



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
AUTHORIZATION OF CUSTOMER ON-SITE RENEWABLE
ENERGY REBATES EXCEEDING \$100,000

ORDER

)
) DOCKET NO. EX04040276

US Army Fort Dix – EO09010009

(SERVICE LIST ATTACHED)

BY THE BOARD:

This Order memorializes action taken by the Board of Public Utilities (Board or BPU) at its February 11, 2009 Agenda Meeting. The Board of Public Utilities' Customer On-Site Renewable Energy (CORE) program offers prescribed financial incentives to New Jersey property owners to encourage the installation of Class I renewable energy technologies. Eligible applicants may receive rebates for a portion of the cost of installing solar, wind, or sustainable biomass at their site.

This matter concerns an application for a CORE program rebate for a solar system to be installed at the United States Army Base at Fort Dix (Ft. Dix) by Honeywell Energy Solutions (Honeywell Solutions), a division of Honeywell International, Inc. Honeywell International, Inc. (Honeywell) was awarded Contract No. A-67052 by the State of New Jersey to perform Residential and Renewable Energy Market Manager services, including the CORE Program. To address potential conflicts of interest between Honeywell Solutions as a market participant and Honeywell as market manager, the terms of Honeywell's contract as the BPU's Market Manager states that: "Honeywell must agree to divorce itself from the application and approval process related to any system installed by Honeywell, its affiliates, its subcontractors or the affiliates of its subcontractors. Honeywell must notify the Program Coordinator and the BPU Contract Manager of any system that it, its affiliates, its subcontractors or the affiliates of its subcontractors intend to install. From that point on, the processing of any application, the inspection of any system and the approval of any incentive payment will be BPU's responsibility.

Honeywell must agree that it will have nothing to do with processing, inspecting or approving an incentive payment for any system that Honeywell, its affiliates, its subcontractor or the affiliates of its subcontractors install” Honeywell also agreed that: “...Honeywell, its affiliates, its subcontractors and their affiliates, will not be the recipient of any incentives paid out through the N.J. Clean Energy Program. These incentives will be applied for and paid directly to our customers.”

On or about January 11, 2007, Honeywell Solutions filed a CORE Rebate Application with the Office of Clean Energy (OCE), on behalf of Ft. Dix requesting a rebate of approximately \$1.7 million, payable to Honeywell Solutions, for a solar project of approximately 700 kilowatts (kW) at Ft. Dix (the Honeywell Application). Honeywell’s contract as the Renewable Energy Market Manager (RE Market Manager) became effective on October 19, 2006 and it commenced work on or about January 22, 2007. The Honeywell Application was transferred from the OCE to the RE Market Manager on or about January 22, 2007, along with a number of other CORE rebate applications, as the RE Market Manager commenced processing CORE applications pursuant to the contract. On December 24, 2007, the RE Market Manager submitted the Honeywell Application, along with two other applications, to Board Staff for approval by the Board. The Honeywell Application was not submitted to the Board and in February 2008 Honeywell forwarded the application file to Applied Energy Group (AEG), the NJ Clean Energy Program Coordinator (Program Coordinator).

In response to the January 2007 Honeywell Application, the BPU, in consultation with the Division of Law and Department of Treasury (Treasury), promptly implemented a number of measures designed to ensure that there were no other potential conflicts of interest involving Honeywell, its affiliates, its subcontractors or affiliates of its subcontractors in the handling of applications for CORE rebates. Treasury has reviewed the measures taken by the Board to address this issue, and Treasury concurs with those measures, which, include: a database search of all open CORE rebate applications to ensure that there were no other such conflict issues-and none were found; a review of all previously processed CORE rebates to ensure that there were no other such conflicts-and none were found; submission of affidavits by Honeywell, at both the corporate and operational levels, swearing that Honeywell is not involved as the applicant, contractor or rebate recipient for every CORE rebate application, prior to Board approval; development of Policies and Procedures to deal with the processing of applications where Honeywell is the project developer; and Honeywell, at the corporate parent level, established a firewall between the RE Market Manager and Honeywell Solutions. The Board has submitted a contract amendment request to Treasury which would incorporate the Policies and Procedures into the Honeywell contract.

On January 20, 2009, a revised updated CORE Rebate Application was submitted to the Program Coordinator requesting a rebate in the amount of \$1,765,500 for a 704.6 kW solar project at Ft. Dix. The project in the revised updated application of January 20th is the same project as in the original application with the following material exceptions. First, the revised updated application was submitted directly to the Program Coordinator, AEG but not Honeywell the RE Market Manager, since Honeywell must divorce itself from this matter except for the two ministerial tasks identified below. Second, Ft. Dix is designated as the rebate recipient on the revised updated application. AEG reviewed the application, confirmed that the application was complete and that all program requirements were met and recommended approval of the project with an estimated rebate of \$1,765,500.

The Staff of the Office of Clean Energy (OCE) has reviewed the revised updated CORE Rebate Application described below as well as the amount of rebate requested. The OCE believes that the application is complete and fully conforms to all Board requirements for a rebate commitment under this program.

Clean Energy Program Authorization of Customer On-Site Renewable Energy Rebates exceeding \$100,000						
App #	Customer	Address	City	Zip Code	Size KW	Rebate ¹
MM05254	Ft. Dix	Juliustown Rd	Ft. Dix	08640	704.6	\$ 1,765,500

Based on the foregoing, the OCE recommends that the Board approve the above referenced rebate application. Upon review, the Board FINDS that the application fully conforms to all relevant requirements for the CORE program. The Board HEREBY APPROVES the aforementioned rebate application for the amount requested and AUTHORIZES the Staff of the OCE to direct the Program Coordinator to issue a commitment letter to the applicant identified above, setting forth the terms and conditions of this rebate commitment.²

As set forth above, Honeywell, the RE Market Manager, shall divorce itself from the revised updated application, except that Honeywell is authorized to enter into its data base information related to this project and to reserve the funds which have been authorized for this project. AEG will issue a rebate approval letter to Ft. Dix. All future correspondence or communications regarding this project shall be directed to AEG. Ft. Dix shall communicate directly with AEG

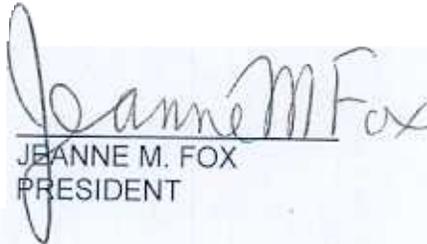
¹Rebates for private sector applications and public sector applications utilizing a Power Purchase Agreement (PPA) are limited to a maximum amount based on 100 kilowatts of installed capacity, which is the monetary equivalent of \$245,000 or a lesser amount if the installed capacity is less than 100 kW. I/M/O Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for 2005-2008: 2008 Programs and Budgets: Compliance Filings, Docket Number EX04040276 (March 31, 2008). Public sector applicants are approved based on the public and non-profit rebate levels that were in effect at the time that the application was deemed complete. If a public sector applicant will use a PPA, the applicant must notify the Market Manager (In the case of Fort Dix, the applicant must notify the Program Coordinator) and supply a copy of the PPA. Any previously issued approval letter will then be revised to reflect the rebate level for the private sector and the payment cap of \$245,000 will be applied if the system capacity is greater than or equal to 100 kW.

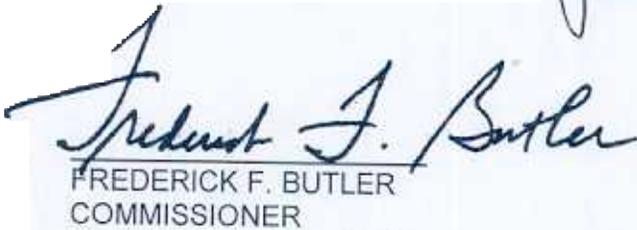
²This Board Approval and the issuance of a commitment letter is subject to the limitations set forth in the footnote to the chart and such other CORE program limitations as may be applicable, and is subject to State Appropriations Law.

regarding the status of the project, shall submit any additions or changes to the application to AEG, and shall submit its final application to AEG. AEG will review the final application and perform any required inspections. Upon completion of the project and appropriate reviews and approvals, AEG will request Treasury to issue a rebate check payable to the US Army Fort Dix.

DATED: 2/25/09

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER

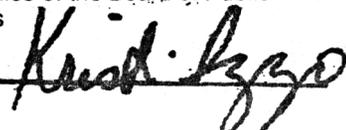

NICHOLAS ASSELTA
COMMISSIONER


ELIZABETH RANDALL
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



IN THE MATTER OF THE CLEAN ENERGY PROGRAM AUTHORIZATION OF CUSTOMER
ON-SITE RENEWABLE ENERGY REBATES EXCEEDING \$100,000

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Michael Ambrosio
Applied Energy Group
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I/M/O CONTRACT PROGRAM COORDINATOR)
PROCESSED CUSTOMER ON-SITE)
RENEWABLE ENERGY ("CORE") REBATE)
APPLICATION)

AFFIDAVIT IN SUPPORT
OF PROGRAM COORDINATOR
PROCESSED APPLICATION

STATE OF New Jersey)
COUNTY OF Middlesex)

I, Michael Ambrosio, being first duly sworn, depose and say:

I hold the position of Vice President with Applied Energy Group which provides Program Coordination Services for the New Jersey Clean Energy Program pursuant to Contract Number A68922 and Notice of Award T2412 ("Program Coordinator").

Company Name: Applied Energy Group
Street Address: 317 George Street, Suite 400
City: New Brunswick, New Jersey 08901
Telephone Number: 732.447.1355
E-Mail Address: mambrosio@appliedenergygroup.com

2. I am the authorized representative of the Program Coordinator that is responsible for its overall operation and performance pursuant to the above referenced contract and I am authorized to make and submit this affidavit on behalf of the Program Coordinator.
3. The information within this affidavit relates specifically to the application referenced in Attachment A, which is appended hereto.
4. I have personally examined and I am familiar with the Customer On-site Renewable Energy ("CORE") application referenced in this affidavit and all attached documents.
5. Honeywell, its affiliates, its subcontractors, and/or the affiliates of subcontractors are not the recipient of a CORE rebate listed in Attachment A to this Affidavit;
 - a. the application was reviewed and processed by Applied Energy Group; and
6. The Program Coordinator acknowledges that it has a continuing affirmative duty to immediately notify Board Staff of any change with respect to 5. a. herein above.

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attached documents and, based on my inquiry of

those individuals immediately responsible for obtaining the information, I further certify that the foregoing statements are true, accurate and complete. I am aware that there are significant civil and criminal penalties, including the possibility of fine or imprisonment or both, for making false, inaccurate, or incomplete statements.

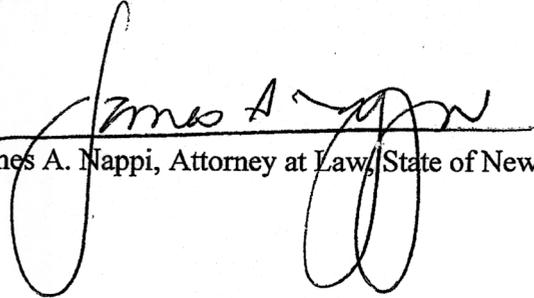


Michael Ambrosio

2/10/09

Date: February 10, 2009

Sworn to and subscribed before me on this 10th day of February, 2009



James A. Nappi, Attorney at Law, State of New Jersey

Dated: 2-10-09

I/M/O PROGRAM COORDINATOR PROCESSED)
CUSTOMER ON-SITE RENEWABLE)
ENERGY ("CORE") REBATE APPLICATION)

ATTACHMENT A

Customer Onsite Renewable Energy Program

Rebate Application Form

A. CUSTOMER INFORMATION

Electric Utility Name: Jersey Central Power & Light - JCP&L Account Number: 10002019365
 Gas Utility Name: Public Service Electric & Gas - PSE&G Account Number: 6423827816
 Applicants must provide a copy of their monthly electric bills with this application form.
 Social Security Number/Federal Tax I.D. Number: NA - Federal Agency
 Mr. Ms. Dr. First Name: David Last Name: Peckham
 Company Name (if applicable): US Army Fort Dix
 Daytime Phone: 609-562-3255 Fax: 609-562-6017 Email: David.peckham@us.army.mil
 Installation Address: Buildings 3351 & 5231
 City: Fort Dix State: NJ Zip Code: 08640
 Date Building Constructed: 2008 Mailing Address (if different): 5320 Delaware Ave.
 City: Fort Dix State: NJ Zip Code: 08640
 Customer Type: Residential Commercial Farm Non-Profit Public School School other Government

B. REBATE RECIPIENT (Fill in section if rebate check is to be issued to an organization/person other than the Customer.)

Company Name: _____ Contact Person: _____
 Daytime Phone: _____ Fax: _____ Email: _____
 Address: _____
 City: _____ State: _____ Zip Code: _____
 Social Security Number/Federal Tax I.D. Number: _____
 Customer Signature: _____

C. Contractor/Installer

Company Name: Honeywell Contact Person: John Bethea
 Daytime Phone: 919-929-7559 Fax: 919-969-1498 Email: john.bethea@honeywell.com
 Address: 8001 Meadow Run Court
 City: Chapel Hill State: NC Zip Code: 27516
 Self Installation: Yes No If yes, please refer to the OCE's alternative rebate calculation for self installation on the Technical Worksheet.

D. Power Purchase/Lease/Contractor (If a party to the equipment installation transaction.)

Company Name: Not Applicable Contact Person: _____
 Daytime Phone: _____ Fax: _____ Email: _____
 Address: _____
 City: _____ State: _____ Zip Code: _____

E. SYSTEM CONTACT

Please provide contact information for whoever is authorized to occasionally discuss public relations opportunities with a representative from New Jersey's Clean Energy Program:
 Customer (listed above) Contractor/Installer (listed above)
 Other: _____ Company: _____ Phone: _____

F. EQUIPMENT INFORMATION

Equipment Type: Solar Electric Wind Biomass Fuel Cell System Size: 700 kw
 Anticipated Construction Start Date: 08/01/08 Estimated Completion Date: 08/31/09
 Verification of Module Order: Yes No ** Yes - if a firm commitment for the delivery of the solar panels is in place. For each project you indicate yes, documentation that demonstrates a firm commitment for the delivery of the solar panels. ** No - if no firm commitment exists for the delivery of solar panels.

G. CUSTOMER AND INSTALLER CERTIFICATION

The undersigned warrants, certifies and represents that 1) the information provided in this form is true and correct to the best of his or her knowledge; 2) the above described generating system is sized to meet the customer's electrical loads; 3) the installer/Contractor has explained and provided manuals related to the system operation and maintenance to the customer (Applicant); 4) the installation will meet all New Jersey Clean Energy Program requirements; 5) the Applicant gives permission to the BPU to release their electric and gas account information, both prior to installation and subsequent to installation; 6) The Applicant is the Generator of Record for the Utility Account; and 7) the Applicant realizes that certain information in their application may be subject to the Open Public Hearing.

Customer (Applicant) Signature: David Peckham Contractor/Installer Signature: [Signature]
 Print Name: David Peckham US Army Fort Dix Print Name: [Name]
 Date: 19 Jan 09 Date: 1/20/09

H. FOR BPU USE ONLY

System Size (kWdc): 5 Commitment Length: _____
 Application Number (assigned by BPU): _____