

PlanSmart New Jersey Solar Policy Briefing

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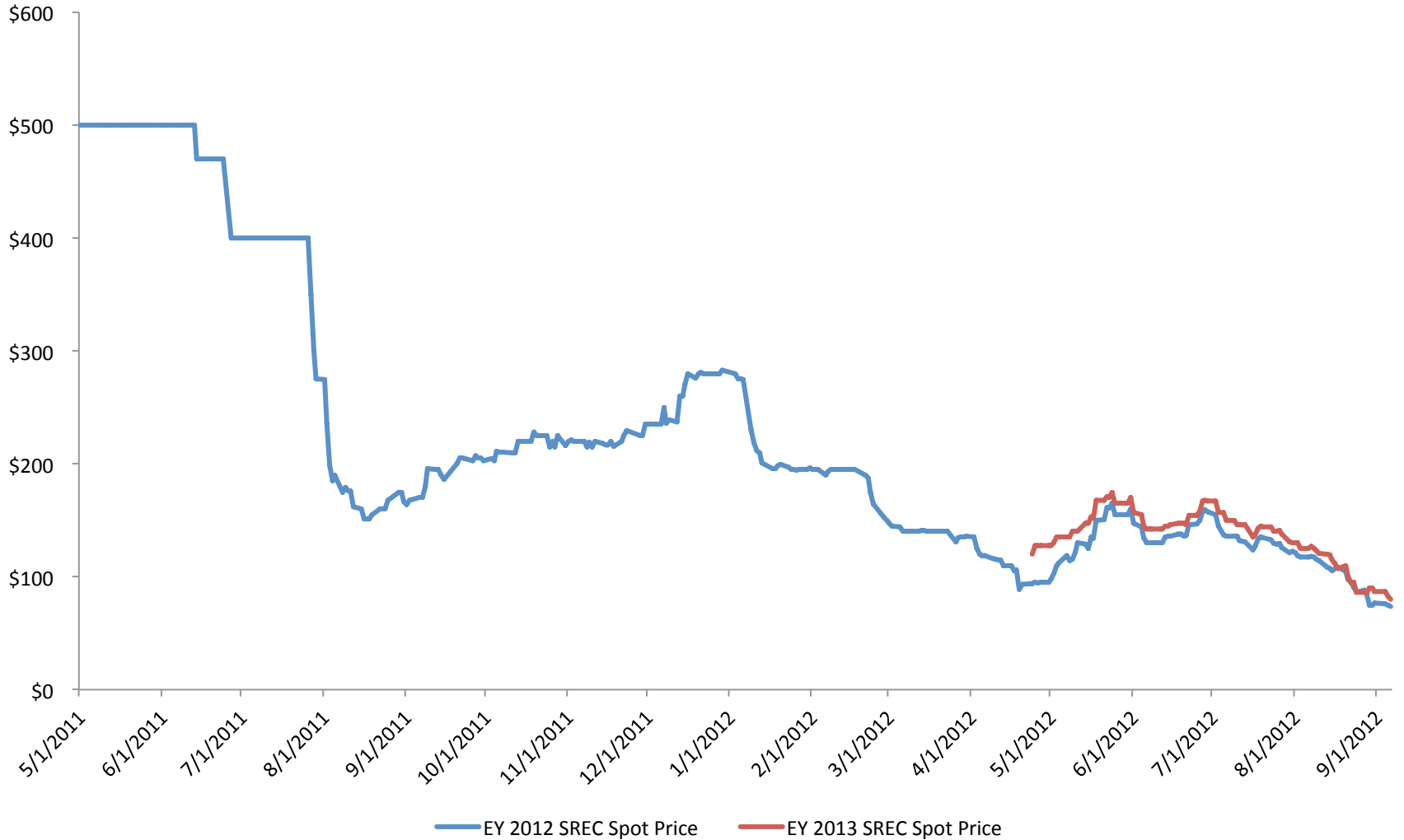
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Solar Data

- Current NJ Solar Capacity: 876 MW
- EY 2012 Build: 311 MW (38.9 MW per month)
- Average Build Rate June-July-August 2012: 24.4 MW per month
- EY 2012 Surplus: 260,000 SRECs
- EY 2013 Estimated Surplus 770,000 SRECs

SREC Price History

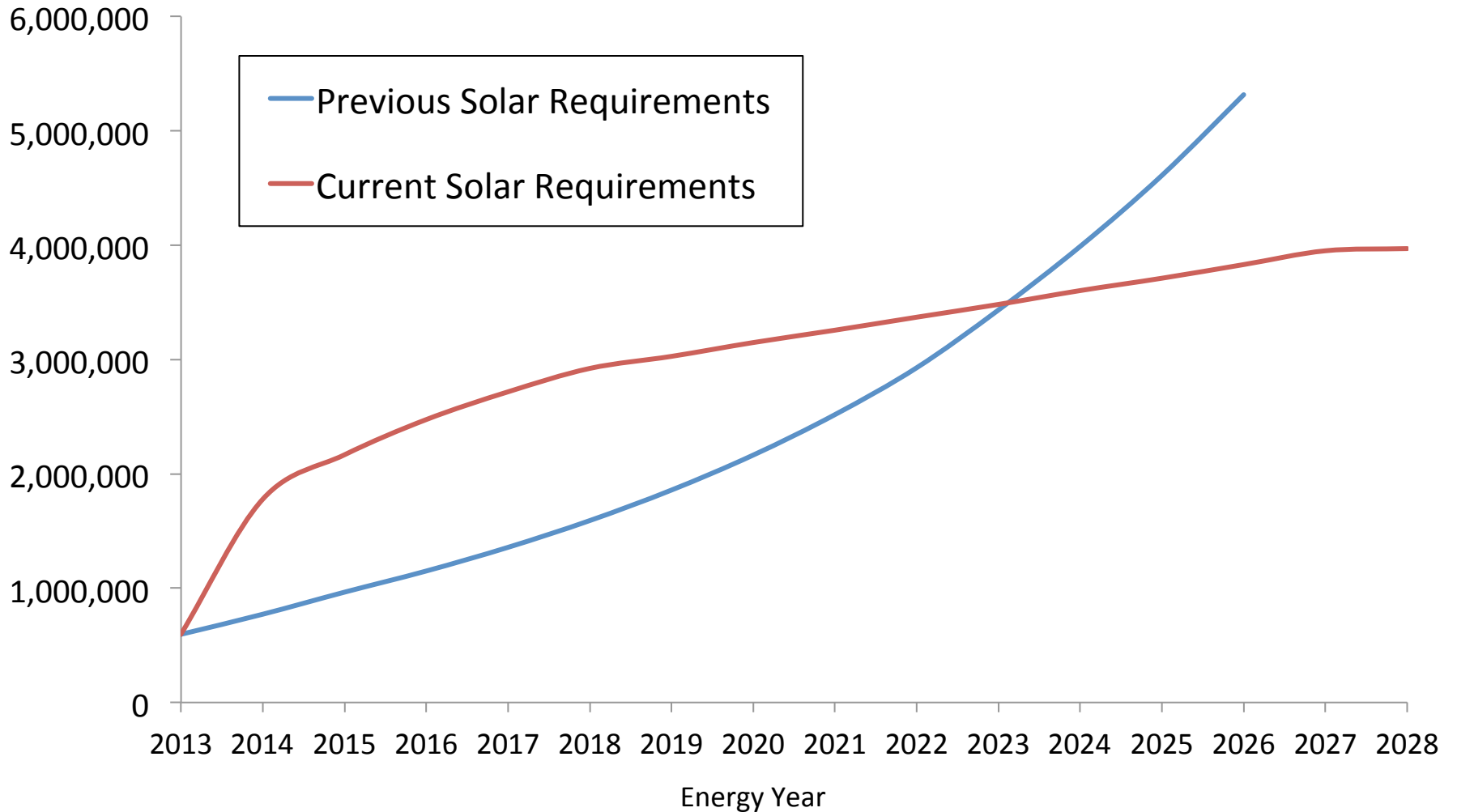


Solar Renewable Portfolio Standard S-1925



- Signed by Governor Christie on July 23
- Increase RPS to absorb excess supply of Solar Renewable Energy Certificates (SRECs)
- Decrease Solar Alternative Compliance Program (SACP) to protect rate payers
- Grid supply restrictions
- Policy emphasis on landfill, brownfield, and net metered projects
- Aggregated net meter program established
- Projects at 69 KV and below create SRECs

Solar RPS Requirements Previous vs. Current (in MWhs)



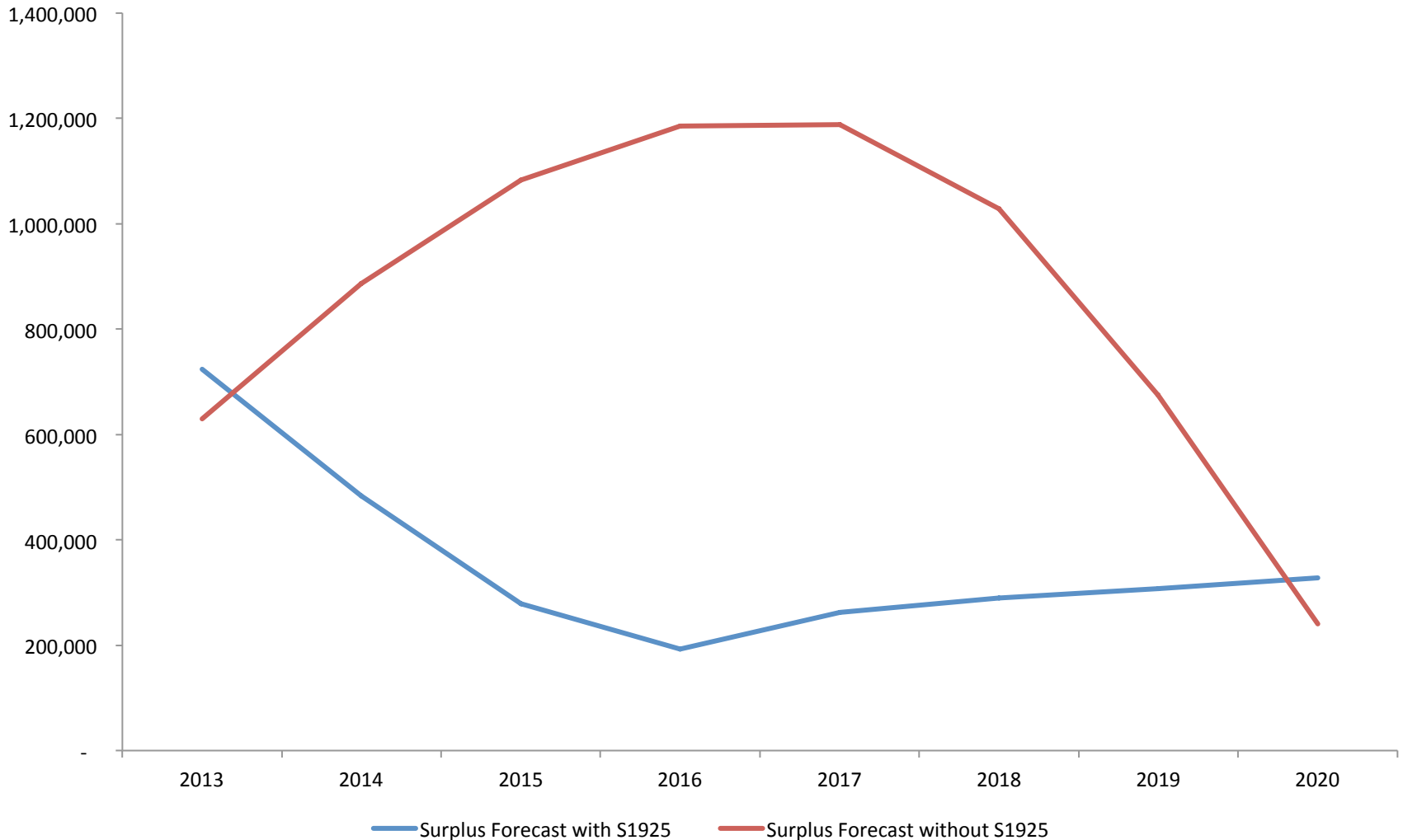
Solar Alternative Compliance Payment (SACP) Schedule



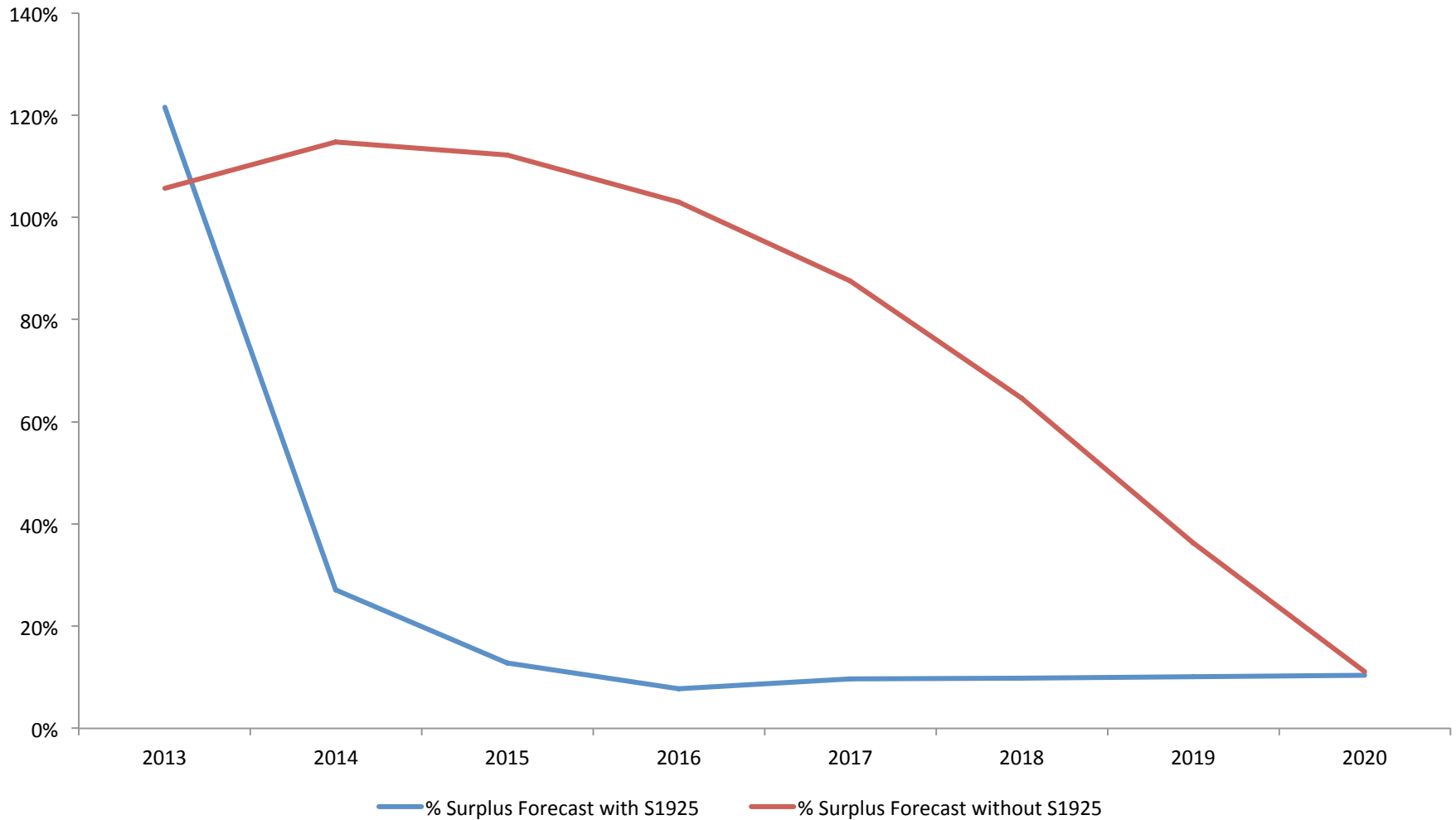
Energy Year	Previous SACP (\$/SREC)	New SACP (\$/SREC)
2013	\$641	--
2014	\$625	\$339
2015	\$609	\$331
2016	\$594	\$323
2017	\$475*	\$315
2018	\$463*	\$308
2019	\$451*	\$300
2020	\$440*	\$293
2021	\$429*	\$286
2022	\$418*	\$279
2023	\$407*	\$272
2024	\$397*	\$266
2025	\$387*	\$260
2026	\$377*	\$253
2027		\$250
2028		\$239

* BPU Staff Straw Proposal

SREC Surplus Forecast



% SREC Surplus Forecast



Key Near Term Policy Issues/Price Drivers

- Projects in pipeline/when will surplus be absorbed?
- Reduced project costs
- Interconnect issues/new PJM process
- BGS grandfather/BGS auction February 2013
- BPU Policy/Farm and other/treatment of grid supply
- Landfill and Brownfield Incentive
- Net Metering Aggregation