NJ SREC Market Closure Order

• Last week BPU issued an update re-calculating the **5.1% transition date**. They now estimate that the date will be in **June**. Depending on their exact procedure, BPU action on the transition could be in July. Clarification needed.

• The solar industry at large is still concerned about oversupply, and whether BPU will fulfill its promise to remain “committed to maintaining a stable and balanced SREC market”
NJ SREC Market Closure Order

MSSIA PROJECTION - SREC OVERSUPPLY WITH RETROSPECTIVE METHOD
FOUR CASES OF SALES GROWTH VS. EMP SUCCESS

-2% Growth
-1% Growth
0 Growth
1% Growth

EMP EE
1/2 EMP
1%/yr. Growth

"-2% Growth" "-1% Growth" "0 Growth" "1% Growth"

2018 2020 2022 2024 2026 2028 2030 2032 2034
NJ SREC Market Closure Order

MSSIA PROJECTION - SREC OVERSUPPLY WITH RETROSPECTIVE METHOD
FOUR CASES OF SALES GROWTH VS. EMP - ZOOMED IN
Transition Incentive Program

• 0.6 factor for residential is a problem.

• 0.6. factor for net metered ground mounts is a problem.
Cost Caps

• MSSIA spoke at stakeholder meeting, and delivered comments on all four topics. MSSIA advocated a net cost approach recognizing benefits, and re-calculating total sales to include ZECs, amounts paid for solar power behind the meter, etc.

• MSSIA expressed support for BPU desire to reduce the cost of the legacy SREC program. MSSIA studied and gave results of theoretical potential savings for three different options.
Legacy Cost Reduction

Alternative 1 - A simple fixed, levelized SREC, with the price set by the board

Alternative 2 – Same as Alternative 1, but with costs spread out by issuing a private, 20-year bond

Alternative 3 – Same as Alternative 1, but with a lower SREC value, and adding 5 years onto each project’s SREC qualification life.
## Cost Caps

<table>
<thead>
<tr>
<th>ALTERNATIVE</th>
<th>THROUGH 2024</th>
<th>THROUGH END OF PAYMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALTERNATIVE 1 - FIXED SREC</td>
<td>664</td>
<td>732</td>
</tr>
<tr>
<td>ALTERNATIVE 2 - FIXED SREC WITH BOND</td>
<td>2,363</td>
<td>1,651</td>
</tr>
<tr>
<td>ALTERNATIVE 3 - FIXED SREC WITH 5 YRS. ADDED LIFE</td>
<td>1,065</td>
<td>967</td>
</tr>
</tbody>
</table>

**Notes to table:**

1. Assumes 100% participation
2. Assumes that in the business-as-usual case SREC market is stable and balanced.
3. Assumes proposed program can go into effect by 2021
Infrastructure/Circuit Closing

- Circuit closing is accelerating statewide, worst in ACE territory
- MSSIA has been invited to file a request with BPU to open a proceeding on infrastructure issues and circuit closure
Successor Program

- First stakeholder meeting held
- Fixed SREC program of some sort appears likely
Other

• MSSIA still working on C-PACE legislation

• Bill to specify state agencies use the 20-year time horizon to assess greenhouse pollutants passed, was signed by Governor

• EV bill passed, includes using EV’s as storage to stabilize the grid for renewables. MSSIA study shows 180,000+ MWH potential