



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE PETITION FOR WAIVER OF)
N.J.A.C. 14:8-2.9(C) – JORDACHE ENTERPRISES,) ORDER
INC.¹)
) DOCKET NO. EO12030261V

Parties of Record:

Robert A. Spiegelman, Esq., Jordache Enterprises, Inc.

BY THE BOARD:

Jordache Enterprises, Inc., ("Petitioner" or "Jordache") has filed a request for a declaratory ruling that one of its installations may be credited with Solar Renewable Energy Certificates ("SRECs") on the basis of energy output as measured by the inverters for a period of time during which the solar generation from its facility was not recorded due to a faulty revenue grade meter.

BACKGROUND

On February 9, 1999, the New Jersey Electric Discount and Energy Competition Act ("EDECA"), N.J.S.A. 48:3-49 et seq., was enacted. L. 1999, c. 23, § 66. Among other things, EDECA established requirements to advance renewable energy and energy efficiency goals in New Jersey. The New Jersey Board of Public Utilities ("Board") adopted Renewable Portfolio Standards regulations ("RPS"), N.J.A.C. 14:8-2.1 et seq., to implement those provisions of EDECA. N.J.S.A. 48:3-87 and the RPS rules require entities that sell electricity at retail in this State, electric power suppliers and basic generation service providers, to include minimum percentages of qualified renewable energy in the electricity they sell; those minimum percentages increase over time. The rules specify separate minimum percentages for solar

¹ The Board has amended the relevant rules since the filing of this letter petition, and the amended form of the applicable rule which was previously located at N.J.A.C. 14:8-2.9 (b) and which is now located at N.J.A.C. 14:8-2.9(c).

electric generation, for Class I renewable energy, and for Class II renewable energy, as each of these categories of renewable energy is defined by N.J.S.A. 48:3-51 and N.J.A.C. 14:8-1.2.

To comply with the RPS, suppliers and providers obtain and use Renewable Energy Certificates ("REC"), which represent the environmental attributes of one megawatt-hour (MWh) of renewable energy. N.J.A.C. 14:8-2.8. To comply with the solar electric generation portion of the RPS, suppliers and providers obtain and use SRECs.

The letter petition dated March 19, 2012 alleges that on November 11, 2011 Petitioner had installed upon its property a photovoltaic system of approximately 1.3 MW ("the System"), including the installation of a revenue grade meter and inverters. Petitioner states that on November 30, 2011, it discovered that its meter was not recording accumulated data and that, as a result, the energy production during the twenty days following its installation had not been recorded. On December 2, 2012, Jordache installed a Draker Monitoring system which Petitioner maintains enabled the monitoring of the System on the Internet, including the accumulated kilowatt-hours ("kWh") on the meter since November 30, 2011, and the kWh on each of the four inverters since November 11, 2011. Jordache has provided a summary of data taken from the Draker Monitoring system showing the kWh as measured by both the meter and the inverters for both the initial period before the malfunction of the meter was discovered and subsequent monthly periods. This data indicates that the meter failed to record over 30,000 kWh. Petitioner seeks a declaratory ruling that under these circumstances, it may be credited with thirty SRECs on the basis of solar generation as extrapolated from inverter readings during the period when the meter malfunctioned.

DISCUSSION AND FINDINGS

As a threshold matter, the Board notes that this is a request for a declaratory ruling². The Board, in its discretion, may render a declaratory ruling which binds the agency and the parties to the proceedings on the facts alleged, but only after the interested parties have been afforded full opportunity for hearing. Jordache and the staff of the Board's Office of Clean Energy, the only parties to this proceeding, have agreed that there are no facts in dispute. The Board **HEREBY FINDS** that it has sufficient information to proceed, and will make its determination on the basis of the facts as set forth in the letter petition as supplemented, and the applicable Board rules and policies.

RECs and SRECs have a monetary value; over the course of their useful lives, they are bought, sold, and ultimately retired to comply with the RPS in New Jersey or another state. N.J.A.C. 14:8-2.9 describes the conditions that must be satisfied for energy generated by a solar facility in this State to qualify for the issuance of RECs and SRECs. During the time at issue, N.J.A.C. 14:8-2.9(b) required that energy produced by a solar electric generation facility greater than 10 kilowatts, such as the System, must be reported through "[p]eriodic readings of a meter that records megawatt-hour production of electrical energy." The rule also provided that solar systems less than ten kW had the option of submitting engineering estimates in lieu of actual metered data; however, the Board has recently eliminated this option even for small systems. At its May 1, 2012 Agenda meeting, the Board voted to approve a rule amendment which

² Declaratory rulings are governed by N.J.S.A. 52:14B-8.

requires that all RECs and SRECs be based upon actual metered data. These rules became effective upon publication on June 4, 2012. 44 N.J.R. 1703(a). This recent elimination of the exemption for small solar systems evidences the Board's policy that the most accurate measurement possible must underlie all claims for RECs and SRECs. As stated on the New Jersey Clean Energy Program website at the page addressing the metering requirements for renewable systems, "A revenue grade meter is required to be installed and is the only acceptable method of determining SREC generation." www.njcleanenergy.com. Under revised N.J.A.C. 14:8-2.9 (c), as of December 4, 2012, a qualifying meter must also satisfy the American National Standards Institute Standard C12.1-2008 and additional PJM-EIS Generation Attribute Tracking System requirements.

Moreover, the owner/operator of a renewable energy system is responsible for the proper installation and maintenance of its equipment. The Board's rules define "customer-generator facility" as "the equipment used by a customer-generator to generate, manage and/or monitor electricity." N.J.A.C. 14:8-4.2 (emphasis added). A customer-generator that seeks the benefits of the rules, must assume the responsibility to comply with those rules.

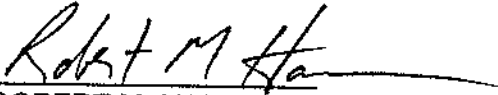
Jordache seeks a waiver of the rules requiring that only metered data be used as the basis for the issuance of SRECs. The Board may, in special cases and for good cause shown, permit deviation from its rules. N.J.A.C. 14:1-1.2(b)(1). Under the first prong of the waiver test, the Board considers whether Petitioner's request supports the general purpose and intent of the rules. In this instance, as noted above, the Board's rules governing SRECs are designed to promote and secure maximum accuracy in the measurement of the energy underlying all claims for SRECs. Permitting Petitioner to claim SRECs on the basis of inverter readings would not support the purpose and intent of these rules. The second prong of the waiver test requires that the Board also consider whether full compliance with the rules would adversely affect the interest of the public. Clearly, the interest of the public in the promotion of clean solar generation, and specifically the interest of the ratepayers who ultimately bear the cost of the SRECs based on that generation, would not be served by permitting the use of a different measuring methodology in place of the metering required by the Board's rules. Malfunction of a customer's equipment thus does not constitute sufficient cause to waive the rules requiring use of actual metered energy as the basis for the issuance of RECs and SRECs.

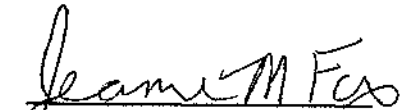
Therefore, based on the information provided, the Board **ACCEPTS** that Petitioner had installed a photovoltaic system of approximately 1.3 MW on its grounds and that the System included a faulty revenue grade energy meter and that, as a result, the energy production recorded for the initial twenty days was less than what Petitioner represents was the actual energy produced by the System. The Board **FINDS** that Petitioner was responsible for the proper installation and functioning of the System. The Board also **FINDS** that given the size of the System, the Board's rules require that issuance of SRECs be based upon metered rather than estimated generation, and that Petitioner has failed to establish any basis for waiver of that requirement.

Accordingly, the request for a declaratory ruling that SRECs be credited for the estimated production of a portion of the System under the factual circumstances presented is HEREBY DENIED.


DATED: 8/15/12

BOARD OF PUBLIC UTILITIES
BY:

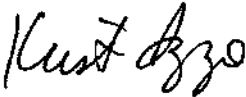

ROBERT M. HANNA
PRESIDENT


JEANNE M. FOX
COMMISSIONER

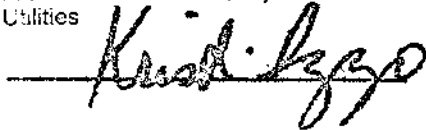

JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
COMMISSIONER


MARY-ANNA HOLDEN
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



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SERVICE LIST

New Jersey Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350

Kristi Izzo, Board Secretary
Email: Kristi.Izzo@bpu.state.nj.us

Michael Winka, Director,
Office of Clean Energy
Email: M.Winka@bpu.state.nj.us

Rachel Boylan, Esq., Legal Specialist
Email: Rachel.Boylan@bpu.state.nj.us

Benjamin Scott Hunter, OCE
Email: B.Hunter@bpu.state.nj.us

Allison E. Mitchell, OCE
Email: Allison.Mitchell@bpu.state.nj.us

New Jersey Division of Law –
Public Utility Law Section
124 Halsey Street - P.O. Box 45029
Newark, NJ 07101

Caroline Vachier, Esq.; DAG
Email: Caroline.Vachier@dol.lps.state.nj.us

Babette Tenzer, Esq., DAG
Email: Babette.Tenzer@dol.lps.state.nj.us

Jordache Enterprises, Inc.
200 Helen Street
South Plainfield, NJ 07080

Toni Porch
Email: Tflora@jordache.com

Robert A. Spiegelman, General Counsel
Email: Rspiegelman@jordache.com

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