

New Jersey Board of Public Utilities

Statement

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New Jersey Board of Public Utilities approves transformation of New Jersey's solar market

The New Jersey Board of Public Utilities (BPU) today unanimously approved the transition of New Jersey's solar program to a fiscally responsible market that will foster the continued growth of solar energy use in the State. This transition refines the Board's April 2006 Renewable Portfolio Standard (RPS) decision, which required that 22.5 percent of New Jersey's electricity must come from renewable sources, including 2 percent from solar electricity, by 2020. To meet these RPS goals, the BPU today established a solar market that focuses on the sale of Solar Renewable Energy Certificates (SRECs).

Under this program, solar system owners earn SRECs for solar electricity production, which are registered and traded among electricity suppliers and other buyers within an established infrastructure. Electricity suppliers are required to buy the SRECs, or pay a Solar Alternative Compliance Payment (SACP) in lieu of purchasing SRECs. The Board today set an 8 year schedule for the SACP.

Today's Board decision is also a commitment to implement protections to safeguard against prohibitive costs to New Jersey's ratepayers while investing in the future of solar capacity in New Jersey. These protections include a limit on the total cost to ratepayers of meeting the solar RPS. In implementing these protective measures, the Board is harmonizing Governor Corzine's goals to provide renewable and low cost energy to the State.

"In making today's decision on the future of solar in New Jersey, we are taking steps to align solar capacity and costs to be consistent with the priorities of the Governor's energy vision. Controlling the costs to the ratepayers will be a key aspect of our program," said Jeanne M. Fox, BPU President. "We believe this strategy will spur both private and public investment in the solar market in New Jersey.

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