
Second Webinar in the Proceeding to review the State of the New Jersey Solar Market

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NJ SOLAR MARKET REVIEW



By Board Directive, September 22, 2017

- Convene Stakeholders in a Generic proceeding to review the state of the solar market
- Develop a list of topic areas and questions upon which the stakeholders should provide written or oral comment
- Conduct Public Hearings in different regions of the State

NJ SOLAR MARKET REVIEW



Topics / Areas of Inquiry

- Policy Goals and Objectives
 - Solar economics and incentives
 - RPS design elements and eligibility criteria
 - Net metering and interconnection
 - Land use implications
 - Other
- > See Questions for Stakeholders to address in Public Hearings – comments due by 11.17.17

NJ RE REGULATORY CONTEXT



- Electric Discount and Energy Competition Act of 1999 (EDECA)
 - Definition of Class I & II Renewable Energy
 - Societal Benefits Charge / CRA process
 - Renewable Portfolio Standards
 - Net Metering and Interconnection
- Governor's Renewable Energy Task Force (04/24/03)
- RPS Rulemaking (2003, 2004, 2005, 2006, 2008, 2011, 2013, pending)
- The "Solar Transition" (Docket No.EO06100744, Orders 2006 thru 2013)
- Global Warming Response Act (L. 2007, c. 340, 1/13/08)
- New Jersey's Energy Master Plan (2008, 2011, pending)
- Solar Advancement Act of 2009 (amended L.1999 c.23)
- Offshore Wind Economic Development Act (L. 2010, c. 57, 08/19/10)
- The Solar Act of 2012 (L. 2012, c. 24, 07/23/12)
- The "RRF vs. Large Hydro Act" (L. 2015, c. 51, 05/07/15)

NJ RPS STATUTE



➤ Electric Discount and Energy Competition Act of 1999

➤ Renewable Portfolio Standards (P.L.2012, CHAPTER 24, PG4)

"Connected to the distribution system" means, for a solar electric power generation facility, that the facility is: (1) connected to a net metering customer's side of a meter, regardless of the voltage at which that customer connects to the electric grid, (2) an on-site generation facility, (3) qualified for net metering aggregation as provided pursuant to paragraph (4) of subsection e. of section 38 of P.L.1999, c.23 (C.48:3-87), (4) owned or operated by an electric public utility and approved by the board pursuant to section 13 of P.L.2007, c.340 (C.48:3-98.1), (5) directly connected to the electric grid at 69kilovolts or less, regardless of how an electric public utility classifies that portion of its electric grid, *and is designated as* "connected to the distribution system" *by the board* pursuant to **subsections q. through s. of section 38 of P.L.1999, c.23 (C.48:3-87), or (6) is certified by the board, in consultation with the Department of Environmental Protection, as being located on a brownfield, on an area of historic fill, or on a properly closed sanitary landfill facility. Any solar electric power generation facility, other than that of a net metering customer on the customer's side of the meter, connected above 69 kilovolts shall not be considered connected to the distribution system;**

SREC ELIGIBLE, BY DEFAULT



"Connected to the distribution system" means that the facility is:

(1) **connected to a net metering customer's side of a meter** (N.J.A.C. 14:8-4)

- Generator located onsite
- Size limited to historic annual consumption at the meter
- > 81,000 projects, avg. 21 kW, ranges from 1 kW to 13 MW

(2) an **"on-site generation facility"**, (N.J.A.C. 14:8-4)

- Generator located offsite, on block and lot immediately adjacent to load
- Size limited to historic annual consumption
- > 60 facilities range from 2 MW to 13 MW (=250 MW)

(3) **qualified for net metering aggregation** (N.J.A.C. 14:8-7)

- Generator located onsite
- Size limited to historic annual consumption of host and subordinate meters
- 0 installations

i.e. doesn't require designation by the Board or consultation with the Department of Environmental Protection...no review of farmland status, impact on open space.

THE COST OF RPS COMPLIANCE



Compliance Period	EY 2014	EY 2015	EY 2016	EY 2017	Totals
Notes:	%/Gwh	%/Gwh	%	%	(Since 2005)
Total Retail Sales of Regulated LSEs (MWh)	76,512,600	75,390,475	74,199,076	75,031,955	
Class I RPS Percentage Requirement	7.977%	8.807%	9.649%	10.485%	
Class I REC Obligation (MWh)	6,103,410	6,639,635	7,159,469	7,867,100	
Class I RECs Retired for RPS (MWh)	6,103,398	6,641,229	7,150,030	7,867,807	54,712,509
Est. Year End Weighted Average Price	\$6.83	\$12.57	\$15.18	\$12.12	
Est. Dollar Value of Class I RECs Retired	\$41,686,208	\$83,480,249	\$108,537,455	\$95,574,345	\$502,181,866
Class I ACPs Submitted (MWh)	4	192	11	27	
ACP Level (\$ per MWh)	\$50	\$50	\$50	\$50	
Cost of Class I ACPs (\$)	\$200	\$9,600	\$550	\$1,350	\$51,750
Class II RPS Percentage Requirement	2.50%	2.50%	2.50%	2.50%	
Class II REC Obligation (MWh)	1,912,815	1,884,757	1,854,973	1,875,800	
Class II RECs Retired for RPS (MWh)	1,912,860	1,885,345	1,852,726	1,875,908	25,436,245
Est. Year End Weighted Average Price	\$2.87	\$4.47	\$5.27	\$6.32	
Est. Dollar Value of Class II RECs Retired	\$5,489,908	\$8,427,492	\$9,763,866	\$11,717,375	\$57,843,631
Class II ACPs Submitted (MWh)	7	68	0	7	
ACP Level (\$ per MWh)	\$50	\$50	\$50	\$50	
Cost of Class II ACPs (\$)	\$350	\$3,400	\$0	\$350	\$7,750
Retail Sales Obligated by RPS for solar (+)	76,512,600	75,390,475	74,199,076	75,031,955	
Solar RPS Percentage Requirement	2.050%	2.45%	2.75%	3.00%	
SREC Obligation (MWh)	1,568,508	1,847,059	2,040,471	2,250,960	
SRECs Retired for RPS (MWh)	1,568,503	1,847,389	2,037,789	2,251,068	9,323,272
Percentage of Obligation met via SRECs	100.00%	100.02%	99.87%	100.00%	
Year End Cumulative Weighted Average Price	\$175.80	\$192.64	\$225.85	220.35	
Est. Dollar Value of SRECs Retired	\$275,742,827	\$355,881,017	\$460,234,646	\$496,028,309	\$2,134,609,607
SACPs Submitted (MWh)	1	76	2	24	
SACP Level (\$ per MWh)	\$339	\$331	\$323	\$315	
Percentage of Obligation met via SACPs	0.00%	0.00%	0.00%	0.00%	
SACPs Submitted(\$)	\$339	\$25,156	\$646	\$7,560	\$88,083,573
Compliance on a Percentage Basis	100.00%	100.02%	99.87%	100.01%	
Est. Solar RPS Expenditures (SACP + SREC)	\$275,743,166	\$355,906,173	\$460,235,292	\$496,035,869	\$2,222,693,180
Est. Class I RPS Expenditures (ACP + CI-REC)	\$41,686,408	\$83,489,849	\$108,538,005	\$95,575,695	\$502,233,616
Est. Class II RPS Expenditures (ACP + CII-REC)	\$5,490,258	\$8,430,892	\$9,763,866	\$11,717,725	\$57,851,381
Est. Total RPS Expenditures	\$322,919,833	\$447,826,914	\$578,537,163	\$603,329,289	\$2,782,778,177

RESOURCES & NEXT STEPS



- njcleanenergy.com/renewable-energy
- Stakeholder Input on Questions by 11/17/17 to publiccomments@njcleanenergy.com
- Public Hearings scheduled
 - 12/4 * NJDEP 8:00 am registration
 - 12/5 * Hackensack City Hall 9:00 am
 - 12/8 * Stockton 1:00 pm
- Written Comments due 12/15/17

Thank you!