NOTICE of Revised Rebates for Solar PV Applications in the Customer On-site Renewable Energy (CORE) Program Effective February 1, 2006

December 21, 2005 - The Office of Clean Energy announces the following rebate changes for solar photovoltaic installation in the Customer Onsite Renewable Energy (CORE) Program effective February 1, 2006.

<table>
<thead>
<tr>
<th>Solar PV Rebate effective 02/01/06; if public, non-profit or AMT documented applicant</th>
<th>Solar PV Rebate effective 02/1/06; for private sector, residential, commercial and industrial CORE applicants eligible for ITC</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 10,000 watts</td>
<td>$5.30 per watt</td>
</tr>
<tr>
<td>10,001 to 40,000 watts</td>
<td>$4.35 per watt</td>
</tr>
<tr>
<td>40,001 to 100,000 watts</td>
<td>$3.75 per watt</td>
</tr>
<tr>
<td>100,001 to 700,000 watts</td>
<td>$3.60 per watt</td>
</tr>
</tbody>
</table>

Figure 1. Adjusted CORE Rebate Schedule with Two Levels as proposed by the CEC

To receive approval for solar photovoltaic projects at rebate levels currently in effect, COMPLETE applications must be RECEIVED by the CORE processing staff no later than close of business on January 31, 2006. The Office of Clean Energy will return as unprocessed all incomplete applications missing any documentation relevant to CORE program requirements.

Effective with applications received after February 1, 2006 along with the reduced rebates listed in Figure 1, the CORE rebate program will also begin providing $0.25 per watt extra for solar photovoltaic modules manufactured in the state of New Jersey. And also effective with applications received after February 1, 2006 along with the reduced rebates listed in Figure 1, residential solar applications less than 10 kW will be eligible for $0.25 per watt additional rebate for participation in the New Jersey Home Performance with Energy Star Program (see Figure 2, below).
Revised Rebates for Solar PV Applications in the Customer On-site Renewable Energy (CORE) Program Effective February 1, 2006 (continued)

<table>
<thead>
<tr>
<th>PV System Size</th>
<th>OCE Staff Proposal CORE Rebate Adders</th>
<th>NJ Home Performance with Energy Star* ($0.25)</th>
<th>Maximum Adder ($0.50)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assembled in NJ ($0.25)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1kW - 10 kW</td>
<td>$5.20</td>
<td>$5.20</td>
<td>$5.45</td>
</tr>
<tr>
<td>Rebate on 10 kW</td>
<td>$52,000</td>
<td>$52,000</td>
<td>$54,500</td>
</tr>
<tr>
<td>&gt;10kW - 100kw</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt;10 kW - 40 kW</td>
<td>$3.95</td>
<td>n/a*</td>
<td>$3.95</td>
</tr>
<tr>
<td>&gt;40 kW - 100 kW</td>
<td>$3.45</td>
<td>n/a*</td>
<td>$3.45</td>
</tr>
<tr>
<td>100 kw system</td>
<td>$377,500</td>
<td>n/a*</td>
<td>$377,500</td>
</tr>
<tr>
<td>&gt;100 kW - 500 kW</td>
<td>$3.30</td>
<td>n/a*</td>
<td>$3.30</td>
</tr>
<tr>
<td>500 kW system</td>
<td>$1,697,500</td>
<td>n/a*</td>
<td>$1,697,500</td>
</tr>
<tr>
<td>&gt;500 kW - 700 kW</td>
<td>$3.30</td>
<td>n/a*</td>
<td>$3.30</td>
</tr>
<tr>
<td>&gt;500 kW - 1 MW</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum Rebate</td>
<td>$2,127,000</td>
<td>n/a*</td>
<td>$2,127,000</td>
</tr>
</tbody>
</table>

* Only available for Residential projects not to exceed 10 kW

Figure 2. CORE Rebate Adders for Solar PV Applications for installation of NJ-made PV modules and for participation in the NJ Home Performance with Energy Star Program
November 14, 2005 Correction to  
Customer On-Site Renewable Energy (CORE) Program  
Policy Update Originally Distributed, November 7, 2005

To: All CORE Applicants and Installers

Re: Revised Guidelines for Project Completion Deadlines and Extensions

Attached are revised guidelines concerning CORE project completion deadlines and extension policies. The new policies are effective immediately.

The Office of Clean Energy continues to support the development of a vibrant renewable energy industry in New Jersey and believes these revised policies will help to streamline processes and make the program more effective.

Please call Yennaira Ortiz at 609.777.3315 if you have any questions or concerns regarding the new policies.

Sincerely,

Mike Winka
Director
Office of Clean Energy
Guidelines for Completion Deadlines and Extensions

This document presents guidelines regarding CORE project completion deadlines, and when extensions (if any) may be granted. This policy is intended to strike a balance between the need for rigorous and efficient program administration, including the need to strongly discourage speculative project applications and eliminate distressed projects that cannot complete as planned, with the need for reasonable completion intervals that reflect implementation realities and the need for commercial contracting confidence.

All of the policies, assumptions, and timelines set out below are subject to change based upon future directives of the Board of Public Utilities.

Assumptions

Project completion intervals are tightly linked with several other aspects of program implementation. The following policy recommendation is therefore based on the following assumptions:

1. Project commitment letters will be processed and issued by the Program Manager on average in less than 30 calendar days from the point of receipt of a complete application.

2. Whenever material changes are made in program policy, particularly any change that affects rebate amounts, there should be a reasonable commercial transition period. In general, changes should be planned to take effect 30 days after the date of policy change announcement.

3. In all cases, the completion interval is measured from the date of the rebate commitment letter to the point final rebate application paperwork is received by the Program Manager.

4. To facilitate the extension decisions, customers/contractors are encouraged to provide change notices or other notifications to the Program Manager (currently OCE) of project developments that might affect completion schedule. Progressive documentation of project issues to the Program Manager will significantly improve the case for a project extension. However, providing false or misleading information will result in cancellation of the rebate commitment.

5. The Policies and Procedures Guidebook for the CORE Program, which is currently under development, will include a process for written appeals of extension decisions made by the Program Manager.

6. The Program Manager will also take into consideration the potential impact on budget caps when reviewing requests for extraordinary extensions.
Guidelines for Completion Deadlines and Extensions (cont.)

The following sets out the revised policies for completion deadlines and extensions for all CORE applications effective as of this notice.

Policy

For all projects under 10KW in size:

1. Projects will be given 9 calendar months to complete, as measured from the date on the commitment letter to the date the final rebate application is received by the Program Manager.

2. No extensions will be granted, but projects may reapply under rebate levels in force at the time of reapplication. (corrected 11/14/05)

For all Private projects over 10KW in size:

1. Projects will be given 12 calendar months to complete, as measured from the date on the commitment letter to the date the final rebate application is received by the Program Manager.

2. If the project cannot complete within the initial 12-month period, the customer/contractor may apply for an extension. Extension applications must be received before 5:00 PM on the expiration date of the initial rebate commitment, and must include detailed documentation regarding the reasons for the delay. As noted above, progressive documentation of project issues to the Program Manager will significantly improve the case for a project extension.

3. The Program Manager will consider extensions in cases where significant progress has been made toward completion of the project, and where the delay was unavoidable and unforeseeable at the time of the rebate application. Approval of any extension will depend on the totality of circumstances related to reasonable progress toward each of the items listed below and the reason why the delay was unavoidable and unforeseeable as demonstrated through documentation provided with the extension request.

   a. Physical construction has started at the customer’s site, which means that: a) construction permits have been granted (where applicable), b) project materials either on-site or in storage, and c) installation work started;

   b. Irrevocable orders have been placed with the manufacturers of the major items of equipment (PV modules and inverters);
Guidelines for Completion Deadlines and Extensions (cont.)

c. Construction permits have been approved by the authority having jurisdiction (where applicable);

d. Engineering and design work has been started and progressed to a significant degree; and

e. Material and/or equipment have been received from the manufacturer, and are either on-site or in storage.

4. If granted, the extension will be for 6 calendar months.

For all Public (School, State, County and Municipal) projects over 10KW in size:

1. Projects will be given 12 calendar months to complete, as measured from the date on the commitment letter to the date the final rebate application is received by the Program Manager.

2. If the project cannot complete within the initial 12-month period, the customer/contractor may apply for an extension. Extension applications must be received before 5 PM on the expiration date of the initial rebate commitment, and must include detailed documentation regarding the reasons for the delay.

3. The Program Manager will grant extensions using the same approval guidelines established above for Private sector projects (>10KW), with additional consideration of procurement (i.e. customer contracting) and/or related litigation delays. Documented evidence of contracting and/or litigation delays will be strongly considered in the extension approval.

4. If granted, the extension will be for 12 calendar months.

5. After the expiration of the extension, a further extension may be granted only in cases where litigation related to public entity contract award can be documented. If granted, the further extension will be for 6 months.

6. In determining the impact on the hard budget caps, funds for this sector will be considered fully obligated at the time a commitment letter is approved.
Guidelines for Completion Deadlines and Extensions (cont.)

Implementation

Transition to this new policy should be made based on the following guidelines:

1. Any project whose rebate commitment has already expired, and, for which an extension application has been denied, may appeal. Appeals must be made within two calendar weeks of the release of this new policy. Consideration of the appeal should be based heavily on the new guidelines.

2. A NJCEP Appeals Committee, including, at a minimum, a representative of the Program Administrator, the Program Coordinator and one additional person selected by the Office of Clean Energy, will be formed for the purpose of considering appeals. Appeals of any denial of an extension request will be decided by the NJCEP Appeals Committee within a maximum of 30 days.

3. This deadline and extension policy is effective immediately and applies retroactively to all rebate commitments that have not yet expired. As noted above, policy changes would normally have a 30 day transition period. That transition period is waived in this case since changes in deadline enforcement policy have already been implemented retroactively. Specifically, any <10KW project should have their expiration date adjusted to be 9 months from the commitment letter date. Any commitments that subsequently expire should be handled as per the new guidelines (regarding extensions, where applicable).
Inspection Announcement regarding Federal Tax Incentive  
Customer On-site Renewable Energy (CORE) Program

Requests for CORE rebate inspection on systems installed at the end of the year, that are near expiration of rebate commitment or seek to document being placed in service before January 1, must have their request for inspection submitted by close of business on December 23, 2005. Any requests received after 5pm on December 23, 2005 will not be inspected by the end of the year.

On September 8, 2005, the Office Clean Energy announced rebate changes for applications received after August 8, 2005 that cannot prove ineligibility for the federal Investment Tax Credit. Applications received and approved after August 8, 2005 must be installed and pass inspection by the Program Inspector before January 1, 2005 to be eligible for maximum CORE rebate levels. Applications approved after August 8 from applicants that cannot take advantage of the federal Investment Tax Credit must be supplied with documentation to this effect. Applicants must document tax status with such documentation as an IRS Determination Letter for public institutions or an Alternative Minimum Tax filing from previous year for a private sector applicant. Private sector applicants may be asked to return the difference in rebates if they seek the federal Investment Tax Credit.

Applications for rebate on solar electric systems in the CORE program will be approved for a maximum rebate according to the schedule announced on May 25, 2005 assuming the system is placed in service before January 1, 2006. For private sector applicants including corporations and residential ratepayers, if the system is placed in service after December 31, 2005, the applicant will be provided rebate according to the following reduced schedule:

**Effective date of Revised Rebate for CORE application received for processing on or after August 8, 2005**

<table>
<thead>
<tr>
<th>Solar PV Rebate effective 8/8/05, if placed in service before 01/01/06 or until further notice if public, institutional or AMT documented applicant</th>
<th>Solar PV Rebate effective 8/8/05, if placed in service after 12/31/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 10,000 watts</td>
<td>$5.30 per watt</td>
</tr>
<tr>
<td>10,001 to 40,000 watts</td>
<td>$4.35 per watt</td>
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<td>40,001 to 100,000 watts</td>
<td>$3.75 per watt</td>
</tr>
<tr>
<td>100,001 to 700,000 watts</td>
<td>$3.60 per watt</td>
</tr>
</tbody>
</table>
-----Original Message-----
From: Hunter, Benjamin
Sent: Friday, November 04, 2005 5:08 PM
To: vendor@njcep.com
Cc: INX@njcep.com
Subject: Grid Connected RE Systems Should NEVER be Installed Without an EDC Approval to Interconnect

Attention Vendors and Installers Participating in the Customer Onsite Renewable Energy (CORE) program

It has come to the attention of the Office of Clean Energy that applicants in the CORE program have submitted Interconnection Application forms after having their Class I renewable energy generation equipment installed. This practice is contrary to the intent of the program, unsafe and financially risky. The recommended process for applying for rebate in the CORE program is that simultaneous with the submission of CORE Rebate Application materials, page one of the application for Interconnection is filed with the appropriate Electric Distribution Company. After Interconnection Agreement is approved, the installation can be completed, the local electrical inspection passed, and then the completed copy of the Interconnection Application (both pages) filed with the EDC for interconnection.

The EDCs have agreed to e-mail the "approval to interconnect" to both the customer and the Office of Clean Energy. The Office of Clean Energy will not process a request for CORE Rebate payment without documentation of an approval to interconnect from the local EDC.

B. Scott Hunter
Renewable Energy Program Administrator
New Jersey Office of Clean Energy
New Jersey Board of Public Utilities
PO Box 350, 44 S. Clinton Ave.
Trenton, NJ 08625
www.njcep.com
Applications for rebate on solar electric systems in the CORE program will be approved for a maximum rebate according to the schedule announced on May 25, 2005 assuming the system is placed in service before January 1, 2006. For private sector applicants including corporations and residential ratepayers, if the system is placed in service after December 31, 2005, the applicant will be provided rebate according to the following reduced schedule; 1 to 10,000 watts at $5.10, 10,001 to 40,000 watts at $3.90, 40,000 to 100,000 watts at $3.45, 100,001 to 700,000 watts at $3.20.

Public sector, institutional, non-profit and corporations that can document an inability to use federal Investment Tax Credits such as those taxed under the Alternative Minimum Tax will be approved for the maximum rebate as announced on May 25, 2005. Applicants must provide documentation of their inability to take advantage of the federal Investment Tax Credit with their CORE application package. Applicants that do not supply this documentation will be provided the reduced rebate if their systems are placed in service after December 31, 2005.

**Effective date of Revised Rebate for CORE application received for processing on or after August 8, 2005**

<table>
<thead>
<tr>
<th>Solar PV Rebate effective 7/1/05, if placed in service before 01/01/06 or until further notice if public, institutional or AMT documented applicant</th>
<th>Solar PV Rebate effective 7/1/05, if placed in service after 12/31/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 10,000 watts</td>
<td>$5.30 per watt</td>
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<tr>
<td>10,001 to 40,000 watts</td>
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<td>100,001 to 700,000 watts</td>
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</tr>
</tbody>
</table>
To: All CORE applicants and installers

RE: Policy Enforcement Effective Immediately

The Customer On-Site Renewable Energy (CORE) Program has expanded significantly over the last two years. This growth is the result of New Jersey’s Clean Energy Program rebate that reduces the upfront capital costs of systems; the Renewable Energy Portfolio Standards with a solar electric set aside and the establishment of the first market-based renewable energy certificate trading system for solar that has helped to develop longer term financing; and the net metering/interconnection rules that have provided consistency for technology connection to the distribution system. This has been and continues to be a very successful state program. We have all helped to grow a new industry in New Jersey and we should take immense pride in that accomplishment. We have done that at the same time we have significantly reduced administrative costs for operating the CORE program.

To help grow this industry, the Office of Clean Energy has provided considerable flexibility with regard to the policies and procedures of the program, specifically with regard to the due dates set out in CORE approval letters in the past. However, because of that success the program is experiencing tremendous demand for rebates and extensions. Therefore, effective immediately, all deadlines set out in CORE Program approval letters will be strictly enforced. Approved CORE projects require submission of a final application that includes all of the information requirements set out in the approval letter within 6 months of the date of the approval letter for projects less than or equal to 10 kW and within 1 year for projects greater than 10 kW. This will assist us in continuing to grow the program while minimizing administrative costs.

Going forward, if the Office of Clean Energy has not received either a complete final application or a request for an extension by the rebate commitment expiration date, the rebate approval will be rescinded immediately, without exceptions. Requests for an extension must be made in writing with documentation of extenuating circumstance. This should include, at a minimum, documentation that construction, planning or zoning permits have been applied for and/or issued, documentation of up to date construction project progress, listing of materials delivered to the site for the project or delivery schedules, and a fully executed contract. Circumstances that have caused or will cause a delay should be filed with the Office as soon as they occur. Extensions are not granted automatically but at the discretion of the CORE rebate processing staff. For now, we will consider requests for extensions on a case-by-case basis and will shortly provide additional details of the extension determination policy criteria.
For projects greater than 10 kW, applicants are required to submit a signed contract within 90 days for private projects and within 180 days for public projects. This requirement will be strictly enforced as well. If the Office of Clean Energy has not received a copy of the contract by the contract due date, the rebate approval will be rescinded, without exceptions.

The Office of Clean Energy believes the program has matured to the point that enforcement of these policies is necessary to help continue to grow the market, minimize administrative costs and to move collectively forward. We continue to support the development of a vibrant renewable energy industry in the State and look forward to working together to accomplish this task.

Sincerely,

**Mike Winka**  
Mike Winka  
Director,  
Office of Clean Energy
Customer On-site Renewable Energy Program Changes  
– Effective July 1, 2005

Rebate Level Adjustments for Solar PV

With the advice and consent of the Clean Energy Council, the Office of Clean Energy is changing the rebate levels for solar photovoltaic equipment installation in the Customer On-site Renewable Energy program. The new rebate levels, referenced below, will take effect July 1, 2005.

Note: to encourage greater price competition among installers, the new rebate calculation methodology no longer employs a percentage cap. The new rebate level is calculated solely as a dollar per watt and no longer results from the lesser of $5.50 per watt or 70% for systems less than 10 kW. As a result, applications using the new rebate levels are no longer required to submit invoices or proof of payment. After July 1, 2005, self-installation rebate levels are solely calculated using the 15% reduction of the appropriate dollar per watt option.

Applications using existing rebate levels will be accepted until the close of business on June 24, 2005. No applications will be accepted between June 25, 2005 and June 30, 2005.

<table>
<thead>
<tr>
<th>Wattage Range</th>
<th>Solar PV Rebate available thru 06/24/05</th>
<th>Solar PV Rebate effective 7/1/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 10,000 watts</td>
<td>Lesser of $5.50 per watt or 70% of installed costs</td>
<td>$5.30 per watt</td>
</tr>
<tr>
<td>10,001 to 40,000 watts</td>
<td>Lesser of $4.00 or 60% of installed costs</td>
<td>$4.35 per watt</td>
</tr>
<tr>
<td>40,001 to 100,000 watts</td>
<td>Lesser of $4.00 or 60% of installed costs</td>
<td>$3.75 per watt</td>
</tr>
<tr>
<td>100,001 to 500,000 watts</td>
<td>Lesser of $3.75 per watt or 60% of installed costs</td>
<td>$3.60 per watt</td>
</tr>
<tr>
<td>501,000 to 700,000 watts</td>
<td>N/a</td>
<td>$3.60 per watt</td>
</tr>
</tbody>
</table>
CORE Program Changes – Effective May 25, 2005

Effective immediately, rebate application eligibility and rebate calculation in the Customer Onsite Renewable Energy Program will be determined by site rather than by meter. The definition of a "site" for the purposes of rebate eligibility and calculation is a parcel of real property including any adjacent or contiguous property under common ownership. A rebate request for multiple systems to be installed on one "site" regardless of the number of meters should be contained in one application and the rebate commitment should be calculated as if it is one system in aggregate. The same methodology applies to SREC generation for verification and reporting purposes.

CORE Program Changes – Effective May 1, 2005

Updates since the January 1, 2005 announcement in blue

1.) Effective January 1, 2005, All CORE applications must be mailed in. The applications should be typewritten and must be legible. We will no longer accept applications or revisions via fax or email.

2.) All incomplete or illegible applications will be returned effective immediately. Please be sure your application is complete by submitting the following:

- COMPLETE CORE Rebate Application
- COMPLETE CORE Technical Worksheet
- Site Map
- Copy of Recent Electric Bill with yearly usage in kilowatt hours, if new construction then proper breakdown of expected usage including a list of loads and building square footage
- Proper Signatures
- Federal Tax I.D.
- Warranty Information
- Home and daytime phone numbers
- Copy of Signed Contracts between customer and installer or Proposal to customer with complete breakdown of costs (installation costs, customer cost, and estimated CORE Rebate)
For ALL Applications less than or equal to 10 kW, a copy of **SIGNED CONTRACT** between customer and installer must be included with the initial application package.

For Private Sector Applications greater than 10 kW, a copy of **SIGNED Letter of Intent to Contract** between customer and installer must be included with the initial application package. **A SIGNED CONTRACT** between customer and installer is due within 90 days of approval date.

For Public Sector Applications greater than 10 kW, a copy of **Public Resolution to Solicit Bids** must be included with the initial application package. **A SIGNED CONTRACT** between customer and installer is due within 180 days of approval date.

3.) Rebates will **NOT** be released until the system passes inspection and all final paperwork is received. Final installation of the renewable energy system must be certified by the following documents:

- A completed New Jersey Clean Energy Program Final Application
- Any revisions must be accompanied by appropriate revised applications
- An itemized proof of purchase
- Copies of sales slips and/or invoices to customer with complete breakdown of costs (installation costs, customer costs, and estimated CORE Rebate)
- Copies of cancelled checks front and back
- A copy of the Electrical Code Inspection Certificate, and
- A copy of the completed Interconnection Agreement

**ALL final accounting for eligible costs; invoices, checks, etc., must add up. Discrepancies, incomplete records and late submissions result in delayed rebate payments.**

4.) The first two (2) inspections per application performed by the state inspector will be free of charge. Any further inspections done on the same installation will be subject to a fee of $400 per additional inspection **which will be deducted from the final rebate.**

5.) The Board approved a policy to ensure the equitable distribution of CORE rebates among ratepayers. An annual cap of $2.5 million in CORE rebates not to exceed $5 million in consecutive years will be applied to school districts. Additional criteria will be developed for schools projects to ensure distribution of rebates according to need and added to the existing application process. The application of this policy for other “entities” will be explored with the Clean Energy Council and offered for the Board’s approval within 60 days.
6.) The Self-Install policy now has an alternative rebate calculation method. In lieu of submitting receipts for all costs, installer/owners and other owners sharing a material interest with their installer can accept a 15% reduction in rebate.

7.) **Extensions are not automatic** but subject to the discretion of the OCE. Extensions will not be processed without a signed contract. A signed contract must accompany the extension request before the OCE will consider an extension. The OCE will not issue second extensions. If a project is granted an extension but is not completed (inspected with final paperwork submitted) within the extended time period, or by 12/31/05 whichever occurs first, the project will be automatically cancelled without further notice. Applicants must reapply for rebate commitment under current rebate levels if the commitment expires before the project is inspected. Projects will not be extended beyond 12/31/05 under existing rebate levels.