



New Jersey Board of Public Utilities

PRESS RELEASE

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NJ BPU APPROVES JCP&L, ACE PROGRAMS TO ENSURE LONGEVITY OF NEW JERSEY'S SOLAR MARKET

Transitions from Rebate-based to Market-based Solar Industry in the Garden State

(NEWARK, NJ) – The Commissioners of the New Jersey Board of Public Utilities (BPU) today approved program plans for Jersey Central Power and Light Company (JCP&L) and Atlantic City Electric (ACE) to provide long-term contracts for a portion of the New Jersey solar market. The programs are an integral piece of the transition from a rebate-based financing system to a competitive financing system based on Solar Renewable Energy Certificates (SRECs), which the BPU has been implementing.

“Today’s Board decision provides the foundation for us to achieve a number of Governor Corzine’s priorities,” said BPU President Jeanne M. Fox. “It will help us to build solar energy capacity, improve air quality and continue New Jersey’s fight against global warming.”

“The action taken today further demonstrates the Board’s strong commitment to a market-based solar program and continues to reduce dependence on rebates,” added BPU Commissioner Joseph L. Fiordaliso.

Historically, New Jersey’s solar financing program relied heavily on up-front rebates to provide up to 70 percent of the installation cost. A combination of SRECs and electricity savings provided through New Jersey’s net metering regulations provided additional incentives. This strategy reduced the overall cost of installation and has driven investment in solar over the past seven years, resulting in more than 80 megawatts of power.

Governor Corzine’s Energy Master Plan calls for an aggressive expansion of renewable energy in New Jersey, including revising the Renewable Portfolio Standard (RPS) to require 2,120 gigawatt hours of solar electricity by 2020. To meet the increasing amount of solar electricity required in the RPS and minimize annual costs to ratepayers, the Board needed to develop a new financing system that relies less on rebates, which were unsustainable for the long-term.

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Under the new SREC-based financing program, utility companies will provide long-term, reliable financing for the development of solar projects. Previously, solar companies faced financing challenges due to fluctuations in the market value of SRECs. Last summer the Board unanimously directed New Jersey's regulated electric utilities to develop programs in which they would enter into long-term contracts for the purchase of SRECs, which would then be sold to the electric suppliers and providers that have to comply with the state's RPS.

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About the New Jersey Board of Public Utilities (NJBP)

The New Jersey Board of Public Utilities is a state agency and regulatory authority mandated to ensure safe, adequate and proper utility services at reasonable rates for New Jersey customers. Critical services regulated by the NJBP include natural gas, electricity, water, wastewater, telecommunications and cable television. The Board has general oversight responsibility for monitoring utility service, responding to consumer complaints, and investigating utility accidents. To find out more about the NJBP, visit our web site at www.nj.gov/bpu.

About the New Jersey Clean Energy Program (NJCEP)

New Jersey's Clean Energy Program, established on January 22, 2003, in accordance with the Electric Discount and Energy Competition Act (EDECA), provides financial and other incentives to the State's residential customers, businesses and schools that install high-efficiency or renewable energy technologies, thereby reducing energy usage, lowering customers' energy bills and reducing environmental impacts. The program is authorized and overseen by the New Jersey Board of Public Utilities (NJBP), and its website is www.njcleanenergy.com.