

~~New Jersey Clean Energy~~

Renewable Energy Programs and Policies

Scottsdale, AZ New Jersey Clean
Energy Program

New Jersey Clean Energy Program

- Societal Benefits Charge for EE and (RE)
- NJBPU - oversight
- Office of Clean Energy- serves as the state energy office and administers the NJCEP program funds.
- New Jersey Clean Energy Council – advisory to Board and Board staff
- BPU administers and implements the renewable energy programs.
- Energy efficiency programs are transitioning to the BPU
- Implementation contractors – “feet on the street”
- Growing number of State agency partners.

Renewable Energy Program

CORE Program: The Customer Rebate Energy Program provides rebates of up to 70% of the installed cost for renewable energy systems such as solar, wind and sustainable biomass systems. Projects up to 1 MW.

REAP Program: The Renewable Energy Advanced Power Program provides incentives and financing for renewable electricity generation facilities. Projects over 1MW.

REED Program: The Renewable Energy Economic Development Program provides incentives, business loans and comprehensive business assistance to renewable energy companies for growing their business and employment in New Jersey.

COPIED Program

- Program transitioned to BPU operation and implementation on April 15th 2003.
- Solar systems since then, 2.3 MW commitments ~100 kW per week.
- Up to 70% of installed cost for systems smaller than 10 kW, up to 60% for systems larger than 10kW up to a MW

Chart I

Wind and Sustainable Biomass Systems

See chart below for PV incentive rates

Block Allocated Capacity	Incentive Block*			
	1 (6.23 MW)	2 (5.5 MW)	3 (12.5 MW)	4 (27 MW)
Tier I (up to 10 kW)	\$5.00/watt	\$5.00/watt	\$4.00/watt	\$3.00/watt
Tier II (from 10 to 100 kW)	\$4.00/watt	\$4.00/watt	\$3.00/watt	\$2.00/watt
Tier III (from 100 to 500 kW)	\$3.00/watt	\$3.00/watt	\$2.00/watt	\$1.50/watt
Tier IV (over 500 kW, up to 1000 kW)	\$0.30/watt	\$0.30/watt	\$0.20/watt	\$0.15/watt
Maximum incentive as percentage of eligible system costs	60%	50%	40%	30%

 Block Available
  Block Full

*Note: Incentive levels will change over time, as the capacity allocated for each block is filled. At least 50% of the capacity in blocks 2, 3, and 4 is reserved for small systems (10 kW or less).

Chart II

Solar Electric Systems

2003

Incentive Level

Systems up to 10kW

\$5.50/watt

Maximum incentive as percentage
of eligible system costs

70%

Systems greater than 10kW

1 to 10 kW

\$5.50/watt

> 10 to 100 kW

\$4.00/watt

> 100 to 500 kW

\$3.75/watt

> 500 to 1,000 kW

\$0.30/watt

Maximum incentive as percentage
of eligible system costs

60%

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REAP Program



- Provides combination [redacted] and guaranteed low interest long term financing for renewable electricity generating facilities in New Jersey.
- Wind, Solar and Sustainable Biomass.
- \$50 Million budget for 2003.
- Solicitation on njcep.com.

REED Program

- Solicitation issued in February
- Received 33 proposals, totaling ~ \$12M
- 10 companies, including 6 solar energy companies received \$2.7M

REED for 2004

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- Funding is given as “venture funds”
 - As the firm starts making a profit, the “grant” is paid back.
 - \$5M in funding, solicitation to be issued in November '03

Financing Programs



- Two new financing programs will implement the rebate and incentive programs.
- Loan guarantees for businesses implementing renewable energy and energy efficiency projects
- Loan pool for local government units and schools.

Using Policy Driver



- RPS doubling for 2008
- Solar requirement of 120,000 MWh by 2008 translates into roughly 90 MW
- Simplified interconnection
- Increased capacity limit for net metering

Renewable Portfolio Standard

Solar Requirement

- Requirement for all electric service
- Ramping up requirement 2004 - 0.01% (5.6MW); 2005 - 0.017%(9.6 MW); 2006 - 0.036% (20MW); 2007 - 0.076% (42.8 MW); 2008 - 0.16% (90MW).
- Renewable Energy Certificates - attributes
- Alternative Compliance Payment set by BPU, looking at ` \$250 per MWh.
- Published Oct. 6 for public comment, promulgated by February 04.

Net Metering and Interconnection



- Updating net-metering and interconnection standards (subchapter 9).
- Increasing net-metering capacity to 2 MW from 100 kW.
- Making interconnection processes, simplified, transparent and time delimited.
- Due to be published in early November.

Resources

Renewables www.njcep.com

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Energy Efficiency www.njcleanenergy.com

Office of Clean Energy
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