



MSEIA SOLAR REPORT FOR NEW JERSEY JUNE 2016 SUMMARY

Strategic Highlights

Pennsylvania net metering rules remains to be decided on after receiving second disapproval by IRRC. On June 30, the Independent Regulatory Review Commission (IRRC) issued its second [disapproval](#) of the Pennsylvania Public Utilities Commission's (PAPUC) second [revised order](#), regarding rules on net metering, interconnection, and more. Of primary concern to the IRRC was PAPUC's proposed removal of a cap on the size of alternative energy systems that qualify for the reimbursements, and second, the vagueness in the PAPUC's definition of "utility." Critics of PAPUC's definition of "utility" found it to be so broad it potentially includes anyone who generates surplus electricity. The IRRC disapproval does not block the PAPUC's order, however. The legislature now must consider whether to pass a disapproval resolution, effectively blocking the PAPUC regulation, or taking no action and allowing the regulation to take effect despite the IRRC disapproval...

New Jersey solar bill passes Senate, companion bill introduced. On June 27, Senate Bill [S2276](#) passed the full Senate. The bill enables the creation of a New Jersey Solar Energy Study Commission and to make findings and recommendations to the governor and legislature on how the use of solar energy could be expanded. In addition, S2276 would move up a requirement that more than 4 percent of the state's electricity comes from solar systems in 2021, instead of 2028 as is expected according to existing law. Senate Bill S2276 now enters the Assembly and awaits an Assembly Committee hearing. In addition, and as a companion bill to S2276, Assembly Bill [A3918](#), supported by four co-sponsors represented across both sides of the aisle, was introduced into the Assembly on June 20....

New Jersey proposes FY2017 draft budgets, filings & protocols, party comments filed. On May 31, the New Jersey Clean Energy Program issued its Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for Fiscal Year 2017 (FY17) and related programs and budgets for FY17. Staff recommends the funding level for FY17 to be \$344.645 million, the same level as FY2016. Proposed programs, and among others, include: distributed energy resources (including CHP/fuel cells, biomass, and microgrid), and the SREC registration program. Parties filed comment on the proposals on June 17. For more information, NJ subscribers can see the entry [here](#)...

Retail energy supplier Direct Energy made "official" Delaware competitive supplier. On June 22, Direct Energy [was named](#) as the state's designated supplier in the new opt-in affinity program. Direct Energy will be able to state it is the "Electric Retail Supplier Exclusively Contracted by the State of Delaware" and is offering customers multi-year fixed price offers with value-added benefits (such as Nest thermostats) as part of the program...



New Jersey - Electricity - Distribution Rate Cases

Reference No.	Description	Why It Matters	Most Recent Action	Next Action
<p>BPU Docket Nos. ER16050428, E016060524</p> <p><i>Opened on 06/16/2016</i></p>	<p>Electric utility Rockland Electric Co. (RECO) filed a distribution base rate case, seeking a \$9.644 million increase in distribution rates, which represents a 13.5% increase in order to achieve an overall rate of return of 7.79%.</p> <p>RECO is also proposal to install AMI infrastructure and smart meters throughout RECO’s entire service territory, covering parts of Bergen, Passaic and Sussex counties RECO would begin deployment of AMI infrastructure and smart meters in 2017 and finish this deployment by year-end 2019. RECO would be installing approximately 73,880 electric smart meters which would gather meter usage data measured in 5 minute intervals for commercial meters, and 15 minute intervals for residential meters, all of which will be delivered in near real time, i.e., every 15 minutes.</p>	<p>Distribution rate cases can be significant opportunities for retail suppliers to raise issues of concern, particularly during settlement negotiations.</p> <p>The deployment of smart meters could allow suppliers to offer value-added services to customers, including time-of-use rates.</p>	<p>BPU issued order (6/29/16), bifurcating the case into a standard distribution rate case and a proceeding to consider the smart grid/AMI petition raised by Rockland. The smart grid/AMI case will be presided over by Commissioner Chivukula while the distribution rate case will be handled by an administrative law judge as per usual.</p>	<p>Petitions to intervene in the smart grid/AMI matter are due by 8/5/16.</p>



New Jersey - Renewable Energy

Reference No.	Description	Why It Matters	Most Recent Action	Next Action
NJBPU Docket Nos. Q015040477 & Q015121333 <i>Opened on 12/16/2015</i>	<p>The BPU approved Staff's recommendation for a Fiscal Year 2016 Renewable Electric Storage Incentive Program. Financial incentives will be offered for electric storage systems that are integrated with new or existing net metered New Jersey Class 1 Renewable Energy installations, such as solar, wind or sustainable biomass. \$3 million will be available on a first-come, first-served basis for 2016.</p> <p>Program participants will be offered a rebate of \$300 per kilowatt-hour, based on the energy capacity of the storage equipment (minimum of 100 kWh) as verified by the manufacturer's spec sheets. Maximum incentive levels are \$300,000 per project and \$500,000 per entity, with an entity defined as either the site host or the project developer if the developer proposes to own the system.</p>	<p>Opportunity for financial incentive for renewable energy projects integrated with energy storage.</p>	<p>The BPU announced the current status of the program; 9 applications have been submitted, of which 1 is still under review, 4 were rejected, and 4 were approved. \$620,000 of the \$3 million budget has been committed (6/27/16).</p>	<p>Open enrollment continues in 2017, which began on 7/1/16, for the Renewable Electric Storage Program. Applications will continue to be accepted until the program's \$3 million budget is fully committed (see chart for status of remaining funds here) or the BPU replaces the program with a competitive solicitation.</p>



New Jersey - Renewable Energy

Reference No.	Description	Why It Matters	Most Recent Action	Next Action
NJ Office of Clean Energy Programs (NJCEP) Renewable Electric Storage Working Group <i>Opened on 06/24/2015</i>	<p>Stakeholder working group that meets regularly to discuss and resolve issues related to renewable electric storage standards.</p> <p>Of note, the group is considering the proposed FY2016 Renewable Electric Storage Incentive program, which will provide financial incentives for energy storage systems that are integrated with Class 1 renewable energy projects installed behind-the-meter at customer sites. The program will support the installation of renewable electric storage systems in government, commercial, institutional and industrial entities for the purpose of providing emergency back-up power for essential services, and more.</p>	<p>Opportunity to gain insight into renewable electric storage in NJ, and propose other issues for discussion and resolution.</p>	<p>Working group meeting held (6/3/16). The working group considered preliminary results and findings of the renewable electric storage evaluation study.</p>	<p>Awaiting next working group meeting.</p>



New Jersey - Renewable Energy

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SREC Reporting Program Stakeholder Announcement <i>Opened on 06/23/2016</i>	Applied Energy Group (AEG), in its role as the SREC Reporting Program (SRP) administrator has scheduled a meeting to seek input regarding future solar reports. The goal of the meeting is to have an open discussion on the current reporting structure and to receive input from the solar industry on the data that would be most useful to include in the future reports.	SREC reporting gives solar developers a clear understanding of the current market in New Jersey.	Meeting held (6/28/16).	Awaiting next action.



New Jersey - Renewable Energy

Reference No.	Description	Why It Matters	Most Recent Action	Next Action
<p>BPU Docket Nos. Q016040352 and Q016040353</p> <p><i>Opened on 05/31/2016</i></p>	<p>BPU Clean Energy Staff has made its annual straw proposal, recommending the funding level for FY17 to be \$344.645 million, the same level as FY16. Proposed programs include: residential energy efficiency (including HVAC), low income customer energy conservation, commercial and industrial energy efficiency, state building energy efficiency, economic development initiatives (including Edison Innovation Clean Energy Manufacturing Fund, Green Growth Fund, and Large Scale CHP program), distributed energy resources (including CHP/fuel cells, biomass, and microgrid), and the SREC registration program.</p>	<p>Insight into FY17 clean energy programs managed by the state.</p>	<p>Hearing held (6/10/16).</p> <p>Multiple parties filed comments (6/17/16 Part 1, Part 2). Of note, supplier Direct Energy said it was concerned about the proposed suspension of all-electric fuel cell technologies from being included in the incentive program.</p>	<p>Awaiting next action.</p>



New Jersey - Renewable Energy

Reference No.	Description	Why It Matters	Most Recent Action	Next Action
Senate Bill S2276 (Bob Smith) <i>Opened on 05/23/2016</i>	<p>Would establish the “New Jersey Solar Energy Study Commission” and modify the State’s solar renewable energy portfolio standards. The commission would include the BPU President, the Commissioner of Environmental Protection, and the Director of the Division of Rate Counsel; a representative of the BPU Clean Energy Program; two members of the Senate; two members of the General Assembly; one public member appointed by the President of the Senate; one public member appointed by the Speaker of the General Assembly; and 13 public members appointed by the Governor, representing various interests including the State’s four electric public utilities, environmental conservation, residential solar energy development, grid-connected solar energy development, roof and ground mounted commercial and industrial solar energy development, energy storage, the academic and business communities, and the Retail Electric Supply Association.</p> <p><i>Cross-filed with Assembly Bill A3918.</i></p>	<p>Would provide a small but meaningful increase in mid-term solar requirements, improving the market for new solar projects and likely SRECs, but perhaps more significantly, the proposed commission could make dramatic long-term changes to the state solar market.</p>	<p>A3918 was introduced into the Assembly and referred to the Assembly Telecommunications and Utilities Committee (6/20/16).</p> <p>S2276 was passed by Senate (6/27/16).</p> <p>S2276 was received in the Assembly and referred to Assembly Telecommunications and Utilities Committee (6/27/16).</p> <p><i>PRQ note: as originally introduced, S2276 would also raise the solar carve-out under the state RPS, from 3.20% in Energy Year 2018 to 3.28%; from 3.29% in Energy Year 2019 to 3.55%; from 3.380% in Energy Year 2020 to 3.83%; and 3.470% in Energy Year 2021 to 4.10%. Additionally, the commission would be required to recommend carve-out percentages for 2022 and beyond.</i></p>	<p>Awaiting a vote from the Assembly Telecommunications and Utilities Committee on S2276 and on A3918.</p>



New Jersey - Renewable Energy

Reference No.	Description	Why It Matters	Most Recent Action	Next Action
<p>Senate Bill S2109 (Smith, Bob)</p> <p><i>Opened on 05/02/2016</i></p>	<p>This bill expands net metering aggregation to all customers and provides a credit for excess electricity generated by net metering aggregation customers at the full retail electricity rate. Under current law, net metering aggregation is only available to a customer that is a State entity, school district, county, county agency, county authority, municipality, municipal agency, or municipal authority. In addition, under current law, net metering aggregation customers are credited for the excess electricity they generated at the lower, wholesale electricity rate. The wholesale electricity rate is the rate at which a basic generation service provider or electric power supplier purchases electricity. The full retail electricity rate is the rate at which an electric power supplier or electric public utility sells electricity to its customers. Finally, the bill requires the board to create a standard agreement for net metering aggregation and make the agreement available on its Internet website.</p> <p><i>Cross-filed with Assembly Bill A3746.</i></p>	<p>Net metering aggregation allows customers with multiple meters (e.g., a corporate campus with multiple buildings) to use excess electricity generated behind one of its meters to offset usage behind another of its meters. For larger customers, allowing net metering aggregation improves the economics of distributed generation.</p>	<p>S2109 was introduced into the Senate and referred to Senate Environment and Energy Committee (5/2/16).</p> <p>A3746 was introduced into the Assembly, and referred to the Assembly Telecommunications and Utilities Committee (5/19/16).</p>	<p>Awaiting committees' action on both bills.</p>



New Jersey - Renewable Energy

Reference No.	Description	Why It Matters	Most Recent Action	Next Action
Senate Bill S1570 (Smith) <i>Opened on 02/16/2016</i>	<p>This bill, as amended on 6/16/16, authorizes municipalities to provide for public or private financing of renewable energy systems, energy produced by such systems, energy efficiency improvements, energy storage, microgrids, water conservation, storm shelter construction, and flood and hurricane resistance projects through the use of voluntary special assessments on real property, thereby expanding the "clean energy special assessment," and renaming it the "PACE special assessment." Under the bill, owners of industrial, agricultural, commercial, residential property with five or more dwelling units, and property owned by a tax-exempt or nonprofit entity such as a school, hospital, institution of higher education, or religious institution may participate in the program.</p> <p><i>Cross-filed with Assembly Bill A2080 (Mukherji as primary sponsor and seven co-sponsors).</i></p>	<p>Would provide additional support for large-scale distributed generation for C&I and multi-family customers, as well as CHP and microgrid projects.</p>	<p>S1570 was reported favorably, with amendments, from the Senate Energy and Environment Committee (6/16/16, explanatory statement).</p> <p>A2080 passed the Assembly with amendments (6/27/16). See the amendments here. Of note, and among other amendments, this amended bill now includes: (1) a change in the definition of PACE project to include financing of energy storage and microgrid projects and also eliminates purchase contracts, leases, and power purchase agreements; (2) it change the definition of "property" to limit the residential aspect of the program to residential properties with five or more dwelling units, and to include property owned by tax-exempt or nonprofit entities such as schools, hospitals, institutions of higher education, and religious institutions;</p> <p>A2080 was introduced into the Senate (6/30/16).</p>	<p>S1570 was reported out of a Senate Committee and awaits consideration by the Senate floor.</p> <p>A2080 awaits assignment to a Senate Committee.</p>



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