



Solar Act Subsection r. Application Form

Application Form: Requirements, Instructions, Terms and Conditions

The following application is intended only for developers of grid-supply solar electric power generation facilities that have satisfied the regulatory requirement at N.J.A.C. 14:8-2.4 (g) to file an Expression of Interest with the New Jersey Board of Public Utilities (“NJBP” or “Board”) of intent to seek designation pursuant to N.J.S.A. 48:3-87 (r) and the requisite Board approval pursuant to N.J.A.C. 14:8-2.4 (g) as “connected to the distribution system” for purposes of Solar Renewable Energy Certificate (“SREC”) or eligibility in the alternative for a Transition Incentive (“TI”). Projects must receive Board conditional designation as “connected to the distribution system” and commence commercial operations prior to the Board’s determination that 5.1% of the retail electricity sales were attained from solar electric power generators to be eligible for an SREC. Projects that do not commence commercial operations prior to the Board’s determination that 5.1% of the retail electricity sales were attained from solar electric power generators will be eligible for a TI. **Before completing the attached Subsection r. application, please carefully read all of the information in I., II., and III. below.**

I. Minimum Qualification Requirements

1. Only those applications which meet all the statutory requirements under N.J.S.A. 48:3-87(r) will be considered for designation as “connected to the distribution system” for purposes of SREC or TI eligibility. A Facility must enter commercial operations within two (2) years of the date of designation by the Board and prior to the Board’s determination that 5.1% of the retail electricity sales were attained from solar electric power generators or the Facility will not be eligible to earn SRECs and the escrow described at I. 4 will be forfeited. A Facility that enters commercial operations within two (2) years of the date of designation by the Board but after the Board’s determination that 5.1% of the retail electricity sales were attained from solar electric power generators the Facility will not be eligible to earn SRECs but may qualify for a TI and will retain ownership of the escrow described at I. 4.
2. Applications for projects proposed to be located on agricultural land taxed pursuant to the “Farmland Assessment Act of 1964” (“Farmland”) which meet the statutory requirements under N.J.S.A. 48:3-87(s) will be rejected.
3. The applicant must have filed an Expression of Interest for the subject project with the Board in response to the May 2016 or February 2017 directive by the Board. The applicant must attach to this application, as Attachment 2, a copy of the Expression of Interest filed with the Board.
4. For any such application for a project greater than 25 kilowatts, the applicant must enter into the affixed Escrow Agreement with an Accredited Financial Institution in the amount of \$40,000 per MWdc. The applicant must submit a copy of the executed Escrow Agreement as Attachment 3.

II. Instructions for Completing the Subsection r. Application Form

1. Complete each section A. through G. of this application form, and affix the attachments required under I. Minimum Filing Requirements, as described above, and in the questions contained in section F. below. Incomplete applications will not be processed.
2. The complete subsection r. application package must be submitted to the Board at the address specified below by 5:00 P.M. March 14, 2019.
3. Original signatures are required on all forms and within the certification in section G.
4. Five (5) completed application packages must be submitted to the Board.

III. Important Terms and Conditions

The “applicant” is defined to be the entity, specifically the project developer, contractor, installer, land speculator, or agent of any thereof, that submits the subsection r. application form.



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1. The applicant, by signing the application and certification, acknowledges on behalf of all project participants, that approval pursuant to subsection r. is a condition of SREC or TI eligibility, i.e., the incentive authorized by the Board as a transition incentive, but does not obviate the need to comply with the SREC Registration Program requirements, and meet all relevant local, state or federal laws. The Board may attach specific conditions, including setting the effective date of the project's qualification life, when the Board issues a decision on the application.
2. The NJBPU reserves the right to modify the application information requirements or require the applicant to supplement the information provided during this application process.
3. Board staff will review each application for completeness, and notify the applicant within two weeks of receipt of application whether the application has been accepted for processing or is deficient and/or incomplete. **Incomplete applications will not be processed.**
4. By submitting an application, the applicant acknowledges on behalf of all project participants that the information included in the application may be subject to disclosure under the Open Public Records Act. Aggregated information will be used by the Board and/or other state, federal, county, regional or local agencies in reports and evaluations, and the geographic location may be used to update GIS mapping. The Board will issue a Board Order decision on all applications. All Board Orders will be posted on the Board's website at www.nj.gov/bpu.

All notifications regarding any modifications to the subsection r. application requirements will be posted on the Board website at www.nj.gov/bpu and NJCEP website at www.njcep.com.

All projects approved under the subsection r. application process must also comply with all appropriate provisions of the Renewable Portfolio Standards rules, including the SREC Registration Program ("SRP"), and must comply with all applicable local, state, and federal laws, permit requirements and regulations.

APPLICATION DELIVERY:

Five (5) completed application packages must be mailed or hand-delivered, and received by 5:00 PM March 7, 2019, to:

(Faxes and e-mails will not be accepted.)

Solar Act Subsection r. Application Package
New Jersey Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350

Attn: Division of Clean Energy



Solar Act Subsection r. Application Form

A: Applicant Contact Information

Applicant Company Name (if applicable): _____
 Mr. _ Ms. _ Dr.: _ First Name: _____ Last Name: _____
 Daytime Phone: _____ Email: _____
 Applicant Mailing Address: _____
 City: _____ State: _____ Zip Code: _____

B: Applicant Role (Indicate with checkmark the nature of the applicant, check all that apply)

Applicant is: Project Developer Proposed Facility Owner Contractor/Solar Installer
 Agent (if Agent, what role is represented) _____
 Other (if Other, describe applicant's role in project development) _____

C: Proposed Facility Owner (Who will own the Proposed Facility?) Fill out if known. Duplicate data in A. above, if applicable

Company Name (if applicable): _____ Contact Person: _____
 Mailing Address: _____
 City: _____ State: _____ Zip Code: _____
 Daytime Phone: _____ Email: _____

D: Contractor / Solar Installer (Who will construct the Proposed Facility?) Fill out if known. Duplicate data in A. above, if applicable

Company Name: _____ Contact Person: _____
 Federal Tax I.D. Number: _____
 Daytime Phone: _____ Email: _____
 Address: _____
 City: _____ State: _____ Zip Code: _____

E: Proposed Solar Facility Characteristics; N.J.A.C 14:8-2.4 (g) 1. i. – viii.

- i. Proposed Solar Facility Nameplate Capacity: _____ MW ac _____ MW dc
- ii. Estimated Energy to be Produced Annually: _____ MWh per year
- iii. Estimated SRECs to be Produced Annually: _____ SRECs per year
- iv. Estimated Commissioning Date: ____/____/____ (Day, Month, Year)
 Estimated Decommissioning Date: ____/____/____ (Day, Month, Year)
- v. Total Project Acreage: _____ site acres
 Proposed Solar Facility Location or Address: _____
 Proposed Solar Facility Block and Lot Number(s): _____
 Proposed Solar Facility Township: _____
 Proposed Solar Facility Zip Code: _____
- vi. Estimated Annual Rate Impact on Ratepayers: _____
- vii. Point of Interconnection: _____
 Electric Distribution Company accommodating facility interconnection: _____
 PJM Interconnect Queue Number: _____
- viii. Type of Solar Technology to be Used: _____



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E: Proposed Solar Facility Characteristics; N.J.A.C 14:8-2.4 (g) 1. ix. – xvi.

- ix. Required State permits or approvals: _____

- x. Required Municipal permits, approvals, or waivers already received or anticipated: _____

- xi. Current Zoning Designation(s) for the proposed host site: _____

- xii. Date of most recent change in zoning designation: _____
- xiii. Zoning Ordinance; _____
- xiv. Maps and other documents showing the location and associated impacts, including identification of any farm parcels or lands preserved for agricultural, conservation, or recreational purposes, including, but not limited to, lands preserved pursuant to New Jersey's Green Acres Program, located within 0.5 miles of the host site. Maps and other documents submitted must also show the host site's location in proximity to an Agricultural Development Area or Farmland Preservation Program project area, as Appendix 4.
- xv. Maps and other documents showing the location of other grid supply projects proposed, under construction, or existing within the nearest Agricultural Development Area, land preserved under the Green Acres Program, and land preserved under the Farmland Preservation Program. Maps and other documents must also show the location of all solar grid supply projects proposed, under construction, or existing within five miles of the host site, as Appendix 5;
- xvi. Project decommissioning plans, prepared by an independent entity, for the end of the useful life of the facility. A decommissioning plan shall set out the process through which any lands disturbed by the construction and/or operation of the solar facility shall be restored to pre-existing condition and shall include, at a minimum as Appendix 6:
 - (1) A plan for removal of all solar energy generation facilities and all electrical appurtenances;
 - (2) A plan for removal of foundations and any access roads not needed for future purposes by the owner of the site; and
 - (3) A plan to ensure that environmental impacts are minimized and mitigated during decommissioning activities, including a plan for replacement of surface materials; and

F: Other Information Required by the Board

- 1. What is the current status of project development? (Designed, Site Cleared, Majority of Materials Onsite, Construction Initiated, Construction Completed, Interconnection Completed, Authorized to Energize – circle each that apply to the project)
- 2. Has equipment been purchased yes or no? _____
- 3. If yes, provide proof of all equipment expenditures to date as Appendix 7.
- 4. Has construction begun? yes or no? _____
- 5. If yes, when was construction initiated: (day, month, year) __ / __ / __



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6. If no, when will construction be initiated: (day, month, year) __/__/__
7. Are materials currently onsite, yes or no: _____
8. If yes, what materials are onsite _____
Attach pictures of materials located onsite as Appendix 8.
9. If yes, when were materials delivered onsite: (day, month, year) __/__/__
10. If no, when are materials to be delivered onsite: (day, month, year) __/__/__
11. Is any part of the project currently installed?: yes or no: _____
12. If yes, what materials are installed _____
Attach pictures of completed construction as Appendix 9.
13. How much has been invested in project development: \$ _____
14. What is the anticipated total installed facility cost: \$ _____
15. Has the PJM Construction Service Agreement (CSA) and Interconnection Service Agreement (ISA) been executed? yes or no: _____
16. If yes, provide the executed pages of each document and the construction schedule and scope of work as well as documentation of interconnection costs expended in compliance with the PJM CSA as Appendix 6.
17. Has the project been interconnected and authorized to energize? yes or no: _____
18. If yes, when was the system authorized to energize (MM,DD,YY): (__, __, __)
19. If no, when is the system interconnection anticipated to be completed? (MM,DD,YY): (__, __, __)
20. Has an application been submitted to safe harbor Treasury Federal Investment Tax credit at 30%: yes or no: _____
21. If yes, provide the cover letter for submission of documentation to safe harbor Federal Investment Tax credit at 30% as Appendix 7.
22. Has project construction financing been secured? yes or no: _____
23. If yes, provide documentation such as an affidavit or contract execution page demonstrating that project finance has been secured as Appendix 8.
24. Has an SREC offtake contract been secured? yes or no: _____
25. If yes, provide documentation such as an affidavit or contract execution page demonstrating that SREC offtake has been contracted for outside of the SREC spot market as Appendix 9.



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G: Certifications

The undersigned warrants, certifies, and represents that:

- 1) the information provided in this application package is true and correct to the best of his or her knowledge; and
- 2) the system proposed in the application will be constructed, installed and operated as described in the application and in accordance with all Board rules and applicable laws; and
- 3) the system proposed will be constructed, installed and operated in accordance with all NJBPU policies and procedures for the SRP program;
- 4) all signing parties realize that certain information in this application may be subject to disclosure under the Open Public Records Act; and
- 5) **all signing parties acknowledge that if any of the foregoing statements are willfully false, they are subject to punishment to the full extent of the law.**

Applicant

Signature: _____
 Print Name: _____
 Date: _____

Project Developer

(if known)

Signature: _____
 Print Name: _____
 Date: _____

Proposed Facility Owner

(if known)

Signature: _____
 Print Name: _____
 Date: _____

Signed and sworn to before me on this _____ day of _____, 20____

Signature

Name



State of New Jersey
BOARD OF PUBLIC UTILITIES
ESCROW AGREEMENT
 N.J.S.A. 48:3-87r

 Name of Financial Institution

 Name of Proposed Solar Electric Power Generation Facility Owner

 Address

 Address of Proposed Solar Electric Power Generation Facility

 Telephone Number

 SRP Facility Registration Number

 Escrow Account Number

 Address of Proposed Solar Electric Power Generation Facility Owner

 Telephone Number

Pursuant to Subsection r of Section 2 of L. 2012, c.24, the Solar Act of 2012 (“Act”), codified at N.J.S.A. 48:3-87, this Escrow Agreement is made on this _____ day of _____, 20_____, between

Owner/Operator Name _____
 (hereinafter called “Depositor”),

and

Accredited Financial Institution Name _____
 (hereinafter called “Escrow Agent”)

(1) **Escrow Account/Purpose**

The Depositor agrees to deposit, with the Escrow Agent, the funds described in N.J.S.A. 3-87r for the proposed solar electric power generation facility (Solar Facility) described above; and the Escrow Agent agrees to hold said funds in escrow in an interest bearing account pursuant to the Act, and the terms and conditions of this Agreement. The sole purpose of the escrow account shall be to insure that funds are set aside and kept available in the event that the Solar Facility is designated by the BPU as connected to the distribution system pursuant to N.J.S.A. 48:3-87 r, and fails to commence commercial operations within two (2) years of the date of designation.

(2) **Approval of the Escrow Agreement**

This Agreement shall be of no force and effect unless approved in writing by the BPU which approval may be withdrawn at any time by BPU within its sole discretion. This Agreement may only be amended by a written agreement approved in writing by BPU which may, from time to time, require such amendment in its discretion, or as otherwise set forth herein.

(3) **Separation of Funds**

The Depositor and the Escrow Agent agree that the escrow account shall be a separate account apart from all other accounts. The escrow account shall be the sole escrow fund maintained by the Depositor pursuant to the Act for the Solar Facility designated above. In cases where a Depositor has ownership or control over more than Solar Facility in the State of New Jersey, a separate escrow account shall be established for each facility.

(4) **Escrow Deposit**

The Depositor agrees to make the deposit into the escrow account of all monies required by N.J.S.A. 48:3-87 r to be deposited in connection with the above designated Solar Facility. The Depositor agrees to make no deposits into the escrow account except such funds as are so required. The Escrow Agent shall not be responsible for determining the amount to be deposited into the escrow account.

(5) **Investment of Escrow Account Funds**

In all cases, the escrow account shall be invested and maintained so as to maximize yield and minimize risk (subject to the approval of BPU). In the event this Agreement contains Investment Guidelines attached hereto, the escrow account shall also be invested and maintained in a manner fully consistent with such Guidelines. These Investment Guidelines may from time to time be revised or modified by BPU, in its discretion, as circumstances as prevailing financial market and economic conditions may change. Any such revisions or modifications by BPU to the Investment Guidelines shall be immediately incorporated into the terms of this Agreement upon receipt by the parties hereto, and thereafter the investment and maintenance of the escrow account shall be fully consistent with such revised or modified Investment Guidelines. Liquidity shall be maintained as directed by the BPU. ("Liquidity" shall mean the availability of funds for drawdown consistent with the BPU's strategy for commencement of commercial operation for the Solar Facility.)

(6) **Interest and Other Income**

The Depositor and the Escrow Agent agree that all interest and other income earned as a result of investment of funds in the escrow account shall be deposited as earned into the escrow account, to be applied toward any BPU-approved fees charged by the Escrow Agent for administering the account. Such interest and other income shall be subject to the same restrictions applicable to the principal of the escrow account as set forth in the Act, and this Agreement.

(7) **Direction of investments**

The Depositor shall have no right to direct the investment of the escrow account funds. Investments shall be directed by the Escrow Agent, subject to the provisions of the Act, and the determination of BPU, as set forth in this Agreement.

(8) **Account as Non-Asset**

All funds deposited in the escrow account shall not be considered an asset of the Depositor and shall not be available to any creditor of the Depositor in the event of the bankruptcy, reorganization, insolvency or receivership of the Solar Facility or the Depositor, or for any other reason. Depositor and the Escrow Agent agree that funds deposited in the escrow account are for the sole benefit of the purposes established by this Agreement and N.J.S.A. 48:3-87 r, and may be withdrawn only pursuant to the express provisions of this Agreement and N.J.S.A. 48:3-87 r. Funds will only be available for use by the owner/operator, or by a court-appointed receiver or other legal representative of the owner/operator upon written approval of the BPU.

(9) **Quarterly Statement-Financial Institution**

The Escrow Agent hereby agrees to submit quarterly statements of the escrow account to the BPU. The statements shall report on all transactions charged and credited to the escrow account, and shall include an itemization of all accrued interest and all opening and closing balances of principal and income.

(10) **Withdrawal or Disbursement of Funds**

The Depositor and the Escrow Agent agree that withdrawals from the escrow account will not be made or permitted without the written approval or directive of the BPU. Written approval will be given only upon submission and approval of a written request identifying the specific provision(s) of N.J.S.A. 48:3-87 r supporting the withdrawal. Written directive may be issued to the Escrow Agent by BPU upon a written request or in the absence of a written request upon a determination by BPU, in its discretion, that a) the Depositor is entitled to return of the funds because designation of the Solar Facility as connected to the distribution system is denied, b) the Depositor is entitled to return of the funds because the Solar Facility has achieved commercial operation within two (2) years of the date of designation or c) the State is

entitled to the funds because the Solar Facility has failed to achieve commercial operation within two (2) years from the date of designation as connected to the distribution system. Upon the issuance and delivery to the Escrow Agent of such written approval or directive by BPU, the Escrow Agent shall immediately disburse the funds called for by said approval or directive, for use solely for the purposes and in the manner specified in said written approval or directive.

(11) **Compensation of Escrow Agent**

Notwithstanding the terms of paragraph 10 of this Agreement, the Escrow Agent shall be entitled to take reasonable compensation for its services in administering the escrow account to be established under this Agreement. Such compensation may be deducted by the Escrow Agent directly from the escrow account from time to time, but in no event more frequently than once a month, unless more frequent deductions are approved in writing by BPU. All such deductions shall be fully documented and shown as a debit to the escrow account by the Escrow Agent under the quarterly statements to be submitted to BPU, pursuant to paragraph 9 of this Agreement. In all cases, the amount or rate of such compensation shall be reasonable, shall not exceed the amount or rate of compensation customarily charged by the Escrow Agent for like services, and shall be subject to the written approval of BPU. For purposes of this Agreement, and unless and until written approval to modify such compensation is given by BPU, the amount or rate of compensation to be charged by the Escrow Agent hereunder shall be as follows (detailed):

(12) **Liability of the Escrow Agent**

The Depositor agrees to indemnify and hold the Escrow Agent harmless from and against all liabilities, fees, costs and expenses incurred by the Escrow Agent, with respect to the performance of its duties hereunder, unless said liabilities, fees, costs or expenses shall arise from the Escrow Agent's failure to perform its duties hereunder with reasonable cost and care.

(13) **Termination**

This Agreement may be terminated by either party on 90 days' written notice to BPU and to the other party to this Agreement, which notice shall state the reasons for such termination, and the provisions of this Agreement shall remain in full force and effect until the expiration of said 90 days' notice. In the case of termination by the Depositor, such termination shall be ineffective in the absence of prior written consent by BPU, on such terms as BPU, in its discretion, may require. In the event of termination, the Depositor shall submit a new escrow agreement to BPU, for review and approval as set forth in paragraph 2, within 60 days from the notice of termination. Upon such approval, BPU will give the Escrow Agent hereunder written approval to transfer the funds in the escrow account, with accumulated interest and other income from investment of the funds in the escrow account, to the new Escrow Agent under the new escrow agreement, and the Escrow Agent shall immediately transfer all such funds to the new Escrow Agent upon receipt of such written approval. No such transfer shall be made without such written approval by BPU. Such transfer of funds must be through an inter-financial institution transaction and shall not be transferred through the Depositor. Nothing herein shall limit the right of BPU to withdraw its approval of this Agreement at any time, in its discretion, as set forth in paragraph 2 herein.

(14) **Notice and Instructions**

All notices and instructions related to this Agreement shall be in writing and, except for bank statements to BPU under paragraph 9, shall be made by certified or registered mail, return receipt requested. All notices and instructions sent to the parties hereto shall be sent to the addresses of the parties set forth at the beginning of this Agreement. For purposes of this Agreement, and until notification of a change of address is supplied by BPU to the parties hereunder, all notices to **the NEW JERSEY BOARD OF PUBLIC UTILITIES** shall be addressed to,

B. Scott Hunter
Manager,
Division of Clean Energy
7th Floor, 44 South Clinton Ave.
P.O. Box 350,
Trenton, NJ 08625

In Witness Whereof, the parties to this Escrow Agreement have executed same on this _____ day of _____, 20__.

(Owner/Operator Name)

By _____
Signature

Print or Type Name

Title

ATTEST:

By _____
Signature

Print or Type Name

(Accredited Financial Institution Name)

By _____
Signature

Print or Type Name

Title

APPROVED BY THE NEW JERSEY BOARD OF PUBLIC UTILITIES

By _____
B. Scott Hunter
Manager, Division of Clean Energy
NJBP

Date

NEW JERSEY BOARD OF PUBLIC UTILITIES
OFFICE OF CLEAN ENERGY

**SUBSECTION R ESCROW ACCOUNTS
INVESTMENT GUIDELINES TO BE FOLLOWED BY ACCREDITED FINANCIAL INSTITUTION***

PORTFOLIO OBJECTIVES

Maximize Return, Minimize Risk

GUIDELINES

The Escrow Agent shall use all reasonable efforts to invest in funds at the highest available rates of interest, consistent with the timing of the escrow fund withdrawal requirements, in the following:

- A. Obligations issued or guaranteed by an instrumentality or agency of the United States of America, whether now existing or hereafter organized;*
 - B. Obligations issued or guaranteed by any State of the United States or the District of Columbia.*
 - C. Repurchase agreements (including repurchase agreements of the Escrow Agent) fully secured by obligations of the kind specified in (A) or (B) above, as well as in money market funds and in common funds of the Escrow Agent invested in obligations specified in (A) and (B) above;*
- and*
- D. Interest bearing deposits in any bank or trust company (which may include the escrow agent) which has combined capital surplus and retained earnings of at least \$50,000,000. Any interest payable on said funds shall become part of the escrow account balance.*
 - E. Maximum maturity of individual securities limited to 3 years.*
 - F. The average maturity should be between 1 and 2 years.*
 - G. For all county, municipal, and local governments, please refer to N.J.S.A. 40A:5-15.1, which provides specific guidance for the allowable investment of public funds.*

*Accredited financial institution" means any commercial bank, savings bank or savings and loan association with its principal office located in the State of New Jersey, and insured by the Savings Association Insurance Fund (SAIF) or the Federal Deposit Insurance Corporation (FDIC); or a limited purpose trust company that meets the requirements set forth in N.J.S.A. 17:9A-28 and 17:9A-31 with its principal office located in the State of New Jersey maintaining assets in excess of \$ 50,000,000.