



## LEGAL Q&A

**Q** Eight months after the enactment of the 2012 Solar Act (L. 2012, c. 24), what do we know about NJ's solar industry?

**A** On March 20, 2013, the BPU is scheduled to announce the fate of several dozen "subsection (s)" applications it received last December. Subsection (s) was included within the Solar Act to address solar facilities proposed to be located on farmland that have reached certain development benchmarks. Generally, only those farmland facilities that are certified by the BPU as "connected to the distribution system" under subsection (s) will be eligible to produce and sell SRECs.

Given the apparent intent of the Solar Act to limit solar development on farmland, the BPU will be reluctant to approve most (if any) of these applications. Since the Solar Act was enacted last summer, installations are down (compare 9 MW last December with an average of 40 MW per month before that) and SREC prices are up (now near \$100). We will never again see the \$600 per SREC highs of 2009, but the market has begun to recover from the \$60 per SREC lows of late 2012.

For this market recovery to continue, the BPU will likely limit future farmland installations. A likely first step? Rejecting most of the 500 MW-worth of subsection (s) applications it received.



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