Experience and Issues with NJ’s Solar “Carve-out” in the RPS

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Legislative & Regulatory Evolution of NJ Solar Carve-out

- Electric Discount and Energy Competition Act of 1999 (EDECA)
  - Definition of Class I Renewable Energy
  - Societal Benefits Charge / CRA process
  - Renewable Portfolio Standards
  - Net Metering and Interconnection

- Governor’s Renewable Energy Task Force (2003)
- The “Solar Transition” (Docket No.EO06100744, 2006 thru 2012)
- Global Warming Response Act (L. 2007, c. 340, 1/13/08)
- Solar Advancement Act of 2009 (Amended s.3 P.L.1999 c.23)
- The Solar Act of 2012 (P.L. 2012, c. 24, 07/23/12)
• 1 SREC = 1 MWh of eligible solar electricity
• **SREC supply** from eligible systems “connected to distribution” with a qualification life of 15 yrs. produce SRECs useful for 5 yrs.
• SRECs can trade without limit; by brokers, aggregators, LSEs
• **SREC demand** established by regulation then legislation….
• Obligation placed on retail electric suppliers (LSEs not EDCs)
• Demand was a percent of retail sales, then absolute GWh requirement allocated by market share soon back to %….
• LSE Obligation fulfilled by retirement of SRECs
• Ratepayer cost and SREC spot price capped by SACP
SREC Supply

3 & 6 Month Moving Average of Capacity Added

Capacity Added (MW)

Energy Yr | Retail Sales Est (MWh) | RPS % | Est RPS Req (MWh)
--- | --- | --- | ---
2014 | 81,000,000 | 2.05% | 1,660,500
2015 | 81,000,000 | 2.45% | 1,984,500
2016 | 81,000,000 | 2.75% | 2,227,500

SREC Demand

Cumulative Installed Capacity By Month (MWdc)

Forecasted SREC Available By Energy Year

New Jersey Board of Public Utilities, Office of Clean Energy
Sustained Orderly Market Development at the Least Cost to Ratepayers
Securitization; structured market (EDC contracts) vs. unstructured (spot)
Changes and Efficiency, Equity, Windfalls, Takings, Sustainability…
Implementation of The Solar Act of 2012

• Amend RPS and Net Metering Definitions
• Accelerate RPS compliance schedule for Solar, doubles in 2014
• Converts Solar RPS from absolute (gWhr) to percentage of retail sales requirement
• Investigate approaches to mitigate solar development volatility
• Adopt net metering aggregation standards within 270 days
• Revise the SACP schedule; EY14 thru ‘16, extends to EY28
• Extend OREC vintage to 3 yrs. / SREC extended to 5 yrs.
• Approval by the Board for certain project types – subsection q. r. and s. – 60 day notice by certain farm projects, escrow, 10 MW limit, 80 MW per year, application criteria
• Certify facilities on brownfield, fill and landfills and craft an additional financial incentive.
More information on New Jersey’s RPS, Solar Carve-out,…

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