



Agenda Date: 11/7/08
 Agenda Item: 8B

STATE OF NEW JERSEY
Board of Public Utilities
 Two Gateway Center
 Newark, NJ 07102
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE CLEAN ENERGY PROGRAM) ORDER
 AUTHORIZATION OF CUSTOMER ON-SITE)
 RENEWABLE ENERGY REBATES EXCEEDING)
 \$100,000) DOCKET NO. EX04040276

REQUEST TO MODIFY SYSTEM SIZE)
 OCEAN CITY) DOCKET NOS. EO07080580, et seq.

(SERVICE LIST ATTACHED)

BY THE BOARD:

By Order dated August 22, 2007, Docket No. EX04040276, the Board approved the CORE program rebate applications for six projects submitted by the City of Ocean City, New Jersey. Each project was assigned a separate docket number and application number. By Order dated August 19, 2008, Docket Nos. EX04040276 and EO07080587, the Board approved Ocean City's request to relocate one of the approved solar projects from the Aquatic Center to Ocean City's 6th Street Fire House, subject to certain conditions delineated in the Order. The table below lists the six projects, system sizes and approved rebate levels:

Docket No.	Application #	Location	Approved Kw	Approved Rebate
E007080580	BPU-4388	Sports and Civic Center	62.92	\$208,260
E007080581	BPU-4281	New Public Works Building	257.4	\$760,220
E007080582	BPU-4277	Old Public Works Building - Array A	33.135	\$117,532
E007080587	BPU-4278	Aquatic Center (moved to 6th Street Firehouse)	75.68	\$220,992
E007080588	BPU-4280	Cultural Center	54.56	\$183,180
E007080589	BPU-4279	Old Public Works Building - Array B	57.86	\$175,205
		Total	541.555	\$1,665,389

WorldWater was selected by Ocean City to develop and install the six solar projects. By letter dated September 17, 2008 to the CORE Program Manager, WorldWater requested a number of changes to the previously approved applications. The letter also indicated that the City of Ocean City joins in the request.

WorldWater indicated that it was not a participant in the original solar configurations and estimates of the solar generation capacity. WorldWater relied on site and capacity assumptions prepared on behalf of Ocean City in winning the bid for the Ocean City project contract.

In beginning the installation process at the six locations, WorldWater determined that the equipment capacities of the various sites are at odds with the amounts established in the Request for Proposals (RFP) issued by Ocean City. To maximize the benefits of the project, Ocean City has requested that WorldWater minimize the loss of capacity on locations where less equipment can be handled by maximizing the increase in capacity where more equipment can be handled. Specifically, Ocean City has requested that the capacity and rebate level be reduced at four of the six sites and increased at two of the six sites, with an overall net reduction in both capacity and rebate level.

Ocean City is requesting a significant increase in the capacity of the Sports and Civic Center system. However, Ocean City is also requesting reductions in the size of four of the other systems that more than offset the requested increase in the capacity of the Sports and Civic Center system.

WorldWater also stated in its September 17th letter its belief that the rebate was calculated incorrectly for two of the six applications. The Office of Clean Energy (OCE Staff or Staff) has reviewed this issue and determined that the rebates were calculated correctly. Under CORE Program guidelines, the rebates for all projects located on the same site are calculated as one whole. The first ten kilowatts (kW) of capacity on the site receive a "first-tier" rebate level; a second, lower level of rebate applies to the next 30 kW of capacity on the site; and so on. WorldWater erred by recalculating the rebate for the second and third projects located on a site as if each calculation was done independently, so that the first ten kilowatts of capacity for each project received a "first-tier" rebate.¹ However, since the two systems were located on the same site as another system at the time the rebate was first calculated, the rebate was properly calculated starting at a lower rebate tier.

Since that initial calculation, the Board has approved the relocation of one system from the Aquatic Center to the Fire House, so that one of the systems is no longer located on the same site as another system. OCE Staff has recalculated the rebate for the system now located on the Fire House, taking into consideration that it is the sole system on the new site.

OCE Staff has reviewed Ocean City's request to shift system capacity from one location to another. Staff notes that the Board has previously allowed Ocean City to relocate an entire system from one site to another. The current request is to shift a portion of proposed capacity

¹ Rebates are based on the size of the system and are calculated based on one rebate level for the first 10 kW (first tier), a lower rebate for the next 30 kW (second tier), etc.

from several applications to the Sports and Civic Center application. Staff of the OCE believes that granting permission for this relocation serves the State's interest in making limited rebate funds available for as many projects as possible. Just as the Board found that a site relocation is permissible under limited circumstances, and Ocean City owns all the sites at issue, OCE Staff believes that the relocation of capacity between multiple sites owned by the city is reasonable and recommends approval. Staff believes the rebates were calculated correctly and recommends that the Board deny Ocean City's request to recalculate the rebates, with the exception of the rebate for the Firehouse system, which is no longer located on the same site as another system. The net result in the changes is an overall reduction in the rebate level approved by the Board. The table below summarizes the changes in system size and rebate levels recommended by the OCE:

Docket No.	Application Number	Location	Approved Kw	Approved Rebate	Revised Kw	Revised Rebate
E007080580	BPU-4388	Sports and Civic Center	62.92	\$208,260	90.272	\$290,316.00
E007080581	BPU-4281	New Public Works Building	257.4	\$760,220	180.544	\$545,023.00
E007080582	BPU-4277	Old Public Works Building - Array A	33.135	\$117,532	17.472	\$67,410.00
E007080587	BPU-4278	Aquatic Center (moved to 6th Street Firehouse)	75.68	\$220,992	78.624	\$255,372.00
E007080588	BPU-4280	Cultural Center	54.56	\$183,180	34.944	\$123,321.00
E007080589	BPU-4279	Old Public Works Building - Array B	57.86	\$175,205	52.416	\$161,753.60
		Total	541.555	\$1,665,389	454.272	\$1,443,195.60
		Net Reduction			87.283	\$222,193.40

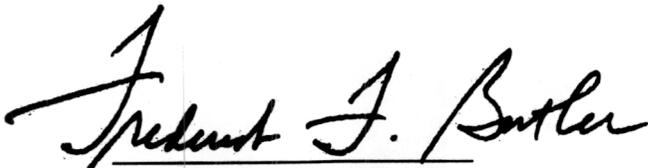
The Board has reviewed Ocean City's request to modify the capacity and rebate levels for the six projects previously approved by the Board. The Board concurs with OCE Staff's recommendations set out above. The Board FINDS that Ocean City's request to increase the capacity for one application is more than offset by the decrease in capacity of this entity's other outstanding applications. The Board FINDS that Staff's recommendation that the Board permit Ocean City to relocate capacity will result in making rebate funds available for other projects. The Board also FINDS that relocation, under these limited circumstances, is consistent with the August 19, 2008 Order and governed thereby.

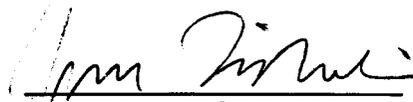
Therefore, the Board HEREBY APPROVES the revised system capacities and rebate levels set out in the table above.

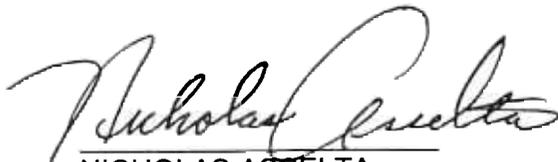
DATED: 11/13/08

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT

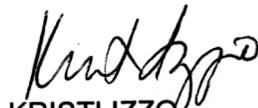

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ATTEST:


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

