



Agenda Date: 10/03/08  
Agenda Item: LSA

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
Two Gateway Center  
Newark, NJ 07102  
[www.nj.gov/bpu](http://www.nj.gov/bpu)

CLEAN ENERGY

REQUEST TO MODIFY THE RENEWABLE ENERGY )  
BUSINESS VENTURE ASSISTANCE PROGRAM )  
AWARD RECOVERABLE GRANT AWARD TO )  
EPV SOLAR, INC. TO BE ISSUED THROUGH THE )  
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY)

DOCKET NO. EO08010010

(SERVICE LIST ATTACHED)

BY THE BOARD:

By Order dated February 5, 2008, in the above docketed matter the Board authorized, a \$499,795 Recoverable Grant Award for EPV Solar, Inc. (EPV) (formerly Energy Photovoltaics, Inc.) through the Renewable Energy Business Venture Assistance Program (REBVAP) administered jointly with the New Jersey Economic Development Authority (NJEDA). This funding is for EPV's project to further develop and enhance a silicon-based thin film photovoltaic technology.

The Board's approval was based, in part, upon NJEDA's recommendation dated January 8, 2008 which provided for a repayment term of eight years with: "No payments required in the first 36 months, followed by 60 monthly principal payments to fully amortize the debt." Thereafter on February 12, 2008, the NJEDA sent a draft Recoverable Grant Funding Agreement (Funding Agreement) consistent with the terms of the Board's February 5<sup>th</sup> Order and EDA's January 8<sup>th</sup> recommendations.

By letter dated April 15, 2008 to the NJEDA, EPV requested modifications to the following provisions of its draft Funding Agreement: Payment of Funds; Terms and Repayment of the Award sections; and elimination of the Business Assets Lien section.

The NJEDA, after negotiations with the parties, issued a revised recommendation dated June 17, 2008 which provides: "1. Removal of the requirement for blanket lien on business assets. 2. Repayment based on 2% of revenue derived from the project. Audited financial statements will be required that specifically list the revenues generated from the project. A full balloon payment will be required at the end of year ten if the company is operating and generating revenue." In making these revised recommendations NJEDA believes that, based on EPV's projection, the award should be repaid within three years, that the anticipated earlier repayment mitigated the absence of the collateral, and that the 10-year term would provide for flexibility.

The Office of Clean Energy ("OCE") has reviewed the revised EDA recommendation and determined that: the modifications are reasonable; the agreement is consistent with the requirements of the REBVAP program solicitation and will not increase the recoverable grant. Staff recommends that the terms and conditions of the Department of Treasury approved contracts (also referred to herein as the Funding Agreement) be modified to remove the requirement for the blanket lien on EPV's business assets and that the Term and Repayment provision be modified consistent with NJEDA's revised recommendation as set forth above.

**FINDINGS AND CONCLUSIONS**

Having reviewed the proposed modifications to the terms and conditions of the Funding Agreement as set forth herein, and having reviewed Staff's recommendation, the Board **FINDS** that the modifications are reasonable, the agreement is consistent with the requirements of the REBVAP program solicitation and will not increase the recoverable grant award. The Board further **FINDS** that the recommended modifications do not change the scope, timing or amount of BPU's commitment for completion of this project consistent with the grant solicitation and are consistent with the goals and objective for business development and market transformation in the Clean Energy Program. Therefore, the Board **APPROVES** modification of the terms and conditions approved in the Order of February 5, 2008 as set forth herein, and further **APPROVES** incorporating the modified terms into the Funding Agreement. The Board also **AUTHORIZES** President Fox to sign the Funding Agreement consistent with the terms of this Order.

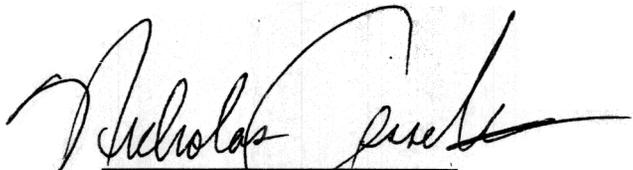
DATED: 10/23/08

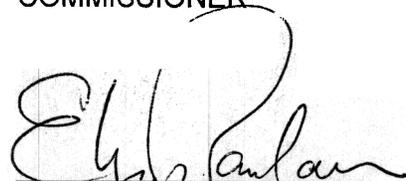
BOARD OF PUBLIC UTILITIES  
BY:

  
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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  
