PSE&G Carbon Abatement Program Electric Accounting Entries

		Oct-	13	Nov-	13	Dec-	-13	Jan-	14	Feb	14	Mar-	14
Entry	Acct. Description	Debit	Credit	Debit	Credit								
R1	To amortize IT costs over appropriate book life. 404 Amortization Expense 111 Accumulated Amoritization	3,740	3,740	3,740	3,740	3,740	3,740	3,740	3,740	3,740	3,740	3,740	3,740
R2	To defer direct program expenditures. 182 Program Investment Regulatory Asset 131 Cash	395	395	292	292	74,801	74,801	305	305	86	86	49	49
R3	To amortize direct program expenditures over 10 years. 908 Customer Assistance Expenses 182 Program Investment Regulatory Asset	128,235	128,235	128,238	128,238	128,861	128,861	128,864	128,864	128,864	128,864	128,865	128,865
R4	To record incremental admin. costs. 908 Customer Assistance Expenses 131 Cash	22,199	22,199	11,760	11,760	2,530	2,530	1,639	1,639	3,424	3,424	3,087	3,087
R5	To record expenditure reimbursements or repayments 131 Cash 908 Customer Assistance Expenses	37,776	37,776	17,927	17,927	25,078	25,078	17,567	17,567	14,678	14,678	15,121	15,121
R6	To record the monthly Carbon Abatement Component revenues. 142 Customer Accounts Receivable 400 Operating Revenues	214,508	214,508	213,069	213.069	227,818	227,818	244,117	244,117	224,585	224,585	98.171	98,171
R7	To record any over/ under recovery. 182 Regulatory Asset - Carbon Abatement 908 Customer Assistance Expenses 254 Regulatory Liabilities	(55,958)	(55,958)	(34,086)	(34,086)	(69,373)	(69,373)	(77,955)	(77,965)	(49,890)	(49,890)	73,090	73,090
R8	To record cost of capital on any over/ under recovered balance. 182 Regulatory Asset - Carbon Abatement 419 Other Income 431 Interest Expense 254 Regulatory Liabilities	(43)	(43)	(78)	(78)	(49)	(49)	(59)	(59)	(61)	(61)	(60)	(60)

PSE&G Carbon Abatement Program Gas Accounting Entries

_	[Oct		Nov		Dec	-13	Jan-	14	Feb	14	Mar	-14
Entry	Acct. Description	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
R1	To amortize IT costs over appropriate book life, 404 Amortization Expense 111 Accumulated Amortization	6,075	6,075	6,075	6,075	6,075	6,075	6,075	6,075	6,075	6,075	6,075	6,075
R2	To defer direct program expenditures. 182 Program Investment Regulatory Asset 131 Cash	2,646	2,646	1,953	1,953	498	498	2,040	2,040	573	573	331	331
R3	To amortize direct program expenditures over 10 years. 908 Customer Assistance Expenses 182 Program Investment Regulatory Asset	248,467	248,467	248,483	248,483	248,487	248,487	248,504	248,504	248.509	248,50 9	248,512	248,512
R4	To record incremental admin. costs. 908 Customer Assistance Expenses 131 Cash	27,394	27,394	15, 5 56	15 ,556	2,863	2,863	1,102	1,102	1,470	1,470	1,568	1,668
	To record expenditure reimbursements or repayments 131 Cash 908 Customer Assistance Expenses	157,872	157,672	50,612	50,612	86,492	86,492	53,706	53,706	70,324	70,324	73,288	73,288
	To record the monthly Carbon Abatement Component revenues. 142 Customer Accounts Receivable 400 Operating Revenues	345,507	345,507	696,942	698,942	1,017,009	1,017.009	1,320,982	1,320,982	1,270,294	1,270,294	608,054	608,054
R7	To record any over/ under recovery. 182 Regulatory Asset - Carbon Abatement 908 Customer Assistance Expenses 254 Regulatory Liabilities	(168,662)	(168,662)	(351,772)	(351,772)	(747,004)	(747,004)	(998,652)	(998,652)	(977,382)	(977,382)	(321,562)	(321,562)
	To record cost of capital on any over/ under recovered balance. 182 Regulatory Asset - Carbon Abatement 419 Other income 431 Interest Expense 254 Regulatory Liabilities	410	410	625	625	295	2 95	220	220	109	10 9	46	46

PSE&G EEE Program Electric Accounting Entries

-14 Credit	7,053	3,534	1.843,628	21,161	394,552	1,550,424	202,854	130
Mar-14	7,053	3,534	1,843.628	21,161	394,552	1,550,424	202,854	190
Feb-14 Credit	7,053	1,610	1,843,568	40,181	869,973	1,539,065	(547,276)	207
Fel	7,053	1,610	1,843,569	40,181	869,973	1,539,065	(547,276)	207
Jan-14 Credit	7,053	95.688	1,843,543	22,434	414,157	1,672,918	55,904	249
Jan	7,053	95,688	1,843,543	22,434	414,157	1,672,918	55,904	249
Dec-13 Credit	7,053	274,415	1,841,948	47,781	423,898	1,561,222	192,694	223
Debil	7,053	274,415	1,841,948	47,781	423,898	1,561,222	192,694	223
Nov-13 Credit	7,053	7,168	1.837,374	50,097	388,989	1,460,148	367,012	3.49
No Debit	7,053	7,168	1,837,374	50,097	388,989	1,460,148	367,012	348
Oct-13 Credil	7,053	192,694	1,837,255	203,900	604,405	1,470,011	203,024	183
Clebil	7,053	192,694	1,837,255	203,900	604,405	1,470,011	203,024	183
Entry Acct. Description	R1 <u>To amortize II costs over appropriate book life.</u> 404 Amortization Expense 111 Accumulated Amortitzation	R2 <u>To defer direct program expenditures.</u> 182 Program Investment Regulatory Asset 131 Cash	R3 To amortize direct program expenditures over 10 years. 908 Customer Assistance Expenses 182 Program Investment Regulatory Asset	R4 <u>To record incremental admin, costs.</u> 903 Customer Assistance Expenses 131 Cash	R5 To record expenditure reimbursements or repayments 131 Cash 908 Customer Assistance Expenses	To record the monthly Economic Energy Efficiency R6 Stimulus Component (EEESC) revenues. 142 Customer Accounts Receivable 400 Operating Revenues	To record any overt under recovery- excluding R7 Incremental WACC cost 182 Regulatory Asset - EEESC 908 Customer Assistance Expenses 254 Regulatory Liabilities	To record cost of capital on any over/ under recovered. R8 balance excluding incremental WACC cost. 182 Regulatory Asset - EEESC 419 Other Income 431 Interest Expense 254 Regulatory Liabilities

PSE&G EEE Program Gas Accounting Entries

		Oct	-13	Nov	-13	Dec-	13	Jan-	14	Feb	-14	Mar-	14
Entry	Acct. Description	Debit	Credit	Debit	Credit	Debil	Credit	Debit	Credit	Debit	Credit	Debit	Credit
R1	To amortize IT costs over appropriate book life. 404 Amortization Expense 111 Accumulated Amortization	2,878	2,878	2,878	2,878	2,878	2,878	2,876	2,878	2,878	2,878	2,878	2,878
R2	To defer direct program expenditures. 182 Program Investment Regulatory Asset 131 Cash	128,462	128,462	4,779	4,779	182,944	182,944	63,792	63,792	1.073	1,073	2,356	2,356
R3	To amortize direct program expenditures over 10 years, 908 Customer Assistance Expenses 182 Program Investment Regulatory Asset	799,458	799,458	799,537	799,537	802,586	802,586	803,649	803,649	803,667	803,867	803,707	803,707
R4	To record incremental admin. costs. 908 Customer Assistance Expenses 131 Cash	83,322	83,322	25,355	25,355	22,382	22,382	12,649	12,649	20,110	20,110	11,6†8	11,618
R5	To record expenditure relimbursements or repayments 131 Cash 808 Customer Assistance Expenses	258,567	258,567	233,226	233,226	238.897	238,897	239,138	239,138	290,971	290,971	238,609	238,609
R6	To record the monthly Economic Energy Efficiency Stimulus Component (EEESC) revenues. 142 Customer Accounts Receivable 400 Operating Revenues	505,528	505,528	1,019,731	1,019,731	1,488,035	1,488,036	1,932,794	1,932,794	1,858,630	1,858,630	1,582,443	1,582,443
R7	To record any over/ under recovery. 182 Regulatory Asset - EEESC 908 Customer Assistance Expenses 254 Regulatory Liabilities	243,309	243,309	(291,070)	(291,070)	(779,864)	(779,864)	(1,228,156)	(1,228,156)	(1,238,621)	(1,238,621)	(887,823)	(887,823)
R8	To record cost of capital on any over/ under recovered balance. 182 Regulatory Asset - EEESC Other Income 431 Interest Expense 254 Regulatory Liabilities	410	410	867	567	320	320	233	233	(100)	(100)	(203)	(203)

PSE&G Solar-4-All Program Accounting Entries

Next	ſ	180.836	1,220 2,253,220	228,754 228,754	113,568 113,568	462,390 462,390	172,060 172,060	74,979	528 490,427 188,201	968 812.568
	dit Debit	180	2,263,220	228 228 61 4	113,	462,	172,	- 74.5	678,628 499,427 187,907	812,968
Cah.12	Debit Gredit	303,946	2,251 367	228.614 226	112,126	442.864 442	73.899		678.334 499. 187.	713,614 713,614
7	Credit	(234,853)	2.249,192	226,857	107,589	276,304	83,457	1	480,427 187 389	543.289
1 Jan. 1	Debit	(234,853)	2.249,192	226.857	107 589	276.364	83,457		677,816	543,289
Dec-13	Credit	4 307,855	2,232,298	226.713	125,497	150 145	172 142	2,384,229	546,777 131,464	999,591
Des	Debit	4,307,855	2,232.298	226,713	125,497	150,145	172,142	2,384,229	678 241	989.591
Nov-13	Credit	3,435,336	2,207,712	227,357	109,744	771,529	72,781	1,116,355	485,304 180,734	1,256,088
αN	স্থ	3,435,336	2,207,712	227,367	100,744	771,529	72,781	1,116 355	866.038	1.256,088
Oct-13	Credit	565,981	2,193 193	227,465	160,429	390,838	82,865	936,442	485,304 174,913	1.987,197
Ŏ	Debit	565.981	2,193,193	227.465	160,429	390,838	32,865	936,442	660,217	1,987,197
	Etity Acet, Description	 <u>Capitalize the solar equipment owned by PSE&G.</u> 346 Miscellaneous Power Plant Equipment 131 Cash (payroff: outside services, materials and supplies) 	2 <u>Depreciate the solar equipment over the book life.</u> 403 Depreciation Expanse 108 Accumulated Depreciation	3 Record deferred income laxes on the book lax liming difference. 410.1 Deferred income Taxes, Utility Operating income 222 Accumulated Deferred income Taxes of 411.1 Deferred income Taxes - Credit, Utility Operating income 282 Accumulated Deferred Income Taxes	4.1 <u>Record rolar administrative expense.</u> 549 Miscellaneous Other Power Generation Expense 554 Maintenance of Miscellaneous Other Power Generation Plant 131 Cash	4.2 Record solar equipment operation & maintainence expense. 549 Miscellaneous Other Power Generation Expense 554 Maintenance of Miscellaneous Other Power Generation Plant 131 Cash	4.3 Record soler rent expense (third party cites), 550 Macollaneous Other Power Generation Expense 554 Maintenance of Miscellaneous Other Power Generation Plant 131 Cash	Record the solar equipment investment Tax Credit, 238 Taxes Accured 410.1 Deferred Income Taxes, Utility Operating income 409-1 income Taxes, Utility Operating income 411.4 Investment tax credit adjustments, utility operations 255 Accumulated Deferred investment Tax Credits	Amorite the solar investment tax credit over the book life of the equipment. 255 Accumulated Deferred investment Tax Credits 403 Deprecation Expenses 411.4 Investment Tax Credit Adjustments	9 Record the receipt of the SRECs at current market value. 174 Miss Current and Aconed Assets -SREC 182 Regulatory Asset - Solar 4 All

PSE&G Solar-4-All Program Accounting Entries

		Oct	.13	Nov	-13	Dec-	13	Jan-	-14	Feb	-14	Mar	14
Entry	Acct. Description	<u>Debit</u>	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
10	Record the sale of the SRECs at auction (net of transaction cost). 131 Cash 232 Accounts Payable 182 Regulatory Asset - Solar 4 All - gain or loss on sale 174 Misc Current and Accrued Assets -SREC 456 Other Electric Revenues - Solar 4 All	-	-		-	-					-	2,321,835 2,334,549	12,714
10.1	Record grid connected sales to PJM at LMP (energy). 131 Cash 447 Sales For Resale - Solar Infrastructure	358,737	358,737	1 67 , 15 1	167.151	161,507	161,507	216,908	216,908	893,177	893,177	461,930	461,930
10,2	Record and connected sales to PJM at LMP (capacity), 131 Cash 447 Sales For Resale - Solar Infrastructure	105.888	105,888	102,337	102,337	128,611	128.611	83,083	83,083	154,604	154.604	105,869	105,869
11	Recard the monthly Solar 4 All revenues. 142 Customer Accounts Receivable 400 Operating Revenues	1 858,132	1,858,132	1.858,132	1,858,132	1,858,132	1 858,132	1,858,132	1,858,132	1,858;132	1,858,132	1,858,132	1.858,132
12	Record any over under recovery-excluding incremental WACC cost. 182. Regulatory Asset - Sciar 4 All 407.3 Regulatory Debits 407.4 Regulatory Credits 254 Regulatory Liabibly - Solar 4 All	(3,921,075)	(3,921,075)	557,229	557,229	(2 654 053)	(2,654,053)	(188,594)	(188,594)	(742,955)	(742,965)	(2.321 092)	(2 321,092)
13	Record cost of capital on any over/ under recovered balance- excluding incremental WACC cost 182 Regulatory Asset - Solar 4 All 419 Other Income 431 Interest Expense 254 Regulatory Liability - Solar 4 All	3,292	3,292	5,098	5,088,	2,743	2,743	2 746	2,746	2,503	2,503	2,358	2,358

PSE&G Solar Loan II Program Accounting Entries

		Oct	13	Nov	-13	Dec	-13	Jan	.14	Feb	44	Mar	34
Entry	Acct. Description	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
1	To record the Issuance of the Ioan. 124 Other Investments - Solar Loan II 131 Cash Monthly accrual of interest income on the Ioan at contract	2,029,413	2,029,413	101,001	101,001	9,779,937	9,779,937	192.672	192,672	2.823,245	2,823,245	27,143	27,143
2	rate. 171 Interest Receivable - Solar Loans 419 Interest and Dividend Income	1,234,690	1,234,690	1,197,862	1,197,862	1,270,824	1,270,824	1,323,919	1,323,919	1,206,130	1,206,130	1,362,205	1,362,205
3	Monthly accrual of interest differential on Residential Loans. 182.3 Solar Loan II Regulatory Asset - Loan Costs 419 Interest and Dividend Income	61,048	61,048	58,561	58,561	60,261	60,261	60,119	60,119	54,288	54,288	60,421	60,421
4	Monthly accrual of interest differential on Commercial Loans. 182.3 Solar Loan II Regulatory Asset - Loan Costs 419 Interest and Dividend Income	63,159	53,1 <u>5</u> 9	51,610	51,610	54,858	54,858	57,297	57,297	52,226	52,226	59,034	59,034
5	To record the receipt of the SRECs at higher of the floor value or the current market value. 174 Solar Renewable Energy Certificates Asset 171 Interest Receivable - Solar Loans 124 Other investments - Solar Loan II	1,375,188	1,375,188	948,958	948, 9 58	823,872	823,872	381,132	381,132	377,699	377,699	295,908	296,908
6	To defer the Joss if SREC is worth less than the floor value in 5 above. 182.3 Solar Loan II Regulatory Asset - Loan Costs 174 Solar Renewable Energy Certificates Asset	1,101,467	1,101,467	911,957	911,957	782,593	782,593	388,213	388,213	355,241	355,24 1	287,667	287.667
7	To record the receipt of cash in lieu of SRECs. 131 Cash 171 Interest Receivable - Solar Loans 124 Other Investments - Solar Loan II	6,265	6,265	225	225	2,589	2,589	4,717	4,717	3,864	3,864	18,009	18,009
В	To defer the gain or loss when the SRECs are sold. If sold at a gain: 131 Cash 182.3 Solar Loan II Regulatory Asset - Loan Costs 174 Solar Renewable Energy Certificates Asset If sold at a loss: 131 Cash 182.3 Solar Loan II Regulatory Asset - Loan Costs Solar Renewable Energy Certificates Asset	3,190,312 1,054,268	4,244,580	:	-	1,752,912 519,446	2,272,358					1,635,861	31 1,635,830
9	To record deferral of SREC disposition expenses 182.3 Solar Loan II Regulatory Asset - Loan Costs 232 Accounts Payable 131 Cash (payroll, outside services, M&S)	19,017	19,017	3.080	3,080	18,031	18,031	-		-	-	18,282	18,282

PSE&G Solar Loan II Program Accounting Entries

182.3 Solar Loan II Regulatory Asset - Loan Costs

		Oct-	13	Nov	-13	Dec	-13	Jan	-14 T	Feb	-14	Mar	-14
Entry		Debit	Credit										
10	To record current portion of Notes Receivable (for reporting purposes only). 141 Current Note Receivable For Solar Program 124 Other Investments - Solar Loan II	6,445,046	6,445,046	6,445,046	6,445,046	6,875,828	6,875,828	6,875,828	6,875,826	6,875,828	6,875,828	7,010,857	7,010,857
11	To record the administrative costs of the Solar program net of application fees, 908 Customer Assistance Expenses 131 Cash (payrol, outside services, M&S)	142,577	142,577	93,126	93,126	35,026	35,025	117,967	117,967	41,177	41,177	86,460	86,460
12	To accrue the carrying cost on SREC Inventory. 192.3 Solar Loan II Regulatory Asset - Loan Costs 431 Interest Expense 419 Interest and Dividend Income	32,160	32,160	4,331	4,331	9,657	9,657	18,785	18,785	11,562	11,562	16,032	16,032
13	To record the monthly RRC revenues. 142 Customer Accounts Receivable 400 Electric Operating Revenues	1,309,130	1,309,130	1,300,346	1,300,346	1,390,358	1,390,358	1,489,831	1,489,831	1,370,626	1,370.626	1,980,346	1,980,346
14	To record monthly over-under collection through the RRC- excluding incremental WACC cost If under collected: 182.3 Solar Loan II Regulatory Asset - Loan Costs 908 Customer Assistance Expenses If over collected: 182.3 Solar Loan II Regulatory Asset - Loan Costs 908 Customer Assistance Expenses	1,154,566	1.154,586	183,842	183,842	19,461	19,461	847,449	847,449	856,132	856,132	1,452,481	1,452,481
15	To record deferral of the incremental WACC cost 182.3 Solar Loan II Regulatory Asset - Loan Costs If under collected: 182.3 Solar Loan II Regulatory Asset - Loan Costs 431 Interest Expense Interest and Dividend Income If over collected: 426.5 Other Deductions Interest Expense	1,581	1,581	2,674	2,674	1,488	1,488	1,527	1,527	1,334	1,334	1,262	1,262

PSE&G EEE EXTENSION Program Electric Accounting Entries

		Oct	-13	Nov	-13	Dec	-13	Jan	-14	Feb	-14	Mar	-14
Entry	Acct. Description	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
R 1	To defer direct program expenditures. 182 Program investment Regulatory Asset 131 Cash	1,791,337	1,791,337	2,303,356	2,303.356	8,929,235	8,929,235	816,545	816,545	1,657,750	1,657.750	1,133,303	1,133,303
R2	To amortize direct program expenditures over 10 years. 908 Customer Assistance Expenses 182 Program Investment Regulatory Asset	438,957	438,957	477,346	477,346	626,167	626,167	639,776	639,776	667,405	667,405	636,293	686,293
R3	To record incremental admin. costs. 908 Customer Assistance Expenses 131 Cash	136,119	136,119	184,563	184,563	169,500	169,600	161,314	161,314	167,754	167,754	198,813	198,813
R4	To record expenditure reimbursements or repayments 131 Cash 908 Customer Assistance Expenses	99,115	99,115	140,929	140,929	158,138	158,138	396,482	396,482	106,782	105,782	235,359	235,359
R5	To record the monthly Economic Energy Efficiency. Stimulus Component (EEESC) revenues. 142 Customer Accounts Receivable 400 Operating Revenues	293,371	293,371	291,403	291,403	311,574	311,574	333,866	333,866	307,152	307,152	484,084	484,084
R6	To record any over/ under recovery- excluding incremental WACC cost 182 Regulatory Asset - EEESC 908 Customer Assistance Expenses 254 Regulatory Liabilities	331,912	331,912	367,630	367,630	495,609	495,609	126,768	126,768	689,134	689,134	355,984	355,984
R7	To record cost of capital on any over/ under recovered balance- excluding incremental WACC 182 Regulatory Asset - EEESC 419 Other Income 431 Interest Expense 254 Regulatory Liabilities	(409)	(409)	(607)	(607)	(297)	(297)	(281)	(281)	(221)	(221)	(170)	(170)

PSE&G EEE EXTENSION Program Gas Accounting Entries

		Oct-	13	Nov	-13	Dec	-13	Jan-	14	Feb-	14	Mar-	
Entry	Acct. Description	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
R1	To defer direct program expenditures. 182 Program Investment Regulatory Asset 131 Cash	1,026,292	1,026,292	1,141,819	1,141,819	3,251,835	3,251,835	379,146	379,146	553,434	553,434	383,317	383,317
R2	To amortize direct program expenditures over 18 years. 908 Customer Assistance Expenses 182 Program Investment Regulatory Asset	227,720	227,720	246,751	246,751	300,948	300,948	3 07,267	307, 26 7	316,491	316,491	322,880	322,880
R3	To record incremental admin. costs. 908 Customer Assistance Expenses 131 Cash	52,354	52,354	86,495	86, 495	67,123	67,123	67,520	67,520	59,709	59,709	88,202	88,202
R4	To record expenditure reimbursements or repayments 131 Cash 908 Customer Assistance Expenses	35,059	35,059	43,072	43,072	53,542	53,542	97,957	97,957	69,434	69,434	84,632	84,632
R5	To record the monthly Economic Energy Efficiency Stimulus Component (EEESC) revenues. 142 Customer Accounts Receivable 400 Operating Revenues	122,173	122,173	246,442	246,442	359,619	359,619	46 7,105	467,105	449,182	449,182	459,700	459,700
R6	To record any over/ under recovery- excluding Incremental WACC cost 182 Regulatory Asset - EEESC 908 Customer Assistance Expenses 254 Regulatory Liabilities	207,383	207,383	130,854	130,854	52,119	52,119	(98,814)	(98,814)	(24,964)	(24,964)	(24,250)	(24,250)
R7	To record cost of capital on any over/ under recovered balance- excluding incremental WACC 182 Regulatory Asset - EEESC 419 Other Income 431 Interest Expense 254 Regulatory Liabilities	(149)	(149)	(214)	(214)	(111)	(111)	(119)	(119)	(117)	(117)	(119)	(119)

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

		Jui	1-13	Ju	L-13	Au	g-13	Sea	o-13	Oc	1-13	No	v-13	De	c-13 T	r	1-14	Fet	. 4.4	Ma	-33
Entr	Acct, Description	Debij	Credit	Debit	Credit	Dabit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
1	Record solar administrative expense. 549 Miscelaneous Other Power Generation Expense Maintenance of Miscellaneous Other Power Generation 554 Plant 131 Cash	5,16 <u>0</u>	5,160	9.193	9.193	20,945	20,945	41,333	41,333	22,309	22,309	28,286	28,286	17,615	17,615	22.487	22,487	17.348	17,348	27,064	27.084
2	Record the monthly Solar 4 All Ext revenues. 142 Customer Accounts Receivable 400 Operating Revenues	129.285	129_285	160,743	160,743	142,171	142,171	116 982	116,982	110,409	110,409	109,868	109 668	117.259	117,259	125 848	125,648	115,595	115,595	118,482	118,482
3	Record any ever under recovery-excluding incremental WACC cust. 182 Regulatory Asset - Solar 4 Atl 497.3 Regulatory Debits 497.4 Regulatory Credits 254 Regulatory Liability - Solar 4 Atl	124,125	124,125	151,56 2	181.550	121,226	121,226	75,648	7 5 648	88,099	PE0,88	ė1,382	81,382	99,644	99,644	103,162	103,162	98,247	98,247	91,419	91,419
4	To record deferral of the incremental WACC cost 182 Regulatory Assat - Solar 4 All 407.4 Regulatory Credits	N:A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	NIA	N/A						
5	Record cost of capital on any over/ under recovered balance- excluding incremental WACC cost 182 Regulatory Asset - Solar 4 Ali 419 Other Income 431 Interest Expense 254 Regulatory Liability - Solar 4 Ali	7	7	23	.23	39	39	53	53	56	56	107	107	69	69	83	83	87	87	86	96

PSE&G Solar Loan III Program Accounting Entries

			n-13	Jula		Aug-		Sep-		Oct	I-13	Nov	-13	Dec	-13	Jan	-14	Feb	-14	Mar	-14
Entr		Debit	Creat	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Dabit	Credit
1	To record the administrative costs of the Solar program net of application fees. 908 Customer Assistance Expenses 131 Cash (payroll, outside services, M&S)	•		43.456	43,456	100.804	100,804	66,806	66,806	81,810	81,810	29,739	29.739	112,633	112.633	108,053	106,053	77,090	77,090	9.471	9,47†
2	To accrue the terrying cost on SREC Inventory, 182.3 Solar Loan III Regulatory Asset - Loan Costs 431 Interest Expense 419 Interest and Dividend Income																				
3	To record the monthly RRC revenues. 142 Customer Accounts Receivable 400 Electric Operating Revenues	73 877	73.877	91,853	91,853	81,241	81,241	65,847	66.847	63 091	63,091	62.667	62.667	67 005	67.005	71,799	71,799	66 _054	56 C54	67,704	67 704
4	To record monthly over-under collection through the RRC- excluding incremental WACC cost fl under collected: 192.3 Saler Losn III Regulatory Asset - Loan Costs					19.564				18,720				45.527		74.074					
	908 Customer Assistance Expenses If over collected:					13,364	19,564			10,720	18,720			45,527	45,627	34,254	34,254	11,036	11,036		
	182,3 Solar Loan II Regulatory Asset - Loan Costs 908 Customer Assistance Expénses	73,877	73.877	48,398	48,398			41	41			92.408	92,408							77,175	77.175
5	To record the monthly carrying cost on over-under collected balance - excluding incremental WACC If under collected: 182.3 Solar Loan if 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 Sciar 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

	PUBLIC SERVICE ELECTRIC AN	ND GAS
1	Minimum Filing Requirements Carbon Abatement and Energy Efficiency Ec	
	Program Extension Program	
	MINIMUM FILING REQUIREMENTS	LOCATION IN FILING
	I. General Filing Requirements	1
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
	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

PUBLIC SERVICE ELECTRIC AND GAS Minimum Filing Requirements – Carbon Abatement and Energy Efficiency Economic Stimulus and Energy Efficiency Econom Program Extension Programs						
MINIMUM FILING REQUIREMENTS	LOCATION IN FILING					
I. General Filing Requirements						
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 subprogram.	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

PUR	LIC SERVICE ELECTRIC ANI	CAS		
	ing Requirements – Demand Re			
			4/2014 —	· · · · · · · · · · · · · · · · · · ·
	LOCATION IN FILING	Thru 3/2014	9/2015	Total
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			
I. 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	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \		(4-27,7 (0)

APPENDIX A-S4A

	PUBLIC SERVICE ELECTRIC AN Minimum Filing Requirements – Solar 4	
	MINIMUM FILING REQUIREMENTS	LOCATION IN FILING
	I. General Filing Requirements	
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

	PUBLIC SERVICE ELECTRIC AN Minimum Filing Requirements – Solar 4 All E	
	MINIMUM FILING REQUIREMENTS	LOCATION IN FILING
······································	I. General Filing Requirements	
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
	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
	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

PUBLIC SERVICE ELECTRIC AN Minimum Filing Requirements – Solar Los	
MINIMUM FILING REQUIREMENTS	LOCATION IN FILING
I. General Filing Requirements	
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
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
 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

PUBLIC SERVICE ELECTRIC AN Minimum Filing Requirements – Solar Loa							
MINIMUM FILING REQUIREMENTS LOCATION IN FILI							
I. General Filing Requirements							
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						
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						
 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						
 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"

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

ATTACHMENT A

June 30, 2014

ATTACHMENT A

l 2	PUBLIC SERVICE ELECTRIC AND GAS COMPANY DIRECT TESTIMONY
2 3	OF
4	JESS E. MELANSON
5	DIRECTOR ENERGY SERVICES
6 7	My name is Jess E. Melanson and I am the Director of Energy Services for
8	Public Service Electric and Gas Company ("PSE&G," the "Company"). I have primary
9	management and oversight responsibility over the design and planning of renewable energy,
0	energy efficiency, and demand response programs along with operational responsibility for
11	the energy efficiency and demand response programs. My credentials are included as
12	Schedule JEM-1. The purpose of this testimony is to support the Company's request for
13	recovery of costs incurred implementing PSE&G's Solar 4 All ("S4A") Program; Solar 4 All
14	Extension ("S4AExt") Program; Solar Loan II ("SLII") Program; Solar Loan III ("SLIII")
15	Program; Carbon Abatement ("CA") Program; Energy Efficiency Economic ("EEE")
16	Stimulus Program; and the Energy Efficiency Economic Extension ("EEE Ext") Program. I
17	also provide testimony to support the recovery of costs associated with the Company's
18	Demand Response Program ("DR"). The Programs are described in greater detail below.

SOLAR 4 ALL PROGRAM

A. Solar 4 All Program Description

3 As approved by Board Order dated August 3, 2009 in Docket No. 4 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: 5 6 Segment 1, which is comprised of three sub-segments: (i) Segment 1a (25 MW) for solar 7 systems installed on PSE&G-owned sites; (ii) Segment 1b (10 MW) for solar systems 8 installed on third-party sites; and (iii) Segment 1c (5 MW) for solar systems installed on sites 9 in municipalities that host Urban Enterprise Zones ("UEZs"), including publicly-owned sites; 10 and Segment 2 (40 MW), where PSE&G is installing small distributed solar systems on 11 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-1 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.

r	TABLE S4	A -1 - Rep	orting Ye	ar Capaci	ty	
PROGRAM		TOTAL PROGRAM				
SEGMENT	2009- 2010	2010 - 2011	2011- 2012	2012- 2013	2013- 2014	
1a-PSE&G Sites	-	15	10			25
1b-3 rd 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

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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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B. Solar 4 All Program Status

5 Through March 31, 2014, 40 MW-dc from 24 projects was in-service for

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.

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

Segment Ia Results — PSE&G issued solicitations on A ugust 14, 2009,

January 14, 2010, September 4, 2010, and January 14, 2011 to develop projects on properties

owned by PSE&G. P SE&G entered into Engineering, Procurement and Construction

("EPC") contracts with eight (8) different firms to develop projects of various sizes. A total

of 16 MW-dc is in-service in this segment. The following table shows the status of each of

the projects and the name of the EPC contractor utilized.

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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

4 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

8 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

energy from the Kearny Landfill Solar Farm as provided for in the Board Order and energy

5 sales initiated on February 8, 2012.

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

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 Camden Street Middle School	Newark	ALM Electric	0.914	In-Service
Park Elementary School	Newark	Mercury	0.510	In-Service
Matrix Buildings A and B	Perth Amboy	enXco	2.859	In-Service

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

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

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

Operations & Maintenance - Segment 1

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

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

1 Effective January 3, 2012, PSE&G purchased insurance to provide property,

business interruption and liability coverage for its Segment I solar facilities.

Operations – Segment 2

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

Site Leases

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

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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

Capacity Sales

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 as olar 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.

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

Energy Generated for Sales

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.

Energy Sales

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.

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

SRECs Received Under the Program

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

SRECs Auctioned Under the Program

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

Solar 4 All - SREC Auctions Payments October 2013 - March 2014

Auction Period	SREC Energy Year (EY)	Total SRECs Sold	Auction Proceeds
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
Total		56,459	\$8,678,745

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Emission Reductions

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

Reporting

PSE&G began filing monthly capacity reports in December 2009. At the request of BPU Staff, an enhanced monthly report has been developed. The first filing of this 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.

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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.

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

D. Issues & Discussion

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- 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
- amount accounts for deductibles and other non-recoverable expenses. During the October 1,
- 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.
- 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

I	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 1st 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.

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

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SOLAR 4 ALL EXTENSION PROGRAM

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Solar 4 All Extension Program Description

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

- applications. Segments B, C and D are collectively referred to as "Pilots". Each pilot segment is sized at 1 MW and each project has a minimum project size of 100 kW.
- No capacity will be placed in service before Energy Year ("EY") 2015 and no 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.

- PSE&G has the flexibility to move capacity between the Pilots only. PSE&G may increase the landfills/brownfields Segment by up to 3 MWs, but may not reduce solar on landfills/brownfields to increase the size of another Pilot Segment. For solar on landfills/brownfields, PSE&G will seek Board certification of project location pursuant to the Board's Order implementing the Solar Act of 2012, N.J.S.A. 48:3-87 subsection (t) by submitting an application to the Board for NJDEP review and approval by the Board.
- PSE&G shall not transfer any costs from a canceled project to a new Solar 4

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

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

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

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

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

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

B. Solar 4 All Extension Program Status

<u>Segment A Status</u> - Weston Solutions Inc. ("Weston"), PSE&G's third party environmental engineering firm, utilizing publicly available information and information submitted by owners expressing interest in the program, evaluated and scored landfills and brownfields using the criteria contained in the PPM.

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

PSE&G prepared and issued an RFP for EPC services and received 10 bids. The bidders were evaluated utilizing the Bid Evaluation and Selection Methodology procedure contained in the PPM and the EPC contract was awarded to SunDurance Energy (a 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.

Emission Reductions

2 Please refer to Schedule JEM-S4AExt-6

Reporting

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

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C. Solar 4 All Extension Expenses

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

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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.

SOLAR LOAN II PROGRAM

2 A. Description

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3 As approved by Board Orders dated November 10, 2009 and June 22, 2010 in Docket No. EO09030249, the Solar Loan II Program is an approximately 58.83 MW 4 distributed photovoltaic solar initiative in which customers or developers install solar 5 6 photovoltaic systems on customers' premises "behind the meter," using PSE&G as a source of capital. This program includes 7.83 MW of unused Solar Loan I Program capacity that 7 was transferred to the Solar Loan II program in July 2010. The Program is intended to 8 reduce the overall cost of project development, installation, financing and maintenance, while providing the best solar energy value for all stakeholders. PSE&G provides loans to solar photovoltaic developers or customers for a

portion of a project's cost. Non-residential borrowers will repay the loan over a 15-year period by providing Solar Renewable Energy Certificates ("SRECs") (or an equivalent amount of cash) to PSE&G. For loans to residential customers the repayment period is 10 years.

The SRECs, for purposes of this Program, have an established floor value for the loan repayment period that varies according to system size and date of application as described in Schedule JEM-SLII-1. The higher of the relevant floor price or the SREC Market Price at the time the SREC is transferred to PSE&G is applied toward loan repayment. For purposes of loan repayment, the SREC Market Price means the average monthly cumulative weighted price of SRECs as published on the New Jersey Clean Energy Program ("NJCEP") website or the successor posting location during the calendar month

preceding the month the payment is credited to the loan. If a loan is paid off early, PSE&G
retains the right to purchase SRECs through a call option. The call option price is 75% of the
then current market value of SRECs. The interest rate for loans in the non-residential
segment is 11.3092%, and the interest rate for loans in the residential segment is 6.5%.
The Non-Residential Segment is divided into three sub-segments: Small Non-
Residential for projects up to 150 kW; Large Non-Residential for projects larger than 150
kW up to 500 kW; and Very Large Non-Residential for projects larger than 500 kW to 2,000
kW. The initial capacity allocations by segment were 9 MW for residential, 17 MW for
Small Non-Residential, and 25 MW for Large Non-Residential.
On June 22, 2010, the Board approved PSE&G's request to establish the Very
Large Non-Residential Segment for projects larger than 500 kW up to 2 MW, and to begin
accepting applications for this segment on July 1, 2010. The initial allocation for this
Segment was 8.5 MW, obtained by reducing the capacity available in the Large Non-
Residential Segment.
B. Solar Loan II Program Status
The Program website was activated on December 1, 2009 and the first
application was received on December 18, 2009. Applications for the program were
accepted through December 31, 2011, after which no new applications were accepted.
Through March 31, 2014, 879 loans were closed at a value of \$161 million

representing 58.2MW, and there were 6 pending applications, representing 0.39MW.

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

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C. Solar Loan II Administrative Costs

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).

Certain administrative costs are common to Solar Loan I, Solar Loan II, and Solar Loan III. Such costs are allocated to the three Programs in accordance with the formula established in the Solar Loan III Program settlement. As specified in paragraph 74 of the Solar Loan III Program stipulation, Common Costs shared by all three of PSE&G's solar loan programs are allocated based on forecasted MW capacity installed for the upcoming year, and the ratio of the forecasted installed capacity for each program to total forecasted installed capacity for all of the solar loan programs is applied to all common costs for the following year starting on January 1. Currently the Solar Loan II Program receives

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 the cost of PSE&G incremental employees and contractors engaged in the administration of 8 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 shows the application and administrative fees received from borrowers as a credit in a 12 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 QC Expenditures were \$480,068; Marketing and Sales costs were \$1,679; and Application 15 and Administrative Fees received were \$265,846. As indicated above, the Net Total 16 17 Administrative costs for the period were \$446,282.

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

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