



STATE OF NEW JERSEY
Board of Public Utilities
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CLEAN ENERGY

IN THE MATTER OF THE OFFICE OF CLEAN ENERGY
CUSTOMER ON-SITE RENEWABLE ENERGY (CORE))
PROGRAM)
)

ORDER AUTHORIZING
PROGRAM PROCEDURE
CHANGES

DOCKET NO. EOO4121550

(SERVICE LIST ATTACHED)

BY THE BOARD:

On February 9, 1999 the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, et. seq. (EDECA or the Act) was signed into law. In Board Order Docket Number EO04121550, signed July 7, 2005, the Board directed "the Office of Clean Energy, with the review and advice of the Clean Energy Council (CEC) to evaluate and revise the rebate level to ensure the (program) objectives are maintained in accordance with the four year funding level". Specifically, the July 7, 2005 Board Order directs Staff to brief the Board on recent developments in the Customer Onsite Renewable Energy (CORE) Program, including policy and procedural changes in the form of rebate level reductions. In response to those prior Orders, the Staff set forth proposed changes to the CORE program, which the Board adopted in a February 13, 2006 Order in this docket.

The Board's February 13, 2006 Order directed the Office of Clean Energy to hold all private sector applications for CORE rebates "in queue" until budgeted funds become available as a result of project cancellation or expiration, in accordance with "policies and procedures for projects placed in CORE program queue," which are attached hereto. The Board also adopted Staff's recommendation to reduce the CORE rebate levels for both private and public sector projects by March 15, 2006 in accordance with the levels recommended in the Order, and also directed the Office of Clean Energy to implement those rebate changes in accordance with the February 13, 2006 Order.

The policies and procedures referred to in the February 13, 2006 Order had not previously been adopted by the Board, although the Order contemplated Staff presenting those policies and procedures to the Board for approval at a future date. The above-referenced policies and

procedures are attached hereto as Exhibit A. Also attached as Exhibit B are the reports as directed in item 3, 5 and 6 of Exhibit A.

Staff recommends the Board approve the attached "policies and procedures" for use by the Office of Clean Energy to administer the program consistent with the parameters set forth in the February 13, 2006 Order.

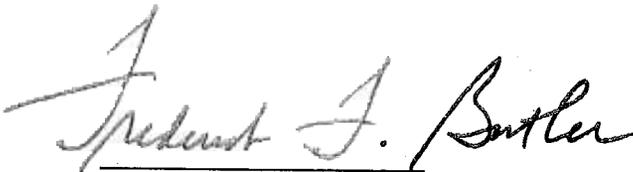
Upon review of the aforementioned policies and procedures, the Board HEREBY APPROVES the attached policies and procedures for use by the Office of Clean Energy and HEREBY DIRECTS the Office of Clean Energy to make the policy readily available to current and future program applicants via the Board's website.

DATED: 3/22/06

BOARD OF PUBLIC UTILITIES
BY:



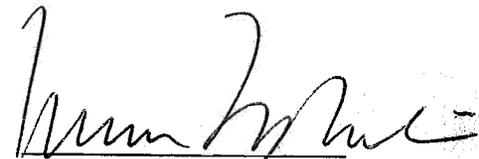
JEANNE M. FOX
PRESIDENT



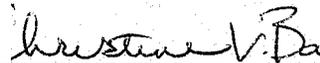
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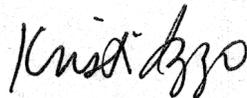


JOSEPH L. FIORDALISO
COMMISSIONER



CHRISTINE BATOR
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

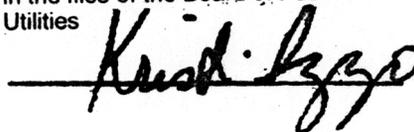


EXHIBIT A

CORE PROGRAM

POLICIES AND PROCEDURES FOR PROJECTS PLACED IN CORE PROGRAM QUEUE

Due to the overwhelming success of the CORE Program, the number of rebate applications received by the Office of Clean Energy would have the potential to exceed the CORE Program budget if all of the applications that have been received were approved and the projects were completed. These Policies and Procedures for Projects Placed in CORE Program Queue (Policies and Procedures) were developed to ensure the Program remains within budget.

In order to ensure that the Program remains within the overall four year funding level approved by the Board by Order dated December 23, 2004, Docket No. EX04040276, and the preliminary 2006 CORE Program budget approved by the Board by Order dated December 23, 2005, Docket No. EX04040276, by Order dated February 13, 2006, Docket No. EO04121550 the Board directed the Office of Clean Energy to implement several changes to the CORE Program. These Policies and Procedures will guide the process for approving any new rebate applications received by the Office of Clean Energy, as well as the rebate applications that have been received, but for which an approval letter has not yet been issued.

It is important to note that these new Policies and Procedures do not impact projects for which an approval letter has been issued. The Office of Clean Energy will honor all commitments as set out in any approval or extension letter issued by the Office of Clean Energy. The Office of Clean Energy will continue to process payment requests for all completed projects for which an approval letter was issued, provided the project meets all program requirements and deadlines.

The following sets out the Policies and Procedures that will be utilized by the Office of Clean Energy for placing rebate applications into a queue and for processing additional rebate approval letters as additional funds become available:

The Office of Clean Energy will place projects in queue based on the following:

- a. All rebate applications will be time and date stamped upon receipt;
- b. Office of Clean Energy will review applications, and:
 - i. Complete applications will be placed in queue in the order received, and the Office of Clean Energy will issue a letter notifying the applicant that the application was found to be complete and that the project has been placed in queue. Pursuant to 1.b. iii below, existing applicants for private projects greater than 10 kW will be placed in queue but are required to submit an executed contract within 90 days to remain in queue. Pursuant to 1.b. iv below, applicants for public schools, public-other and private greater than 10 kW will be placed in queue, but will be required to submit

documentation of anticipated project start and completion dates, and verify the adequacy of solar module suppliers within 45 days to remain in queue.

- ii. Incomplete applications will be returned to the applicant. The Office of Clean Energy will notify the applicant of the reasons the application is being returned. The applicant can submit a new application that includes the missing or deficient information. These projects will be placed in queue based on the date a complete application is received.
- iii. The Board's February 13, 2006 Order cited above eliminated the 90 day grace period for submission of executed contracts by private sector applicants for projects greater than 10 kW. Therefore, all such applicants not already in queue as of the March 16, 2006 will be required to submit a fully executed contract with their applications in order for the application to be deemed complete and to be placed in queue. The Office of Clean Energy will notify all greater than 10 kW private applicants in queue before this date that an executed contract must be submitted within 90 days of the date of the letter for an application to be deemed complete and for the project to remain in the queue.
 - 1 Applicants that submit an executed contract within 90 days of the date of the letter will hold their place in the queue. Applicants that do not submit an executed contract within 90 days will have their application returned as incomplete.
 - 2 Should funds become available which allow OCE to begin issuing approval letters for projects in the queue, projects that have submitted executed contracts can be moved ahead of projects in the queue that have not submitted executed contracts.
- iv. The Board's February 13, 2006 Order required the submission of documentation of anticipated project start and completion dates, and verification of the adequacy of solar module supplies. The Office of Clean Energy will notify the required documentation and verification must be submitted within 45 days of the date of the letter for an application to be deemed complete and for the project to remain in the queue.

Applicants that submit the required documentation and verification within 45 days of the date of the letter will hold their place in the queue. Applicants that do not submit the required documentation and verification within 45 days will have their application returned as incomplete.

2. Should funds become available which allow OCE to begin issuing approval letters for projects in the queue, projects that have submitted executed contracts can be moved ahead of projects in the queue that have not submitted executed contracts.

- c. The Office of Clean Energy will place on its web site a list of all applications in queue. The list will be in chronological order showing where in line each project is.

The list will be issued in a manner that protects confidential customer/installer information.

2. The BPU has established CORE budgets for each of the following categories of projects:
 - a. Non-public less than or equal to 10 kw
 - b. Non-public greater than 10 kw
 - c. Public – Schools
 - d. Public – Other

A separate queue will be developed for each of these budget categories.

3. The Office of Clean Energy will develop regular reports showing for each budget category noted above:
 - a. Annual budget
 - b. Amount paid YTD (rebates paid)
 - c. Remaining budget (available budget) which is equal to the annual budget less amount paid YTD
 - d. Total outstanding commitments (projects for which an approval letter has been issued and the project has not been terminated)
 - e. Amount in queue
 - f. Amount under review
4. The Office of Clean Energy will continue to update its data base regularly to terminate/rescind rebate approvals for projects that have not met program requirements or deadlines. Removing these projects from the approved projects total will free up funds potentially allowing for the approval of additional projects in the queue.
 - a. The Office of Clean Energy will continue to work with industry representatives to develop more stringent application procedures intended to ensure only projects with a high likelihood of completion are approved.
 - b. The Office of Clean Energy will work with industry representatives to develop procedures for terminating projects that are no longer active (with the customers approval), and removing them from the data base.
5. The Office of Clean Energy will prepare regular reports showing the amount of funding available for the CORE Program through 2008
 - a. For 2006, available funding is equal to the 2006 CORE budget less 2006 expenses. This amount will be updated regularly as 2006 expenses are reported.

- b. For 2007 and 2008, the estimated CORE Program budget shall be set at 80% of the renewable energy funding level for each year as set out in the Board's Order dated December 23, 2004 cited above, less 10% for administrative expenses.
6. The Office of Clean Energy will prepare regular cash flow reports. These reports will estimate the amount to be paid in the current budget year or in a future budget year for each budget category, based upon:
 - a. Level of approved applications
 - b. Estimated completion rates
 - c. Projects with projected completion dates in a future budget year
7. To the extent that the cash flow report indicates that available budget, for any budget category, in any year, exceeds the amount estimated to be paid, the Office of Clean Energy will send approval letters to projects in queue starting with the first project in queue and stopping when the amount approved equals the available budget provided that:
 - a. For 2006, the total level of approved projects shall not exceed 80% of the remaining available funding through 2008, as defined in 5 above.

**Office of Clean Energy CORE Program: CORE QUEUE Reporting
Assessment of Available Funding vs Commitments
(\$000)**

Attachment B

Available Funding	Preliminary 2006 CORE Budget	Estimated 2007 CORE Budget *	Estimated 2008 CORE Budget *	Estimated 2006 - 2008 CORE Budget
Total Available Funding	\$85,700	\$59,040	\$73,440	\$218,180

* 80 % new renewable energy funding less 10% for administration = estimated CORE Budget

2006 - 2008 CORE Budget by Budget Category	% of Budget	Estimated 2006 CORE Budget	Less 2006 Paid	Equals 2006 Remaining Budget	Estimated 2007 CORE Budget	Estimated 2008 CORE Budget	Estimated 2006-2008 CORE Budget
< 10 kw- non public	20.00%	\$17,140	\$4,903	\$12,237	\$11,808	\$14,688	\$38,733
> 10 kw non public	40.00%	\$34,280	\$6,650	\$27,630	\$23,616	\$29,376	\$80,622
Public - Non - schools	16.00%	\$13,712	\$0	\$13,712	\$9,446	\$11,750	\$34,909
Public - Schools k-12	24.00%	\$20,568	\$0	\$20,568	\$14,170	\$17,626	\$52,363
Total	100.00%	\$85,700	\$11,553	\$74,147	\$59,040	\$73,440	\$206,627

Calculation of Maximum Approval Level by Budget Category	Estimated 2006-2008 CORE Avail Funds	Maximum Approval Percent	Maximum Approval Level
Maximum % Cap	80.00%		
< 10 kw- non public	\$38,733	80%	\$30,986
> 10 kw non public	\$80,622	80%	\$64,498
Public - Non - schools	\$34,909	80%	\$27,927
Public - Schools k-12	\$52,363	80%	\$41,891
Total	\$206,627		\$165,302

CORE Cashflow Analysis by Budget Category	Total Approved	Assumed Completion Rate	Estimated Completions	Estimated Completions 2006	Estimated Completions 2007	Estimated Completions 2008	Total Estimated Completions
< 10 kw- non public	\$19,759	90%	\$17,783	\$17,783			\$17,783
> 10 kw non public	\$82,195	50%	\$41,098	\$41,098			\$41,098
Public - Non - schools	18,071	50%	\$9,036	\$9,036			\$9,036
Public - Schools k-12	\$2,813	50%	\$1,407	\$1,407			\$1,407
Total	\$122,838		\$69,323	\$69,323	\$0	\$0	\$69,323

2006 Estimated Payments by Budget Category	2006 Remaining Budget	Estimated Completions 2006	Difference	Under Review
< 10 kw- non public	\$12,237	\$17,783	(\$5,546)	\$12,431
> 10 kw non public	\$27,630	\$41,098	(\$13,468)	\$66,294
Public - Non - schools	\$13,712	\$9,036	\$4,677	\$2,897
Public - Schools k-12	\$20,568	\$1,407	\$19,162	\$12,939
Total	\$74,147	\$69,323	\$4,824	\$94,561

2007 Estimated Payments by Budget Category	2007 Remaining Budget	Estimated Completions 2007	Difference
< 10 kw- non public	\$11,808	\$0	\$11,808
> 10 kw non public	\$23,616	\$0	\$23,616
Public - Non - schools	\$9,446	\$0	\$9,446
Public - Schools k-12	\$14,170	\$0	\$14,170
Total	\$59,040	\$0	\$59,040

2008 Estimated Payments by Budget Category	2008 Remaining Budget	Estimated Completions 2007	Difference
< 10 kw- non public	\$14,688	\$0	\$14,688
> 10 kw non public	\$29,376	\$0	\$29,376
Public - Non - schools	\$11,750	\$0	\$11,750
Public - Schools k-12	\$17,626	\$0	\$17,626
Total	\$73,440	\$0	\$73,440

Total Remaining Funding vs Commitments by Budget Category	% of Budget	Total Remaining Funding	Total Commitments	Difference
Total Remaining Funding	\$206,627			
< 10 kw- non public	20.00%	\$41,325	\$19,759	\$21,566
> 10 kw non public	40.00%	\$82,651	\$82,195	\$456
Public - Non - schools	16.00%	\$33,060	\$18,071	\$14,989
Public - Schools k-12	24.00%	\$49,590	\$2,813	\$46,777
Total	100.00%	\$206,627	\$122,838	\$83,789

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