



August 31, 2017

In the Matter of the Petition of  
Public Service Electric and Gas Company  
for Approval of a Solar Loan III Program and an  
Associated Cost Recovery Mechanism

BPU Docket No. EO12080726

**VIA ELECTRONIC MAIL & REGULAR MAIL**

Irene Asbury, Secretary  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
P.O. Box 350  
Trenton, New Jersey 08625-0350

Dear Secretary Asbury:

In accordance with the Board's May 31, 2013 Order in the above-referenced matter, please allow this correspondence to serve as notice of PSE&G's intent to amend the SLIII Program Rules. The rules are being amended for commercial reasons, particularly, to enable a method of SREC generation data collection for third party aggregator projects that was not available at the time of the Order.

In 2013, PSE&G had not yet implemented its Energy Communication Network ("ECNet") system, which includes a private two-way radio mesh network that enables the collection of metering data from customers. Allowing the installation of ECNet electric meters at residential aggregated host sites, instead of relying solely on the third party aggregator's metering, has certain benefits for the administration of the SLIII Program.

For example, the SLIII Program will have high confidence in the accuracy and integrity of the revenue grade data provided by the PSE&G metering and communication network and data collection systems. Also, the process for tracking generation and creating SRECs will be more efficient due to the integration of SLIII Program and the ECNet systems, rather than PSE&G collecting data from the aggregator, needing to review and verify the data, and ensuring it is in a form necessary for SREC creation. Lastly, in the event that the aggregator were to cease operations, ECNet would ensure business

continuity and protect the ratepayer. Utilizing ECNet allows PSE&G to continue access and control of the metering infrastructure needed to collect and create SRECs for loan repayment.

These benefits strengthen the ratepayer supported loans to these systems by decreasing the risks to repayment. PSE&G therefore believes it is commercially reasonable to update the current Program Rules to permit the use of ECNet electric meters for third party aggregated projects financed under the SLIII Program.

Attached hereto are redlined and clean versions of the Program Rules.

Respectfully submitted,

A handwritten signature in blue ink that reads "Matthew Weissman".

Matthew M. Weissman

CC Marisa Slaten  
Scott Hunter  
Bethany Rocque-Romaine  
Stefanie Brand  
Felicia Thomas-Friel  
Rachel Boylan

## **SOLAR LOAN III PROGRAM RULES**

### **Eligibility Requirements**

- Definition of a Solar Project – A photovoltaic solar electric generating system that converts sunlight into measurable and verifiable alternating current (“AC”) electric power.
- All solar projects must be installed within PSE&G’s service territory.
  - Net-metered projects must be installed at a customer location that receives (or that will receive in the case of new construction) retail electricity service from PSE&G.
- The solar photovoltaic panels must have a minimum 20-year output warranty.
- Projects accepted under this program will be ineligible for any benefits from other PSE&G or BPU renewable energy programs, except for net metering and the SRECs generated by the solar system.
- Projects under construction may not apply for loans in the Residential-Individual Customer, Small Non-Res, and Large Non-Res segments. “Under construction” means anything other than site clearance or site preparation. The receipt and storage of equipment at the facility site will not be considered “under construction”, provided no attempt is made to assemble or erect the equipment. In the Res-Aggregated and Landfill market segments, projects under construction but not in commercial operation are eligible to apply for the Solar Loan III Program. “Commercial Operation” means that the system is operating and has received its final inspection in preparation for the issuance of SRECs.
- For non-residential projects, loan applicants must be registered to do business in New Jersey.
- The applicant must meet minimum insurance requirements as specified in the Solar Loan Agreement.
- The applicant must make provision for solar system maintenance for the duration of the loan term.
- All systems that are located in PSE&G’s electric service territory and are eligible for SRECs will be eligible to participate.

### **Competitive Solicitation Process for All Segments**

- Loan applications will be grouped into market segments as defined below for review:
  - Residential-Individual Customer – net-metered
  - Residential-Aggregated by a 3<sup>rd</sup> Party – net-metered (“Res-Aggregated”)
  - Non-residential ≤ 150kW – net-metered (“Small Non-Res”)

- Non-residential >150kW (up to 2 MW per project) – net-metered (“Large Non-Res”)
- If, after any solicitation, the Large Non-Res segment is undersubscribed, the project size limitation for this segment shall be removed for the following and all subsequent solicitations. If, in a subsequent solicitation, approved projects under 2 MW overflow the Large Non-Res segment capacity block, the 2 MW limit shall be reinstated for the next subsequent solicitation.
- Landfills/brownfields (up to 5 MW per project) – either net-metered or grid connected (“Landfills”) and as defined in P.L.1999, c.23 (C.48:3-49) et al. PSE&G will manage the solicitation process directly or through a third-party vendor.
- Applicants must submit a complete application package including the credit application and appropriate loan application fee to participate in the solicitation process.
- PSE&G plans to conduct solicitations every other month or six times a year. However, PSE&G reserves the right to alter the schedule based on market conditions, administrative workload, and other factors.
- Upon commencement of the Solar Loan III Program, any remaining unawarded capacity from the Solar Loan II program will be rolled into the first solicitation for the Large Non-Res segment. Subsequent to the first Solar Loan III solicitation, if additional Solar Loan II capacity becomes available, it will be rolled into the next available solicitation for the Large Non-Res segment.
- PSE&G may require applicants to submit documentation via a web portal to participate in the Solar Loan Program
- PSE&G will hire an independent Solicitation Manager ("SM") selected through a competitive bid process who will review and rank the bids received and provide guidance to the Company regarding competitive SREC Floor prices and the competitiveness of individual segments based on such factors as the number of bidders, a statistical analysis of bids to identify and reject outliers, kW bid and range of pricing. The following is a typical solicitation schedule; however, PSE&G may modify the schedule based on market conditions, administrative workload, and other factors:

EVENT	DATE
Solicitation "X" Opens	Day 1
SA Provides SREC Floor Price Benchmark	By Day 5
Deadline for Participants to Submit Offers	Day 5
PSE&G Preliminary Offer Review, Receive App. Fee, & Remedy Minor Deficiencies	Day 6-15
PSE&G Ranks Qualified Offers first by Bid Price & then by Date/Time Received	Day 16
SA Reviews Bids & Provides Recommendations to PSE&G	Day 17-19
PSE&G Notifies Applicants of Status (via email)	Day 20
PSE&G Commences Secondary Project Credit & Interconnection	Day 21

Review and Landfill Technical Review as appropriate	
Solicitation "X" Closes - Pending Applicants are Notified (via email)	Day 40
PSE&G Posts Solicitation Results on website	Day 41
Solicitation "X+1" Opens	Abt. Day 45

Note: All dates are business days, e.g. Day 5 is the fifth business day after the solicitation began.

- The actual solicitation schedule will be published on the PSE&G website.
- Any applicant whose project and credit application is not complete and whose application fee has not been received by Day 15 will not be considered for the pending solicitation.
- Capacity will be made available at each solicitation as follows:

Class	% of Total	Total MW	Solicitation				
			#1	#2	#3	#4 - #12	#13 - #18
Residential	10.00%	9.75	0.300	0.500	0.850	0.900	TBD
Res-Aggregated	10.00%	9.75	0.300	0.500	0.850	0.900	TBD
Small Non-Res	13.48%	13.14	2.628	1.314	1.314	0.876	TBD
Large Non-Res	61.39%	59.86	11.972	5.986	5.986	3.991	TBD
Landfills	5.13%	5.00	5.000	0.000	0.000	0.000	TBD
<b>Total</b>		<b>97.50</b>	<b>21.850</b>	<b>8.775</b>	<b>9.125</b>	<b>6.417</b>	<b>TBD</b>

- PSE&G will conduct a periodic, competitive solicitation process through which a potential borrower will submit a loan application with a proposed SREC floor price specific to their project.
- Proposed SREC floor prices must be in multiples of \$5.00
- Within each segment, qualified projects will be ranked from the lowest to the highest SREC floor price.
- Applicants that bid the same SREC floor price within a segment will be further ranked according to the date-stamp with the earliest date and time listed first.
- Each capacity block will be filled by the ranked list of qualified projects until the capacity is fully allocated.
- If the capacity of the bids received is equal to or less than the segment capacity block size:
  - All projects will be conditionally accepted, and will be considered for further screening, such as credit and interconnection review.
  - During each solicitation, underutilized capacity from any segment may be reallocated to other oversubscribed segments for that same solicitation, except that for the first solicitation, any unused capacity (kW) in the Residential or Res-Aggregated Segments will be added to their respective segments' capacity in the second solicitation.

- After any reallocation of unused capacity to other oversubscribed segments, as applicable, any remaining unused capacity in a segment will be added to the capacity block for that segment in the next solicitation.

If an individual project by virtue of its size would cause the capacity in a particular segment to be over-subscribed, PSE&G will accept the project and lower the capacity of the next available capacity block for that segment by the amount the particular segment was over-subscribed. For example, if by accepting a 1 MW project, the Large Non-Res segment capacity of 11.972 MW (Solicitation #1) is exceeded by 0.2 MW, the Large Non-Res segment for Solicitation #2 will be reduced from 5.986 MW to 5.786 MW.

- Where appropriate, applicants will be notified after the close of the solicitation that their projects have been conditionally accepted subject to further review and acceptance on other loan criteria such as credit and interconnection considerations.
- Applications that met the acceptance criteria but were not accepted because of capacity limitations will be placed on a pending list. If conditionally accepted projects screen out, or opt out, before the current solicitation close date, applications on the pending list will be substituted according to their original rank order.
- Applicants remaining on the pending list after the solicitation close date will be notified and may then participate in the next solicitation; however, they will keep their original timestamp. During the open period for the next solicitation, these applicants will have the option to modify their bid floor price. Applicants who choose not to enter the next solicitation will have their application fee returned.

For the last solicitation only, if an individual project by virtue of its size would cause the capacity of the total Program to exceed 97.5 MW, PSE&G will offer to accept the applicant based on the remaining capacity in the Program. For example, if there were only 900 kW remaining in the Program and the next project on the pending list is a 1 MW project, PSE&G would offer the applicant a loan based on the remaining 900 kW. If the applicant declines, the next applicant in the pending list will be offered space in the capacity block. Continuing with the above example, if this second applicant's project size is less than 900 kW, the second applicant will be accepted and any remaining capacity will be offered to the third applicant on the pending list. If the second applicant's project is greater than 900 kW, PSE&G will offer to accept the second applicant based on the remaining 900 kW. This process will continue until the last capacity block is filled.

### **Res-Aggregated Segment**

Third parties that aggregate residential customers shall be allowed to participate and will be treated as non-residential applicants under the Solar Loan III Program through the Res-Aggregated Segment. For the solicitations, they will be required to bid individual residential projects including individual SREC Floor Prices. After review by the SA, the final group of selected residential projects will be combined and the third party aggregator will be assigned the capacity of the combined residential projects and from then on will be treated as a non-residential application for credit review and loan management. In the event that individual

residential projects have different SREC bid prices, a weighted average SREC bid price will be calculated. The weighted average SREC floor price will be rounded to the nearest \$5.00 increment. Once individual residential projects have been accepted and the third party aggregator has been assigned capacity, substitute projects will not be allowed.

### **Landfill Segment Projects**

Prior to being qualified for the Program, PSE&G reserves the right to require applicants to demonstrate proof of project viability through geotechnical engineering reports, landfill closure certifications and other documents as required. PSE&G may also require applicants to show proof of site control and a minimum level of site development before being designated as a qualified applicant. Applicants that are required to be certified pursuant to the Board's Order implementing the Solar Act of 2012, N.J.S.A. 48:3-51 subsection (t) must submit their application to the Board no more than 10 calendar days after PSE&G provides notification that they have been conditionally accepted into the Program.

### **General Program Rules**

- All loans will have a ten-year term.
- The floor price will remain in effect for the duration of the loan term.
- There will be no Call Option for any segment.
- Approved Residential and Res-Aggregated solar projects must be completed within six months after PSE&G issues a loan commitment. PSE&G may withdraw the loan commitment if a Residential Segment project fails to meet this deadline. At PSE&G's discretion, PSE&G may request additional project documentation (e.g. detailed project schedule, EPC agreement, PPA agreement) from the borrower. Upon request from PSE&G, borrowers are required to provide such documentation as requested by PSE&G in a timely manner.
- Projects that are required to be certified under section t. of the Solar Act of 2012 must submit their application to the BPU, along with a copy to PSE&G, no more than 10 calendar days after PSE&G provides notification that they have been conditionally accepted into the program.
- Unless waived by PSE&G, Non-Residential projects must to meet certain milestones during the project lifecycle. These milestones are shown below:

Milestone	Due Date (Days)	Grace Period (Days)	Missed Milestone Fee (\$/kW)	Remedy Period (Days)
Commitment Letter signed by Borrower	5	10	25	15
File Permits	60	75	25	90
Commence Construction	90	105	25	120

- All due dates are calendar days relative to the date of the commitment letter signed by PSE&G. For example, the Commitment Letter Grace Period ends ten calendar days after PSE&G issues the Commitment Letter.
- If an applicant misses a due date and fails to cure within the applicable Grace Period, and has not been granted an extension by PSE&G, the applicant will be charged the appropriate Missed Milestone Fee, which will be deducted from the proceeds of the loan at closing.
- If, by the end of the Remedy Period, the applicant has not complied with the Milestone, the loan commitment may be revoked, at PSE&G’s sole discretion, and the associated capacity will become available for a subsequent competitive solicitation. PSE&G will obtain a security interest in the solar equipment.
- PSE&G will enter into appropriate subordination agreements with the property owners and landlords to protect PSE&G’s security interest in the solar equipment.
- If, after credit review, an applicant requests either a name change that requires an additional credit review or to change the location of the solar system, PSE&G reserves the right to reject the request. If the request is accepted, there will be a \$3/kW fee to cover the additional administrative cost of accommodating such change.
- Estimated generation from the solar power system for the purposes of sizing the loans will be determined using PV Watts or an equivalent estimating model subject to PSE&G’s approval.
- PSE&G may require applicants to provide a New Jersey certification number in advance of closing a loan as proof that a project is eligible to receive SRECs.

**Fees**

- Application Fee – an application fee of \$20 per kW-dc (maximum of \$7,500) will be required at the time of application. Once an applicant has been notified that the application has been conditionally accepted into the program, the application fee is non-refundable. If an applicant is not accepted, the application fee will be returned in full or partially, in the case of Res-Aggregators, if the full bid capacity is not accepted.
- Administration Fee – there will be an administration fee of \$85/kW. The administration fee will be deducted from the loan proceeds at the time the loan is issued to the borrower.
- SREC Processing Fee – there will be a fee for the processing and management of the SRECs generated by the borrower’s solar generation facility. For the Residential Segment, the SREC Processing Fee will be \$120/kW and will be deducted from the loan proceeds at the

time the loan is issued to the borrower. For all other segments, the SREC Processing Fee will initially be set at \$10.18/SREC and then will be reset on an annual basis as described below. The SREC Processing Fee will be billed annually at the time of the borrower's annual true-up as defined in the borrower's loan agreement and will be determined by multiplying the SREC Processing Fee in affect at the time by the number of SRECs generated by the borrower's project for the previous year.

- Over the term of the Solar Loan III program all PSE&G administrative costs are to be paid by borrowers. The true-up mechanism will ensure all costs are recovered from the borrowers and that the borrowers only pay the actual cost incurred.
- The initial non-residential SREC Processing Fee will be set based on PSE&G forecast of common costs divided by the expected number of non-residential SRECs to be generated by the Program. The SREC Processing Fee for future years will be determined by taking the net balance of fees and administrative costs for the current year and adding it to, or subtracting it from, the forecast of common costs and then dividing by the remaining number of non-residential SRECs expected to be generated for the remaining years. This approach will ensure that there will not be significant year to year volatility in the SREC Processing Fee.
- The Application and Administration Fees and the volume costs will be tracked together and after the last loan has closed the balance will be added to the SREC Processing Fee balance.

### **Basis For Rejection**

PSE&G will have final authority on whether any particular application is complete and eligible for a solar loan. An application will be rejected for reasons including:

- If the application fails to meet eligibility and/or threshold requirements.
- If the applicant fails to submit required supporting documentation within the required time frame or is unable to verify or document any material representation within the application.
- If there are material misrepresentations in the project application.
- If the applicant engages in illegal or improper conduct or attempts to improperly influence PSE&G's decision-making process.
- Changes in laws or regulations affecting this program.
- If the applicant fails to permit disclosure of information contained in an application to the BPU, PSE&G or PSE&G agents or contractors charged with evaluating the solar project application.
- If PSE&G determines that the solar application does not represent a bona fide project or that the applicant will be unable to fulfill the requirements of this solar program.

**Loan Defaults**

- For the protection of the ratepayers, PSE&G will use reasonably prudent means to recover the outstanding loan balance on defaulted loans.
- If PSE&G ultimately determines that it is prudent to remove the solar system, PSE&G will sell the solar system and credit the net proceeds against the regulatory asset (i.e., the regulatory asset that PSE&G is recovering through the RGGI clause).
- Contemporaneously with the removal of a rooftop solar system, PSE&G will take appropriate steps to stabilize the affected areas of the roof to prevent leakage.
- PSE&G will repair the affected areas of the roof so that it reflects the general condition of the portions of the roof not affected by the removal of the solar system.

**Late Payments**

- For any loans that have annual or biennial true-up payments that are 30 days past due, PSE&G reserves the right to charge a late payment charge equal to 1% of the outstanding loan balance.

**Meter Reading**

- All projects will have a PSE&G revenue grade meter installed at the customer's expense to measure solar system output. Estimated generation will not be accepted. A second revenue grade meter may be installed as a backup at the customer's expense provided the meter meets the current ANSI accuracy standards as approved by the BPU.
- If a meter reading is simply missed for the month, the generation for that month will be credited when the next actual meter reading is obtained and entered into PJM GATS. SREC's will be credited to the loan in the month in which they are created.
- PSE&G may offer Residential customers the option of registering for "MyAccount" on the PSEG website, which will enable them to enter meter readings in any month that their meter is not read by a PSE&G meter reader
- If the PSE&G meter is not functioning properly and actual accurate generation data cannot be obtained from this meter, and the Borrower has a backup revenue grade meter installed for the system PSE&G will accept data from the back-up meter if it is accompanied by a spec sheet for the meter indicating the meter satisfies the above referenced ANSI code. In the case where the PSE&G owned meter is functioning properly, but there is an issue with remote telemetry, PSE&G reserves the right to conduct a site visit and obtain generation data directly from the meter.
- If the PSE&G meter is not functioning properly and actual generation data cannot be obtained from this meter, and the Borrower does not have a backup revenue grade meter installed for the system PSE&G will not enter any generation data into PJM GATS for the period when the actual generation data cannot be obtained.

- Each third party aggregator is required to install and own a meter that meets the then current accuracy standards as approved by the BPU for each residential project for which the aggregator receives funding under Solar Loan III, and must provide PSE&G SREC generation data along with read-only access to the data for validation. Third party aggregators are responsible for the accuracy and availability of all data. Alternatively, PSE&G may require that a PSE&G revenue grade meter be installed, at the customer's expense, that connects to PSE&G's Energy Communications Network ("ECNet") systems to enable the remote collection of metering data for each residential project.

## **SOLAR LOAN III PROGRAM RULES**

### **Eligibility Requirements**

- Definition of a Solar Project – A photovoltaic solar electric generating system that converts sunlight into measurable and verifiable alternating current (“AC”) electric power.
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residential projects have different SREC bid prices, a weighted average SREC bid price will be calculated. The weighted average SREC floor price will be rounded to the nearest \$5.00 increment. Once individual residential projects have been accepted and the third party aggregator has been assigned capacity, substitute projects will not be allowed.

### **Landfill Segment Projects**

Prior to being qualified for the Program, PSE&G reserves the right to require applicants to demonstrate proof of project viability through geotechnical engineering reports, landfill closure certifications and other documents as required. PSE&G may also require applicants to show proof of site control and a minimum level of site development before being designated as a qualified applicant. Applicants that are required to be certified pursuant to the Board's Order implementing the Solar Act of 2012, N.J.S.A. 48:3-51 subsection (t) must submit their application to the Board no more than 10 calendar days after PSE&G provides notification that they have been conditionally accepted into the Program.

### **General Program Rules**

- All loans will have a ten-year term.
- The floor price will remain in effect for the duration of the loan term.
- There will be no Call Option for any segment.
- Approved Residential and Res-Aggregated solar projects must be completed within six months after PSE&G issues a loan commitment. PSE&G may withdraw the loan commitment if a Residential Segment project fails to meet this deadline. At PSE&G's discretion, PSE&G may request additional project documentation (e.g. detailed project schedule, EPC agreement, PPA agreement) from the borrower. Upon request from PSE&G, borrowers are required to provide such documentation as requested by PSE&G in a timely manner.
- Projects that are required to be certified under section t. of the Solar Act of 2012 must submit their application to the BPU, along with a copy to PSE&G, no more than 10 calendar days after PSE&G provides notification that they have been conditionally accepted into the program.
- Unless waived by PSE&G, Non-Residential projects must to meet certain milestones during the project lifecycle. These milestones are shown below:

Milestone	Due Date (Days)	Grace Period (Days)	Missed Milestone Fee (\$/kW)	Remedy Period (Days)
Commitment Letter signed by Borrower	5	10	25	15
File Permits	60	75	25	90
Commence Construction	90	105	25	120

- All due dates are calendar days relative to the date of the commitment letter signed by PSE&G. For example, the Commitment Letter Grace Period ends ten calendar days after PSE&G issues the Commitment Letter.
- If an applicant misses a due date and fails to cure within the applicable Grace Period, and has not been granted an extension by PSE&G, the applicant will be charged the appropriate Missed Milestone Fee, which will be deducted from the proceeds of the loan at closing.
- If, by the end of the Remedy Period, the applicant has not complied with the Milestone, the loan commitment may be revoked, at PSE&G’s sole discretion, and the associated capacity will become available for a subsequent competitive solicitation. PSE&G will obtain a security interest in the solar equipment.
- PSE&G will enter into appropriate subordination agreements with the property owners and landlords to protect PSE&G’s security interest in the solar equipment.
- If, after credit review, an applicant requests either a name change that requires an additional credit review or to change the location of the solar system, PSE&G reserves the right to reject the request. If the request is accepted, there will be a \$3/kW fee to cover the additional administrative cost of accommodating such change.
- Estimated generation from the solar power system for the purposes of sizing the loans will be determined using PV Watts or an equivalent estimating model subject to PSE&G’s approval.
- PSE&G may require applicants to provide a New Jersey certification number in advance of closing a loan as proof that a project is eligible to receive SRECs.

**Fees**

- Application Fee – an application fee of \$20 per kW-dc (maximum of \$7,500) will be required at the time of application. Once an applicant has been notified that the application has been conditionally accepted into the program, the application fee is non-refundable. If an applicant is not accepted, the application fee will be returned in full or partially, in the case of Res-Aggregators, if the full bid capacity is not accepted.
- Administration Fee – there will be an administration fee of \$85/kW. The administration fee will be deducted from the loan proceeds at the time the loan is issued to the borrower.
- SREC Processing Fee – there will be a fee for the processing and management of the SRECs generated by the borrower’s solar generation facility. For the Residential Segment, the SREC Processing Fee will be \$120/kW and will be deducted from the loan proceeds at the

time the loan is issued to the borrower. For all other segments, the SREC Processing Fee will initially be set at \$10.18/SREC and then will be reset on an annual basis as described below. The SREC Processing Fee will be billed annually at the time of the borrower's annual true-up as defined in the borrower's loan agreement and will be determined by multiplying the SREC Processing Fee in affect at the time by the number of SRECs generated by the borrower's project for the previous year.

- Over the term of the Solar Loan III program all PSE&G administrative costs are to be paid by borrowers. The true-up mechanism will ensure all costs are recovered from the borrowers and that the borrowers only pay the actual cost incurred.
- The initial non-residential SREC Processing Fee will be set based on PSE&G forecast of common costs divided by the expected number of non-residential SRECs to be generated by the Program. The SREC Processing Fee for future years will be determined by taking the net balance of fees and administrative costs for the current year and adding it to, or subtracting it from, the forecast of common costs and then dividing by the remaining number of non-residential SRECs expected to be generated for the remaining years. This approach will ensure that there will not be significant year to year volatility in the SREC Processing Fee.
- The Application and Administration Fees and the volume costs will be tracked together and after the last loan has closed the balance will be added to the SREC Processing Fee balance.

### **Basis For Rejection**

PSE&G will have final authority on whether any particular application is complete and eligible for a solar loan. An application will be rejected for reasons including:

- If the application fails to meet eligibility and/or threshold requirements.
- If the applicant fails to submit required supporting documentation within the required time frame or is unable to verify or document any material representation within the application.
- If there are material misrepresentations in the project application.
- If the applicant engages in illegal or improper conduct or attempts to improperly influence PSE&G's decision-making process.
- Changes in laws or regulations affecting this program.
- If the applicant fails to permit disclosure of information contained in an application to the BPU, PSE&G or PSE&G agents or contractors charged with evaluating the solar project application.
- If PSE&G determines that the solar application does not represent a bona fide project or that the applicant will be unable to fulfill the requirements of this solar program.

**Loan Defaults**

- For the protection of the ratepayers, PSE&G will use reasonably prudent means to recover the outstanding loan balance on defaulted loans.
- If PSE&G ultimately determines that it is prudent to remove the solar system, PSE&G will sell the solar system and credit the net proceeds against the regulatory asset (i.e., the regulatory asset that PSE&G is recovering through the RGGI clause).
- Contemporaneously with the removal of a rooftop solar system, PSE&G will take appropriate steps to stabilize the affected areas of the roof to prevent leakage.
- PSE&G will repair the affected areas of the roof so that it reflects the general condition of the portions of the roof not affected by the removal of the solar system.

**Late Payments**

- For any loans that have annual or biennial true-up payments that are 30 days past due, PSE&G reserves the right to charge a late payment charge equal to 1% of the outstanding loan balance.

**Meter Reading**

- All projects will have a PSE&G revenue grade meter installed at the customer's expense to measure solar system output. Estimated generation will not be accepted. A second revenue grade meter may be installed as a backup at the customer's expense provided the meter meets the current ANSI accuracy standards as approved by the BPU.
- If a meter reading is simply missed for the month, the generation for that month will be credited when the next actual meter reading is obtained and entered into PJM GATS. SREC's will be credited to the loan in the month in which they are created.
- PSE&G may offer Residential customers the option of registering for "MyAccount" on the PSEG website, which will enable them to enter meter readings in any month that their meter is not read by a PSE&G meter reader
- If the PSE&G meter is not functioning properly and actual accurate generation data cannot be obtained from this meter, and the Borrower has a backup revenue grade meter installed for the system PSE&G will accept data from the back-up meter if it is accompanied by a spec sheet for the meter indicating the meter satisfies the above referenced ANSI code. In the case where the PSE&G owned meter is functioning properly, but there is an issue with remote telemetry, PSE&G reserves the right to conduct a site visit and obtain generation data directly from the meter.
- If the PSE&G meter is not functioning properly and actual generation data cannot be obtained from this meter, and the Borrower does not have a backup revenue grade meter installed for the system PSE&G will not enter any generation data into PJM GATS for the period when the actual generation data cannot be obtained.

- Each third party aggregator is required to install and own a meter that meets the then current accuracy standards as approved by the BPU for each residential project for which the aggregator receives funding under Solar Loan III, and must provide PSE&G SREC generation data along with read-only access to the data for validation. Third party aggregators are responsible for the accuracy and availability of all data. Alternatively, PSE&G may require that a PSE&G revenue grade meter be installed, at the customer's expense, that connects to PSE&G's Energy Communications Network ("ECNet") systems to enable the remote collection of metering data for each residential project.