



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE COMPREHENSIVE ENERGY)
EFFICIENCY AND RENEWABLE ENERGY RESOURCE) ORDER
ANALYSIS FOR THE 2009 THROUGH 2012 CLEAN)
ENERGY PROGRAM – REVISED 2012-2013 PROGRAMS)
AND BUDGETS - REVISED RENEWABLE ENERGY)
INCENTIVE APPROVAL PROCESS) DOCKET NO. EO07030203

Parties of Record:

Joseph Gennello, Honeywell Utility Solutions
Michael Ambrosio, Applied Energy Group

BY THE BOARD:

By this Order, the Board considers and approves modifications to its policy regarding New Jersey Clean Energy Program ("NJCEP") Renewable Energy Incentive Program ("REIP") non-residential market segment incentives, grants for biopower and renewable energy storage projects.

During 2007, the New Jersey Board of Public Utilities ("Board") implemented a policy that required Board approval, prior to the issuance of a rebate approval letter, for all energy efficiency ("EE") rebates in excess of \$50,000 and all renewable energy ("RE") rebates in excess of \$100,000. That policy was revised by Order dated March 31, 2008, Docket No. EX04040276, when the Board approved increasing the threshold for approval of energy efficiency rebates from \$50,000 to \$100,000. The policy change was recommended in light of a probable increase in the number of applications above the \$50,000 threshold as well as the hardship and delay caused by requiring Board approval for all energy efficiency rebates in excess of \$50,000.

By Order dated January 8, 2009, Docket No. EO07030203 ("2009 Budget Order"), the Board approved a number of changes to the 2009 NJCEP Commercial and Industrial ("C&I") EE programs, including an increased maximum rebate of \$500,000 under the C&I Construction program and a maximum rebate of \$1 million per metered customer under the Pay-for-Performance program, which offers financial and other incentives for the installation of EE and RE systems. The program changes approved by the Board in its 2009 Budget Order and its Revised 2009 Budget Order were expected to significantly increase the number of projects with rebates in excess of \$100,000. Due to this anticipated increase and to the need to align the rebate approval process with State and federal efforts to quickly develop meritorious projects, the Board approved an increase in the threshold for Board approval of EE rebates from \$100,000 to \$300,000 by Order dated September 29, 2009, Docket No. EO07030203. Thereafter, by Order dated April 29, 2013, the Board approved an increase in the rebate approval threshold to \$500,000 for NJCEP C&I energy efficiency rebates.

Currently, the Board's policy requires Board approval of all renewable energy rebates and financial incentives exceeding \$300,000 before the Board's contracted Market Manager, Honeywell Utility Solutions ("Honeywell"), may issue a rebate approval letter. Staff notes that the current policy, has resulted in delays of up to three months in project development. On average, the NJCEP REIP program is receiving one renewable energy application each month that exceeds the \$300,000 threshold. With the new addition of renewable energy storage applications to the REIP, an increase in the number of such applications is anticipated. Staff projects that with a threshold increased to \$500,000, approximately four to five projects per year would require Board approval. REIP program delivery procedures are structured to ensure incentive approvals are issued only if the Board's approved program requirements are met. Staff recommends that the current policy be modified to increase the threshold for Board review from \$300,000 to \$500,000, resulting in required Board approval of all NJCEP RE rebates and financial incentives exceeding \$500,000 before Honeywell may issue a rebate approval letter.

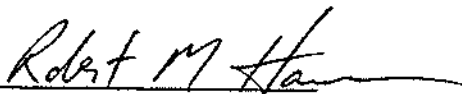
Going forward, Staff will continue to report on a monthly basis those applications that exceed the \$300,000 threshold, including the applicant's name, proposed project and project cost, amount of incentive and anticipated energy savings.

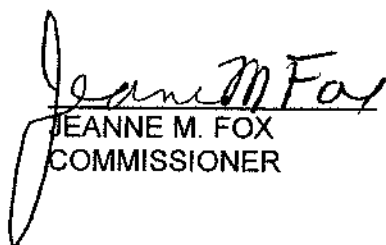
The Board supports initiatives aimed at stimulating the development of clean energy market, but shares Staff's concern that there is a probable increase in the number of applications above the current threshold and hardship and delay will be caused to these RE projects by requiring Board approval at the current threshold. In light of the historic and continuing increase in activity in the renewable energy market, the need to address delayed project development to the extent possible, and with sufficient program delivery procedures in place to ensure incentive approvals are issued if the Board's approved program requirements are met, the Board **HEREBY FINDS** that Staff's recommendation is reasonable. Accordingly, the Board **HEREBY MODIFIES** its current policy to require Board approval for all RE rebates and financial incentives at or above

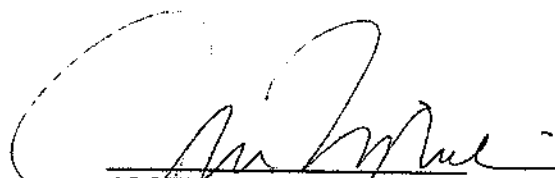
\$500,000. Only after Board approval for financial incentives at or above \$500,000 may Honeywell issue a rebate approval letter. This policy shall be effective once service has been rendered.

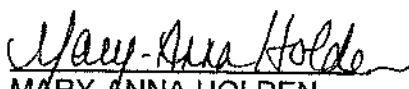
DATED: 6/21/13

BOARD OF PUBLIC UTILITIES
BY:

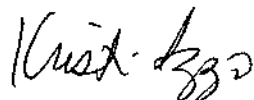

ROBERT M. HANNA
PRESIDENT


JEANNE M. FOX
COMMISSIONER

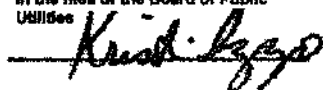

JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
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 COMPREHENSIVE ENERGY EFFICIENCY AND RENEWABLE
ENERGY RESOURCE ANALYSIS FOR THE 2009 THROUGH 2012 CLEAN ENERGY
PROGRAM – REVISED 2012-2013 PROGRAMS AND BUDGETS - REVISED RENEWABLE
ENERGY INCENTIVE APPROVAL PROCESS

DOCKET NO. EO07030203

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