

SERC and BPU Partnership

New Jersey's Renewable Energy Policy and Achievements

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New Jersey Renewable Energy Policy Development

- **New Jersey Statutes** (Electricity Discount & Energy Competition Act)
 - Establish broad policy objectives
 - Energy Efficiency and Renewable Energy Programs
 - Renewable Portfolio Standards
 - Environmental Disclosure Standards
 - Net Metering, Safety and Power Quality Standards
- **New Jersey Administrative Code**
 - Implements rules and regulations
- **Board Orders**
 - Sets specific policies and actions

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Integration of Renewable Energy Policies and Programs

- Comprehensive environmental strategy
 - “Carrot and stick” approach
 - Command/control and market-based strategies
- Regulations and mandatory requirements
 - Renewable portfolio, environmental disclosure and net metering standards
- Clean energy program
 - Financial incentives

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New Jersey Administrative Code

- Environmental Information Disclosure Standards (1999)
- Renewable Energy Portfolio Standards (2001)
- Net Metering, Safety and Power Quality Standards for Wind and Solar Photovoltaic Systems (2001)

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Environmental Information Disclosure Standards

- All electricity suppliers must disclose environmental information for the electricity purchased by customers
- Information must include:
 - Fuel mix
 - Air emissions
 - Level of emission reduction credits for energy conservation measures

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Renewable Energy Portfolio Standards

- From 2001 to 2012, electricity generated from renewable energy sources will gradually increase from 3.0% to 6.5% of New Jersey's total electricity load
 - Based on a 2001 load of 18,000 mW, the renewable energy requirement will be at least 1,170 mW

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Renewable Energy Portfolio Standard (cont'd)

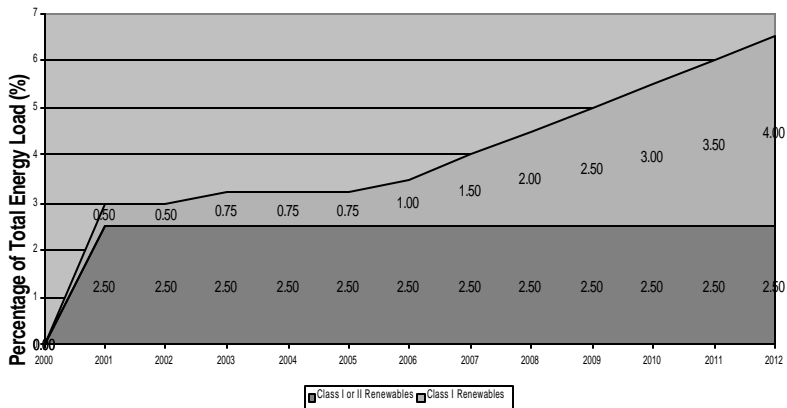
- Renewable energy consists of two categories:
 - Class I
 - Solar, photovoltaic, wind, fuel cells, geothermal, wave or tidal, and methane gas from landfills or biomass facilities
 - Class II
 - Resource recovery (municipal solid waste) and hydro power facilities (30 mW or less)

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Implementation Schedule for Renewable Energy Generation



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Net Metering, Safety and Power Quality Standards

- Net metering will enable residential and small commercial customers who generate electricity from solar or wind facilities to receive a credit for any electricity generated in excess of electricity supplied
- Customer generation facilities up to 100 kW are eligible

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Regional Policy Development

- RTO (PJM) Initiative
 - Development of system to accurately track generation and sales of energy by PJM members
- Multi-State Initiative
 - Standardization of various requirements for energy suppliers
 - Reduced administrative burden on suppliers

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Energy Efficiency and Renewable Energy Programs

- Customer-sited energy efficiency programs
- Customer-sited renewable energy generation programs
- Grid supply renewable energy generation programs
- Market infrastructure program

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Funding Levels

- 2001 - \$115 million
- 2002 - \$119 million
- 2003 - \$124 million
- 2004-2008 – to be determined
 - Approximately \$1 billion over eight years

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Allocation of Funds

- Energy efficiency programs – 75% of funds
- Renewable energy programs – 25% of funds
 - First year – 40% to grid supply generation, 60% to customer-sited generation
 - Second and subsequent years – 50/50 split

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Energy Efficiency Programs

- Central heating and cooling system (electric and natural gas)
- New home construction
- Low income residential efficiency measures
- Commercial/Industrial construction
- Appliance cycling
- New school construction

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Customer-sited generation programs

- 22 projects approved in 2001, representing approximately 3 mW of generation capacity
 - \$1.2 million in incentives
 - One year completion timeframe after BPU approval
 - 18 photovoltaic
 - 4 wind-powered

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Grid supply generation programs

- Grants are provided for renewable energy projects that will supply energy to the State's electricity grid
 - Grants are used to encourage the development of renewable energy projects
- Funding Level
 - 2001 - \$10 million
 - 2002 - \$13 million
 - 2003 - \$14 million

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Grid supply generation programs (cont'd)

- 4 projects approved in 2002, representing 37.5 mW of generation capacity
 - 1 photovoltaic (1 mW)
 - 2 wind-powered (7.5 mW and 25 mW)
 - 1 landfill methane gas (4 mW)

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Market Infrastructure Program

- Promotes the development of renewable energy businesses, technologies and infrastructure in New Jersey
 - Program approved on 1/8/03
 - BPU will solicit bids from interested parties
 - \$2.8 million allocated for first solicitation
 - Grants will range from \$25,000 to \$500,000

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BPU Experiences

- Energy efficiency programs have proven to be generally successful
 - Individual programs are under continual review and are being modified as necessary
- Renewable energy programs have also been generally successful
 - There is widespread support for initiatives

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BPU Experiences (cont'd)

- One area of concern is the administration of the programs
 - Utilities are currently administering the energy efficiency programs
 - BPU staff is administering the renewable energy program
 - Some parties recommend that an independent Statewide administrator oversee all programs and funds

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Additional Information

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