



Renewables and Energy Solutions

**NJ AEE Energy Futures Forum
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NJ Energy Master Plan Goals

PSE&G Committed to State Goals

PSE&G Exploring Disciplined Investments to Address NJ's State Goals

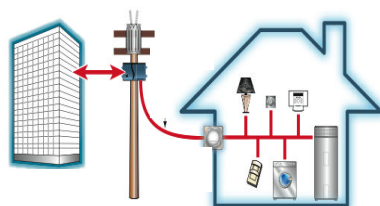
20% reduction in energy consumption by 2020



Energy Efficiency

Consumption back to 2005 levels

Reduce Peak demand by 5,700 MW by 2020



Demand Response

Placing information and control with customers

By 2020 30% of energy supply will come from renewable sources



Renewables

Wind, Biomass, Solar

To achieve success we must move from pilots to programs and invest in our facilities and system in ways that demonstrate our commitment to a Sustainable future. It will take a paradigm shift!



PSE&G Carbon Abatement Program - \$46MM

(BPU Approved: Dec 2008)

- **Residential customers in Urban Enterprise Zones (UEZs) (\$30MM)**
 - ✓ Whole House Program in targeted neighborhoods: Energy audit, CFLs, thermostat, air sealing; incentives for additional measures
 - ✓ Install programmable thermostats and provide CFLs as part of routine utility-related gas service calls
- **Small business customers in UEZs (\$4MM)**
 - ✓ Audit and direct installation of energy efficiency measures
- **Large Customer Technology Demonstration (\$1MM)**
- **Hospital Efficiency (\$11MM)** – audit and financial incentives



PSE&G Energy Efficiency Economic Stimulus Filing

- **A PSE&G filing seeking approval for the company to invest an additional \$190 million to encourage conservation and create green jobs.**
- PSE&G's proposal in direct response to Gov. Jon Corzine's call for utilities to invigorate the economy as part of his Economic Assistance and Recovery Plan announced in October 2008.
- Residential Programs: Whole House Efficiency, Multi Family Housing
- Industrial and Commercial Programs: Small Business Direct Install, Municipal/Local/State/Government Direct Install, Hospital Efficiency, Data Center Efficiency, Building Commissioning/O&M Pilot, Technology Demonstration

Pending approval from the Board of Public Utilities.



Peak Demand Reduction – Demand Response Working Group Proposal

- Approved by the BPU on December 10, 2008
- Offers up to a maximum Premium Payment of \$22.50 per megawatt-day to qualifying new Interruptible Load for Reliability (ILR) capacity resources based upon successful performance during the summer of Energy Year 2009 (June 1, 2009 through September 30, 2009).
 - This payment is in addition to payments from PJM for participation in its capacity markets.
- Program is limited to 2009 only, and only new capacity is eligible for the Premium Payment.



Peak Demand Reduction – **PSE&G's Demand Response Filing (\$93MM)**

- Residential Customers
 - Central Air Conditioner Cycling
 - Replace existing equipment
 - Increase program enrollment
 - Pool Pump Load Control
- Small Commercial A/C Cycling
- C&I Curtailment Services – investments in installation of infrastructure to enable demand response
- Load Shifting Demonstrations

Pending approval from the Board of Public Utilities.



PSE&G Solar Loan Program (Launched April/July 2008)

- Two year pilot program limited to 30MW
- Provides about \$105 million in secured loans covering 40-60% of the total capital
- Borrower can pay back in SRECs (1 SREC = 1 MWhr of solar generation)
- Current status: >28MW non residential applications in progress, >320kW residential applications in progress, and 1.8MW projects completed with loans closed.
- Projects can take as much as 8 to 12 months to move from concept to construction to delivery of solar energy

Visit www.pseg.com/solarloan for more information.



PSE&G Solar 4 All – February, 2009

- **Neighborhood Solar (40MW) - \$264MM investment**
 - Solar panels on 200,000 utility poles and street lights in neighborhoods throughout PSE&G's service territory.
- **Local Government Solar (43MW) - \$273MM investment**
 - Solar for municipality and public school districts, owned and operated by PSE&G. Local governments will receive a credit on their utility bill equal to the wholesale amount of energy generated by the system. Depends on market to find and develop projects.
- **Centralized Solar (35MW) – \$221MM investment**
 - Solar systems on PSE&G land/buildings.
 - Solar energy farms on brownfields, non-profit-owned real estate, and underdeveloped real estate with dependence on market to find projects
- **HMFA/Affordable Housing Solar (2MW) - \$15MM investment**
 - Solar on New Jersey Housing and Mortgage Finance Agency (HMFA)-financed or other affordable housing communities

Pending approval from the Board of Public Utilities.

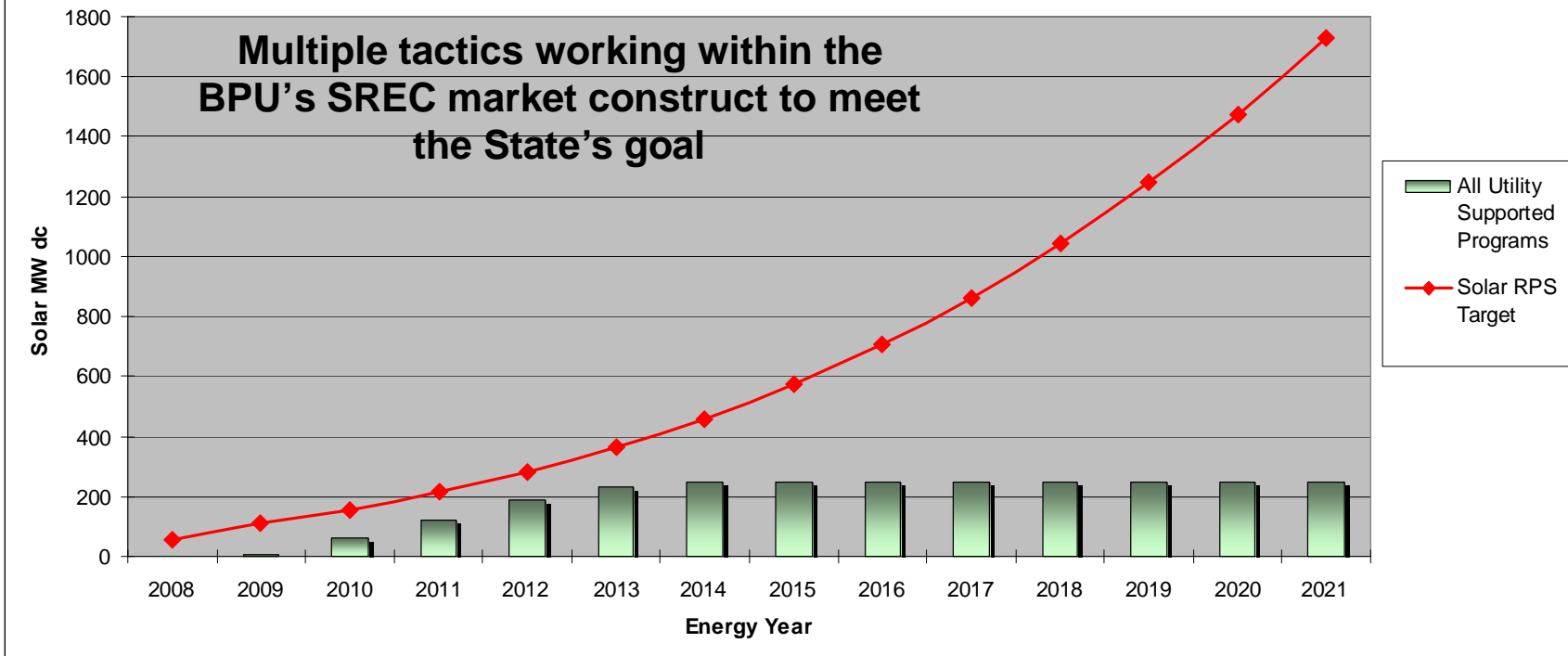


Neighborhood
Solar (40 MW)





Utility Programs and New Jersey's Solar RPS





PSE&G's Strategy in Summary

- **Grow the utility while providing a societal benefit**
- **Providing universal access to customers**
- **Deploying “patient” capital for investments**

Our Vision: To be recognized as the industry leader in producing and delivering safe, reliable, economic and clean energy by our employees, customers, investors and the communities we serve.



For more information:

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