THE RECOMMENDED SOLAR PROVISIONS OF S877 ARE INTERRELATED AND CAREFULLY BALANCED

Goals:

- Advance solar energy to meet climate change goals,
- Reduce rate impact,
- Treat existing investments fairly

**Raise RPS to 5.3%**
Solar industry continues at current levels during 2-year transition

**Reduce SACP**
Reduce cost to ratepayers, but keep solar industry working and be fair to existing systems

**Sunset SREC Market**
After 2 years, transition to a lower-cost incentive system

- End a high-cost incentive
- Grow solar with a low-cost incentive
- Continuity for solar industry
- Preserve jobs

Reduce rate impact
Solar Transition Team

Solar Bill revisions as joint effort of team representing majority of solar market participants
New Jersey solar investors earning < 8% on average; below market design

*IRRs calculated assuming: Install cost based on Lawrence Berkley National Lab (LBNL): Tracking the Sun 2017; modeled using actual energy prices (Navigant) and actual SREC prices received/forward curve at 65% of SACP
Sunsetting of the RPS

- Proposed RPS declines reflect no new applications when 5.3% RPS target is hit and with no replacement of projects retiring from SREC eligibility

- With new projects at 10 year SREC eligibility market can permanently close in 2033
How does New Jersey rank with other states on:

1. **Rates** - 10th
2. **Bills** - 39th (per capita expenditures on electricity)
3. **Affordability** - 47th (per capita expenditures as % of income)

Data for 2015
U.S. Energy Information Agency
U.S. Dept. of Commerce, Bureau of Economic Analysis