

PROGRAM RULES

General Rules

1. PSE&G will communicate the amount of the block remaining on a web page. The block information will be updated weekly until it is 80% subscribed, and daily when the block is more than 80% subscribed.

2. Approved projects must be completed within 12 months after PSE&G issues a loan commitment. If a residential borrower experiences project delays beyond their control, the borrower will be given 6 additional months before loan commitment is withdrawn. If a project is not installed within one-year after PSE&G has issued a commitment, it will be cancelled and the associated capacity will become available for reallocation to other projects waiting in line.

3. Projects will be approved in 3 - month cycles.

4. A maximum of 10 MW will available for each 3 - month cycle.

5. Applications will be accepted on a first-come, first-serve basis.

Procedures for Filling Subscription Blocks

6. The matrix below shows how the blocks will be allocated among the market segments.

Block	MF/Affordable				Total
	C&I	Residential	Residential	Municipal	
Totals	12 MW	6 MW	3 MW	9 MW	30 MW

7. For the first year of the Program, there will be hard caps of 9MW for Municipal/ Not-for-Profit, 9 MW (30%) for residential, and 12 MW (40%) for the C&I segment. Based on

market conditions and the status of projects accepted into each segment during the initial year, PSE&G reserves the right to convert these percentages into “soft” caps starting in the second year of the petition.

8. For the residential segment, the program will set soft caps of 6MW (20%) of the total 30 MW block for general residential and 3 MW (10%) Multi-family/Affordable Housing segment.

Eligibility Requirements

9. Definition of Solar Project – A system that converts sunlight into measurable and verifiable alternating current (AC) electric power.

10. Any project must be installed within PSE&G’s service territory at a customer location that receives (or will receive for new construction) retail electricity service from PSE&G.

11. The solar panels must be covered by a 20 year warranty.

12. With the exception of residential projects, any project accepted under this program will be ineligible for any other benefits from other PSE&G or BPU renewable energy programs, except for net metering. Residential projects may take advantage of rebates that may be available from the BPU’s Clean Energy Program.

13. Project Size – All projects which are eligible for net metering are eligible for this program.

14. Only one application can be submitted for each project.

15. For non-residential projects, applicants must be registered to do business in New Jersey.

16. Applicant must meet minimum Insurance Requirements as specified in the Solar Program Loan Agreement

17. Applicant must satisfy PSE&G's credit check.

18. Applicant must provide for Maintenance of the Solar System.

Basis for Rejection

19. PSE&G will have final authority on whether any particular application is eligible.

20. Receipt by PSE&G of an application after the open block is fully subscribed.

21. Failure to meet eligibility and/or threshold requirements

22. Failure to submit required supporting documentation within the required time frame or the inability to verify or document any material representation within the application.

23. Willful or material misrepresentations in the solar project application.

24. Illegal conduct of the applicant or attempts by applicant to influence PSE&G's acceptance.

25. Changes in laws or regulations affecting this program.

26. Failure to permit disclosure of information contained in an application to the BPU, PSE&G, or PSE&G agents or contractors charged with evaluating the solar project application.

27. Determination by PSE&G that the solar application does not represent a bona fide project or that the applicant will be unable to fulfill the requirements of this solar program.

Loan Defaults

28. Removal of the solar system is the last option for a loan that goes into default. If it is necessary to remove the solar system, PSE&G will sell the collateral and credit the net proceeds against the regulatory asset (i.e., the regulatory asset that PSE&G is recovering through the Solar Pilot Recovery Charge (SPRC)). Contemporaneous with the removal of the solar equipment, PSE&G will stabilize the section of the roof affected by the equipment removal to

prevent leakage. Within seven days of equipment removal, PSE&G will restore the roof of the property in a workman like fashion to ensure that the stabilized area of the roof reflects the general condition of the portions of the roof not affected by the equipment removal.

Dispute Resolution

29. PSE&G will attempt to resolve disputes with its customers informally in the first instance. Disputes under any customer segment within the Program that involve the loan agreement and/or monetary claims or civil damages will be resolved in an appropriate court of law. Disputes that involve PSE&G's administration of the Program that cannot be resolved informally will be resolved through the BPU's existing process for customer complaints within the appropriate Division.