

New Jersey Board of Public Utilities

PRESS RELEASE

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NEW JERSEY REPORTS ON GROWTH OF SOLAR MARKET

Energy Industry Touts New Jersey's Clean Energy Program

(NEWARK) - Over 100 solar market participants gathered today at NJIT's solar rooftop terrace to celebrate Summer Solstice and a milestone in the growth of New Jersey's solar market. The Office of Clean Energy reported that over 500 solar electric systems have been installed in New Jersey through the State's Clean Energy Program. A new solar credit program that pays solar system owners for generating and using clean, emission free electricity is helping to finance many of those systems and build confidence in New Jersey's solar market.

"We in New Jersey are proud to be at the forefront of the growing and booming solar market industry," said Governor Richard J. Codey. "In addition, we offer some of the most generous rebates and incentives in the nation in an effort to encourage the use of renewable energy."

The Solar Renewable Energy Certificates (SRECs) Program is New Jersey's financing mechanism for solar electricity and a way to compensate solar generators for the generation and use of clean, emission free power. Registered-solar owners receive one SREC certificate for each 1,000 kWh of electricity produced by the solar system. These certificates can then be traded at prices ranging from \$160 to over \$200, depending on market dynamics and the amount of demand for SRECs. An average residential solar system produces 8,000 kWh, at no cost, and generates up to \$1,600 a year. Along with the solar rebates of up to 70% available through the State, the added revenues improve business and residential customers' ability to finance projects and significantly reduces the payback period for solar.

"The 'New Jersey Solar Mixer' is a great opportunity for all involved parties to come together, celebrate our successful beginnings, and share plans for an even more successful future - in an industry that is currently booming," said Jeanne M. Fox, President of the New Jersey Board of Public Utilities. "Our goal is that clean, renewable energy in New Jersey will become an industry that is market driven, sustains itself and creates alternatives to cleaner generation of electricity."

In only a year since the SRECs were first approved in the Garden State, the Office of Clean Energy today reports that the market is strengthening:

- Over 500 solar systems have been installed in New Jersey since 2001;

- New Jersey residents and businesses received a total of \$21 million in solar rebates since 2001 and nearly \$11 million in 2004 alone;
- Consumer demand in New Jersey for solar has quadrupled from 42 systems installed in 2002 to 282 systems installed in 2004;
- 2,216 SRECs were traded in the first year of the SREC Program as of May 31, 2005;
- NJ SREC prices have trended upward, ranging from \$160 in August 2004 to \$200 in April 2005;
- The forecast demand for NJ SREC in reporting year 2005 is 4,822 SRECs.

Perhaps the most unique feature of New Jersey's program is that SRECs are owned by the system owners - not the utilities or installers, as is the case in other states. This provides a powerful incentive for both residential and business customers to invest in solar. The SREC is New Jersey's financing mechanism for solar and is encouraging private investment and investor confidence in New Jersey's solar market. The expectation is that eventually the state will move away from rebates once the market has been transformed.

More than 100 New Jersey solar industry market participants attended the event, including large and small solar electric systems owners, trade companies, solar installers, manufacturing companies and large national entities that are part of the US solar/renewable market -- such as BP Solar, the MidAtlantic Solar Energy Industry Association (MSEIA), Johnson & Johnson, Sun Farm Ventures, Inc., and Reliant Energy Solutions.

For additional information, visit the BPU's Office of Clean Energy website at www.njcleanenergy.com or www.bpu.state.nj.us.

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About the New Jersey Board of Public Utilities (NJBPU)

The New Jersey Board of Public Utilities is a state agency and regulatory authority mandated to ensure safe, adequate, and proper utility services at reasonable rates for New Jersey customers. Critical services regulated by the NJBPU include natural gas, electricity, water, wastewater, telecommunications and cable television. The Board has general oversight responsibility for monitoring utility service, responding to consumer complaints, and investigating utility accidents. To find out more about the NJBPU, visit our web site at www.bpu.state.nj.us.

About the New Jersey Clean Energy Program

New Jersey's Clean Energy Program, established on January 22, 2003 in accordance with the Electric Discount and Energy Competition Act (EDECA), provides financial and other incentives to the State's residential customers, businesses and schools that install high-efficiency or renewable energy technologies, thereby reducing energy usage, lowering customers' energy bills and reducing environmental impacts. The program is authorized and overseen by the New Jersey Board of Public Utilities (BPU), and its website is www.njcleanenergy.com.

