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Governor

Kim Guadagno  
Lt. Governor

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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Kristi Izzo  
Secretary of the Board  
Tel. # (973) 648-3426

July 26, 2011

To the Attached Service List:

By Order<sup>1</sup> dated July 14, 2011, ("July Order") the Board approved the recommendations of the solicitation manager for the seventh solicitation performed under the Solar Renewable Energy Certificate ("SREC") Financing Programs. Page five of the July Order published certain data pertaining to the results of the seventh solicitation. Three errors were found in that table and are now corrected:

- 1- The total number of bids for the small segment is eighty three (83) not eighty seven (87) as stated in the July Order.
- 2- The capacity recommended for award in Jersey Central Power and Light's territory for the medium segment was not 2,874.540 kW but 2,815.736 kW.
- 3- The 3,714.135 number included in the "total" cell is superfluous and do not relate to any of the bids or awards in the seventh solicitation.

Attached to this letter is the revised page five of the July Order.

Sincerely,

A handwritten signature in cursive script that reads "Kristi Izzo".

Kristi Izzo  
Secretary of the Board

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<sup>1</sup> I/M/O Atlantic City Electric Company Renewable Energy Portfolio Standards – Amendments to the Minimum Filing Requirements for Energy Efficiency, Renewable Energy, and Conservation Programs; and for Electric Distribution Company Submittals of Filings in Connection with Solar Financing – Results of the Seventh Solicitation - DOCKET No. EO08100875

I/M/O the Verified Petition of Jersey Central Power and Light Company Concerning a Proposal for an SREC-Based Financing Program under N.J.S.A 48:3-98.1 – Results of the Seventh Solicitation - DOCKET No. EO08090840

I/M/O the Verified Petition of Rockland Electric Company Concerning a Proposal for an SREC-based Financing Program under N.J.S.A 48:3-98.1 – Results of the Seventh Solicitation – DOCKET No. EO09020097



**STATE OF NEW JERSEY**  
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OFFICE OF CLEAN ENERGY  
& DIVISION OF ENERGY

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|---|---|--|
| IN THE MATTER OF ATLANTIC CITY ELECTRIC COMPANY RENEWABLE ENERGY PORTFOLIO STANDARD- AMENDMENTS TO THE MINIMUM FILING REQUIREMENTS FOR ENERGY EFFICIENCY, RENEWABLE ENERGY, AND CONSERVATION PROGRAMS; AND FOR ELECTRIC DISTRIBUTION COMPANY SUBMITTALS OF FILINGS IN CONNECTION WITH SOLAR FINANCING | ) | ORDER ON RESULTS OF THE SEVENTH SOLICITATION |
|   | ) |  |
|   | ) | DOCKET NO. EO08100875                        |
|   | ) |  |
| IN THE MATTER OF THE VERIFIED PETITION OF JERSEY CENTRAL POWER AND LIGHT COMPANY CONCERNING A PROPOSAL AN SREC-BASED FINANCING PROGRAM UNDER N.J.S.A 48:3-98.1  | ) | ORDER ON RESULTS OF THE SEVENTH SOLICITATION |
|   | ) |  |
|   | ) | DOCKET NO. EO08090840                        |
|   | ) |  |
| IN THE MATTER OF THE VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY CONCERNING A PROPOSAL FOR AN SREC-BASED FINANCING PROGRAM UNDER N.J.S.A 48:3-98.1   | ) | ORDER ON RESULTS OF THE SEVENTH SOLICITATION |
|   | ) |  |
|   | ) | DOCKET NO. EO09020097                        |

**Philip J. Passanante, Esq.**, Assistant General Counsel, Atlantic City Electric Company  
**Marc B. Lasky, Esq.**, Morgan, Lewis & Bockius LLP, for Jersey Central Power and Light Company  
**James C. Meyer, Esq.**, Riker, Danzig, Scherer, Hyland & Perretti LLP, for Rockland Electric Company  
**Stefanie A. Brand**, Director, Division of Rate Counsel  
**Susan P. LeGross**, Stevens & Lee, for Solar Alliance

BY THE BOARD:

**BACKGROUND AND PROCEDURAL HISTORY**

By Order<sup>1</sup> dated August 7, 2008 (“August Order”), the New Jersey Board of Public Utilities (“Board”) directed the Jersey Central Power and Light Company (“JCP&L”) and the Atlantic City

<sup>1</sup> I/M/O the Renewable Energy Portfolio Standard: Amendments to the Minimum Filing Requirements for Energy Efficiency, Renewable Energy, and Conservation Programs, and for Electric Distribution Company Submittals of Filings in Connection with Solar Financing, Docket No. EO06100744.

Electric Company ("ACE") to file a solar financing program based on Solar Renewable Energy Credits ("SRECs") by September 30, 2008, and include certain design and filing requirements. In addition, the August Order directed the Rockland Electric Company ("Rockland") to file an SREC-based financing program by January 31, 2009.

On September 30, 2008, JCP&L filed its solar financing program, I/M/O the Verified Petition of Jersey Central Power & Light Company Concerning a Proposal for an SREC-Based Financing Program under N.J.S.A. 48:3-98.1, Docket No. EO08090840. On October 1, 2008, ACE filed its solar financing program, I/M/O the Renewable Energy Portfolio Standard – Amendments to the Minimum Filing Requirements for Energy Efficiency, Renewable Energy, and Conservation Programs; and for Electric Distribution Company Submittals of Filings in Connection with Solar Financing, Docket No. EO08100875. On February 3, 2009, Rockland filed its SREC-based financing program ("Rockland Program"), In the Matter of the Verified Petition of Rockland Electric Company for Approval of a Residential Solar Loan Program Pursuant to N.J. S.A. 48:3-98.1. Docket No. EO08090903.

Over the course of settlement discussions held between February and March 2009, the ACE and JCP&L filings merged into one model program ("ACE-JCP&L Program") with similar positions on all issues including cost recovery mechanisms and incentives. ACE, JCP&L, Board Staff ("Staff"), the Division of Rate Counsel ("Rate Counsel") and the Solar Alliance ("SA") (collectively, the "Parties") reached an agreement on most of the relevant details of the ACE-JCP&L Program, and signed a stipulation on March 13, 2009 ("ACE-JCP&L Stipulation"). Rate Counsel signed the ACE-JCP&L Stipulation but reserved the right to contest three specific issues. By Order dated March 27, 2009 ("March Order"), the Board approved the ACE-JCP&L Stipulation and resolved the contested issues. On May 8, 2009, Rate Counsel filed a notice of appeal with the Superior Court of New Jersey, Appellate Division, regarding the additional recoveries portion of the contested issues. ACE, JCP&L, the Board, and Rate Counsel entered into a stipulation of settlement on the additional recoveries ("Stipulation of Appeal") on July 29, 2009 in the interest of avoiding further litigation. By Order dated September 16, 2009, ("September Order") the Board modified its March Order to reflect the terms of the Stipulation of Appeal. Rate Counsel withdrew its appeal on September 23, 2009.

On June 29, 2009, JCP&L and ACE retained NERA Economic Consulting to serve as Solicitation Manager ("SM") and to implement the ACE-JCP&L Program. On July 27, 2009 the parties to the Rockland filing (Rockland, Rate Counsel, Board Staff and SA) executed a stipulation ("Rockland Stipulation") on all the relevant details of the Rockland Program but leaving open two issues for the Board to decide. By Order in these dockets dated July 31, 2009 ("July Order"), the Board approved Rockland's Stipulation and resolved the contested issues.

Bids for the first solicitation ("First Solicitation") under the ACE-JCP&L Program were submitted to the SM by August 25, 2009. On September 23, 2009 the SM sent Staff a report containing its final recommendations to the Board. On September 30, 2009, the Board issued an Order addressing the relevant issues of the First Solicitation.

Bids for the second solicitation ("Second Solicitation") under the ACE-JCP&L Program and the Rockland Program (jointly "Programs") were submitted to the SM on December 11, 2009. On January 14, 2010, the SM sent Staff a report containing its final recommendations to the Board. On January 21, 2010, the Board issued an Order addressing the relevant issues of the Second Solicitation.

Bids for the third solicitation ("Third Solicitation") under the Programs were submitted on March 5, 2010. On April 9, 2010, the SM sent Staff a report containing its final recommendations to the Board. On April 28, 2010, the Board issued an Order addressing the issues of the Third Solicitation.

Bids for the fourth solicitation ("Fourth Solicitation") under the Programs were submitted on June 11, 2010. On July 19, 2010 the SM submitted its final recommendations to the Board. On August 12, 2010, the Board issued an Order addressing the relevant issues of the Fourth Solicitation.

Bids for the fifth solicitation ("Fifth Solicitation") under the Programs were submitted on October 14, 2010. On November 16, 2010, the SM submitted its final recommendations to the Board. On January 03, 2011, the Board issued an Order addressing the relevant issues of the Fifth Solicitation. Among other things, the Board: (i) approved two stipulations amending the solar system size limit under the Programs and providing adjustments to the developer cap provisions, and (ii) directed Staff to work with the SM and the solar developers in analyzing the impact of the approved amendments and possible barriers to participation across the service territories and to report to the Board the results of this analysis by the time the SM presents the recommendations for the seventh solicitation under the Programs ("Seventh Solicitation").

Bids for the sixth solicitation ("Sixth Solicitation") under the Programs were submitted on February 17, 2011. On March 15, 2011, the SM submitted its final recommendations to the Board. On March 30, 2011, the Board issued an Order addressing the relevant issues of the Sixth Solicitation. Among other things, the Board directed Staff to report on the impact of the EDCs' Solar Financing Incentive ("ESFI") program incentives on the small segment participation at the time the SM presents the results of the Seventh Solicitation.

Bids for the Seventh Solicitation under the Programs were received on June 10, 2011. The SM received two hundred and thirty three (233) bids. Two hundred and twenty seven (227) projects were able to meet the qualification requirements totaling 49,769.289 kW. Two hundred and twenty two (222) of these projects were submitted for a term of 10 years, one project (1) was submitted for a term of twelve (12) years, and four (4) projects were submitted for a term of 15 years. According to the SM, there was a good level of participation in the small projects segment (up to 50 kW), with eighty-three (83) of the two hundred and twenty-seven (227) projects, or 36.56% of the projects, belonging to this segment, representing 1,376.02 kW of capacity, or approximately 2.8% of the total capacity bid. The SM recommends sixty three (63) projects for award totaling 11,870.471 kW. The SM further recommends that one hundred and sixty four (164) projects totaling 37,898.818 kW be rejected because of uncompetitive pricing.

In the large projects segment (above 500 kW and up to 2MW), the average NPV for the recommended awards is \$1,982.60 corresponding to an average SREC price of \$280/SREC for a ten-year SREC Purchase and Sale Agreement ("PSA"), and the lowest NPV is \$1,773.50 corresponding to an average SREC price of \$250.80/SREC for a ten-year PSA. In the medium project segment (above 50kW and up to 500 kW), the average NPV for recommended awards is \$2,145.12, corresponding to an average SREC price of \$303.36/SREC and the lowest NPV is \$1,759.43, corresponding to an average SREC price of \$248.81/SREC for a ten-year PSA. In the small projects segment, the average NPV for recommended awards is \$2,683.08 corresponding to an average SREC price of \$379.43/SREC, and the lowest NPV is \$2,247.62 corresponding to an average SREC price of \$317.85/SREC for a ten-year PSA.

## **DISCUSSION AND FINDINGS**

The Board has carefully reviewed the recommendations of the SM and **FINDS** that they appropriately address all the issues specified in the March, September and July Orders, the ACE-JCP&L Stipulation and the Rockland Stipulation, and are therefore in keeping with the overall purpose and requirements of the Programs. The Board **FURTHER FINDS** that the overall solicitation process was effectively competitive in this instance.

The Board has also reviewed the analysis of the SM regarding: (i) the impact of the ESFI incentives on small segment participation; (ii) the impact of the administrative and programmatic changes implemented in the Sixth Solicitation on overall participation; and (iii) the possible barriers to participation across the EDCs. As a result of this analysis and the oversubscription in this Seventh Solicitation, the Board **FINDS** that, at the present time, no further changes to the Programs are necessary.

After consideration of the recommendations of the SM and Staff, the Board **AUTHORIZES** ACE to award PSAs to seventeen (17) projects for a total of 3,515,975 kW. The Board **AUTHORIZES** JCP&L to award PSAs to thirty five (35) projects for a total of 6,016.521 kW. The Board **FURTHER AUTHORIZES** Rockland to award PSAs to eleven (11) projects for a total of 2,337.975kW. The Board **AGREES** with the SM's recommendation not to authorize one hundred and sixty four (164) projects totaling 37,898.818 kW for awards because they were not competitively priced.

Following the requests of stakeholders, the SM has recommended that the Board release additional information on the bids and the awards under the Fifth and the Sixth Solicitations. The Board **AGREES** with this recommendation, and releases the following additional information:

<b>FIFTH SOLICITATION RESULTS</b>								
	<b>ACE</b>		<b>JCP&amp;L</b>		<b>ROCKLAND</b>		<b>TOTAL</b>	
<b>SEGMENT</b>	<b># Projects</b>	<b>Capacity (Kw)</b>	<b># Projects</b>	<b>Capacity (Kw)</b>	<b># Projects</b>	<b>Capacity (Kw)</b>	<b># Projects</b>	<b>Capacity (Kw)</b>
<b>SMALL</b>								
Bids	1	10	18	335.920	-	-	19	345.920
Awards	1	10	17	331.780	-	-	18	341.780
<b>MEDIUM</b>								
Bids	1	351.325	33	8,427.965	4	544	38	9,323.290
Awards	1	351.325	32	8,275.085	4	544	37	9,170.410
<b>TOTAL</b>								
Bids	2	361.325	51	8,763.885	4	544	57	9,669.210
Awards	2	361.325	49	8,606.865	4	544	55	9,512.190

SIXTH SOLICITATION RESULTS								
	ACE		JCP&L		ROCKLAND		TOTAL	
SEGMENT	# Projects	Capacity (Kw)	# Projects	Capacity (Kw)	# Projects	Capacity (Kw)	# Projects	Capacity (Kw)
<b>SMALL</b>								
Bids	38	427.920	48	908.680	-	-	86	1,336.600
Awards	33	294.450	26	483.245	-	-	59	777.695
<b>MEDIUM</b>								
Bids	21	5,922.279	52	11,640.366	5	799.695	78	18,362.340
Awards	20	4,183.276	10	2,573.860	5	799.695	35	7,556.831
<b>LARGE</b>								
Bids	8	5,435.462	19	15,284.914	-	-	27	20,720.376
Awards	7	4,530.182	5	3,701.224	-	-	12	8,231.406
<b>TOTAL</b>								
Bids	67	11,785.661	119	27,833.960	5	799.695	191	40,419.316
Awards	60	9,007.908	41	6,758.329	5	799.695	106	16,565.932

The Board **FURTHER AGREES** with the SM's recommendation to release the results of the Seventh Solicitation as follows:

SEVENTH SOLICITATION RESULTS								
	ACE		JCP&L		ROCKLAND		TOTAL	
SEGMENT	# Projects	Capacity (Kw)	# Projects	Capacity (Kw)	# Projects	Capacity (Kw)	# Projects	Capacity (Kw)
<b>SMALL</b>								
Bids	24	462.880	57	871.141	2	42	83 *	1,376.021
Awards	13	324.985	20	326.245	2	42	35	693.230
<b>MEDIUM</b>								
Bids	27	5,454.415	78	17,693.927	10	1,798.600	115	24,946.942
Awards	2	590.010	10	2,815.736 *	7	1,148.920	19	4,554.666
<b>LARGE</b>								
Bids	9	7,795.300	17	13,777.491	3	1,873.535	29	23,446.326
Awards	2	2,600.980	5	2,874.540	2	1,147.055	9	6,622.575
<b>TOTAL</b>								
Bids	60	13,712.595	152	32,342.559	15	3,714.135	227	49,769.289
Awards	17	3,515.975	35	6,016.521	11	2,337.975	63	11,870.471

\* The cells marked with “\*” reflect numbers that have been corrected to reflect the numbers provided by the SM.

The Board further **ORDERS** that the planned quantities in the table below be offered in the eighth solicitation under the Programs ("Eighth Solicitation"). These quantities will be updated by August 15, 2011, to reflect additional capacity available as a result of projects that failed to proceed to contract under the prior solicitations.

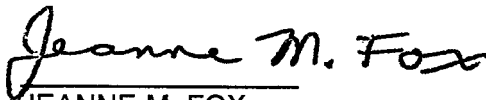
EDC	Quantity
ACE	3,409.385
JCP&L	4,885.157
Rockland	-

DATED: 7/14/11

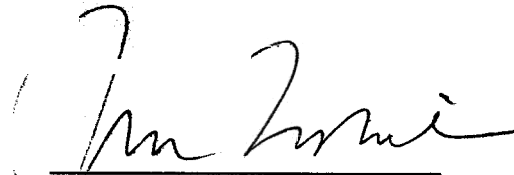
BOARD OF PUBLIC UTILITIES  
BY:



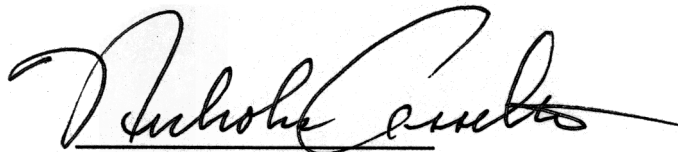
LEE A. SOLOMON  
PRESIDENT



JEANNE M. FOX  
COMMISSIONER



JOSEPH L. FIORDALISO  
COMMISSIONER



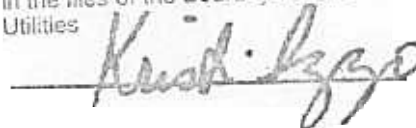
NICHOLAS ASSELTA  
COMMISSIONER

ATTEST:



KRISTI IZZO  
SECRETARY

HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



## SERVICE LIST

SREC-Based Financing Programs  
BPU Docket Nos. EO08100875 - EO08090840 - EO09020097

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