



MID-ATLANTIC SOLAR ENERGY INDUSTRIES ASSOCIATION

c/o Rutgers EcoComplex, Suite 208-B
1200 Florence-Columbus Road, Bordentown, NJ 08505

Needed Solar Policy in New Jersey:

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S1925 Legislation-signed July 23, 2012

Accelerates 4 years of solar demand starting EY 2014, lowers solar RPS from 5000 MW to about 4000MW

Lowers Solar Alternative Compliance Payment (SACP) to \$339/SREC

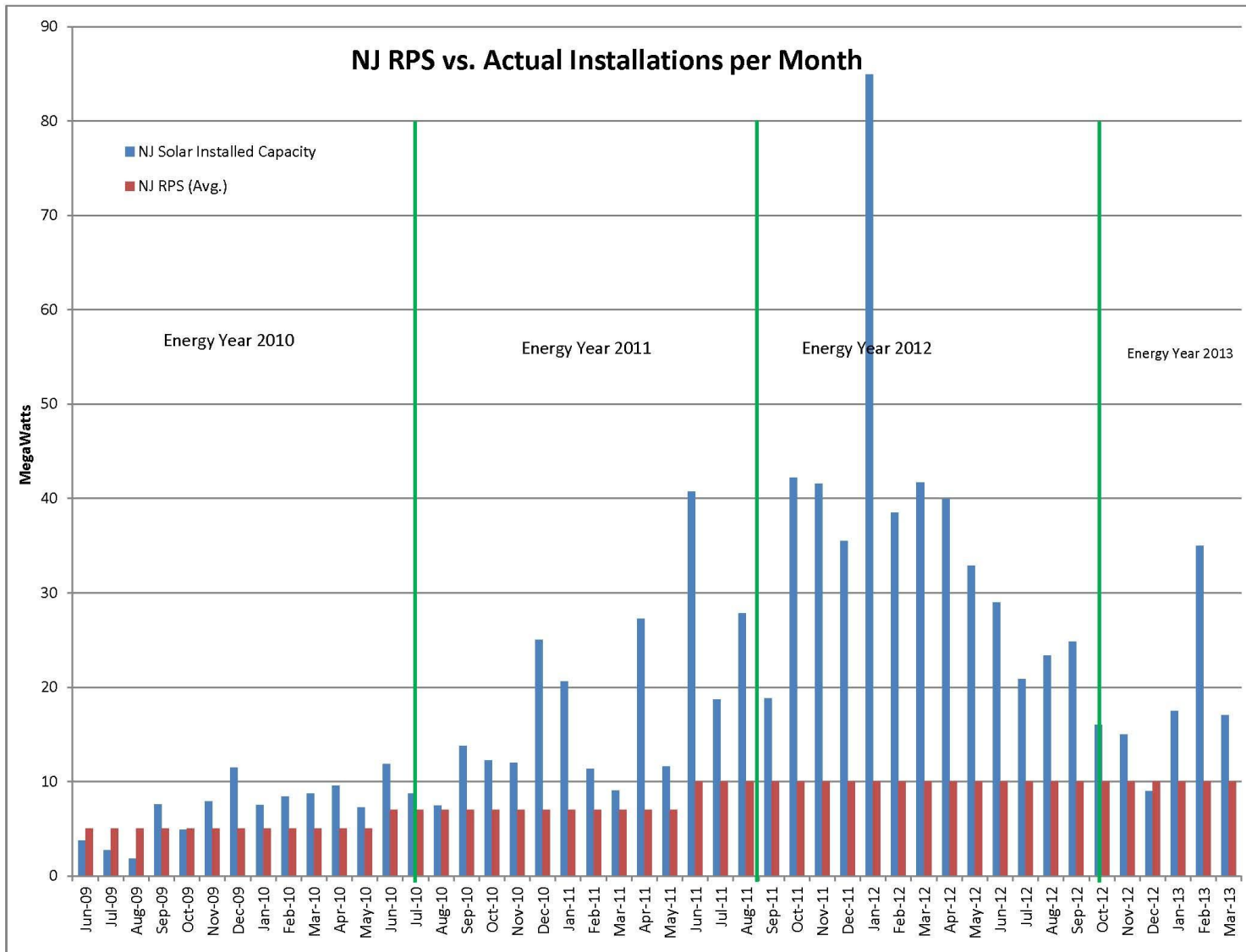
Creates Aggregated Net Metering for local government entities (maybe)

Limits Grid supply to 80 MW per year starting in June 2013

180 MW of PSEG SREC loan and EDC SREC contracts programs to be available over 3 years

**Initial decision 5/5/2013 on how much of 500+ MW of grid supply projects BPU will qualify for “connected to the distribution grid” –
Three Projects Approved = 10 MW**

Grid Supply Industry plans litigation





2012-2013

Monthly rate of completions declining, after several months of 20MW-25MW, latest month is 16MW – Industry contraction occurring

Grid Supply projects stalled due to inability to secure financing or designation to be able to earn SRECs

Net Metered market slowing, residential leasing costs higher due to low spot market SREC

Clean Power Research study of October 2012 quantifies benefits of Distributed Solar in NJ & PA. Reveals benefits greatly exceed cost of SREC premium.

Need to educate public to major financial benefits of distributed solar to all ratepayers, from impact of lowering peak wholesale electric prices, avoided distribution investment, environmental benefits.



WHAT IS NEEDED TO REACH SIGNIFICANT SOLAR PENETRATION

It is time for competitively priced solar supply to be seen as major part of future NJ energy mix. When will FITs come to NJ?

Long term bankable SREC or FIT contracts enable financing, lower capital costs

Is New Jersey (BPU, Rate Counsel, Governor) prepared to move forward with long term solar electric contracts as part of future energy mix? Not Yet!!!

Solar penetration of 50+% could be managed with real time reporting of production, some remote control, battery storage

Battery technology becoming cost effective to limit solar export, assist in supplying frequency & voltage support to grid.



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2013 and Beyond

Solar Industry needs to galvanize public opinion to build strength among voters and influence legislators and regulators

Need solar industry goal of creating strong voter support for enlarging solar RPS in 2013. Annual requirement and long term commitment too low

National polls indicate 80+ % support for more solar.

Voter Online Petitions to expand NJ solar mandate?

Need all active solar companies and solar owners to join outreach effort to build strength in numbers, and use votes to influence legislators.

Future energy mix of solar, efficiency, wind, cogeneration, combined cycle natural gas to replace coal, nuclear and simple cycle fossil generation



NJ Solar Potential

Solar now supplies 50+ % of all electric in Germany during sunniest hours – equal to 27,000 MW

1000 MW of NJ solar supplies 4.5% of electric during peak sun hours

NJ could absorb 10,000+MW of peak solar production

Solar combined with combined cycle natural gas and energy storage could replace nuclear and coal (instate and coal by wire from PA and OH)

More Solar needed to power electric transportation, reduce fossil fuel dependence, combat Climate Change

NEED TO EDUCATE PUBLIC TO BENEFITS, LOW COST OF SOLAR



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New RPS Legislation

MSEIA Board in discussions with key legislators, other solar organizations, environmental associations, to form a New Jersey Clean Energy Coalition

Senator Smith prepared to introduce expanded RPS legislation

Goal of greatly expanding solar RPS commitment and annual pace- 5,000+ MW by 2020?

Mostly Net Metered capacity, some room for grid supply

Encourage solar+batteries for grid resiliency, grid frequency and voltage support

Constitutional Amendment to prohibit raiding of SBC Funds?

Rate Counsel is principal opponent- mired in old rate only focus