

Frequently Asked Questions about the Subsection q. Application Process

Question: How are you applying the first in time rule. Is it just based on the Notice or is it the full and complete application with escrow agreement attached.?

Answer: First in time is ranked by receipt of the Notice on our email server subject to fulfillment of all other criteria: timely complete application, escrow etc.

Question: Is it the Notice that is first in time, provided you file everything else on time (i.e. within 5 days) and it is deemed complete?

Answer: Yes

Question: If you file the requisite Notice and application and escrow agreement, and then change your mind before May 31, can you rescind the application before May 31 and have your escrow released?

Answer: Yes. “[T]he notice escrow shall be reimbursed to the facility in full upon either rejection by the Board or the facility entering commercial operation...”

Question: Do we have to use a bank for the escrow agent? There appears to be some trouble getting many of the banks in New Jersey to sign off on the form. Can we use another form of financial institution?

Answer: You have to use an “Accredited Financial Institution.” The escrow agreement is based on one used by NJDEP for landfill closure, you can google NJDEP landfill closure escrow and see quite a bit of activity and background on their program, the escrow requirements, even municipal auditing and RFPs for escrow services. The definition of an “Accredited financial institution” is contained on page 5 of the Subsection q. standard form escrow agreement.

Question: Why does the escrow agreement have to be signed by the escrow agent by May 15th if it does not have to be submitted as part of the application for another 5 days? Can you advise what the thinking is there?

Answer: This was done to prevent gaming, a rush on staff by developers seeking to learn the outcome of the first in time process before actually committing to fund the escrow to the detriment of other applicants.

Question: Can you get your q. money back?

Answer: The escrow agreement can be terminated and the funds refunded, as long as your facility hasn't been designated; ie EY14 conditional approvals will be made by the Board with designation effective upon approval, EY15 designation will occur on June 1, 2014 and EY16 is on June 1, 2015. The law states; “the notice escrow shall be reimbursed to the facility in full upon either rejection by the Board or the facility entering commercial operation...”

Question: Do you have an escrow bank selected?

Answer: No, we've modeled the process after the DEP's landfill closure escrow process and understand from their staff that there are many accredited financial institutions that perform this work. The DEP's landfill closure section has provided the following list of banks with experience in their program:

US Bank- Stephanie Roche- 973-898-7160- stephanie.roche@usbank.com
Bank of New York/Mellon- Wendy Morgan - 212-815-8286- wendy.morgan1@bnymellon.com
TD Bank-Arlene Murphy - 856-685-5103 - amurphy@yesbank.com
Wells Fargo- Sergio Iacovitti- [609-826-8532](tel:609-826-8532)- sergio.iacovitti@wellsfargo.com
PNC- Rose Provins- 412-762-4828- rose.provins@pnc.com
Bank of America – Donna Shaw- (201) 251-5577- donna.marie.shaw@bami.com

Question: Please provide the federal tax Id number (E I N) of BPU

Answer: The BPU's federal tax identification number is not required in the escrow agreement since the agreement is between the Subsection q. applicant and the bank.

Question: The bank interprets one sentence to mean something different than what you and I may read. (First sentence of Section 5 - *In all cases, the escrow account shall be invested and maintained so as to maximize yield and minimize risk (subject to the approval of BPU).* I see in the schedule that a money market investment seems acceptable but they need confirmation.

Question: Can we receive confirmation that **any** investment described in A,B,C or D (**below**) is acceptable?

Answer: See page five of the Subsection q. Standard Form Escrow agreement; "Investment Guidelines". The escrowed funds can be invested in any combination of the permitted categories.

Question: In making arrangements to open the escrow account pursuant to the subsection Q Order, we have found that the banks typically accept funds for deposit after the escrow agreement is signed by all parties. We are prepared to fund now as the BPU application suggests we do, but the bank needs clarification on accepting funds prior to a BPU signature. Would you please confirm that you would like the bank/escrow agent to accept our deposit prior to your signature on the escrow agreement?

Answer: The escrow agreement is between the applicant and the bank and must be executed, meaning funds acknowledged as deposited, before submitting the executed form to the Board.

Question: I am the land owner for a 3 MW ac grid connect project where a developer is the lessee and project asset owner. My question is: If the developer is the applicant for the Q SREC designation is it acceptable for me to post the escrow under my own name?

Answer: As detailed on the escrow agreement, the escrow fund must be established for the specific project that is the subject of the Subsection Q application. The application and the escrow agreement are designed to be complementary requisite components of the Subsection Q. application package. The applicant can be any of the various parties. The escrow agreement requires the signature of the Owner/operator of the proposed solar electric power generation facility.

Question: How should we title the escrow account? Does the account stay in our company name using my EIN #.

Answer: Without more information, it is difficult to answer this question. As noted above, the escrow account must identify the address of the proposed solar facility along with the SRP number, if applicable. The escrow agreement is an agreement between the depositor (owner/operator of the proposed solar facility) and the accredited financial institution.

Question: The Order on page 9 requires that the Applicant must copy Rate Counsel on the application. This requirement is not mentioned in the Instructions. Are we do to that? Is there a particular address for Rate Counsel that you would like us to send to? If we don't copy Rate counsel, are we incomplete.

Answer: Rate Counsel's address is 140 East Front Street, 4th Floor, Trenton, NJ 08625. The phone number is 609-984-1460.

Question: On page 1 of 12 of the Instructions for applicants, the address we are directed to use for hand delivery is Secretary, New Jersey Board of Public Utilities, 44 South Clinton Avenue, 9th floor, p o box 350, Trenton, New Jersey. On page 4 of 12, it appears that we are mail or hand deliver to Solar Act Subsection q, Application Package, New Jersey Board of Public Utilities, 44 south Clinton Avenue, 7th floor, Trenton, New Jersey. Exactly where should we bring the packages?

Answer: 9th floor is the correct hand delivery route. Our mailroom has been alerted, either address they come to will receive a date stamp.