



STATE OF NEW JERSEY
Board of Public Utilities
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**OFFICE OF CLEAN ENERGY
& DIVISION OF ENERGY**

IN THE MATTER OF ATLANTIC CITY ELECTRIC COMPANY RENEWABLE ENERGY PORTFOLIO STANDARD- AMENDMENTS TO THE MINIMUM FILING REQUIREMENTS FOR ENERGY EFFICIENCY, RENEWABLE ENERGY, AND CONSERVATION PROGRAMS; AND FOR ELECTRIC DISTRIBUTION COMPANY SUBMITTALS OF FILINGS IN CONNECTION WITH SOLAR FINANCING	))))))))	ORDER ON RESULTS OF THE FOURTH SOLICITATION DOCKET NO. EO08100875
IN THE MATTER OF THE VERIFIED PETITION OF JERSEY CENTRAL POWER AND LIGHT COMPANY CONCERNING A PROPOSAL AN SREC-BASED FINANCING PROGRAM UNDER N.J.S.A 48:3-98.1	))))	ORDER ON RESULTS OF THE FOURTH SOLICITATION DOCKET NO. EO08090840
IN THE MATTER OF THE VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY CONCERNING A PROPOSAL FOR AN SREC-BASED FINANCING PROGRAM UNDER N.J.S.A 48:3-98.1	))))	ORDER ON RESULTS OF THE FOURTH SOLICITATION DOCKET NO. EO09020097

(SERVICE LIST ATTACHED)

BY THE BOARD:

BACKGROUND AND PROCEDURAL HISTORY

By Order¹ dated August 7, 2008 ("August Order"), the New Jersey Board of Public Utilities ("Board") directed the Jersey Central Power and Light Company ("JCP&L") and the Atlantic City Electric Company ("ACE") to file a solar financing program based on Solar Renewable Energy Credits ("SRECs") by September 30, 2008, and include certain design and filing requirements.

¹ I/M/O the Renewable Energy Portfolio Standard: Amendments to the Minimum Filing Requirements for Energy Efficiency, Renewable Energy, and Conservation Programs, and for Electric Distribution Company Submittals of Filings in Connection with Solar Financing, Docket No. EO06100744

In addition, the August Order directed the Rockland Electric Company ("RECO") to file an SREC-based financing program by January 31, 2009.

On August 22, 2008, RECO submitted a motion for reconsideration of the August Order, arguing that its proposed residential solar loan program in BPU Docket No. EO080907031, would be more effective in developing market support of solar projects in its service territory. By Order dated December 10, 2008, I/M/O Rockland Electric Company's Motion for Reconsideration or, in the Alternative, Clarification in Part of the Board's August 7, 2008 Order, Docket No. EO06100744 ("December Order"), the Board rejected the Company's request to provide only a residential solar loan program, but determined that RECO was not prohibited from pursuing a solar loan program in addition to an SREC-based financing program. The December Order further provided that RECO could proceed with its own SREC-based financing program or it could opt to participate in the programs submitted to the Board by ACE or JCP&L.

On September 30, 2008, JCP&L filed its solar financing program, I/M/O the Verified Petition of Jersey Central Power & Light Company Concerning a Proposal for an SREC-Based Financing Program under N.J.S.A. 48:3-98.1, Docket No. EO08090840. On October 1, 2008, ACE filed its solar financing program, I/M/O the Renewable Energy Portfolio Standard – Amendments to the Minimum Filing Requirements for Energy Efficiency, Renewable Energy, and Conservation Programs; and for Electric Distribution Company Submittals of Filings in Connection with Solar Financing, Docket No. EO08100875. On February 3, 2009, RECO filed its SREC-based financing program ("RECO Program"), In the Matter of the Verified Petition of Rockland Electric Company for Approval of a Residential Solar Loan Program Pursuant to N.J. S.A. 48:3-98.1, Docket No. EO08090903.

Over the course of settlement discussions held between February and March 2009, the ACE and JCP&L filings merged into one model program ("ACE-JCP&L Program") with similar positions on all issues including cost recovery mechanisms and incentives. The parties reached an agreement on all relevant details of the ACE-JCP&L Program and signed a stipulation on March 13, 2009 ("ACE-JCP&L Stipulation"). The Department of Public Advocate, Division of Rate Counsel ("Rate Counsel") signed the ACE-JCP&L Stipulation but reserved the right to contest three specific issues. By Order dated March 27, 2009 ("March Order"), the Board approved the ACE-JCP&L Stipulation and resolved the contested issues. On May 8, 2009, Rate Counsel filed a notice of appeal with the Superior Court of New Jersey, Appellate Division, regarding the additional recoveries portion of the contested issues. ACE, JCP&L, the Board, and Rate Counsel entered into a stipulation of settlement on the additional recoveries ("Stipulation of Appeal") on July 29, 2009 in the interest of avoiding further litigation. By Order dated September 16, 2009 the Board modified its March Order to reflect the terms of the Stipulation of Appeal. Rate Counsel withdrew its appeal on September 23, 2009.

On June 29, 2009, JCP&L and ACE retained NERA Economic Consulting to serve as Solicitation Manager ("SM") and to implement the ACE-JCP&L Program. On July 27, 2009 the parties to the RECO filing executed a stipulation ("RECO Stipulation") on all the relevant details of the RECO Program but leaving open two issues for the Board. By Order in these dockets dated July 31, 2009 ("July Order"), the Board approved RECO's Stipulation and resolved the contested issues.

Bids for the first solicitation ("First Solicitation") under the ACE-JCP&L Program were submitted to the SM by August 25, 2009. On September 23, 2009 the SM sent Board Staff ("Staff") a report containing its final recommendations to the Board. On September 30, 2009, the Board issued an Order: (i) authorizing JCP&L to award SREC Purchase Sale Agreements ("PSAs") to

seven projects for a total of 1,585.37 kW; (ii) ordering the second solicitation ("Second Solicitation") to be 12MW for JCP&L and 5MW for ACE; and (iii) ordering a third solicitation ("Third Solicitation") to be held on March 5, 2010 with at least 9.40527 MW for JCP&L and 5 MW for ACE. In addition, the Board committed to consider after the Second Solicitation whether capacity not awarded in the Second Solicitation should be included in the Third Solicitation.

Bids for the Second Solicitation under the ACE-JCP&L Program and the RECO Program (jointly "Programs") were submitted to the SM on December 11, 2009. On January 14, 2010, the SM sent Staff a report containing its final recommendations to the Board. On January 21, 2010, the Board issued an Order: (i) authorizing ACE to award SREC PSAs to ten projects for a total of 2,196.508 kW; JCP&L to award SREC PSAs to twenty seven projects for a total of 4,175.69 kW; and RECO to award SREC PSAs to two projects for a total of 149.60 kW; and (ii) ordering the Third Solicitation to be 7,803.49 kW for ACE, 17,238.94 kW for JCP&L and 2,117.40 kW for RECO.

Bids for the Third Solicitation were submitted on March 5, 2010. On April 9, 2010, the SM sent Staff a report containing its final recommendations to the Board. On April 28, 2010, the Board issued an Order: (i) ordering the ACE, JCP&L and RECO (jointly "EDCs"), to include in the RFP an additional provision precluding a project that receives an award in one solicitation to compete in a future solicitation at a higher price absent a "clear indication of a change in circumstances"; (ii) directing Staff to work with the SM, Rate Counsel and the EDCs in defining the criteria to be used in determining what constitutes a clear indication of a change in circumstances; (iii) authorizing the EDCs to enter into SREC PSAs for fifty-seven projects totaling 9,332.978 kW; (iv) directing the EDCs to work with the SM in examining the reasons behind the inconsistent participation across territories and to report back to the Board at the fifth solicitation round under the Programs ("Fifth Solicitation"); and (v) establishing the Program capacities for Reporting Year 2010/2011, pursuant to the recommendations of the SM.

Bids for the fourth solicitation under the Programs ("Fourth Solicitation") were received on June 11, 2010. Twenty-three bids were received totaling 5,025.025 kW. The SM held a meeting with the EDCs, Staff and Rate Counsel on June 22, 2010, to review and discuss the preliminary results of the solicitation and possible recommendations to the Board. On July 19, 2010 the SM submitted its final recommendations to the Board.

DISCUSSIONS AND FINDINGS

The Board has carefully reviewed the recommendations of the SM and **FINDS** that, with the modification to the date for the next solicitation, they appropriately address all the issues specified in the March and July Orders, the ACE-JCP&L Stipulation and the RECO Stipulation, and thus are in keeping with the overall purpose and requirements of the Programs. The Board **FURTHER FINDS** that the overall process was effectively competitive.

After consideration of the recommendations of the SM and Staff, the Board **AUTHORIZES** the EDCs to award SREC PSAs to twenty projects for a total of 3,931.945 kW. The Board **AGREES** with the SM's recommendation not to authorize three awards for a total of 1,093.080 kW as not competitively priced. The average NPV for the awards is \$3,296.71, corresponding to an average SREC price of \$466.21/SREC for a ten-year contract. The lowest NPV for the awards is \$2,925.32, corresponding to an average SREC price of \$413.69/SREC for a ten-year contract.

The Board **ORDERS** that any planned capacity unfilled in the Fourth and Fifth Solicitations be procured in a sixth solicitation to be held during Reporting Year 2010-2011. The Board **FURTHER ORDERS** that the Fifth Solicitation be held in October 2010, instead of September 2010, to provide some extra time to bidders and encourage participation.

The Board is somewhat disappointed with the level of participation in the Program to date, and with the under subscription in the past solicitation. Therefore, the Board **HEREBY DIRECTS** Staff to review the Programs with the EDCs, the SM and Rate Counsel, along with representatives of the solar industry. The goal of this review is to determine what programmatic and administrative modifications are needed to increase participation in the Programs and foster additional long-term contracting for the benefit of all stakeholders. The Board **FURTHER DIRECTS** Staff to report to the Board on recommended changes no later than the date the SM submits its final recommendations for the Fifth Solicitation.

Finally, the Board **AMENDS** the table of Planned Quantities of its April 28, 2010 Order as follows to reflect the correct quantities to be procured by JCP&L in the Fifth Solicitation:

EDC	Fourth Solicitation (kW)	Fifth Solicitation (kW)	Total (kW)
JCP&L	9,297.411	8,723.211	18,020.622
ACE	6,844.416	5,844.416	12,688.832
RECO	1,460.700	1,459.700	2,920.400

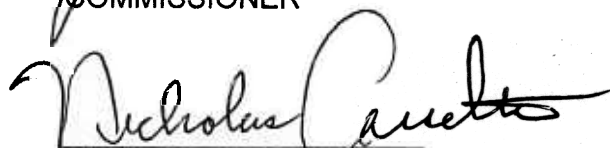
DATED: 8/12/10

BOARD OF PUBLIC UTILITIES
BY:


LEE A. SOLOMON
PRESIDENT

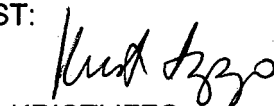

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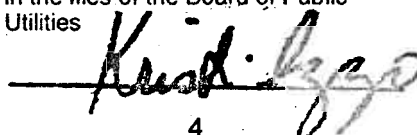

NICHOLAS ASSELYA
COMMISSIONER


ELIZABETH RANDALL
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
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