





















PSE&G Solar-4-All Extension Program  
Accounting Entries

Entry	Acct. Description	Jun-13		Jul-13		Aug-13		Sep-13		Oct-13		Nov-13		Dec-13		Jan-14		Feb-14		Mar-14	
		Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
1	<u>Record solar administrative expense.</u>																				
	549 Miscellaneous Other Power Generation Expense	5,160		9,193		20,945		41,333		22,309		28,286		17,615		22,487		17,348		27,064	
	Maintenance of Miscellaneous Other Power Generation		5,160		9,193		20,945		41,333		22,309		28,286		17,615		22,487		17,348		27,064
	554 Plant																				
	131 Cash																				
2	<u>Record the monthly Solar 4 All Ext revenues.</u>																				
	142 Customer Accounts Receivable	129,285		160,743		142,171		116,982		110,409		109,668		117,259		125,648		115,595		118,482	
	400 Operating Revenues		129,285		160,743		142,171		116,982		110,409		109,668		117,259		125,648		115,595		118,482
3	<u>Record any over/under recovery-excluding incremental WACC cost.</u>																				
	182 Regulatory Asset - Solar 4 All																				
	407.3 Regulatory Debits																				
	407.4 Regulatory Credits	124,125		151,550		121,226		75,648		88,099		81,382		99,644		103,162		98,247		91,419	
	254 Regulatory Liability - Solar 4 All		124,125		151,550		121,226		75,648		88,099		81,382		99,644		103,162		98,247		91,419
4	<u>To record deferral of the incremental WACC cost</u>																				
	182 Regulatory Asset - Solar 4 All	N/A		N/A		N/A		N/A		N/A		N/A		N/A		N/A		N/A		N/A	
	407.4 Regulatory Credits		N/A		N/A		N/A		N/A		N/A		N/A		N/A		N/A		N/A		N/A
5	<u>Record cost of capital on any over/under recovered balance-excluding incremental WACC cost</u>																				
	182 Regulatory Asset - Solar 4 All																				
	419 Other Income																				
	431 Interest Expense	7		23		39		53		56		107		69		83		87		96	
	254 Regulatory Liability - Solar 4 All		7		23		39		53		56		107		69		83		87		96

**PSE&G Solar Loan III Program  
Accounting Entries**

Entry	Acct. Description	Jun-13		Jul-13		Aug-13		Sep-13		Oct-13		Nov-13		Dec-13		Jan-14		Feb-14		Mar-14		
		Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	
	<b>To record the administrative costs of the Solar program net of application fees.</b>																					
1	908 Customer Assistance Expenses			43,456		100,804		66,806		81,810		29,739		112,633		106,053		77,090				9,471
	131 Cash (payroll, outside services, M&S)				43,456		100,804		66,806		81,810		29,739		112,633		106,053		77,090		9,471	
2	<b>To accrue the carrying cost on SREC Inventory.</b>																					
	182.3 Solar Loan III Regulatory Asset - Loan Costs																					
	431 Interest Expense																					
	419 Interest and Dividend Income																					
3	<b>To record the monthly RRC revenues.</b>																					
	142 Customer Accounts Receivable	73,877		91,853		81,241		66,847		63,091		62,667		67,005		71,799		66,054			67,704	
	400 Electric Operating Revenues		73,877		91,853		81,241		66,847		63,091		62,667		67,005		71,799		66,054			67,704
4	<b>To record monthly over-under collection through the RRC- excluding incremental WACC cost</b>																					
	If under collected:																					
	182.3 Solar Loan III Regulatory Asset - Loan Costs					19,564				18,720				45,627		34,254		11,036				
	908 Customer Assistance Expenses						19,564				18,720				45,627		34,254		11,036			
	If over collected:																					
	182.3 Solar Loan II Regulatory Asset - Loan Costs		73,877		48,398				41				92,408									77,175
	908 Customer Assistance Expenses	73,877		48,398				41				92,408										77,175
5	<b>To record the monthly carrying cost on over-under collected balance - excluding incremental WACC</b>																					
	If under collected:																					
	182.3 Solar Loan II Regulatory Asset - Loan Costs																					
	431 Interest Expense																					
	419 Interest and Dividend Income																					
	If over collected:																					
	426.5 Other Deductions																					
	431 Interest Expense	4		11		13		13		10		23		15		12		9			12	
	182.3 Solar Loan II Regulatory Asset - Loan Costs		4		11		13		13		10		23		15		12		9		12	

**APPENDIX A-CA/EEE/EEE Ext.  
PAGE 1 OF 2**

<b>PUBLIC SERVICE ELECTRIC AND GAS Minimum Filing Requirements -- Carbon Abatement and Energy Efficiency Economic Stimulus and Energy Efficiency Economic Program Extension Programs</b>	
<b>MINIMUM FILING REQUIREMENTS</b>	<b>LOCATION IN FILING</b>
<b>I. General Filing Requirements</b>	
1. Direct employment impacts, including a breakdown by sub-program	Schedule JEM-CA&EEE-1
2. A monthly revenue requirement calculation based on program expenditures, showing the actual monthly revenue requirement for each of the past twelve months or clause-review period, as well as supporting calculations, including the information related to the tax rate and revenue multiplier used in the revenue requirement calculation.	Schedules: SS-CA-2E/2G, SS-EEE-2E/G, and SS-EEE Ext-2E/G
3. For the review period, actual revenues, by month and by rate class recorded under the programs.	Schedules: SS-CA-4E/2G, SS-EEE-4E/G, and SS-EEE Ext-4E/G
4. Monthly beginning and ending clause balances, as well as the average balance net of tax for the 12-month period.	Schedules: SS-CA-3E/2G, SS-EEE-3E/G, and SS-EEE Ext-3E/G
5. The interest rate used each month for over/under recoveries, and all supporting documentation and calculations for the interest rate.	Schedules: SS-CA-3E/2G, SS-EEE-3E/G, and SS-EEE Ext-3E/G and WP-GPRC-3.xlsx
6. The interest expense to be charged or credited to ratepayers each month.	Schedules: SS-CA-3E/2G, SS-EEE-3E/G, and SS-EEE Ext-3E/G
7. A schedule showing budgeted versus actual program costs by the following categories: administrative (all utility costs), marketing/sales, training, rebates/incentives, including inspections and quality control, program implementation (all contract costs), evaluation, and any other costs.	Schedules: JEM-CA-2, JEM-EEE-2, and JEM-EEE Ext-2
8. The monthly journal entries relating to regulatory asset and O&M expenses for the 12 month review period.	Schedule P-1
9. Supporting details for all administrative costs included in the revenue requirement.	WP-JEM-CA-1.xlsx, WP-JEM-EEE-1.xlsx, and WP-JEM-EEE Ext-1.xlsx
10. Information supporting the carrying cost used for the unamortized costs.	Schedules: SS-CA-3E/2G, SS-EEE-3E/G, and SS-EEE Ext-3E/G and WP-GPRC-3.xlsx
11. Number of program participants, including a breakdown by sub-program.	Schedules: JEM-CA-3, JEM-EEE-3, and JEM-EEE Ext-3

**APPENDIX A-CA/EEE/EEE Ext.  
PAGE 2 OF 2**

<b>PUBLIC SERVICE ELECTRIC AND GAS Minimum Filing Requirements – Carbon Abatement and Energy Efficiency Economic Stimulus and Energy Efficiency Economic Program Extension Programs</b>	
<b>MINIMUM FILING REQUIREMENTS</b>	<b>LOCATION IN FILING</b>
<b>I. General Filing Requirements</b>	
12. Estimated demand and energy savings, including a breakdown by sub-program.	Schedules: JEM-CA-4E/G, JEM-EEE-4E/G, JEM-EEE Ext-4E/G, JEM-CA-5E/G, JEM-EEE-5E/G, and JEM-EEE Ext-5E/G
13. Emissions reductions from the Program, including a breakdown by sub-program.	Schedules: JEM-CA-6, JEM-EEE-6, JEM-EEE Ext-6, JEM-CA-7, JEM-EEE-7, and JEM-EEE Ext-7
14. Estimated free ridership and spillover.	N/A
15. Participant costs (net of utility incentives), including a breakdown by sub-program.	Schedules: JEM-CA-8, JEM-EEE-8, and JEM-EEE Ext-8
16. Results of program evaluations, including a breakdown by sub-program.	None to Date

**APPENDIX A-DR**

**PUBLIC SERVICE ELECTRIC AND GAS  
Annual Reporting Requirements – Demand Response Program**

	LOCATION IN FILING	Thru 3/2014	4/2014 – 9/2015	Total
a. Number of legacy switches replaced with thermostats	WP-JEM-DR-1.xlsx, "Master" Tab	6,673	301	6,974
b. Number of legacy switches replaced with switches	WP-JEM-DR-1.xlsx, "Master" Tab	68,781	47	68,828
c. Number of new customers enrolled	WP-JEM-DR-1.xlsx, "Master" Tab	56,595	3,267	59,862
d. Number of customers who drop out	WP-JEM-DR-1.xlsx, "Master" Tab	61,487	12,746	74,233
e. Number of new devices installed	WP-JEM-DR-1.xlsx, "Master" Tab	132,049	3,615	135,664
f. Nominations to PJM (MW)	WP-JEM-DR-1.xlsx, "Master" Tab Attachment B			
g. Program costs by category	SS-DR-2, 2a and 2b for summary	\$59,894,316	\$6,899,600	\$66,793,916
h. Capitalized costs	SS-DR-2, 2a and 2b for summary	\$33,384,679	\$1,152,048	\$34,536,727
i. Administrative costs	SS-DR-2, 2a and 2b for summary	\$16,283,333	\$3,203,579	\$19,486,912
j. Participant incentives	SS-DR-2, 2a and 2b for summary	\$10,226,304	\$2,543,973	\$12,770,277
k. Results of any program evaluations	WP-JEM-DR-1.xlsx, "Master" Tab Attachment B			
l. Results of market research	JEM-DR-1			
m. Type of equipment installed	WP-JEM-DR-1.xlsx, "Master" Tab			
n. Curtailment information such as date, duration, criteria used for economic dispatch, duty-cycled used, etc.	Attachment B			
o. PJM Payments received	Schedule SS-DR-2	\$18,612,688	N/A	\$18,612,688
p. Projected PJM payments due for future periods	Schedule SS-DR-2	N/A	\$9,897,738	\$9,897,738
q. Monthly revenue requirement calculation	Schedule SS-DR-2	\$20,756,049	\$4,254,596	\$25,010,645
r. Monthly revenues received	Schedule SS-DR-3	\$22,243,675	N/A	\$22,243,675
s. Calculation of interest on over/under recoveries	Schedule SS-DR-3	(\$15,946)	N/A	(\$15,946)
t. Supporting documentation for monthly rate used for over/under recoveries	WP-SS-GPRC-3.xlsx			

**APPENDIX A-S4A**

<b>PUBLIC SERVICE ELECTRIC AND GAS Minimum Filing Requirements – Solar 4 All Program</b>	
<b>MINIMUM FILING REQUIREMENTS</b>	<b>LOCATION IN FILING</b>
<b>I. General Filing Requirements</b>	
1. A monthly revenue requirement calculation based on program expenditures, showing the actual monthly revenue requirement for each of the past twelve months or clause-review period, as well as supporting calculations, including the information related to the tax rate and revenue multiplier used in the revenue requirement calculation.	Schedule SS-S4A-2, Schedule SS-S4A-2a, Schedule SS-S4A-2b, and Schedule SS-S4A-2c
2. For the review period, actual revenues, by month and by rate class recorded under the programs.	Schedule SS-S4A-4
3. Monthly beginning and ending clause balances, as well as the average balance net of tax for the 12-month period.	Schedule SS-S4A-3
4. The interest rate used each month for over/under recoveries, and all supporting documentation and calculations for the interest rate.	Schedule SS-S4A-3 and WP-SS-GPRC-3.xlsx
5. The interest expense to be charged or credited to ratepayers each month.	Schedule SS-S4A-3
6. A schedule showing budgeted versus actual program costs and revenues.	Schedule JEM-S4A-7
7. The monthly journal entries relating to regulatory assets and O&M expenses for the 12 month review period.	Schedule P-1, page 5
8. Supporting details for all administrative costs included in the revenue requirement.	WP-JEM-S4A-1.xlsx
9. Information supporting the carrying cost used for the unamortized costs.	Schedule SS-S4A-3 and WP-SS-GPRC-3.xlsx
10. Number of solar systems install, including a breakdown by Segment.	Schedule JEM -S4A-1
11. Total capacity of solar systems install, including a breakdown by Segment.	Schedule JEM -S4A-2
12. Estimated kWhs generated by the solar systems, including a breakdown by Segment.	Schedule JEM -S4A-4
13. Scheduled installations by quarter.	Schedule JEM-S4A-3
14. Emissions reductions from the Program, including a breakdown by Segment.	Schedule JEM-S4A-6
15. Number of SRECs received under the Program, including a breakdown by Segment.	Schedule JEM-S4A-5
16. Net revenues received from sales of SRECs for the 12-month review period.	Schedule SS-S4A-2, Schedule SS-S4A-2a, Schedule SS-S4A-2b, and Schedule SS-S4A-2c
17. Net revenues received from sales of energy or capacity from the Solar Systems in the PJM markets for the 12-month review period.	Schedule SS-S4A-2, Schedule SS-S4A-2a, Schedule SS-S4A-2b, and Schedule SS-S4A-2c
18. A narrative description of issues and problems that have arisen regarding the Program, if any, along with an action plan to address them.	Attachment A

**APPENDIX A-S4AE**

<b>PUBLIC SERVICE ELECTRIC AND GAS</b>	
<b>Minimum Filing Requirements – Solar 4 All Extension Program</b>	
<b>MINIMUM FILING REQUIREMENTS</b>	<b>LOCATION IN FILING</b>
<b>I. General Filing Requirements</b>	
1. A monthly revenue requirement calculation based on program expenditures, showing the actual monthly revenue requirement for each of the past twelve months or clause-review period, as well as supporting calculations, including the information related to the tax rate and revenue multiplier used in the revenue requirement calculation.	Schedule SS-S4AE-2, Schedule SS-S4AE-2a, Schedule SS-S4AE-2b, Schedule SS-S4AE-2c, and Schedule SS-S4AE-2d
2. For the review period, actual revenues, by month and by rate class recorded under the programs.	Schedule SS-S4AE-4
3. Monthly beginning and ending clause balances, as well as the average balance net of tax for the 12-month period.	Schedule SS-S4AE-3
4. The interest rate used each month for over/under recoveries, and all supporting documentation and calculations for the interest rate.	Schedule SS-S4AE-3 and WP-SS-GPRC-3.xlsx
5. The interest expense to be charged or credited to ratepayers each month.	Schedule SS-S4AE-3
6. A schedule showing budgeted versus actual program costs and revenues.	Schedule JEM-S4AE-7
7. The monthly journal entries relating to regulatory assets and O&M expenses for the 12 month review period.	Schedule P-1, page 5
8. Supporting details for all administrative costs included in the revenue requirement.	WP-JEM-S4AE-1.xlsx
9. Information supporting the carrying cost used for the unamortized costs.	Schedule SS-S4AE -3, WP-SS-GPRC-3.xlsx
10. Number of solar systems install, including a breakdown by Segment.	Schedule JEM -S4AE-1
11. Total capacity of solar systems install, including a breakdown by Segment.	Schedule JEM -S4AE-2
12. Estimated kWhs generated by the solar systems, including a breakdown by Segment.	Schedule JEM -S4AE-4
13. Scheduled installations by quarter.	Schedule JEM-S4AE-3
14. Emissions reductions from the Program, including a breakdown by Segment.	Schedule JEM-S4AE-6
15. Number of SRECs received under the Program, including a breakdown by Segment.	Schedule JEM-S4AE-5
16. Net revenues received from sales of SRECs for the 12-month review period.	Schedule SS-S4AE-2, Schedule SS-S4AE-2a, Schedule SS-S4AE-2b, Schedule SS-S4AE-2c, and Schedule SS-S4AE-2d
17. Net revenues received from sales of energy or capacity from the Solar Systems in the PJM markets for the 12-month review period.	Schedule SS-S4AE-2, Schedule SS-S4AE-2a, Schedule SS-S4AE-2b, Schedule SS-S4AE-2c, and Schedule SS-S4AE-2d
18. A narrative description of issues and problems that have arisen regarding the Program, if any, along with an action plan to address them.	Attachment A

**APPENDIX A-SLII**

<b>PUBLIC SERVICE ELECTRIC AND GAS Minimum Filing Requirements – Solar Loan II Program</b>	
<b>MINIMUM FILING REQUIREMENTS</b>	<b>LOCATION IN FILING</b>
<b>I. General Filing Requirements</b>	
1. A monthly revenue requirement calculation based on program expenditures, showing the actual monthly revenue requirement for each of the past twelve months or clause-review period, as well as supporting calculations, including the information related to the tax rate and revenue multiplier used in the revenue requirement calculation.	Schedules SS-SLII-2 and SS-SLII-2a
2. For the review period, actual revenues, by month and by rate class recorded under the programs.	Schedule SS-SLII-4
3. Monthly beginning and ending clause balances, as well as the average balance net of tax for the 12-month period.	Schedule SS-SLII-3
4. The interest rate used each month for over/under recoveries, and all supporting documentation and calculations for the interest rate.	Schedule SS-SLII-3 and WP-SS-GPRC-3.xlsx
5. The interest expense to be charged or credited to ratepayers each month.	Schedule SS-SLII-3
6. A schedule showing budgeted versus actual program costs and revenues.	N/A
7. The monthly journal entries relating to capital and regulatory assets and O&M expenses for the 12 month review period.	Schedule P-1, page 6
8. Supporting details for all administrative costs included in the revenue requirement.	Schedules JEM-SLII-2 and Schedules JEM-SLII-3
9. Information supporting the carrying cost used for the unamortized costs.	Schedule SS-SLII-3
10. Number of loans closed, including a breakdown by Segment.	Schedule JEM-SLII-5
11. Total capacity of solar systems for which loans have been closed, including a breakdown by Segment.	Schedule JEM-SLII-6
12. Estimated kwhs generated by the solar systems for which loans have been closed, including a breakdown by Segment.	Schedule JEM-SLII-7
13. Number of loans closed by quarter.	Schedule JEM-SLII-8
14. Emissions reductions from the Program, including a breakdown by Segment.	Schedule JEM-SLII-9
15. Number of SRECs received under the Program, including a breakdown by Segment	Schedule JEM-SLII-10
16. Net revenues received from sales of SRECs for the 12-month review period.	Schedules SS-SLII-2a
17. A narrative description of issues and problems that have arisen regarding the Program, if any, along with the action plan to address them.	Attachment A

**APPENDIX A-SLIII**

<b>PUBLIC SERVICE ELECTRIC AND GAS Minimum Filing Requirements – Solar Loan III Program</b>	
<b>MINIMUM FILING REQUIREMENTS</b>	<b>LOCATION IN FILING</b>
<b>I. General Filing Requirements</b>	
1. A monthly revenue requirement calculation based on program expenditures, showing the actual monthly revenue requirement for each of the past twelve months or clause-review period, as well as supporting calculations, including the information related to the tax rate and revenue multiplier used in the revenue requirement calculation.	Schedules SS-SLIII-2 and SS-SLIII-2a
2. For the review period, actual revenues, by month and by rate class recorded under the programs.	Schedule SS-SLIII-4
3. Monthly beginning and ending clause balances, as well as the average balance net of tax for the 12-month period.	Schedule SS-SLIII-3
4. The interest rate used each month for over/under recoveries, and all supporting documentation and calculations for the interest rate.	Schedule SS-SLIII-3 and WP-SS-GPRC-3.xlsx
5. The interest expense to be charged or credited to ratepayers each month.	Schedule SS-SLIII-3
6. A schedule showing budgeted versus actual program costs and revenues.	N/A
7. The monthly journal entries relating to capital and regulatory assets and O&M expenses for the 12 month review period.	Schedule P-1, page 6
8. Supporting details for all administrative costs included in the revenue requirement.	Schedules JEM-SLIII-2 and Schedules JEM-SLIII-3
9. Information supporting the carrying cost used for the unamortized costs.	Schedule SS-SLIII-2
10. Number of loans closed, including a breakdown by Segment.	Schedule JEM-SLIII-5
11. Total capacity of solar systems for which loans have been closed, including a breakdown by Segment.	Schedule JEM-SLIII-6
12. Estimated kwhs generated by the solar systems for which loans have been closed, including a breakdown by Segment.	Schedule JEM-SLIII-7
13. Number of loans closed by quarter.	Schedule JEM-SLIII-8
14. Emissions reductions from the Program, including a breakdown by Segment.	Schedule JEM-SLIII-9
15. Number of SRECs received under the Program, including a breakdown by Segment	Schedule JEM-SLIII-10
16. Net revenues received from sales of SRECs for the 12-month review period.	Schedules SS-SLIII-2a
17. A narrative description of issues and problems that have arisen regarding the Program, if any, along with the action plan to address them.	Attachment A

**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

**In The Matter of the Petition of  
Public Service Electric and Gas Company  
for Approval of Changes in its  
Electric Green Programs Recovery Charge  
and its Gas Green Programs Recovery Charge  
“2014 PSE&G Green Programs Cost Recovery Filing”**

**BPU Docket No. \_\_\_\_\_**

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY  
DIRECT TESTIMONY  
OF  
JESS E. MELANSON  
DIRECTOR OF ENERGY SERVICES**

**ATTACHMENT A**

**June 30, 2014**

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY  
DIRECT TESTIMONY  
OF  
JESS E. MELANSON  
DIRECTOR ENERGY SERVICES**

My name is Jess E. Melanson and I am the Director of Energy Services for Public Service Electric and Gas Company (“PSE&G,” the “Company”). I have primary management and oversight responsibility over the design and planning of renewable energy, energy efficiency, and demand response programs along with operational responsibility for the energy efficiency and demand response programs. My credentials are included as Schedule JEM-1. The purpose of this testimony is to support the Company’s request for recovery of costs incurred implementing PSE&G’s Solar 4 All (“S4A”) Program; Solar 4 All Extension (“S4AExt”) Program; Solar Loan II (“SLII”) Program; Solar Loan III (“SLIII”) Program; Carbon Abatement (“CA”) Program; Energy Efficiency Economic (“EEE”) Stimulus Program; and the Energy Efficiency Economic Extension (“EEE Ext”) Program. I also provide testimony to support the recovery of costs associated with the Company’s Demand Response Program (“DR”). The Programs are described in greater detail below.

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**SOLAR 4 ALL PROGRAM**

**A. Solar 4 All Program Description**

As approved by Board Order dated August 3, 2009 in Docket No. EO09020125, the total size of the Program is 80 MW and the Company’s investment was estimated to be approximately \$514.6 million. The S4A Program consists of two segments: Segment 1, which is comprised of three sub-segments: (i) Segment 1a (25 MW) for solar systems installed on PSE&G-owned sites; (ii) Segment 1b (10 MW) for solar systems installed on third-party sites; and (iii) Segment 1c (5 MW) for solar systems installed on sites in municipalities that host Urban Enterprise Zones (“UEZs”), including publicly-owned sites; and Segment 2 (40 MW), where PSE&G is installing small distributed solar systems on utility and street light poles in PSE&G’s service territory.

In Segment 1 solar systems are 500 kW or larger. In Segment 2 PSE&G is installing pole-mounted solar units of approximately 200 watts direct current (“dc”) each.

Table S4A-I below shows the total Program size and segment sizes as well as the scheduled targets for reporting year capacity as set forth in the Board Order.

<b>TABLE S4A -I – Reporting Year Capacity</b>						
<b>PROGRAM SEGMENT</b>	<b>PROGRAM SIZE (MW - DC)</b>					<b>TOTAL PROGRAM</b>
	<b>2009-2010</b>	<b>2010 - 2011</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	
1a – PSE&G Sites	-	15	10			25
1b – 3 <sup>rd</sup> Party Sites	2	3.1	4.9			10
1c – UEZ sites	2.5	2.5				5
2-Neighborhood Solar	7.6	10.4	13.3	8.7		40
Total – Year	12.1	31	28.2	8.7	0	80

1           For Segment 1a, PSE&G used a competitive solicitation to hire contractors for  
2 the development of the solar systems on PSE&G-owned sites. PSE&G reserved the right to  
3 use its own workforce to install the systems on those sites and was also able to contract the  
4 work out to qualified contractors. For Segment 1b, solar developers proposed sites/projects  
5 to PSE&G, subject to the requirements and time limitations set forth in the Program Rules.  
6 Thereafter, PSE&G contracted with developers for the development of systems and with host  
7 sites for the use of those sites. All contracted installation work has been subject to the  
8 provisions of the NJ Prevailing Wage laws or the equivalent of the prevailing wage for the  
9 county where the work is being performed.

10           For Segment 1c, covering projects in any municipality that contains a UEZ,  
11 PSE&G used a competitive procurement process to hire contractors for the development of  
12 these systems. All contracted installation work has been subject to the provisions of the NJ  
13 Prevailing Wage laws or the equivalent of the prevailing wage for the county where the work  
14 is being performed.

15           For Segment 2, PSE&G used a competitive solicitation process to procure the  
16 pole-mounted solar units.

17           Other program features established at the outset of the S4A Program included:  
18 PSE&G will own the solar systems; PSE&G will sell the energy generated by the systems  
19 and the capacity of the systems into the appropriate PJM market and the proceeds of those  
20 sales will be used to reduce the revenue requirements of the program; PSE&G will sell the  
21 SRECs generated by each project and use the net proceeds to reduce the program revenue

1 requirement; and PSE&G will return Investment Tax Credit (“ITC”) benefits it receives to  
2 ratepayers in accordance with Federal Income Tax Law.

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4 **B. Solar 4 All Program Status**

5 Through March 31, 2014, 40 MW-dc from 24 projects was in-service for  
6 Segment 1, and 38.4 MW-dc was in-service for Segment 2, net of removals. The status of  
7 each segment and sub-segment is described in more detail below.

8 On April 27, 2011, PSE&G received approval from the BPU to transfer 10  
9 MW from Segment 1a to Segment 1b.

10 As referenced above, the original estimated investment for the initial build out  
11 was \$514.6 million to complete the S4A Program. However, as a result of a competitive  
12 procurement process and prudent cost management efforts, PSE&G has successfully  
13 minimized program costs. The current total estimated investment for the S4A Program initial  
14 build out is approximately \$466.8 million.

15 Segment 1a Results – PSE&G issued solicitations on August 14, 2009,  
16 January 14, 2010, September 4, 2010, and January 14, 2011 to develop projects on properties  
17 owned by PSE&G. P SE&G entered into Engineering, Procurement and Construction  
18 (“EPC”) contracts with eight (8) different firms to develop projects of various sizes. A total  
19 of 16 MW-dc is in-service in this segment. The following table shows the status of each of  
20 the projects and the name of the EPC contractor utilized.

1

Site	Municipality	EPC Contractor	System Size MW-dc	Status
Linden	Linden	Advanced Solar Products	3.197	In-Service
Yardville	Hamilton	American Capital Energy	4.302	In-Service
Silver Lake	Edison	JF Creamer	2.018	In-Service
Trenton	Trenton	SunEdison	1.264	In-Service
Central Division HQ	Somerset	Solis	0.916	In-Service
Edison Training & Development Center	Edison	Henkles & McCoy	0.712	In-Service
Thorofare	West Deptford	SunEdison	0.720	In-Service
Hackensack	Hackensack	JF Creamer	1.051	In-Service
Metro HQ	Clifton	Adema Technologies	0.733	In-Service
Southern Div HQ	Moorestown	Vanguard	1.072	In-Service

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Segment 1b Results - On October 12, 2009 PSE&G published an open season solicitation on its website and kept the solicitation open for 60 days. As a result of the solicitation, PSE&G received 50 bids totaling 60 MW-dc. PSE&G rank-ordered the proposals according to a number of criteria and entered into discussions on EPC contracts and site licenses for 5 projects. On November 12, 2010, PSE&G initiated a second open season solicitation, which resulted in 21 bids totaling 54 MW-dc.

On May 16, 2011, the BPU issued an Order waiving the Program requirement that PSE&G sell the energy generated into the PJM markets, and allowed PSE&G to enter into a bilateral supply contract with a TPS to sell part of the energy to be generated by the Kearny Landfill Solar Farm. The contract price under the bilateral supply contract with the TPS will equal the price that PSE&G would receive if the energy had been sold in the

1 applicable PJM market. PSE&G will sell the remaining energy from the Project in the PJM  
2 markets as required by the Program Stipulation. On January 25, 2012 PSE&G entered into a  
3 Power Purchase and Sale agreement with South Jersey Energy Company to sell part of the  
4 energy from the Kearny Landfill Solar Farm as provided for in the Board Order and energy  
5 sales initiated on February 8, 2012.

6 The following table shows the status of each of the Segment 1b projects and  
7 the name of the EPC contractor utilized for these projects.

Site	Municipality	EPC Contractor	System Size MW-dc	Status
CPP Bayonne	Bayonne	Advanced Solar Products	1.746	In-Service
Matrix – Stults Rd	South Brunswick	Pro-Tech	2.981	In-Service
Rider	Lawrenceville	Alteris	0.739	In-Service
Mill Creek	Burlington	Juwi	3.822	In-Service
NJMC/Kearny Landfill	Kearny	SunDurance	3.001	In-Service
Summit Associates	Edison	Advanced Solar Products	2.224	In-Service
BlackRock-Matrix	South Brunswick	Pro-Tech	2.970	In-Service
Food Bank	Hillside	Mercury	1.073	In-Service

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9 Segment 1c Results - On July 29, 2009, PSE&G sought interest from various  
10 potential host sites in municipalities that host UEZs. PSE&G qualified the potential sites,  
11 and selected five schools in Newark and two warehouses in Perth Amboy. PSE&G issued an  
12 RFP on September 3, 2009 to identify EPC contractors to develop these sites. Construction  
13 started in June 2010 and all projects are now in service, as indicated below.

1

Site	Municipality	EPC Contractor	System Size MW-dc	Status
Barringer High School	Newark	Mercury	0.647	In-Service
New Central High School	Newark	LB Electric	0.501	In-Service
Camden Street Elementary School	Newark	ALM Electric	0.914	In-Service
Camden Street Middle School				
Park Elementary School	Newark	Mercury	0.510	In-Service
Matrix Buildings A and B	Perth Amboy	enXco	2.859	In-Service

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3 A summary of all Segment 1 projects installed is contained in Schedule JEM-  
4 S4A-1. A summary of the capacity of Solar Systems installed in Segment 1 is contained in  
5 Schedule JEM-S4A-2, and the Actual and Scheduled Installations by Quarter is shown in  
6 Schedule JEM-S4A-3.

7 Segment 2 Results - Subsequent to a competitive solicitation, PSE&G entered  
8 into a contract with Petra Solar of South Plainfield on July 29, 2009 to provide up to 40 MW  
9 of solar panels to be installed on PSE&G-owned poles. In early September of 2009, the first  
10 units were shipped by Petra and installations began on PSE&G poles. Concurrently, PSE&G  
11 contracted with two firms to perform inspection work to assess the PSE&G poles for  
12 feasibility of installing solar panels. On October 15, 2009, PSE&G entered into a contract  
13 with Riggs-Distler for installation. Through March 31, 2014, a net total of 174,189 pole-  
14 attached units had been installed, which is equivalent to 38.4 MW. This accounts for  
15 installations less removed panels.

1           On April 12, 2012, the BPU issued an Order granting PSE&G a limited  
2 conditional waiver of N.J.A.C. 14:5-2.1(a)3, allowing PSE&G to install solar units in the  
3 neutral space on utility poles and permitting the Company to continue its efforts to complete  
4 Segment 2 of the Solar 4 All program. The Segment 2 panel installations are complete.

5           A summary of all Segment 2 activity is contained in Schedule JEM-S4A-1. A  
6 summary of the capacity of Solar Systems installed in Segment 2 is contained in Schedule  
7 JEM-S4A-2, and the Actual and Scheduled Installations by Quarter are shown in Schedule  
8 JEM-S4A-3.

9           **Operations & Maintenance – Segment 1**

10           PSE&G issued an RFP to hire a firm to provide a solar monitoring system for  
11 its Segment 1 solar farms. On August 18, 2010, PSE&G entered into a contract with Noveda  
12 Technologies, based in Branchburg, NJ. The Noveda system enables PSE&G to monitor the  
13 operation of its solar facilities through the use of in field sensors, cameras, and  
14 communication equipment that transmits data to a web-based platform. The system allows  
15 alerts to be issued to assist with troubleshooting efforts. This system also allows for plant  
16 diagnostics and analysis to assess performance of the solar generators.

17           PSE&G also issued an RFP to hire a firm to provide O&M services for the  
18 solar facilities in Segment 1. On May 1, 2011, PSE&G entered into a 5-year contract with  
19 Vanguard Energy Partners LLC to provide O&M services that include performing scheduled  
20 maintenance on solar equipment, responding to monitoring system alerts related to operation  
21 and performance of equipment, coordinating repairs of equipment, and completing other  
22 maintenance related tasks as needed.

1                   Effective January 3, 2012, PSE&G purchased insurance to provide property,  
2 business interruption and liability coverage for its Segment 1 solar facilities.

3                   **Operations – Segment 2**

4                   Petra Solar’s SunWave system provides PSE&G with the ability to monitor  
5 the status of each Segment 2 installed solar unit once communications system installations  
6 are completed. As of March 31, 2014, approximately 160,169 solar units out of 174,189 net  
7 installed units were reporting data through the communications system. Note that there can  
8 be a several month lag between the time panels are installed and when the communication  
9 network is established. Through a combination of data collected via revenue-grade meters on  
10 units located throughout the electric service territory and the data collected through Petra  
11 Solar’s communication system, the Segment 2 program receives credits from energy,  
12 capacity and SREC sales as further described in this testimony. In 2012, Petra Solar  
13 upgraded its monitoring system; it is currently being used for Segment 2 to assess project  
14 performance and identify units that require field inspections.

15                   **Site Leases**

16                   PSE&G has entered into 16 site lease agreements under Segments 1b and 1c  
17 of the program for the use of land and roof space, as applicable, for the installation of solar  
18 electric generating facilities. These site leases provide a rental payment to host sites during  
19 the construction period and for a twenty-year period starting from the commercial operation  
20 date. The table below lists the sites with lease agreements.

1

Site	Property Owner	System Size MW-dc	Status
CPP Bayonne	CenterPoint Properties	1.746	In-Service
Matrix – Stults Rd	Matrix Development Group	2.981	In-Service
Rider	Rider University	0.739	In-Service
Mill Creek	Judith Tucci	3.822	In-Service
NJMC/Kearny Landfill	NJ Meadowlands Commission	3.001	In-Service
Raritan Center – 45 Fernwood Avenue	Summit Associates Inc.	1.034	In-Service
Raritan Center – 110 Newfield Avenue	Summit Associates Inc.	1.190	In-Service
BlackRock-Matrix	Granite South Brunswick, LLC	2.970	In-Service
Food Bank	Community Food Bank of NJ	1.073	In-Service
Barringer High School	Newark Public Schools	0.647	In-Service
New Central High School	Newark Public Schools	0.501	In-Service
Camden Street Elementary School	Newark Public Schools	0.914	In-Service
Camden Street Middle School			
Park Elementary School	Newark Public Schools	0.510	In-Service
Matrix Building A	Matrix Development Group	1.688	In-Service
Matrix Building B	Matrix Development Group	1.171	In-Service

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**Capacity Sales**

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In Energy Year 2013-2014 PSE&G bid 23.2 MWs AC of solar capacity into the PJM Reliability Pricing Model (“RPM”) market, which reflects a solar capacity adjustment factor of 38% as required by PJM. PSE&G has received a total of \$680,391 in capacity payments for Solar 4 All solar generators for the period October 1, 2013 through March 31, 2014. The table below provides a summary of the total capacity payments received during that period.

1

<b>Month</b>	<b>Capacity Payment</b>
October 2013	\$105,888
November 2013	\$102,337
December 2013	\$128,611
January 2014	\$83,083
February 2014	\$154,604
March 2014	\$105,869
<b>Total</b>	<b>\$680,391</b>

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**Energy Generated for Sales**

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A total of 31,576 MWh have been generated for the period October 1, 2014 through March 31, 2014. Schedule JEM-S4A-4 shows the actual generation through March 2014 and estimated kWh generation for future periods by segment. Calendar Year 2013 generation exceeded PSE&G's planned generation. Generation for the period January 2014 through March 2014 was below plan due to weather conditions and prolonged periods of snow cover.

10

**Energy Sales**

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A total of \$2,259,411 in energy sales revenue has been generated by the program for the period October 1, 2013 through March 31, 2014. The table below provides energy sales received during that period.

<b>Month</b>	<b>Energy Sales</b>
October 2013	\$358,737
November 2013	\$167,151
December 2013	\$161,507
January 2014	\$216,908
February 2014	\$893,177
March 2014	\$461,930
<b>Totals</b>	<b>\$2,259,411</b>

1           **SRECs Received Under the Program**

2                           A total of 31,557 SRECs have been issued for generation for the period  
3           October 1, 2013 through March 31, 2014. Schedule JEM-S4A-5 shows the SRECs received  
4           under the Program by Energy Year.

5           **SRECs Auctioned Under the Program**

6                           During the period October 1, 2013 through March 31, 2014, three SREC  
7           auctions were held. A total of 56,459 Solar 4 All SRECs were auctioned for total net  
8           revenue from sales of \$8,678,745. The net proceeds of these auctions are credited to  
9           ratepayers. The table below provides a summary of the Solar 4 All SREC auction activity  
10           from October 1, 2013 through March 31, 2014.

**Solar 4 All – SREC Auctions Payments October 2013 – March 2014**

<b>Auction Period</b>	<b>SREC Energy Year (EY)</b>	<b>Total SRECs Sold</b>	<b>Auction Proceeds</b>
October 2013	EY 2013 & EY 2014	26,975	\$3,945,916
December 2013	EY 2014	16,637	\$2,436,949
March 2014	EY 2013 & EY 2014	12,847	\$2,295,880
<b>Total</b>		<b>56,459</b>	<b>\$8,678,745</b>

11  
12           **Emission Reductions**

13                           Schedule JEM-S4A-6 shows the estimated emissions reductions by segment  
14           under the Program.

15           **Reporting**

16                           PSE&G began filing monthly capacity reports in December 2009. At the  
17           request of BPU Staff, an enhanced monthly report has been developed. The first filing of this  
18           enhanced report (“Solar 4 All Monthly Program Activity Report”) was on June 1, 2012, for

1 the period ending April 2012, and PSE&G has continued to submit these reports on a  
2 monthly basis.

3

4 **C. Solar 4 All Expenses**

5 The total Solar 4 All expenses in this filing are based upon actual costs for the  
6 period October 1, 2013 through March 31, 2014 and projected costs through September 30,  
7 2015. For Segment 1, the total actual Administrative Costs for the period October 1, 2013  
8 through March 31, 2014 were \$2,347,955. For Segment 2 the corresponding amount was  
9 \$2,132,936. Additional detail, including forecasted costs through 2015, is contained in  
10 Schedule JEM-S4A-7.

11 In accord with the Board's December 15, 2011 PSE&G Green Programs  
12 Order at BPU Docket No. ER10100737, from program inception through 2013, the total  
13 operating expenses for Solar 4 All (including O&M costs, administrative costs, rent and  
14 insurance), are capped at \$23.3 million. Schedule JEM-S4A-7 shows the actual annual  
15 administrative costs through March 31, 2014 and forecasted administrative costs through  
16 September 30, 2015. The Program is below the allowed cap through 2013. Accordingly, the  
17 GPRC Administrative Costs shown in Schedule JEM-S4A-7 have been incorporated into the  
18 revenue requirements contained in the testimony and supporting schedules of Stephen Swetz

1 **D. Issues & Discussion**

2           Within Segment 1, five solar plants sustained significant damage from storm  
3 surge, winds, and lightning due to Superstorm Sandy in October 2012. The sites were 1)  
4 Linden, 2) Bayonne, 3) Raritan Center, 4) Central HQ, and 5) Mill Creek. Additionally,  
5 several other sites sustained minor damages to exterior fences, solar panels, racking, cable  
6 trays, and trees. As of May 2013, all plants were returned to full capacity.

7           Storm restoration charges related to Superstorm Sandy are estimated to total  
8 \$3,485,236. To date, PSE&G has received \$2,429,875 in insurance claim payments for  
9 property damage. Remaining claim payments expected from insurance are \$865,361. This  
10 amount accounts for deductibles and other non-recoverable expenses. During the October 1,  
11 2013 to March 31, 2014 period the program incurred \$444,011 in Sandy restoration costs.  
12 PSE&G has also received a total of \$514,026 from its insurance carrier in October 2013 for  
13 business interruption separate from the property claim. These costs are accounted for  
14 separately from the electric and gas distribution storm costs reported in Docket  
15 AX13030196.

16           On February 13, 2014, PSE&G's rooftop facility at Bayonne warehouse  
17 experienced a partial roof collapse. An insurance claim was filed and repairs by the building  
18 owner are ongoing. PSE&G expects to make repairs to the solar structure in July 2014. As  
19 of March 31, 2014, there were no charges for the work associated with restoration at  
20 Bayonne Solar.

21           PSE&G's S4A facilities are insured by Lloyds of London with a deductible.  
22 As done with the Superstorm Sandy claim, PSE&G is interacting with the carrier pursuant to

1 its insurance policy and is seeking reimbursement of costs incurred to restore Bayonne Solar  
2 to as-was condition and operations. PSE&G currently estimates that the cost to restore the  
3 solar facility to as-was condition is approximately \$437,500. Insurance will cover damages  
4 and restoration work in excess of \$50,000. Therefore, PSE&G is currently estimating that,  
5 net of deductibles and other non-reimbursable expenses, the insurance payments will total  
6 \$387,500, which has been included in the forecast. Additionally, PSE&G is seeking  
7 reimbursement of lost revenue attributable to business interruption from the insurance carrier.

8 Winter weather during the 1<sup>st</sup> quarter of 2014 included heavy snow and ice  
9 conditions. This resulted in solar panels being covered for extended periods of time which  
10 impacted overall production during the period.

11 A matrix of Minimum Filing Requirements is included in Appendix A-S4A.

12  
13

#### SOLAR 4 ALL EXTENSION PROGRAM

14

##### 15 A. Solar 4 All Extension Program Description

16 As approved by Board Order dated May 31, 2013 in Docket No.  
17 EO120890721, the total size of the Program is 45 MW and the Company's investment was  
18 estimated to be approximately \$247.2 million. The Solar 4 All Extension Program  
19 ("S4AExt") consists of four segments: Segment A, which is 42 MW and consists of solar  
20 systems with a minimum size of 1 MW built on landfills or brownfields, Segment B is for  
21 Underutilized Governmental Facilities, Segment C is for Grid Security or Storm  
22 Preparedness ("Grid Security") projects, and Segment D is for Innovative Parking Lot

1 applications. Segments B, C and D are collectively referred to as "Pilots". Each pilot  
2 segment is sized at 1 MW and each project has a minimum project size of 100 kW.

3 No capacity will be placed in service before Energy Year ("EY") 2015 and no  
4 more than 20 MWs of the 45 MWs will be placed in service in EY 2015, with the remainder  
5 going into service in EY 2016 or thereafter.

6 PSE&G has the flexibility to move capacity between the Pilots only. PSE&G  
7 may increase the landfills/brownfields Segment by up to 3 MWs, but may not reduce solar on  
8 landfills/brownfields to increase the size of another Pilot Segment. For solar on  
9 landfills/brownfields, PSE&G will seek Board certification of project location pursuant to the  
10 Board's Order implementing the Solar Act of 2012, N.J.S.A. 48:3-87 subsection (t) by  
11 submitting an application to the Board for NJDEP review and approval by the Board.

12 PSE&G shall not transfer any costs from a canceled project to a new Solar 4  
13 All Extension project unless those costs directly benefit the new project.

14 PSE&G's processes for selecting projects and contractors under the Solar4All  
15 Extension Program are detailed in the S4AExt Project Award Selection Policies and  
16 Procedures Manual (PPM). For Segments A & B, PSE&G is responsible for identifying and  
17 selecting suitable sites for the Solar Systems and may retain the services of an engineering  
18 firm for site assessment, development of the scope of work, permitting, proposal review, and  
19 other services. Additionally, PSE&G may also request landfill or brownfield site owners and  
20 municipalities to submit proposals for consideration. PSE&G will give favorable  
21 consideration to those projects in which the site owner and solar contractor have coordinated  
22 and prepared a fully engineered, ready-to-build project.

1           Developers will be hired through a competitive bid process to provide the  
2 engineering, permitting, procurement and construction services required to develop the  
3 projects. Prevailing wages are required, and preference is given to New Jersey providers.

4           For Segments C and D, PSE&G conducted a solicitation requesting proposals  
5 that meet the objectives and criteria of each pilot/demo segment. PSE&G reserves the right  
6 to reject any or all proposals that, in its view, do not meet the segment's objectives and  
7 criteria.

8           Upon the final acceptance of a proposal, PSE&G will negotiate a contract  
9 with the developer to build the Solar System. The contract will contain typical terms and  
10 conditions including schedule and performance guaranties, liquidated damages, warranties,  
11 indemnifications, insurance, retainage or other credit enhancements, and a milestone  
12 payment schedule. PSE&G will then submit a Project Award Selection assessment and  
13 evaluation to Board Staff and Rate Counsel for review. If, after 10 business days, Board  
14 Staff and Rate Counsel have not raised any issues as to why the proposed contract does not  
15 meet the requirements of the S4AExt PPM, it will be deemed authorized and PSE&G will  
16 execute the contract with the developer.

17           PSE&G and a host site owner will enter into a suitable agreement ("Lease")  
18 containing typical terms and conditions including rent payments, insurance, indemnifications,  
19 owner responsibility for pre-existing site conditions, and access, all to be negotiated with the  
20 site owner. All Leases between PSE&G and the site owner will have a 20 year term, unless  
21 applicable law requires a shorter term, and may contain options to extend the term as  
22 negotiated by the parties.

1           Other program features established at the outset of the S4A Extension  
2 Program included: PSE&G will own the solar systems; PSE&G will sell the energy  
3 generated by the systems and the capacity of the systems into the appropriate PJM market  
4 and the proceeds of those sales will be used to reduce the revenue requirements of the  
5 program; PSE&G will sell the SRECs generated by each project and use the net proceeds to  
6 reduce the program revenue requirement; and PSE&G will return Investment Tax Credit  
7 (“ITC”) benefits it receives to ratepayers in accordance with Federal Income Tax Law.

8

9   **B.   Solar 4 All Extension Program Status**

10           Segment A Status - Weston Solutions Inc. (“Weston”), PSE&G’s third party  
11 environmental engineering firm, utilizing publicly available information and information  
12 submitted by owners expressing interest in the program, evaluated and scored landfills and  
13 brownfields using the criteria contained in the PPM.

14           Kinsley Landfill - The Kinsley Landfill in Deptford, NJ was identified by  
15 PSE&G and determined to be suitable for solar development by Weston Engineering. At the  
16 time the Kinsley Landfill was evaluated the site was ranked first among all landfills  
17 reviewed. PSE&G has continued to evaluate landfills according to the PPM, and the Kinsley  
18 Landfill has remained a highly ranked site per the criteria.

19           PSE&G prepared and issued an RFP for EPC services and received 10 bids.  
20 The bidders were evaluated utilizing the Bid Evaluation and Selection Methodology  
21 procedure contained in the PPM and the EPC contract was awarded to SunDurance Energy (a  
22 Conti company). The project will be sized at 11.18 MW-dc.

1           Parklands Landfill - The Parklands Landfill in Bordentown, NJ was identified  
2 by PSE&G and determined to be suitable for solar development. At the time the Parklands  
3 Landfill was evaluated, the site was ranked in the top five among all landfills reviewed.  
4 PSE&G has continued to evaluate landfills according to the PPM, and the Parklands Landfill  
5 has remained a highly ranked site per the criteria.

6           PSE&G prepared and issued an RFP for EPC services and received 10 bids.  
7 The bidders were evaluated utilizing the Bid Evaluation and Selection Methodology  
8 procedure contained in the PPM and the EPC contract was awarded to SunDurance Energy (a  
9 Conti company). The project will be sized at 10.14 MW-dc.

10           Proposals from Developers/Site Owners – In October 2013, PSE&G issued an  
11 RFP for solar developers and landfill site owners to provide projects for the Company's  
12 consideration and evaluation. Five bids were received. The Company is in the process of  
13 evaluating the bids and performing due diligence on the proposed sites and associated EPC  
14 Contractors.

15           Pilot Status - In November 2013, PSE&G issued requests for information for  
16 the three pilot segments. For the Underutilized Governmental Facilities segment, PSE&G  
17 requested municipalities and other governmental entities to submit proposed sites for  
18 qualifying pilots. For the Grid Security and Innovative Parking Lots segments, the request  
19 was to qualify potential projects and ensure proposals would meet the objectives and  
20 requirements of each segment. Proposals that qualified would then be invited to participate in  
21 the RFP process. The Innovative Parking Lots segment received 11 applications; 6 were  
22 accepted and 5 were rejected as they did not meet the pilot objectives and/or program

1 requirements. The Grid Security segment received 16 applications; 12 were accepted and 4  
2 were rejected. The Underutilized Governmental Facilities segment received 2 applications  
3 and they were both rejected. This segment's capacity will be reallocated between the other  
4 two segments.

5 In April 2014, PSE&G issued RFPs for both the Innovative Parking Lot and  
6 Grid Security segments. The bids were due June 11, 2014 and PSE&G received 10 bids for  
7 the Innovative Parking Lot segment and 10 bids for the Grid Security segment. It is expected  
8 that bid review and evaluation will take several months.

9 A summary of all projects installed is contained in Schedule JEM-S4AExt-1.  
10 A summary of the capacity of all Solar Systems installed is contained in Schedule JEM-  
11 S4AExt-2, and the Actual and Scheduled Installations by Quarter is shown in Schedule JEM-  
12 S4AExt-3.

13 **Operations & Maintenance**

14 There are currently no S4AExt projects in service.

15 **Energy Generated for Sales**

16 Please refer to Schedule JEM-S4AExt-4

17 **Energy Sales**

18 There are currently no S4AExt projects in service.

19 **SRECs Received Under the Program**

20 Please refer to Schedule JEM-S4AExt-5

21 **SRECs Auctioned Under the Program**

22 There are currently no S4AExt projects in service.

1           **Emission Reductions**

2                           Please refer to Schedule JEM-S4AExt-6

3           **Reporting**

4                           The S4AExt Board Order requires PSE&G to submit a Monthly Activity  
5 Report (“MAR”) containing the information outlined in Appendix A – Solar 4 All Extension  
6 Monthly Activity Report of the Order. The MAR is to be electronically transmitted to the  
7 Board’s Office of Clean Energy and Energy Division and the NJ Division of Rate Counsel on  
8 or before the 20<sup>th</sup> day of the month following the reporting period. PSE&G has complied  
9 with this requirement and the last report was provided for May 2014.

10

11   **C.   Solar 4 All Extension Expenses**

12                           The total Solar 4 All Extension expenses in this filing are based upon actual  
13 costs for the period June 1, 2013 through March 31, 2014 and projected costs through  
14 September 30, 2015. For Segment A, the total actual Administrative Costs for the period  
15 June 1, 2013 through March 31, 2014 were \$195,446. For the Pilot segments the  
16 corresponding amount was \$16,294. Additional detail, including forecasted costs through  
17 2015, is contained in Schedule JEM-S4AExt-7. These costs have been incorporated into the  
18 revenue requirements contained in the testimony and supporting schedules of Stephen Swetz.

19

20   **D.   Issues & Discussion**

21                           Presently the Kinsley and Parklands Landfill projects are proceeding through  
22 Subsection (t) review and approvals as well as NJCEP SREC Registration Program (“SRP”)

1 application processes. As the projects move forward and receive required approvals,  
2 construction activities will be scheduled accordingly.

3 A matrix of Minimum Filing Requirements is included in Appendix A-S4A.



1 preceding the month the payment is credited to the loan. If a loan is paid off early, PSE&G  
2 retains the right to purchase SRECs through a call option. The call option price is 75% of the  
3 then current market value of SRECs. The interest rate for loans in the non-residential  
4 segment is 11.3092%, and the interest rate for loans in the residential segment is 6.5%.

5           The Non-Residential Segment is divided into three sub-segments: Small Non-  
6 Residential for projects up to 150 kW; Large Non-Residential for projects larger than 150  
7 kW up to 500 kW; and Very Large Non-Residential for projects larger than 500 kW to 2,000  
8 kW. The initial capacity allocations by segment were 9 MW for residential, 17 MW for  
9 Small Non-Residential, and 25 MW for Large Non-Residential.

10           On June 22, 2010, the Board approved PSE&G's request to establish the Very  
11 Large Non-Residential Segment for projects larger than 500 kW up to 2 MW, and to begin  
12 accepting applications for this segment on July 1, 2010. The initial allocation for this  
13 Segment was 8.5 MW, obtained by reducing the capacity available in the Large Non-  
14 Residential Segment.

15

16 **B. Solar Loan II Program Status**

17           The Program website was activated on December 1, 2009 and the first  
18 application was received on December 18, 2009. Applications for the program were  
19 accepted through December 31, 2011, after which no new applications were accepted.

20           Through March 31, 2014, 879 loans were closed at a value of \$161 million  
21 representing 58.2MW, and there were 6 pending applications, representing 0.39MW.

1 PSE&G is continuing to work with the applicants of these pending applications received  
2 prior to December 31, 2011 to meet the requirements for loan closing.

3 Through March 31, 2014, 112,718 SRECs have been received under the Solar  
4 Loan II Program.

5  
6 **C. Solar Loan II Administrative Costs**

7 The Solar Loan II Program monthly administrative costs for the period  
8 October 1, 2013 through March 31, 2014 along with projections through September 30, 2015  
9 are shown on Schedule JEM-SLII-2. This Schedule details Solar Loan I Program, Solar  
10 Loan II Program, and Solar Loan III Program Total Common Costs (column 1), the Solar  
11 Loan II Program's share of Common Costs (column 2), Solar Loan II Program Direct  
12 Administrative costs (column 3), Solar Loan II Fees from Borrowers (column 4) and Solar  
13 Loan II Net Recoverable Administrative Costs (column 5).

14 Certain administrative costs are common to Solar Loan I, Solar Loan II, and  
15 Solar Loan III. Such costs are allocated to the three Programs in accordance with the  
16 formula established in the Solar Loan III Program settlement. As specified in paragraph 74  
17 of the Solar Loan III Program stipulation, Common Costs shared by all three of PSE&G's  
18 solar loan programs are allocated based on forecasted MW capacity installed for the  
19 upcoming year, and the ratio of the forecasted installed capacity for each program to total  
20 forecasted installed capacity for all of the solar loan programs is applied to all common costs  
21 for the following year starting on January 1. Currently the Solar Loan II Program receives  
22 67.16% (58.69MW/87.39MW) of the total Common Costs. The total allocated Solar Loan II

1 Common Costs for the period October 1, 2013 through March 31, 2014 were \$267,814 and  
2 the total Volume Costs were \$444,314. Fees collected from borrowers for this period were  
3 \$265,846, resulting in a Net Recoverable Administrative cost of \$446,282 for the period.

4 Schedule JEM-SLII-3 shows the Program administrative cost details allocated  
5 to the categories used by the Board for the NJCEP. Administration and Program  
6 Development includes the costs to develop and manage the program along with program  
7 tracking and reporting. Rebate Processing, Inspections and Other QC Expenditures include  
8 the cost of PSE&G incremental employees and contractors engaged in the administration of  
9 the loan program, including program application processing, SREC processing and the cost  
10 of credit information acquired through Experian, along with other costs associated with  
11 program administration. In addition to the standard NJCEP categories, the schedule also  
12 shows the application and administrative fees received from borrowers as a credit in a  
13 separate column. For the period October 1, 2013 through March 31, 2014, Administration  
14 and Program Development costs were \$230,381; Rebate Processing, Inspections and Other  
15 QC Expenditures were \$480,068; Marketing and Sales costs were \$1,679; and Application  
16 and Administrative Fees received were \$265,846. As indicated above, the Net Total  
17 Administrative costs for the period were \$446,282.

18 The Board Order approving the program provides for both an annual and total  
19 program cap on Solar Loan II administrative costs. The annual administrative cost caps,  
20 along with a process for rolling over unspent volume related costs, are contained in Exhibit C  
21 of the Board's November 10, 2009 Order. Schedule JEM-SLII-4 provides a summary of the  
22 annual program cap, as adjusted for volume cost rollover, along with the administrative