



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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Trenton, NJ 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

**OFFICE OF CLEAN ENERGY  
& DIVISION OF ENERGY**

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 )  
DOCKET NO. EO08100875

IN THE MATTER OF 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 )  
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 )  
DOCKET NO. EO09020097

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Alliance

James C. Meyer, Esq., Riker, Danzig,  
Scherer, Hyland & Perretti LLP, for Rockland  
Electric Company.

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 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 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 Board's resolution of 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, leaving

<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

open two issues for the Board to decide. By Order 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, which also included initial bids for 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 and approving two stipulations that amended the solar system size limit under the Programs.

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.

Bids for the seventh solicitation ("Seventh Solicitation") under the Programs were received on June 10, 2011. On July 1, 2011, the SM submitted its final recommendations to the Board. On July 14, 2011, the Board issued an Order addressing the relevant issues of the Seventh Solicitation.

Bids for the eighth solicitation ("Eighth Solicitation") under the Programs were received on September 2, 2011. The SM received bids for two-hundred and eighty-eight (288) projects, totaling 55,346.463 kW. Two hundred and sixty-two (262) projects were submitted for a term of 10 years, one (1) project for a term of 11 years, three (3) projects for a term of 13 years, and twenty two (22) projects 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 one hundred and thirty-seven (137) projects totaling 2,238.920 kW or 4% of the total capacity bid. In addition, the SM received bids for one hundred and twenty four (124) projects totaling 29,243.182 kW sized between 50kW and 500 kW ("medium segment"), and twenty-seven (27) projects totaling 23,864.361 kW sized greater than 500 kW and up to 2 MW ("large segment").

The SM recommends eighty three (83) projects for award totaling 17,212.534 kW. The SM further recommends that one hundred and ninety two (192) projects totaling 32,276.818kW be rejected because of uncompetitive pricing. Additionally, eight (8) projects totaling 3,642.456 kW were rejected because they did not comply with the qualification requirements, and five (5) projects totaling 2,214.655 kW were rejected as approval of those projects would have exceeded the developer cap.

The overall average price of the recommended awards is \$1,594.98, which corresponds to an average price of \$225.56/SREC for a ten-year contract. The lowest net present value (“NPV”) of the recommended awards is \$819.66, which corresponds to an average price of \$115.91/SREC for a ten-year contract.

**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.

After consideration of the recommendations of the SM and Staff, the Board **AUTHORIZES** ACE to award purchase sale agreements (“PSAs”) to twenty two (22) projects for a total of 5,980.585 kW. The Board **AUTHORIZES** JCP&L to award PSAs to sixty (60) projects for a total of 10,956.909 kW. The Board **AUTHORIZES** Rockland to award a PSA to one (1) project for a total of 275.040 kW. The Board **AGREES** with the SM’s recommendation not to authorize one hundred and ninety two (192) projects totaling 32,276.818kW because of uncompetitive pricing, eight (8) projects totaling 3,642.456 kW because they did not comply with the qualification requirements, and five (5) projects totaling 2,214.655 kW as exceeding the developer cap.

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

EIGHTH SOLICITATION RESULTS								
	ACE		JCP&L		ROCKLAND		TOTAL	
SEGMENT	# Projects	Capacity (Kw)	# Projects	Capacity (Kw)	# Projects	Capacity (Kw)	# Projects	Capacity (Kw)
<b>SMALL</b>								
Bids	59	786.875	78	1,452.045	-	-	137	2,238.920
Awards	4	96.015	28	486.435	-	-	32	582.450
<b>MEDIUM</b>								
Bids	35	8,079.737	88	20,888.405	1	275.040	124	29,243.182
Awards	14	2,940.280	27	6,279.328	1	275.040	42	9,494.648
<b>LARGE</b>								
Bids	7	7,057.120	19	16,080.761	1	726.480	27	23,864.361
Awards	4	2,944.290	5	4,191.146	-	-	9	7,135.436
<b>TOTAL</b>				3,714.135				
Bids	101	15,923.732	185	38,421.211	2	1,001.520	288	55,346.463
Awards	22	5,980.585	60	10,956.909	1	275.040		

## PRICE RESULTS

### Small Segment:

- The average NPV for the recommended awards is \$1,647.47 (corresponding to an average SREC price of \$232.98 for a ten-year contract).
- The lowest NPV for the recommended awards is \$819.66 (corresponding to an average SREC price of \$115.91 for a ten-year contract).

### Medium Segment:

- The average NPV for the recommended awards is \$1,571.10 (corresponding to an average SREC price of \$222.18 for a ten-year contract).
- The lowest NPV for the recommended awards is \$1,038.70 (corresponding to an average SREC price of \$146.89 for a ten-year contract).

### Large Segment:

- The average NPV for the recommended awards is \$1,519.76 (corresponding to an average SREC price of \$214.92 for a ten-year contract).
- The lowest NPV for the recommended awards is \$1,236.55 (corresponding to an average SREC price of \$174.87 for a ten-year contract).

In its Order dated March 30, 2011, the Board established December 2, 2011, as tentative deadline for a ninth solicitation if it was needed under the Programs. The SM reported that, should the Board accept the award recommendations for the Eighth Solicitation, the full Programs' quantities would be procured and there would be no need for further solicitations. The SM, however, recommends that if the Board decides to adjust the Programs' quantities, the date for the ninth solicitation be changed to February 17, 2012, to allow time for participants to prepare their proposals. The SM further recommends that the quantities to be procured in a ninth solicitation for the ACE and JCP&L territories be reduced by any amount by which the ~~planned quantities are overfilled in the Eighth Solicitation should all the awards proceed to contract.~~

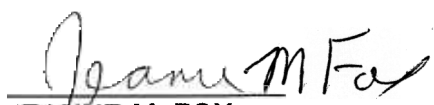
The Board has received a petition by the SA under these dockets ("Petition") to increase the planned quantities under the Programs by 47.3 MWs. The Board will consider this Petition in due course, and should a ninth solicitation be needed as a result of the Board's determination with regard to the Petition, at that time the Board will take into account the recommendations of the SM presented as part of this Eight Solicitation.

DATED: 11/9/11

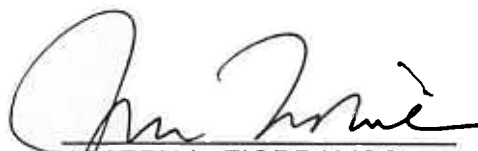
BOARD OF PUBLIC UTILITIES  
BY:




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PRESIDENT



JEANNE M. FOX  
COMMISSIONER



JOSEPH L. FIORDALISO  
COMMISSIONER



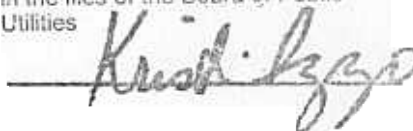
NICHOLAS ASSELTA  
COMMISSIONER

ATTEST:



KRISTI IZZO  
SECRETARY

I 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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