



STATE OF NEW JERSEY
Board of Public Utilities
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Newark, NJ 07102
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OFFICE OF CLEAN ENERGY
AND ENERGY DIVISION

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| IN THE MATTER OF ATLANTIC CITY ELECTRIC COMPANY RENEWABLE ENERGY PORTFOLIO STANDARD- AMENDMENTS TO THE MINIMUM FILING REQUIREMENTS FOR ENERGY EFFICIENCY, RENEWABLE ENERGY, AND CONSERVATION PROGRAMS; AND FOR ELECTRIC DISTRIBUTION COMPANY SUBMITTALS OF FILINGS IN CONNECTION WITH SOLAR FINANCING |) | ORDER ON RESULTS OF FIRST SOLICITATION |
| |) | DOCKET NO. EO08100875 |
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| IN THE MATTER OF THE VERIFIED PETITION OF JERSEY CENTRAL POWER AND LIGHT COMPANY CONCERNING A PROPOSAL AN SREC-BASED FINANCING PROGRAM UNDER N.J.S.A 48:3-98.1 |) | ORDER ON RESULTS OF FIRST SOLICITATION |
| |) | DOCKET NO. EO08090840 |
| |) | |

(SERVICE LIST ATTACHED)

BY THE BOARD¹

BACKGROUND AND PROCEDURAL HISTORY

By Order² dated August 7, 2008 ("August 7 Order"), the New Jersey Board of Public Utilities ("Board") directed Jersey Central Power and Light Company ("JCP&L") and Atlantic City Electric Company ("ACE") to file, by September 30, 2008, a solar financing program based on Solar Renewable Energy Credits ("SRECs"), based upon certain mandatory design and filing requirements.

On September 30, 2008, JCP&L filed its solar financing program I/M/O the Verified Petition of Jersey Central Power & Light Company Concerning a Proposal for an SREC-Based Financing Program under N.J.S.A. 48:3-98.1, Docket No. EO08090840. On October 1, 2008, ACE filed its solar financing program I/M/O the Renewable Energy Portfolio Standard – Amendments to the

¹ Commissioner Frederick F. Butler did not participate in this matter.

² I/M/O the Renewable Energy Portfolio Standard: Amendments to the Minimum Filing Requirements for Energy Efficiency, Renewable Energy, and Conservation Programs, and for Electric Distribution Company Submittals of Filings in Connection with Solar Financing, Docket No. EO06100744

Minimum Filing Requirements for Energy Efficiency, Renewable Energy, and Conservation Programs; and for Electric Distribution Company Submittals of Filings in Connection with Solar Financing, Docket No. EO08100875.

ACE, JCP&L, Board Staff ("Staff"), Department of Public Advocate, Division of Rate Counsel ("Rate Counsel"), and the Solar Alliance ("SA") considered the ACE and JCP&L filings in the course of eleven settlement meetings held between February and March 2009. Over the course of those settlement discussions, the ACE and JCP&L proposals took the shape of one model ("Program") with similar positions in all issues including cost recovery mechanism and incentives.

ACE, JCP&L, Staff and SA reached agreement on all the relevant issues of the Program and signed a stipulation on March 13, 2009 ("Stipulation"). Rate Counsel signed the Stipulation as well, but reserved its right to contest three specific issues. By Order in these dockets, dated March 27, 2009 ("March Order"), the Board approved the Stipulation and resolved the contested issues. On May 8, 2009 Rate Counsel filed a Notice of Appeal with the Superior Court of New Jersey, Appellate Division ("Appellate Division") regarding the additional recoveries portion of the contested issues. ACE, JCP&L, the Board, and Rate Counsel entered into a stipulation of settlement on additional recoveries ("Stipulation of Appeal") on July 29, 2009 in the interest of avoiding further litigation. By Order dated September 16, 2009 the Board modified its March Order to reflect the terms of the Stipulation of Appeal. Rate Counsel withdrew its appeal on September 23, 2009.

On June 29, 2009, JCP&L and ACE retained NERA Economic Consulting to serve as Solicitation Manager ("SM") and to implement the Program. On July 24, 2009, a dedicated website was launched. On July 30, 2009, ACE and JCP&L issued a press release announcing the Program to potential bidders and the documents for participation were made available. On August 11, 2009, a conference call was held to explain the requirements of the Request for Proposals to the bidders.

Bids for the first solicitation round under the Program were submitted to the SM by August 25, 2009. Pursuant to the March Order, ACE, JCP&L, Staff and Rate Counsel held a meeting on September 9, 2009 with the SM to discuss preliminary results of the solicitation and possible recommendations to the Board. On September 23, 2009 the SM sent Staff a confidential report containing its final recommendations to the Board.

DISCUSSIONS AND FINDINGS

The Board has carefully reviewed the recommendations of the SM and **FINDS** that they appropriately address all the issues specified in the March Order and the Stipulation, and thus are in keeping with the overall purpose and requirements of the Program. Likewise, the Board **FINDS** that the overall process was effectively competitive in this instance.

In the first solicitation conducted under the Program, eight bids were received, totaling 1,594.73 kW. The SM recommended not awarding one bid of 9.36 kW because the offered pricing was not competitive. The remaining seven bids, however, satisfied the SM and Staff as being competitive. In consideration of the recommendations of the SM and Staff, the Board **AUTHORIZES** JCP&L to award SREC Purchase Sale Agreements ("PSAs") to seven projects for a total of 1,585.37 kW. The average price of all awarded PSAs is \$409.71 per SREC and the low price is \$369 per SREC. The Board **AGREES** with the SM recommendation to not authorize an award for the 9.36 kW bid.

The seven approved projects include three from Lackland Energy LLC, two from Tioga Solar XVII, and one each from Renewvia Middlesex 1, LLC and Sea Bright Solar, LLC.

Based upon the results of the first round, and in compliance with the Stipulation, the Board **ORDERS** that the second round of bids will be 12MW for JCP&L and 5MW for ACE.

Given the results of the first round, the Board **ORDERS** that a third round, as contemplated by the Stipulation, be held and that all parties take appropriate steps to conduct a third round with bids due March 5, 2010. The Board further **ORDERS** that the third round bids will be at least 9.40527 MW for JCP&L and 5 MW for ACE. The preceding numbers represent the difference between what was eligible for award in the first round less the amount of the actual awards for each of the two utilities. The Board will consider, along with any other information that it may have, the total amount of solar installed and projected to be installed at the time of the second round awards, to determine if capacity not awarded in that round should be included in the third round. The Board's Order for the second round will address this issue.

This Order shall take effect immediately.

DATED: 9/30/09

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
COMMISSIONER


ELIZABETH RANDALL
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

