



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

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| IN THE MATTER OF THE VERIFIED PETITION OF ATLANTIC CITY ELECTRIC COMPANY CONCERNING A PROPOSAL FOR AN EXTENDED SREC-BASED FINANCING PROGRAM UNDER <u>N.J.S.A. 48:3-98.1</u> ("SREC II") |) | ORDER ON RESULTS OF THE FIFTH SOLICITATION |
| |) | |
| |) | DOCKET NO. EO12090799 |
| IN THE MATTER OF THE VERIFIED PETITION OF JERSEY CENTRAL POWER AND LIGHT COMPANY CONCERNING A PROPOSAL FOR AN SREC-BASED FINANCING PROGRAM UNDER <u>N.J.S.A. 48:3-98.1</u> ("SREC II") |) | ORDER ON RESULTS OF THE FIFTH SOLICITATION |
| |) | |
| |) | DOCKET NO. EO12080750 |
| IN THE MATTER OF THE VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY CONCERNING A PROPOSAL FOR AN SREC-BASED FINANCING PROGRAM UNDER <u>N.J.S.A. 48:3-98.1</u> ("SREC II") |) | ORDER ON RESULTS OF THE FIFTH SOLICITATION |
| |) | |
| |) | DOCKET NO. EO13020118 |

Parties of Record:

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Greg Eisenstark, Esq., Windels Marx Lane & Mittendorf, LLP for Jersey Central Power and Light Company
John Carley, Esq., Rockland Electric Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Dan Bradley, for Navigant Consulting, Inc.

BY THE BOARD:

BACKGROUND AND PROCEDURAL HISTORY

By Order dated August 7, 2008 ("August Order")¹ the Board directed the electric distribution companies ("EDCs"), including Jersey Central Power and Light Company ("JCP&L"), Atlantic City Electric Company ("ACE") and Rockland Electric Company ("RECO"), to file a solar

¹ In re 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. (August 7, 2008).

renewable energy certificate ("SREC") financing program following certain mandatory design and filing requirements. These programs are referred to as the "SREC I Programs."

By Orders dated March 27, 2009 and July 31, 2009, the Board approved the SREC I Programs. Under the SREC I Programs, periodic solicitations were held for qualifying projects seeking to enter into SREC Purchase and Sale Agreements ("PSAs") with ACE, JCP&L or RECO. The last solicitation under the SREC I Programs was held in September 2011, and the contract awards under that solicitation were approved by the Board in November 2011.

In November 2011, the Board's Office of Clean Energy ("OCE") began a series of stakeholder meetings to develop recommendations related to the expiring SREC I Programs, and address issues raised by recently enacted legislation and by the State's renewable energy goals as expressed in the 2011 Energy Master Plan. By Order dated May 23, 2012, In re Review of Utility Supported Programs, Docket EO11050311V ("May 23 Order"), the Board authorized the extension of the previously approved utility-run SREC financing programs with certain modifications for a total capacity of 180 MW over three years, to be divided among the EDCs based on retail sales.

On August 15, 2012, JCP&L filed a petition² with the Board requesting approval of its "SREC II" solar financing program ("JCP&L Program"), pursuant to the Board's May 23 Order and pursuant to N.J.S.A. 48:3-98.1. JCP&L proposed a 52 megawatt ("MW") program modeled closely on the SREC I Programs.³

On September 6, 2012, ACE filed a petition⁴ with the Board requesting approval of its solar financing program ("ACE SREC II Program"), also pursuant to the May 23 Order and N.J.S.A. 48:3-98.1. ACE proposed a 23 MW program modeled closely on the SREC I Program as well.

On February 1, 2013, RECO filed a petition with the Board requesting approval of its solar financing program ("RECO SREC II Program"), also pursuant to the May 23 Order and N.J.S.A. 48:3-98.1. The RECO SREC II Program was also proposed as a 4.5 MW program substantially similar to the SREC I financing program.⁵

After extensive discovery and discussions, ACE, JCP&L and RECO entered into separate stipulations with Board Staff, the New Jersey Division of Rate Counsel ("Rate Counsel") and the Solar Energy Industries Association agreeing to terms of the extensions of the SREC financing programs (collectively, "SREC II Programs"). By Orders dated December 18, 2013, the Board approved each of the stipulations. As part of the design of the SREC II Programs, the EDCs⁶ jointly retain a solicitation manager ("SM") to run the solicitation process for qualifying

² In re 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 EO12080750).

³ In re Verified Petition of Jersey Central Power & Light Concerning a Proposal for a SREC-based Financing Program under N.J.S.A. 48:3-98, (Docket EO08090840); In re Atlantic City Electric Company Renewable Portfolio Standard Amendments to the Minimum Filing Requirements for Energy Efficiency, Renewable Energy and Conservation Programs and for Electric Distribution Company Submittal of Filing in Connection with Solar Financing, (Docket EO08100875).

⁴ In re the Petition of Atlantic City Electric Company Concerning a Proposal for an Extended SREC-based Financing Program Pursuant to N.J.S.A. 48:3-98.1, (Docket EO12090799).

⁵ In re 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, (Docket No. EO09020097).

⁶ As used in the balance of this Order, EDCs refers to JCP&L, ACE and RECO. Public Service Electric and Gas runs its own separate solar financing programs.

applicants, including advertising the availability of the program, establishing a process for bid submittal and ranking the projects once bids are received in any round.

The EDCs chose Navigant Consulting, Inc. ("Navigant") to serve as SM. Together, they developed a solicitation process, which entailed the issuance of a Request for Proposals ("RFP") to select solar projects ("Project" or "Projects") with which to enter into PSAs, based on the proposed price of each Project's SRECs. Through the RFP process, the EDCs contract for the purchase of SRECs for the 10-year term of the PSA, and not for energy or capacity associated with any Project.

Navigant, as SM, finalized the terms of the RFP and related documents, and implemented and managed the solicitation process with input from the EDCs. Among the key features of the RFP, in accordance with the May 23 Order, were the pricing requirements. The RFP required pricing in the proposals submitted in response to the RFP to be the same for the entire 10 year term of the PSA. The RFP clearly articulated the following criteria for selection: projects will be ranked by price; prices will be reviewed for competitiveness; an unspecified price limit will be applied; and the full MW solicited may or may not be awarded based on an assessment of the competitiveness of pricing resulting from the solicitation.

The March 9, 2015 RFP was the first of nine solicitations to be issued ("Round One") under the SREC II Programs. By Order dated July 23, 2015, the Board approved the SM's recommendations for awards under the first solicitation, approving awards for eight (8) of the nine (9) projects that bid, for a total of 1,231.76 kW.

The RFP for the second solicitation was issued on August 12, 2015 with bids due on October 15, 2015. By Order dated December 16, 2015, the Board approved the SM's recommendations for awards for eighteen (18) of the twenty (20) projects that bid, for a total of 3,455.21 kW.

The RFP for the third solicitation was issued on December 17, 2015 with bids due on February 12, 2016. By Order dated May 23, 2016, the Board approved the SM's recommendations for awards for twelve (12) of the thirteen (13) projects that bid, for a total of 5,100.50 kW.

The RFP for the fourth solicitation was issued on May 3, 2016 with bids due on July 8, 2016. By Order dated September 26, 2016, the Board approved the SM's recommendations for awards for three (3) of the nineteen (19) projects that bid, for a total of 3,374.96 kW.

This Order addresses the results of the fifth solicitation held under the SREC II Programs ("Round Five"). According to the schedule issued by the SM, the RFP for Round Five was issued on October 3, 2016, and bid applications were due on November 30, 2016. The SM received forty-one (41) proposals by the end of the due date. One applicant withdrew and forty (40) bids were able to meet the qualification requirements.

DISCUSSION AND FINDINGS

The Board has carefully reviewed the recommendations of the SM and Board Staff **FINDS** that they appropriately address all issues as required by the stipulations approved by the December 2013 Orders. The Board **FURTHER FINDS** that the overall solicitation process was effectively competitive in this instance.

After consideration of the recommendations of the SM and Staff, the Board **ADOPTS** the recommendations of the SM regarding the results of the Fifth Solicitation in the SREC II Programs. The Board **AUTHORIZES** the EDCs to execute PSAs for twenty-six (26) projects

with SREC prices deemed competitive. The Board **AUTHORIZES** the SM's proposed implementation of the fifth solicitation in the SREC II Programs including the revised schedule.

The results of the Fifth Solicitation, therefore, are as follows:

Segment 1. Residential & Small Commercial (50 kW and below):

- 29 bids were received, totaling 552.43 kW
- 19 bid awards were made, totaling 271.72 kW
- 9 bids were rejected because the pricing was found not to be competitive
- 1 bid was withdrawn after submission
- The simple average price per SREC in Segment 1 was \$165.00

Segment 2. Residential & Small Commercial (Greater than 50 kW to 2 MW):

- 12 bids were received, totaling 3,396.92 kW
- 7 bid awards were made, totaling 1,730.48 kW
- 5 bids were rejected because the pricing was found not to be competitive
- The simple average accepted price was \$168.24 per SREC

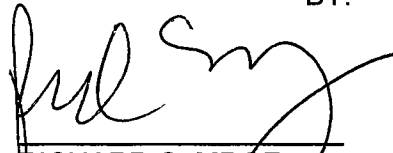
Segment 3. Subsection t. Landfills, Brownfields, or Areas of Historic Fill (Up to 5.2 MW):

- No bids were received

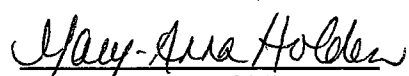
The effective date of this Order is March 4, 2017.

DATED: 2/22/17

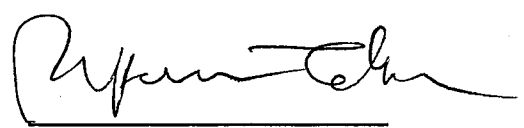
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BY:

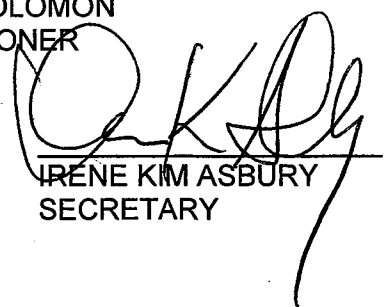

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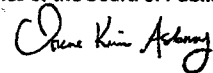

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 ATTEST: 
 IRENE KIM ASBURY
 SECRETARY

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



In the Matter of the Verified Petition of Atlantic City Electric Company Concerning a Proposal for an Extended SREC-Based Financing Program Under N.J.S.A. 48:3-98.1 ("SREC II"); In the Matter of 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 ("SREC II"); 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 ("SREC II")

Docket Nos. EO12090799, EO12080750, EO13020118

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