

Regional / State Climate Efforts

Moderator

Jeanne Fox: NJ Board of Public Utilities

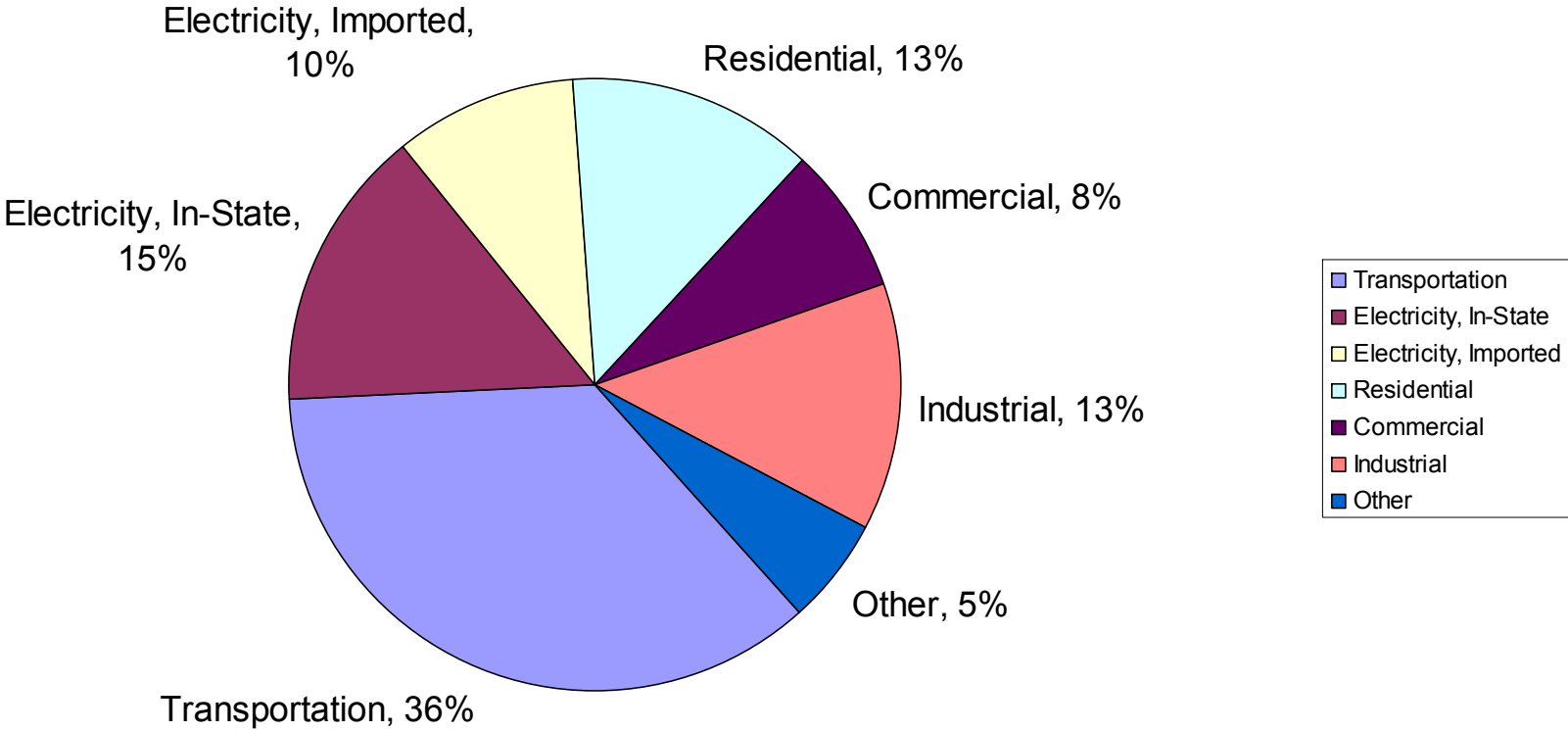
Panelists

David Farnsworth: Regulatory Assistance Project
Zach Church: CA Public Utility Commission
Dave Sparby: Northern States Power

National Association of Regulatory Utility Commissioners
July 23, 2008

NJ's Emissions, in CO2 equivalent for 2004

Source: NJ Department of Environmental Protection



NJ's Goals and Objectives: Renewable Energy

- 20% Class I Renewables by 2020 – About 4000 MWs
 - Solar
 - Wind
 - Geothermal
 - Landfill Gas
 - Wave / Tidal
 - Sustainable Biomass
- 2.5% Annually from Class II Renewables
 - Resource Recovery Facility (Trash to Electricity)
 - Hydro Power, site less than 30 MW
- 2% or 1500 MW solar by 2020
 - Solar Set Aside

NJ's Goals and Objectives: Energy and Environment

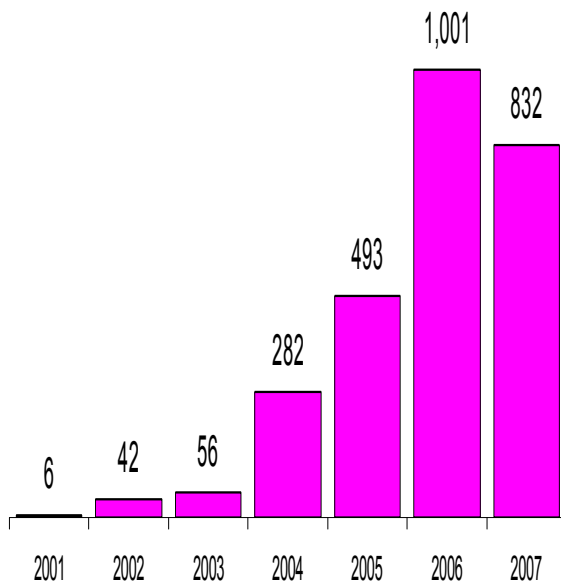
- 20% reduction in energy use by 2020
- Reduce GHG levels to 1990 by 2020
- 80% reduction in 2006 GHG levels by 2050

NJ's Programs

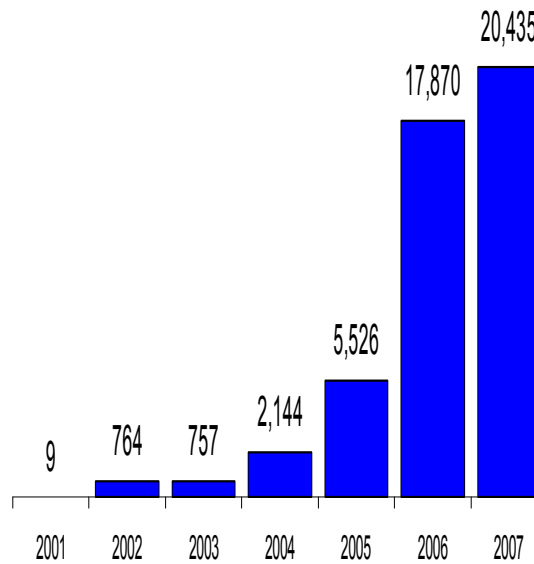
- Statewide Clean Energy program administered by NJ BPU
- 2008 Clean Energy Program budget over \$235 million
- Incentives and rebates for installation of
 - Electric energy efficiency,
 - Natural gas efficiency, and
 - Renewable energy technologies
- Programs include working with
 - Municipal / Local Governments
 - Residential, Commercial and Industrial Customers
 - CORE – Customer Onsite Renewable Energy Program

NJ Solar Installation Projects CORE from 2001 - 2007

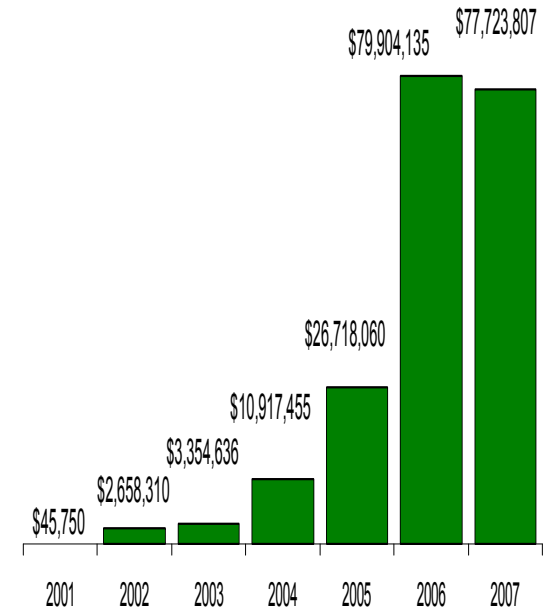
of Projects



Total kW



Total Rebate \$

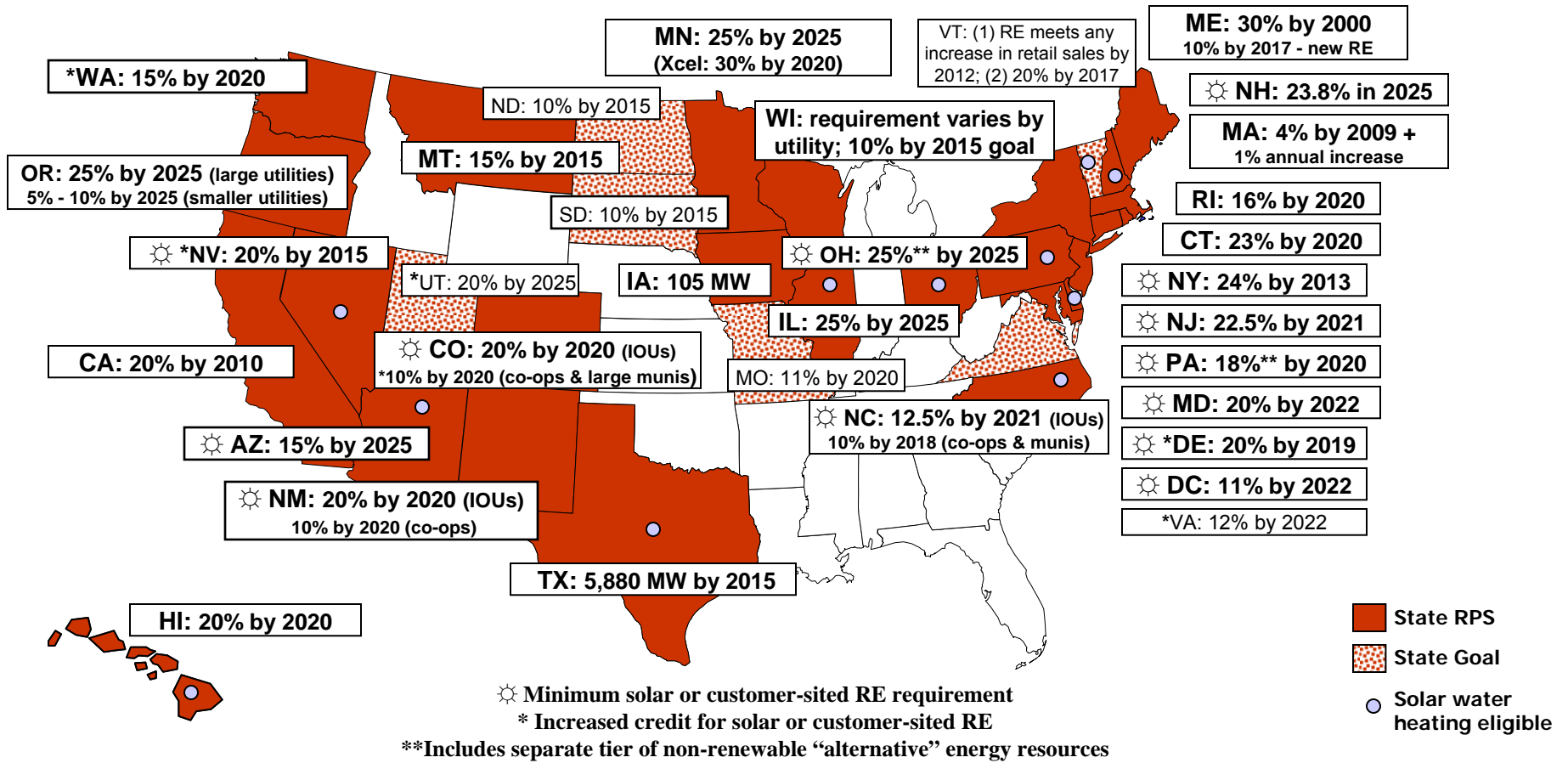


Transition of Solar Program

from Rebates to a Market-Based Approach

- Rebates
 - 40 MW of solar capacity, supported by \$170 million in rebates
 - At this price, \$10.9 billion in rebates needed to achieve 2.12% solar RPS by 2021
- Solar Renewable Energy Certificate (SREC)
 - One SREC represents 1000kWh of Solar Electricity (1MWh)
 - Electric suppliers must hold SRECs to meet Solar RPS obligations
 - Solar Alternative Compliance Payment (SACP) effectively caps SREC value
- Transition
 - Phase out rebates
 - Increase SACP, allowing SREC price to increase
 - Set SACP for 8-year period, giving financial community more certainty

Renewables Portfolio Standards



Regional / State Climate Efforts

www.njcleanenergy.com

NJ's Office of Clean Energy

www.nj.gov/emp/

NJ's Energy Master Plan

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Panel Questions

- How do we craft a national climate energy policy when different states and regions rely on so many divergent energy sources?
- Can we ever get agreement on a national energy policy or is that expecting too much?
- Are we better off with developing state / localized solutions – why do we need a national approach?
- Do we need to be concerned that a national RPS might preempt individual state efforts?
- How do we communicate best practices so that effective policies get implemented in other regions or even nationally?
- How do regulators ensure that utility costs don't increase when environmental efforts seemingly only increase costs?