

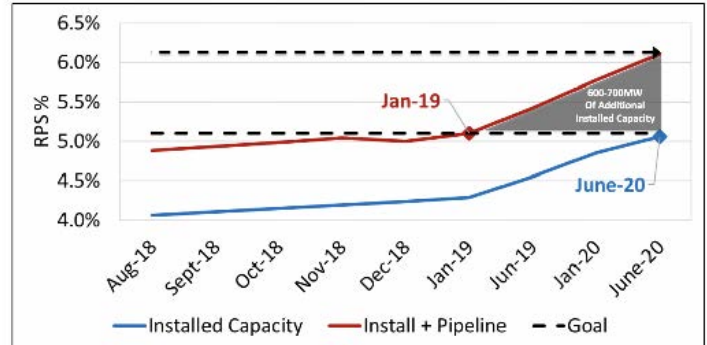
BIG CHANGES FOR SOLAR IN NJ IN 2019

By: Keith Peltzman, President of Independence Solar

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1. NJ SREC Program Ending Soon (Jan 2019)

The Solar Renewable Energy Certificate (or, SREC) is a key underpinning of the solar industry in New Jersey. This SREC is an incentive offered to a solar installation on an ongoing basis as the installation generates electricity. Due to the rising cost of the SREC program, NJ passed legislation in May 2018 to phase out the SREC program. The state targeted to end the SREC program when solar achieves 5.1% of total state electricity - anticipated to occur around 2020.



Since May 2018, the solar industry has responded by ramping up the pace of new applications submitted into the NJ SREC program. In addition, the state may determine that the 5.1% goal includes not only solar projects that have already been installed and operating, but also solar projects that are planned in the pipeline (red-line vs blue-line above). Based upon the current pipeline, the SREC program would achieve this 5.1% goal, not in 2020 as anticipated, but as soon as January 2019 (next month). The SREC program could close to new applications and planned solar projects would be in limbo.

What can you do ?

Many planned solar projects are submitting applications into the SREC program now - ahead of the possible January 2019 closure. Typically, a solar project might submit this SREC application after some solar development milestones have been achieved (utility approval, town approval, financing secured). However, many property owners are submitting the SREC application in advance to secure SRECs. When the SREC reservation is secured, it is valid for 12-18 months without obligation. There is no penalty if the project is not eventually constructed.

The requirements to register for the SREC program are minimal:

1. Certification Form
2. Site Map
3. Executed Contract

If you are considering a solar project in 2019-2020, we suggest that you submit this SREC registration as soon as possible. Independence Solar can work with you to register a project without committing to an obligation to undertake the project.

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2. NJ Community Solar Pilot Program Starting Soon (Feb 2019)

NJ will start a Pilot Community Solar program in February 2019. For property owners, this new program may now make solar feasible on sites where solar did not previously make sense. Under Community Solar, projects can be sited centrally (for instance on a landfill, brownfield or large rooftop) and the power can be connected directly to the electric grid. Previously, this exported power would be valued at wholesale rates (\$0.03 - \$0.04 per kWh), but under Community Solar, the power would be valued closer to retail rates (\$0.08 - \$0.10 per kWh). Community Solar directs credits from this power to low and moderate income households or to renters that could not otherwise benefit from solar energy. The goal of Community Solar is to distribute the savings from solar energy more equitably.

For property owners, the take-away is that the underlying electric bill at a property is no longer relevant and sites with no electric bill could now be considered for solar energy. The following sites might now be viable for solar energy:

- ▶ Large Rooftops (> 100,000 sf)
- ▶ Land parcels (>10 acres)
- ▶ Brownfields
- ▶ Landfills

Independence Solar is currently collaborating with the NJ BPU to craft the requirements of the Pilot Community Solar Program. Please contact us if you would like to explore if this new Community Solar program could create value for your site or property.

For More Information:



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ABOUT US



Keith Peltzman is president and founder of Independence Solar with offices in Cherry Hill, NJ and Boston, MA.

Independence Solar is a turnkey installer of commercial solar energy. Since 2007, the team has developed and built over \$200 million of solar projects, including the largest rooftop solar array (9 MW) in North America at the Gloucester Marine Terminal in NJ. Independence Solar forges long-term partnerships to maximize returns on our customers' solar energy investments.

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