Agenda Date: 8/1/07 Agenda Item: 8D



# STATE OF NEW JERSEY Board of Public Utilities Two Gateway Center Newark, NJ 07102

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CLEAN ENERGY

IN THE MATTER OF PETITION OF NEW JERSEY MEADOWLANDS COMMISSION FOR AN ALLOCATION OF 2008 REBATE FUNDS **ORDER** 

**DOCKET NO. E007070560** 

(SERVICE LIST ATTACHED)

#### BY THE BOARD:

By letter petition dated June 25, 2007, the New Jersey Meadowlands Commission (Commission) requests that the Board issue a commitment letter for the Commission's currently pending application for a Customer On-Site Renewable Energy (CORE) rebate. Having considered the Commission's request, and for the reasons set forth in this order, the Board now grants the petition.

On February 20, 2007, the Commission submitted a CORE rebate application to the Office of Clean Energy for a 700 kW solar electric generation system. On May 4<sup>th</sup>, 2007, the CORE processing team deemed the application complete. The May 4, 2007 date established the relative priority of the Commission's claim for rebate funding. On May 31, 2007, the Clean Energy Program website published a list of projects in queue for the Public – Other market segment. The Commission's application is nineteenth in that queue. The Commission now asks the Board to commit funding to its project from the 2008 CORE rebate budget.

Funds from the 2008 budget will become available on January 1, 2008. The Board has not typically chosen to commit funds from the CORE budget in advance of the calendar year in which those funds become available. However, in this case there are substantial public policy grounds on which to do so. Public projects are often time consuming and arduous to complete due to the requirements of the public bidding process. In its letter petition, the Commission states that it had relied upon the availability of rebate funds in 2007 in issuing a Request for Proposals (RFP) and had represented to the vendors who responded to the RFP that such funding would be available, resulting in the submission of proposals whose pricing is contingent upon the Commission's receipt of the CORE rebate. The Commission represents that its vendors are unlikely to maintain their current bids until such time as a commitment letter issues based upon the Commission's ranking in the queue. The Commission clearly anticipates either a delay resulting from the necessity of re-issuing its RFP and/or increased costs if the vendors respond with higher bids than have been submitted in response to the first RFP. The issuance of a commitment letter at this time would permit the Commission to proceed with construction without loss of time or added expense to the public.

Moreover, the Commission locates its application in the context of an overall initiative to develop 5 MW of solar and 20 MW of renewable energy in the Meadowlands District.. Substantial investment in renewable energy by public agencies promotes the State's conservation goals as set forth in legislation, executive orders, and the Board's own rules.

The Board <u>FINDS</u> that public policy considerations support granting the Commission's request at this time. Given the protracted nature of the public bidding process, and the progress already made by the Commission in that process, the public interest is better served by committing funds to this public project than by requiring the Commission to repeat the process.

The Board <u>HEREBY AUTHORIZES</u>, as within time, the issuance of the August 1, commitment letter to the Commission. This letter made payment of the rebate conditional upon appropriate completion of the project and made the rebate payable after January 1, 2008. The Board also <u>DIRECTS</u> Staff to develop a preliminary funding allocation proposal for the 2008 CORE budget for presentation to the Board at its September 12, 2007 Board meeting.

DATED:

8/24/07

BOARD OF PUBLIC UTILITIES

BY:

JEANNE M. FOX PRESIDENT

FREDERICK F. BUTLER

COMMISSIONER

JOSEPH L. FIORDALISO

COMMISSIONER

Christine V. Bator

CHRISTINE V. 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

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## In the matter of petition of the New Jersey Meadowlands commission for an allocation of 2008 rebate funds

### **Docket No. E007070560**

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