

NEW JERSEY BOARD OF PUBLIC UTILITIES

DRAFT Stakeholder Meeting Notes:

New Jersey RPS Solar Set Aside & Related Matters

NJ BPU (Newark, NJ)

April 30, 2009

Workgroup Participants: Joe Roenbeck, PSEG; James Hough, PSEG; Allison Mitchell, OCE; Bill Granger, Trinity Solar; Tom Ryan, Pro-Tech; Charlie Howland, Penn Energy Trust LLC; Cynthia Holland, Division of Law; Chris Siebens, JCP&L; Elliott Shanley, PVOne; John Dresinger, Vanguard Energy Partners; Dennis Wilson, Renewable Power; Howard Thompson, Russ Tumulty et al; Lyle Rawlings, NSEIA; Maureen Quaid, CSG; Susan LeGros, Steven and Lee for Solar Alliance; George St.Onge, RR Renewable; Marc Lasky, Morgan Lewis for JCP&L; Kevin Connelly, JCP&L; Mack Brown, Panda Energy; Bob Simpson, Brother Sun Solar; Cheryl Ruggiero, RECO; Wayne Hudders, Pepco Energy Services; John Koontz, Carbon Free Technology; Stefano Crema, CALL; Felicia Thomas-Friel, Rate Counsel; Steve Huber, PSE&G; Ed Merrick, Trinity Solar; Greg Eisenstark, PSE&G; Doug Johnstone, PSEG Solar Source; Holly Minogue, Gabel Assoc; Ronald Jackson, BPU; Pamela Frank, SunFarm Ventures; James Calore, PSE&G; Don Cook, PSE&G; Anne Marie McShea, BPU; Scott Hunter, BPU; Lance Miller, BPU; Michael Winka, BPU; George A. Ringel; David E. Dismukes, Consultant for Rate Counsel; Matt Elliott, Environment NJ; Rhonda Jackson, Fisherman's Energy; Supria Ranade, Evolution Markets Inc.; Lenny Leon, Rockland Electric Company; Russ Ehrlich, Pepco Holdings Inc; George Hay; Matt von der Hayden, Atlantic County Utilities Authority; Dana Hall Esq. Pace Energy and Climate Center; Charlie Garrison, Honeywell; Julie Weiser, Honeywell; Erick Battaglia Honeywell.

1. Meeting Agenda: An RPS Working Group Stakeholder meeting was convened at the BPU Hearing Room at 2 Gateway Center, 8th Flr (Newark, NJ) on April 30, 2009. Lance Miller, BPU Chief of Policy of Planning, provided opening comments and led discussion. Anne Marie McShea, Program Administrator for Policy and Regulatory Development facilitated the discussion:

- Comment on 3/18 Meeting Notes
- Revised RPS Rule Schedule
- Proposed Revision to Metering Requirements
- Staff Proposal for Solar schedule to reach fixed 2,120 GWh target by 2020 (See Attached)
- Follow-up on Real-time Net Metering
- Update on Community Renewable Pilot Program

2. 3/18 Meeting Notes: No Comments on Meeting Notes from March 18, 2009. All meeting notes are posted at NJCleanEnergy.com in the Clean Energy Council and Committees Section / RPS Rule Revisions Stakeholder Group.

Revised RPS Rule Adoption Schedule:

Solar Carve-Out Rule Amendment Schedule	Proposed 3/18	Revised 4/30
Draft Rule Proposal	15-May-09	15-June-09
Proposal to Board	14-June-09	29 -July-09
Proposal to OAL	04-Jul-09	07-Aug-09
Proposal in N.J.R.	06-Aug-09	08-Sept-09
Comments Close	04-Oct-09	07-Nov-09
Adoption to Board	10-Nov-09	15-Jan-10
Adoption to OAL	25-Nov-09	21-Jan-10
Adoption in N.J.R.	21-Dec-09	16-Feb-10

Decision / Next Steps: Staff will draft Rule Proposal for circulation to RPS Rules Revision Working Group by early June and provide update on Rule Adoption Schedule

Proposed amendments to the RPS Rules (14:8-2.8) Metering requirements

- BPU Staff reviewed current RPS Rules (14:8-2.8) *Procedure for issuance of class I and solar RECs by the Board or its designee* which calls for meter readings or annual engineering estimates. The BPU requested comments on the proposed changes to the rule that engineering estimates are no longer accepted and on definitions for eligible meters:

(b) In measuring generation in order to determine the number of class I or solar RECs to issue, the Board or its designee shall accept either of the following measurement methods, as applicable: 1. Periodic readings of a meter that records megawatt-hour production of electrical energy. The readings may be taken or submitted by any person, but shall be verified by the Board or its designee; or[2. For a solar electricity system with a capacity of less than 10 kilowatts, annual engineering estimates and/or monitoring protocols approved by the Board. Acceptable estimation methodologies and monitoring protocols are located on the Board's website at www.njcleanenergy.com. This method does not apply for class I RECs.]

Discussion: Stakeholders agreed that eliminating part b of NM rules that allows for engineering estimates to calculate SRECs is beneficial however there wasn't consensus on meter standards. A number of stakeholders noted that actual cost for a revenue grade meters is closer to \$300 plus installation cost. J. Keyes of IREC noted that in Washington they have found inverter readings to be a practical substitute for meter readings provided 2 way communications is not required. L. Rawlings asked if BPU will require 2-Way meter to enable telecommunications with PJM or other third parties. S.Hunter noted that the meter will need to interface with PJM. A number of suggestions were made per standards established for utility financing programs including the JCP&L and PSE&G Solar 4 All programs. PSE&G is looking into PJM meter requirements to qualify for capacity resources and possibly SRECs. J. Calore suggested making meter requirements consistent with PJM. BPU recently released a rule proposal on E-Meter requirements for Behind-the-Meter (BTM) systems that want to qualify for NJ RECs and SRECs. Any revisions will apply to NEW systems installed after rule adoption.. Existing systems may rely on inverter data until provisions can be made for procurement of emeters .

Decision / Next Steps: Staff will include definitions and standards for meter within the RPS amendments for solar carve-out to be drafted June 2009 consistent with any changes to NM rules and proposed rule amendment which adds an electronic metering (e-metering) option as an alternative to the PJM settlement requirement in order to be eligible for RECs. Further discussion needed with PJM on meter requirements.

Proposed schedule for reaching 2120 GWh Solar Target (No Retail Sales Growth Forecast)

CONSTANT RETAIL ELECTRIC SALES SCENARIO					
Reporting Year (June 1 – May 31)	NJ Retail Electric Sales, subject to RPS (MWh)	Current Required Solar MWh	Proposed NEW Solar Requirement (MWh)	Est Required Installed Capacity (MWdc)	Incremental Capacity needed in DC
2005*	73,674,845	5,714	5,714	5.2	-
2006*	84,353,329	10,450	10,450	9.5	4.31
2007*	83,311,447	32,741	32,741	29.8	20.26
2008*	80,028,793	65,384	65,384	59.4	26.74
2009**	80,028,793	128,046	128,046	116.4	56.97
2010**	80,028,793	176,864	176,864	160.8	44.38
2011**	80,028,793	244,088	244,088	221.9	61.11
2012**	80,028,793	315,313	315,313	286.6	64.75
2013**	80,028,793	397,743	415,313	361.6	74.94
2014**	80,028,793	496,979	540,313	451.8	90.21
2015**	80,028,793	612,220	690,313	556.6	104.76
2016**	80,028,793	742,667	890,313	675.2	118.59
2017**	80,028,793	894,722	1,090,313	813.4	138.23
2018**	80,028,793	1,066,784	1,340,313	969.8	156.42
2019**	80,028,793	1,258,053	1,590,313	1,143.7	173.88
2020**	80,028,793	1,469,329	1,840,313	1,335.8	192.07
2021**	80,028,793	1,696,610	2,120,000	1,542.4	206.62

* = actual
** = trend

Discussion: Staff circulated a proposal for solar requirements and schedule which include (3) different scenarios for retail sales. L. Miller advised that we use the NO GROWTH Scenario which best reflects market trends and considers the effect of the 20% energy efficiency goals. The table

above highlights staff's proposal for fixed annual solar requirements. Sales reflect a "No Retail Sales Growth Forecast" based on estimates for new energy demand and energy efficiency savings. Estimated Required Installed Solar Capacity (MWdc) is estimated based on a production factor of 1100 MWh per MW. Actual results may differ due in part to tightened performance requirements.

Decision / Next Steps: Staff will include the fixed GWh requirements and schedule in the draft rule proposal and circulate for comment. Staff is working on methodology on how to work these requirements into the BGS auction so that BGS suppliers will know what % of the total requirement is associated with each tranche of energy.

What is the status of Phase II amendments to the net metering requirements?

- Real Time Crediting Discussion: Staff circulated examples of real time pricing / time of use tariffs for consideration. Discussion focused on need for a Real Time Net Metering Pilot especially considering that CEIP pricing already exists and the same methodology used for calculation of consumption would be used to calculate generation and billing reflects time of generation and time of use. PSEG and JCP&L have currently only have two ceip customers on solar. Real time crediting and time of use are two very different methodologies that are not really related. Time of use rates have much simpler framework but it is not hourly billing or metering. These are available to residential customers but not necessarily advantageous for solar.

Decision / Next Steps: Provisions to access real time pricing will be noted in Phase II Net Metering draft rule.

What is the status of the Community Renewables Program?

- Staff reviewed its recommendation to establish a Community Renewables Pilot Program and is requesting description of possible Community Renewable Pilot Project to help inform the Board's consideration of the pilot program. A DRAFT set of criteria will be circulated for comment. All stakeholders will have an opportunity to comment on the design and scope of a Pilot Program before it goes forward to the Board.

Decision / Next Steps: Staff circulated DRAFT Framework and Criteria for a Community Renewable Program June 23, 2009.