



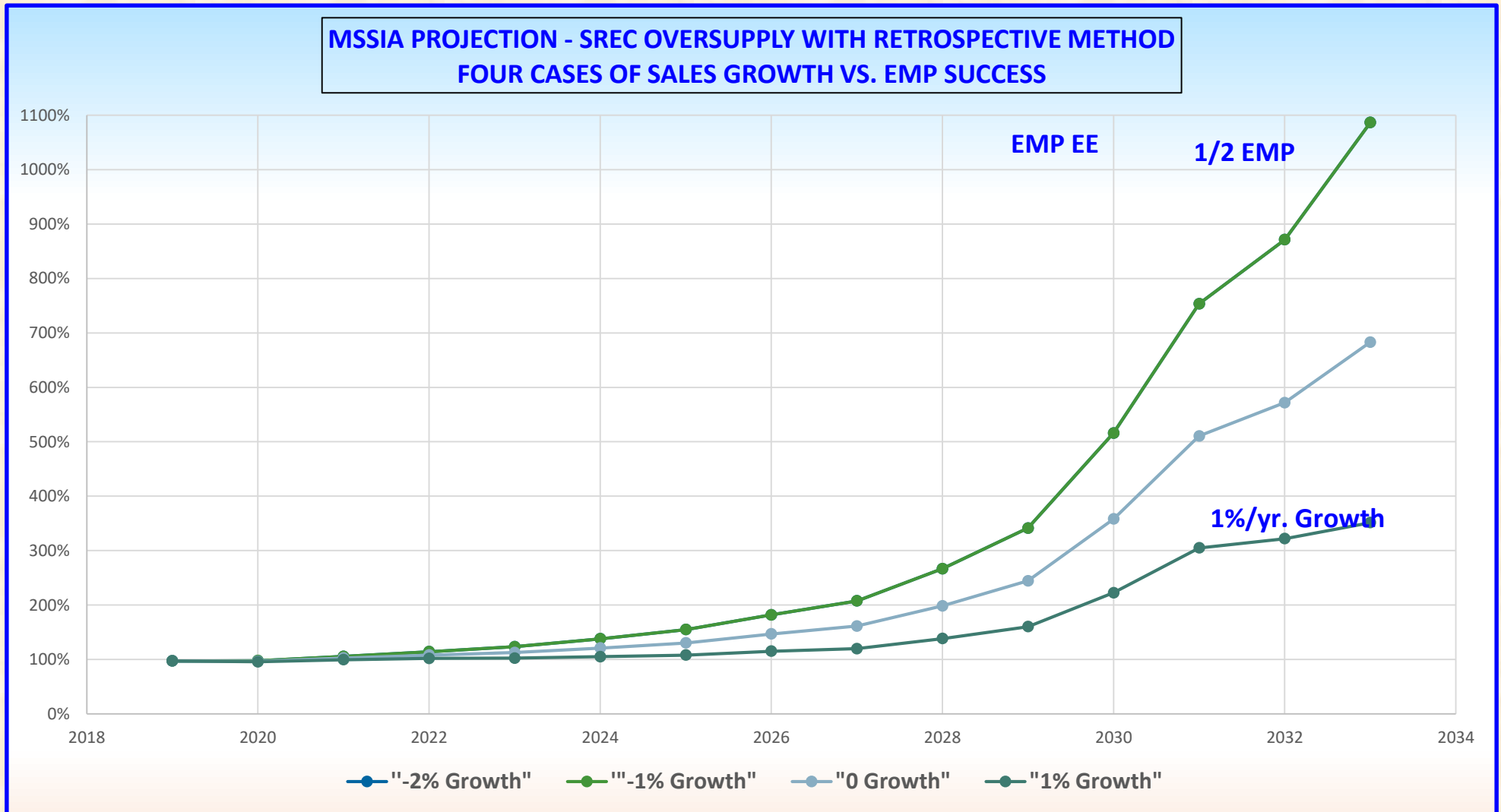
# MSSIA Annual Meeting

Rutgers EcoComplex  
February 11, 2020

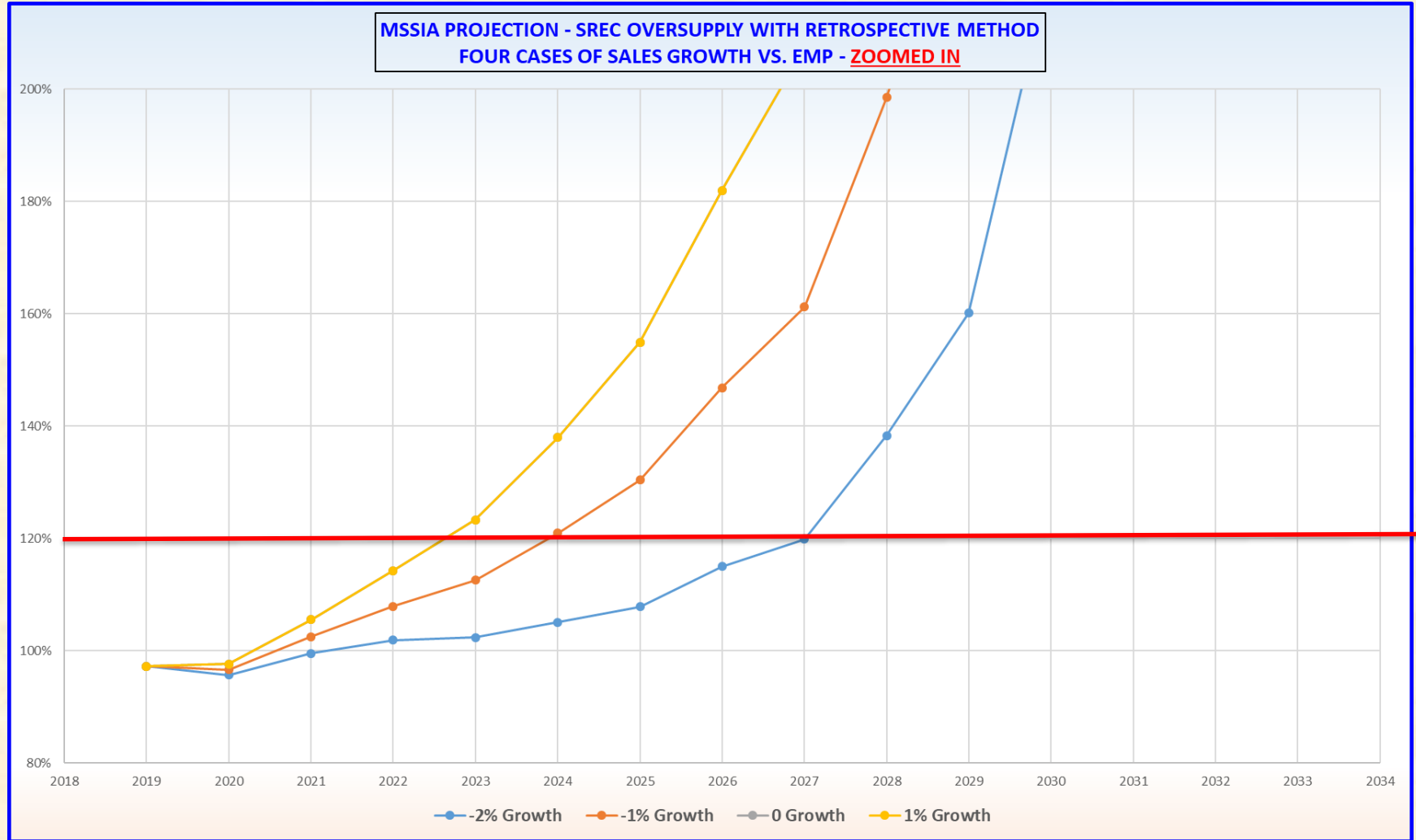
## NJ SREC Market Closure Order

- 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



## NJ SREC Market Closure Order



# 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

### LEGACY COST REDUCTION ALTERNATIVES NPV COST SAVINGS (\$millions)<sup>1</sup>

ALTERNATIVE	THROUGH 2024	THROUGH END OF PAYMENTS
ALTERNATIVE 1 - FIXED SREC	664	732
ALTERNATIVE 2 - FIXED SREC WITH BOND	2,363	1,651
ALTERNATIVE 3 - FIXED SREC WITH 5 YRS. ADDED LIFE	1,065	967

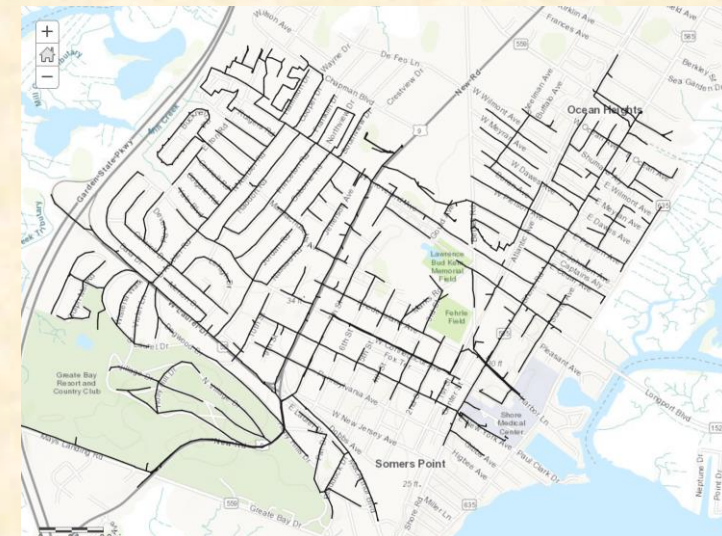
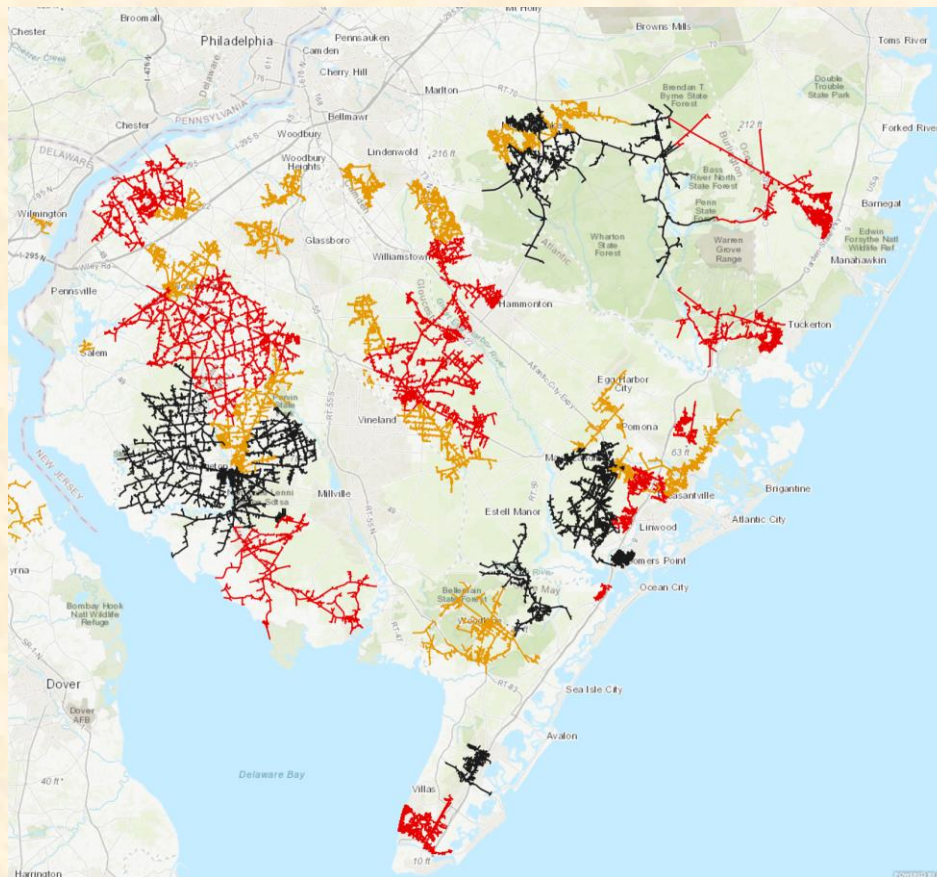
#### Notes to table:

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**