the CORE program.

To help grow this industry, the Office of Clean Energy has provided considerable flexibility with regard to the policies and procedures of the program, specifically with regard to the due dates set out in CORE approval letters in the past. However, because of that success the program is experiencing tremendous demand for rebates and extensions. Therefore, effective immediately, all deadlines set out in CORE Program approval letters will be strictly enforced. Approved CORE projects require submission of a final application that includes all of the information requirements set out in the approval letter within 6 months of the date of the approval letter for projects less than or equal to 10 kW and within 1 year for projects greater than 10 kW. This will assist us in continuing to grow the program while minimizing administrative costs.

Going forward, if the Office of Clean Energy has not *received* either a complete final application or a request for an extension *by the rebate commitment expiration date*, the rebate approval will be rescinded immediately, without exceptions. Requests for an extension must be made in writing with documentation of extenuating circumstance. This should include, at a minimum, documentation that construction, planning or zoning permits have been applied for and/or issued, documentation of up to date construction project progress, listing of materials delivered to the site for the project or delivery schedules, and a fully executed contract. Circumstances that have caused or will cause a delay should be filed with the Office as soon as they occur. Extensions are not granted automatically but at the discretion of the CORE rebate processing staff. For now, we will consider requests for extensions on a case-by-case basis and will shortly provide additional details of the extension determination policy criteria.



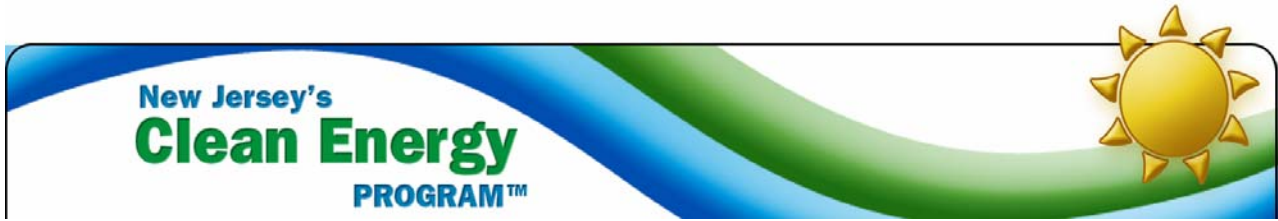
For projects greater than 10 kW, applicants are required to submit a signed contract within 90 days for private projects and within 180 days for public projects. This requirement will be strictly enforced as well. If the Office of Clean Energy has not *received* a copy of the contract *by the contract due date*, the rebate approval will be rescinded, without exceptions.

The Office of Clean Energy believes the program has matured to the point that enforcement of these policies is necessary to help continue to grow the market, minimize administrative costs and to move collectively forward. We continue to support the development of a vibrant renewable energy industry in the State and look forward to working together to accomplish this task.

Sincerely,

Mike Winka

Mike Winka
Director,
Office of Clean Energy



***Customer On-site Renewable Energy Program Changes
– Effective July 1, 2005***

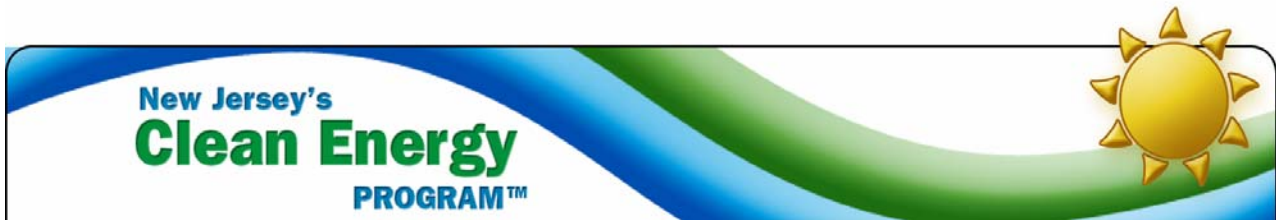
Rebate Level Adjustments for Solar PV

With the advice and consent of the Clean Energy Council, the Office of Clean Energy is changing the rebate levels for solar photovoltaic equipment installation in the Customer On-site Renewable Energy program. The new rebate levels, referenced below, will take effect July 1, 2005.

Note: to encourage greater price competition among installers, the new rebate calculation methodology no longer employs a percentage cap. The new rebate level is calculated solely as a dollar per watt and no longer results from the lesser of \$5.50 per watt or 70% for systems less than 10 kW. As a result, applications using the new rebate levels are no longer required to submit invoices or proof of payment. After July 1, 2005, self-installation rebate levels are solely calculated using the 15% reduction of the appropriate dollar per watt option.

Applications using existing rebate levels will be accepted until the close of business on June 24, 2005. No applications will be accepted between June 25, 2005 and June 30, 2005.

	Solar PV Rebate available thru 06/24/05	Solar PV Rebate effective 7/1/05
0 to 10,000 watts	Lesser of \$5.50 per watt or 70% of installed costs	\$5.30 per watt
10,001 to 40,000 watts	Lesser of \$4.00 or 60% of installed costs	\$4.35 per watt
40,001 to 100,000 watts	Lesser of \$4.00 or 60% of installed costs	\$3.75 per watt
100,001 to 500,000 watts	Lesser of \$3.75 per watt or 60% of installed costs	\$3.60 per watt
501,000 to 700,000 watts	N/a	\$3.60 per watt



CORE Program Changes – Effective May 25, 2005

Effective immediately, rebate application eligibility and rebate calculation in the Customer Onsite Renewable Energy Program will be determined by site rather than by meter. The definition of a "site" for the purposes of rebate eligibility and calculation is a parcel of real property including any adjacent or contiguous property under common ownership. A rebate request for multiple systems to be installed on one "site" regardless of the number of meters should be contained in one application and the rebate commitment should be calculated as if it is one system in aggregate. The same methodology applies to SREC generation for verification and reporting purposes.

CORE Program Changes – Effective May 1, 2005 **Updates since the January 1, 2005 announcement in blue**

- 1.) Effective January 1, 2005, **All** CORE applications must be **mailed** in. The applications should be typewritten and must be legible. We will no longer accept applications or revisions via fax or email.
- 2.) All incomplete or illegible applications will be returned effective immediately. Please be sure your application is complete by submitting the following:
 - COMPLETE CORE Rebate Application
 - COMPLETE CORE Technical Worksheet
 - Site Map
 - Copy of Recent Electric Bill with yearly usage in kilowatt hours, if new construction then proper breakdown of expected usage including a list of loads and building square footage
 - Proper Signatures
 - Federal Tax I.D.
 - Warranty Information
 - Home and daytime phone numbers
 - Copy of Signed Contracts between customer and installer or Proposal to customer with complete breakdown of costs (installation costs, customer cost, and estimated CORE Rebate)



For ALL Applications less than or equal to 10 kW, a copy of **SIGNED CONTRACT** between customer and installer must be included with the initial application package.

For Private Sector Applications greater than 10 kW, a copy of **SIGNED Letter of Intent to Contract** between customer and installer must be included with the initial application package. **A SIGNED CONTRACT** between customer and installer is due within 90 days of approval date.

For Public Sector Applications greater than 10 kW, a copy of **Public Resolution to Solicit Bids** must be included with the initial application package. A **SIGNED CONTRACT** between customer and installer is due within 180 days of approval date.

3.) Rebates will **NOT** be released until the system passes inspection and all final paperwork is received. Final installation of the renewable energy system must be certified by the following documents:

- A completed New Jersey Clean Energy Program Final Application
- Any revisions must be accompanied by appropriate revised applications
- An itemized proof of purchase
- Copies of sales slips and/or invoices to customer with complete breakdown of costs (installation costs, customer costs, and estimated CORE Rebate)
- Copies of cancelled checks front and back
- A copy of the Electrical Code Inspection Certificate, and
- A copy of the completed Interconnection Agreement

**** ALL final accounting for eligible costs; invoices, checks, etc., must add up. Discrepancies, incomplete records and late submissions result in delayed rebate payments.**

4.) The first two (2) inspections per application performed by the state inspector will be free of charge. Any further inspections done on the same installation will be subject to a fee of \$400 per additional inspection **which will be deducted from the final rebate.**

5.) The Board approved a policy to ensure the equitable distribution of CORE rebates among ratepayers. An annual cap of \$2.5 million in CORE rebates not to exceed \$5 million in consecutive years will be applied to school districts. Additional criteria will be developed for schools projects to ensure distribution of rebates according to need and added to the existing application process. The application of this policy for other “entities” will be explored with the Clean Energy Council and offered for the Board’s approval within 60 days.



- 6.) The Self-Install policy now has an alternative rebate calculation method. In lieu of submitting receipts for all costs, installer/owners and other owners sharing a material interest with their installer can accept a 15% reduction in rebate.

- 7.) **Extensions are not automatic but subject to the discretion of the OCE. Extensions will not be processed without a signed contract. A signed contract must accompany the extension request before the OCE will consider an extension. The OCE will not issue second extensions. If a project is granted an extension but is not completed (inspected with final paperwork submitted) within the extended time period, or by 12/31/05 whichever occurs first, the project will be automatically cancelled without further notice. Applicants must reapply for rebate commitment under current rebate levels if the commitment expires before the project is inspected. Projects will not be extended beyond 12/31/05 under existing rebate levels.**