

Green Solutions
for Customers



PSE&G
We make things work for you.

PSE&G

Renewable Energy Programs

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PSE&G

Advantages of Solar Energy

- **Energy Independence.**
- **Solar energy is renewable. We never have to worry about running out of sunlight or using it all up.**
- **Solar energy is environmentally friendly, no emissions.**
- **Solar panels are extremely reliable. There are no moving parts so you don't have to worry about replacing anything.**
- **Solar cells make no noise while collecting energy.**
- **Solar isn't subjected to the price volatility of other energy sources.**

State law requires 3% of energy to be generated from solar by 2021



PSEG

PSE&G

Renewable Energy Initiatives

Solar 4 All. PSE&G is investing \$515MM to construct, own and operate 80MW in solar installations.

- Centralized Solar
- Neighborhood Solar

Solar Loans. PSE&G is offering ~\$250MM in loans to finance solar system installations (totaling 81MW) on homes, businesses, municipal buildings.



Centralized Solar Industrial Brownfields



**Linden Solar
Farm (3.2MW)
on PSE&G's 5.4
acre brownfield
site.**

Neighborhood Solar

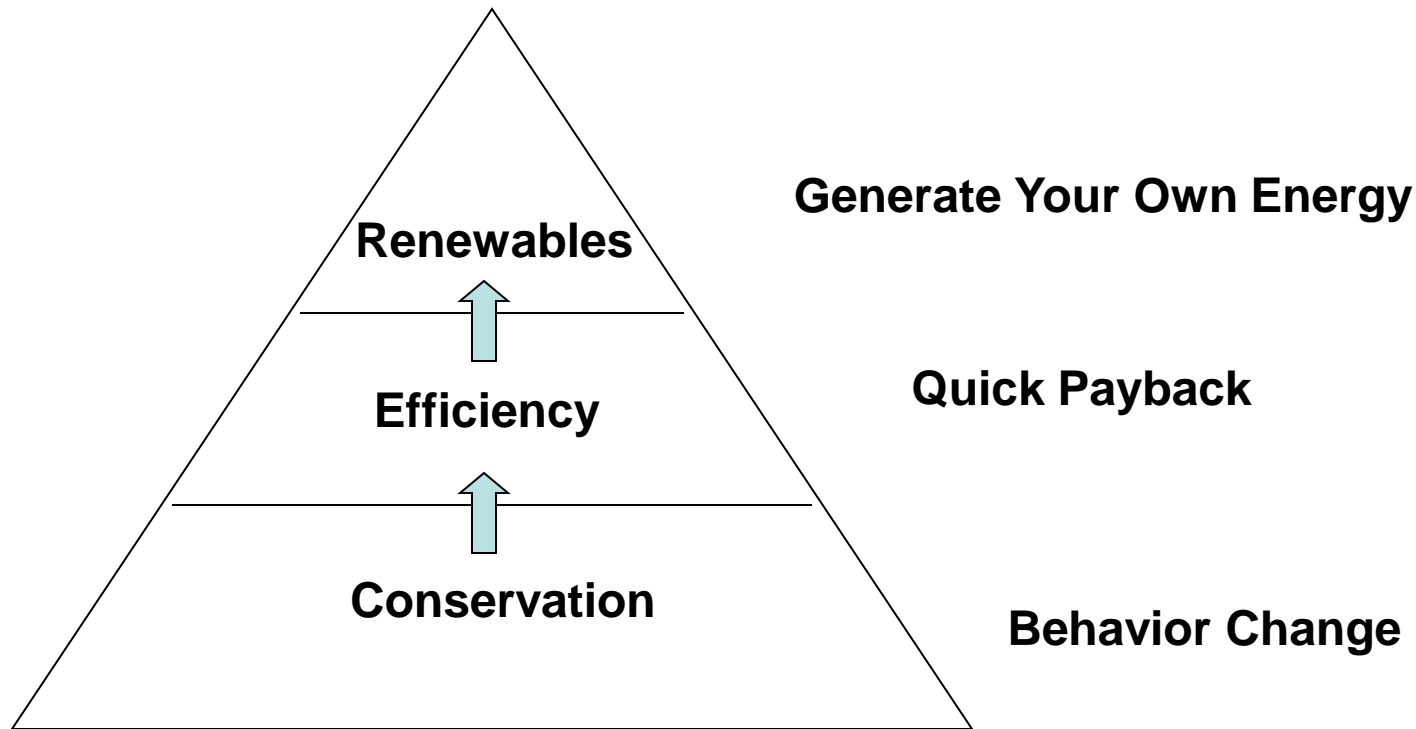


More than **90,000 smart solar units** installed to date in over **150 NJ towns**

- A total of 40MW being installed in **every** PSE&G electric service town.
- Connected directly to same electrical grid as homeowners
- These smart solar units are made in New Jersey (Petra Solar)

What can you and I do?

First Things First Conservation and Efficiency



But I heard solar systems cost a lot of money?

Learn how these homeowners were able to afford solar.



What are the financial benefits from a solar system?

Two financial benefits from one solar system

- Electricity (which reduces your energy bill)
- Solar Renewable Energy Credits (SRECs)



What is “net metering”?

- Net Metering measures household energy usage
- Customers use the electricity from their solar system
 - *Measures electricity being used from the Grid (meter spins “forward”)*
 - *Measures Electricity going out to the Grid (meter spins “backward”)*
- A system cannot be sized to generate more electricity than you use in a one year period

**The Net Meter Determines the
Amount of Your Bill**

What is a Solar Renewable Energy Certificate (SREC)?

Congratulations

**Your solar system
has generated**

1000 kwh

of clean solar power

1 SREC



- Clean energy credit issued as a tradable certificate by NJ Board of Public Utilities
- Generating companies selling power into NJ must generate % of solar power or purchase SRECs
- Solar systems produce SRECs for 15 years

For Residentials: Home solar: now easier and very affordable with PSE&G Home Solar Loan

\$

~ 50 to 60% of
total installed
cost is loaned

Tax credits
(30%) are
available

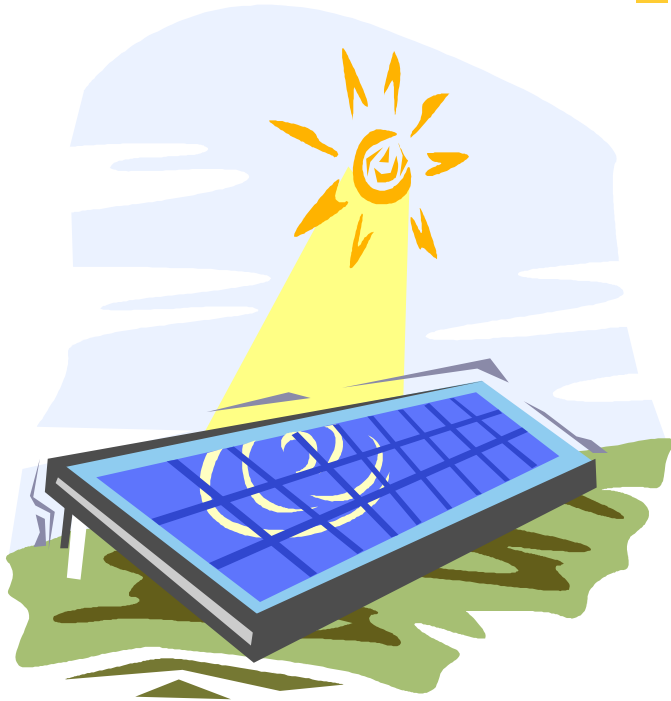


\$

Pay over
10 years
with cash
OR
“SRECs”

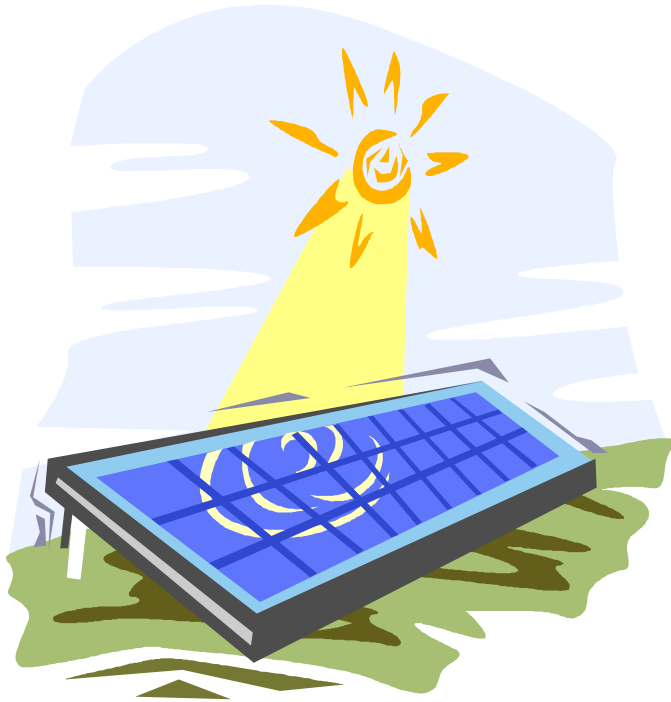
Program is **simple, safe, smart**

PSE&G Solar Loan II Program



- Provides loans for residential solar projects in PSE&G electric territory
- 6.5% for a 10 year Loan
- Loans are repaid with SRECS, and PSE&G provides a minimum price guarantee for those SRECs.
- Over last three years, prices varied from <\$200 to >\$600 per SREC

PSE&G Solar Loan II Program



- We take SREC risk out of the solar equation, giving you security and peace of mind.
- Market prices of SRECs fluctuate with supply and demand.
- No other loan lessens your exposure to the SREC market.

Eliminate SREC Price Risk

Floor prices are locked in based when you apply

- **Apply by June 30, 2011: your guaranteed floor price is \$420**
- **Apply between July 1, 2011 - December 31, 2011: your guaranteed floor price is \$400**

For example:

- **If you applied for a loan in March 2011, your floor price is \$420 for the 10 year loan term**
- **If you apply for the loan in July 2011, your floor price is \$400**
- **for the 10 year loan term**

What is the cost to a residential customer?

NOTE: PSE&G does not provide tax advice. The example below is strictly for illustrative purposes.



System Size:	7 kW	
System Cost:	\$45,500	
Tax Credit	-\$13,650	
System Cost (After ITC)	31,850	
PSE&G could loan (net of admin fee)	<u>-\$22,972</u>	
	\$8,878	customer out of pocket
Electricity cost savings \$.16kWh	<u>-\$1,276</u>	
End of Yr 1 out of pocket	<u>\$7,602</u>	

With a Solar Loan, pay back approach is **SMART** →

***Designed to pay itself off with SRECs generated**

Application process

Engage a Solar Installer

- Get three estimates

Application Submittal

- Applicant with solar installer's assistance

Application Review

- PSE&G reviews loan package, notifies applicant/installer of deficiencies if any
- Credit and Interconnection Review conducted
- Experian FICO score of 680 required, good payment history with PSE&G

Loan Approval

- PSE&G issues a Commitment Letter
- Borrower has 30 days to sign

Installation and Inspections

- Installer builds system and orders State and Municipal inspections
- Installer coordinates meter installation with PSE&G
- Installer drives SREC certification (and rebates)

Pre-Closing Due Diligence

- Title report run, 1st lien status on equipment established by PSE&G
- Insurance
- Subordinations as required

Financial Closing



For more information:
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