

Ladies and Gentlemen of the Pemberton Borough, NJ Administrative Council

The **Ordinance 2013-1 amending Code 90 Section 3 "Electric Rates"** which is before you is unfair to all **Residential Solar Installations (RSI)**. The ordinance proposes a gradual reduction in the price paid by the **Pemberton Borough Electric Department (PBED)** for all Solar Energy entering the grid. The Ordinance views all energy entering the grid as "excess" solar energy.

An **RSI** is designed to produce 70% of the total energy consumed by a residence and never more than 100%. An **RSI** is designed to use the grid as a reservoir. To view all energy going into the grid as **Excess Energy** is patently incorrect.

At any one point in time, the **RSI** may consume less than 20% of the power generated. On the brightest, hottest day of Summer when an Air Conditioner is cycling on and off, there are periods during a slice of time where less than 20% of the generated power can be consumed. There will be other periods when more than 100% of the energy generated is consumed. The unused energy goes into the grid (reservoir). It is returned when consumption exceeds supply

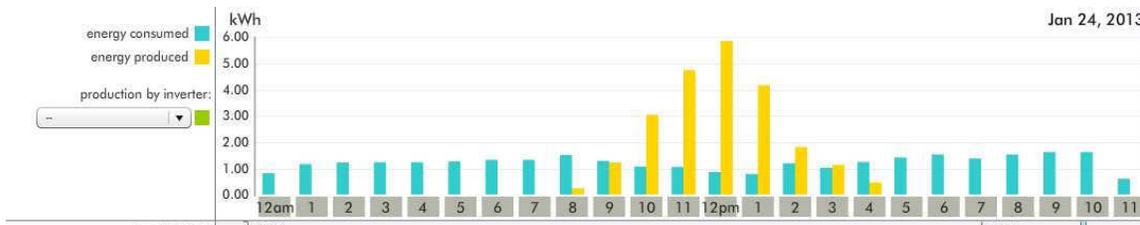


Figure 1 January 24, 2013

Figure 1 shows an **RSI's** Energy output (yellow) and usage (aqua) on a typical day in January. Each bar represents the integrated energy generated or consumed during a 1 hour interval. Most of the energy being generated during the day is being sent into the grid. It is being delivered to neighbors and other consumers. It reduces the need for **PBED** to draw power from their supplier and allows them to sell the **RSI's** energy to their consumers.

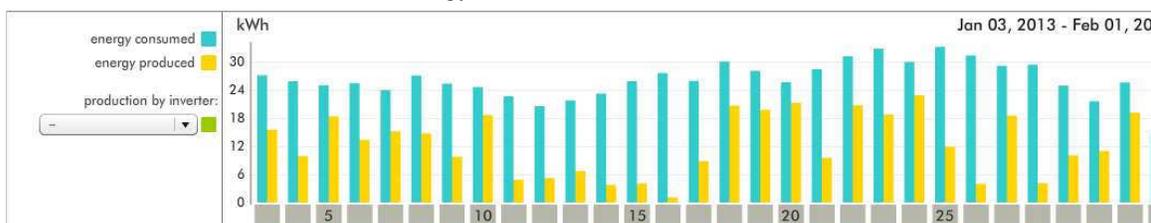


Figure 2 January 2013

Figure 2 shows production and usage for each day in the month of January. There is no "Excess Energy" produced. **RSI's** are designed to use the grid as if it were a battery, being charged during the day and discharged during the night. The **PBED** gets the free use of the generated energy during the day and is expected to return it at night without prejudice.

RSI's do not produce free energy. The systems are purchased or leased. The associated costs determine the price of the energy produced. In this discussion, an actual price of \$0.18 per kWh is used. Every kWh whether it is used or sent to the grid costs the **RSI** \$0.18.

The existing and proposed Borough models penalize the **RSI**. Purchasing all energy going into the grid at 22% of cost (\$0.04 paid for every \$0.18) and forcing the **RSI** to purchase that energy back at normal **PBED** rates doubles the **RSI's** cost to \$0.36 per kWh. The **PBED** profits 450% (\$0.22 returned for every \$0.04 spent) when it sells the **RSI's** energy to another consumer. The **PBED** profits again by 57.14% (\$0.22 returned for every \$0.14 spent) when the **RSI** reclaims the energy. Over the 20 year life of the system, this model reflects a loss to the **RSI** of **\$39,919** but a profit of **\$28,772** to the **PBED**.

I therefore propose that Pemberton Borough reject this ordinance and simplify its Code. I propose that the Borough adopt the uniform model used by all Public Utilities where in the net monthly usage of energy is billed (energy consumed minus energy supplied). This simplified model is fair to both the **PBED** and the **RSI**. Use of a single bidirectional meter would impose no additional administrative costs.

Respectfully Submitted

Bruce T Buzalski
39 Simpkins Lane
Pemberton, NJ
February 20, 2013

Until changed by ordinance, the rate for the period from June 1, 2014 through May 31, 2015 is \$.05956 per kwh.

Until changed by ordinance, the rate for the period from June 1, 2015 through May 31, 2016 is \$.05830 per kwh.

Until changed by ordinance, the rate for the period from June 1, 2016 through May 31, 2017 is \$.04855 per kwh.

Section Two. Chapter 90-9B. is hereby amended as follows:

B. Resident-customers must provide complete plans and specifications of the proposed equipment, including a single-line diagram and details of the proposed protective schemes. Plans must be certified by an electrical engineer. Upon receipt of the certified plans and a fee of \$1000.00, as provided in Subsection **G** below, to compensate the Borough of Pemberton for the cost of engineering services provided herein, the Pemberton Borough Electric Department will provide specific switching, breaker, and isolation plans by the Pemberton Borough Electric Department does not constitute approval of the correctness of resident-customer's plans.

Chapter 90-12B. is hereby amended as follows:

B. Rates for the purchase of excess energy from the PURPA qualifying facility shall be based upon the Borough's actual cost of purchased power in accordance with the rate set forth in Chapter 90-8E.

NOTICE

The within Ordinance herewith was introduced and passed on first reading by the Borough Council of the Borough of Pemberton, county of Burlington, State of New Jersey, at a regular meeting of the Borough Council held on January 23, 2013 at 7:00 p.m., and will be considered for final passage after public hearing at the next regular meeting of said Borough Council to be held on February 20, 2013 at 7:00 p.m., prevailing time, at the Borough Municipal Building, 50 Egbert Street, Pemberton, New Jersey, at which time and place all persons interested will be given an opportunity to be heard concerning said Ordinance.

Donna J. Mull, RMC
Borough of Pemberton

ORDINANCE NO.2013-1

ORDINANCE OF THE BOROUGH OF PEMBERTON AMENDING CODE CHAPTER 90 SECTION 3 "ELECTRIC RATES" TO ADD SUBSECTION E ESTABLISHING A MONTHLY RATE FOR THE PURCHASE OF EXCESS ENERGY PRODUCED BY A RESIDENT WITH APPROVED INTERCONNECTED SELF-GENERATING EQUIPMENT AND REVISING CHAPTER 90 SECTION 9B CERTIFIED PLANS AND FEE AND REVISING 12B. "PURCHASE OF EXCESS GENERATION" CONCERNING THE RATE TO BE PAID TO A RESIDENT FOR EXCESS ENERGY GENERATED BY APPROVED INTERCONNECTED SELF-GENERATING EQUIPMENT

WHEREAS, the Borough operates an electric utility and residents wish to interconnect approved self-generating equipment; and

WHEREAS, the Council has determined that it is in the best interest of the Borough to adopt a special rate for residents who install approved self-generating equipment in accordance with Chapter 90-3 et seq. of the Code; and

WHEREAS, the Council has determined that the fee in section 9B is more than the cost necessary for engineering services and electrical department cost; and

WHEREAS, to avoid any confusion it is necessary to make a technical revision to Chapter 90-12B concerning the rate to be paid for the purchase of excess electricity by the Borough produced by a resident having approved interconnected self-generating equipment.

NOW, THEREFORE, BE IT ORDAINED by the Borough Council as follows:

Section One. Chapter 90 is amended to add subsection E. establishing the monthly rate which may be paid for the purchase of excess energy pursuant to Chapter 90-12B as follows:

E. Monthly rate for the purchase of excess energy, if any pursuant to Pemberton Ordinance §90-12B.

The rate for the purchase of excess energy, if any, paid by the Borough of Pemberton to any customer pursuant to the provisions of §90-12B shall be Pemberton's actual cost of Purchased power, including energy, but not capacity, ancillary services, or transmission.

Until changed by ordinance, the rate for the period from the present through May 31, 2014 is \$.0931 per kwh.