



STATE OF NEW JERSEY
Board of Public Utilities
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www.nj.gov/bpu/

July 25, 2012

RE: New Solar Act (L. 2012, c. 24)

On Monday July 23, 2012, Governor Christie signed into law a new Solar Act. This Act will implement a number of new solar policies in the State. Consistent with the Solar Act, the New Jersey Board of Public Utilities ("Board") issued a notice regarding further action by the Board in its implementation of the Solar Act, and specifically on the filing requirements for solar projects located on certain farmland. This supplemental notice is intended to clarify the process as it pertains to that farmland.

Under paragraph s. of the Solar Act, a solar electric power generation facility that is not net metered or an on-site generation facility and which is located on land that has been actively devoted to agricultural or horticultural use that is valued, assessed, and taxed pursuant to the "Farmland Assessment Act of 1964," 13 P.L.1964, c.48 (C.54:4-23.1 et seq.) at any time within the 10 year period prior to the effective date of the Solar Act, shall only be considered "connected to the distribution system" if (1) the board approves the facility's designation pursuant to subsection q. of this section; or (2) (a) PJM issued a System Impact Study for the facility on or before June 30, 2011, (b) the facility files a notice with the Board within 60 days of July 23, 2012, and (c) the facility has been approved as "connected to the distribution system" by the Board. Because (1) above is only applicable beginning in Energy Year 2014 (June 1, 2013 to May 31, 2014), only those facilities that can comply with (2) above may designate a project on qualifying farmland for the remainder of Energy Year 2013 under this paragraph. Consequently, this notice clarifies the process by which the Board will determine whether a facility is connected to the distribution system pursuant to (2)(c) above.

A "connected to the distribution system" designation is not needed under paragraph s. of the Solar Act if, prior to July 23, 2012, the facility located on qualifying farm land is: (1) producing SRECs eligible for use under New Jersey's Renewable Portfolio Standards, or (2) registered in the SREC Registration Program and either (a) is "authorized to energize" by an Electric Distribution Company, or (b) has a Certificate of Completion with a local authority having jurisdiction. These projects must comply with the Board's rules, including those at N.J.A.C. 14:8-2, as they existed prior to July 23, 2012.

An expedited designation process will be applicable for a facility located on qualifying farm land that: 1) was registered under the Board's SREC Registration Program prior to July 23, 2012; 2) was issued a PJM System Impact Study on or before June 30, 2011; and 3) files a notice with the Board within 60 days of July 23, 2012, indicating an intent to qualify under paragraph s(2). Those facilities shall file an application for designation with the Board containing the following information:

- (1) the nameplate capacity;
- (2) the estimated energy and number of SRECs to be produced and sold per year;
- (3) the estimated annual rate impact on ratepayers;
- (4) the estimated capacity of the generator as defined by PJM for sale in the PJM capacity market;
- (5) the point of interconnection;
- (6) the total project acreage and location;
- (7) the current land use designation of the property; and
- (8) the type of solar technology to be used.

For those that have yet to reach the milestones described above, the facility shall file the same information as is required under the expedited process, but in addition, the Board will consider the following factors in its determination of whether the facility should be designated as connected to the distribution system under paragraph s(2)(c):

- (1) whether the SRECs forecasted to be produced by the facility will not have a detrimental impact on the SREC market or on the appropriate development of solar power in the State;
- (2) whether approval of the designation of the proposed facility would not significantly impact the preservation of open space in this State;
- (3) whether the impact of the designation on electric rates and economic development is beneficial; and
- (4) whether there will be any impingement on the ability of an electric public utility to maintain its property and equipment in such a condition as to enable it to provide safe, adequate, and proper service to each of its customers.

If you have any questions about the Farmland Assessment Act, please contact Rich Belcher, N.J. Department of Agriculture, at 292-5532.

Sincerely,

_____/s/_____
Mike Winka, Director
Office of Clean Energy
(609) 777-3312