

June 22, 2011

The Honorable Shelia Y. Oliver
15-33 Halsted Street, Suite 202
East Orange, NJ 07018

Dear Speaker Oliver:

The Southern New Jersey Development Council (SNJDC) respectfully requests that you post A2529, which concerns energy efficiency and renewable energy requirements, and which was returned to the Legislature by a conditional veto, for a full Assembly vote with the Governor's recommendations at the next available voting session.

By way of background, the SNJDC is a member-based organization charged with promoting sustainable economic development in South Jersey by working with the region's county economic development directors and promoting projects that will increase economic viability throughout the region for years to come.

SNJDC supports A2529 because it would allow solar projects to connect to the local utility system's 69-kilovolt (kV) and be eligible to earn Solar Renewable Energy Certificates (SREC). This provision is necessary to expand the SREC eligibility provided for in N.J.S.A. 48:3-51 which states that solar projects must be connected to the "distribution system in the State" in order to receive SRECs. This statutory language has led to a regulatory interpretation requiring solar projects to connect to a utility system's 12kV local distribution lines. As a result of the volume and scale of projects operating or planning to build in Southern New Jersey, a number of utilities, such as Atlantic City Electric (ACE) have a number of 12kV distribution lines that are unable to accept any new solar installations. Other 12kV lines have developed a queue of applicants, with some of those projects likely unable to connect once projects ahead in the queue are completed. Those 12kV lines that service solar installations are prone to voltage instabilities that can impact other users on the same circuit or have a potential to destabilize larger portions of the electric distribution system.

This problem has impacted New Jersey's eight southern counties more than the rest of the state due to two factors that compete against each other as they pertain to solar energy development:

- Due to the affordability of and access to large parcels of open land, solar developers wishing to install large projects have identified the Southern New Jersey region as an ideal place to locate with Salem County, New Jersey's most rural and least populated county, leading the way.

- These rural characteristics require fewer distribution lines and other equipment to bring utility customers safe, adequate and reliable service. The existing 12kV infrastructure, while adequate to serve the customer base, was not intended to accommodate large-scale merchant solar projects. System reliability and integrity should be an overriding concern as well as adherence to current New Jersey standards that limit the amount of solar generation that is permitted to connect to any particular distribution line.

Providing projects access to the system's higher voltage 69kV opens up another avenue to facilitate solar interconnection with greater assurance of stability. While this is not a panacea, and will require developers to invest in connection lines, it provides an avenue that large-scale project proposals may find attractive. Additionally, as larger projects move off the 12kV distribution system, more system capacity becomes available for smaller, net-metered installations.

Again, SNJDC urges you to post the measure for consideration by the full Assembly as soon as possible. Please feel free to contact me if you have any questions or concerns.

Sincerely,

A handwritten signature in cursive script that reads "Marlene Z. Asselta".

Marlene Z. Asselta
President