



LEGAL Q&A

Q Do any New Jersey State Agencies offer financing programs that are attractive to industries or individuals looking to develop solar renewable energy systems?

A The New Jersey Board of Public Utilities ("NJBPU") has approved financing to support the installation of solar photovoltaic systems ("Solar PV Systems") that produce clean renewable energy on an individual user's site. Said financing is supported through awarding Solar Renewal Energy Credits ("SRECs").

The SREC program requires that owners of solar projects register with the NJPBU in the Solar Renewable Registration Program ("SRP") prior to the start of construction of a system. Each time a qualified Solar PV System generates 1,000 kilo-watt hours ("kWh") of electricity, an SREC is earned, which can be sold. New Jersey energy suppliers, which are directed by the NJBPU to meet certain renewal energy portfolio standards, are the primary purchasers of SRECs. To effectuate the energy supplier's purchase of SRECs, SRECs are traded in a competitive market which dictates the actual price of an SREC during a trading period. The NJBPU has indicated that it expects the average SREC pricing for the years 2009-2010 to be approximately \$593.00 per mega-watt hour ("mWh").

This unique method of financing Solar PV Systems has enabled New Jersey to become the fastest growing market for Solar PV Systems in the United States, ranking New Jersey second, only to California, in terms of currently installed Solar PV System capacity.



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