



New Jersey SREC Update

June 28, 2017

- New Jersey Solar Build Rates
- New Jersey Electricity Sales
- Supply and Demand Assumptions
- Supply and Demand Scenarios
- Historic Pricing

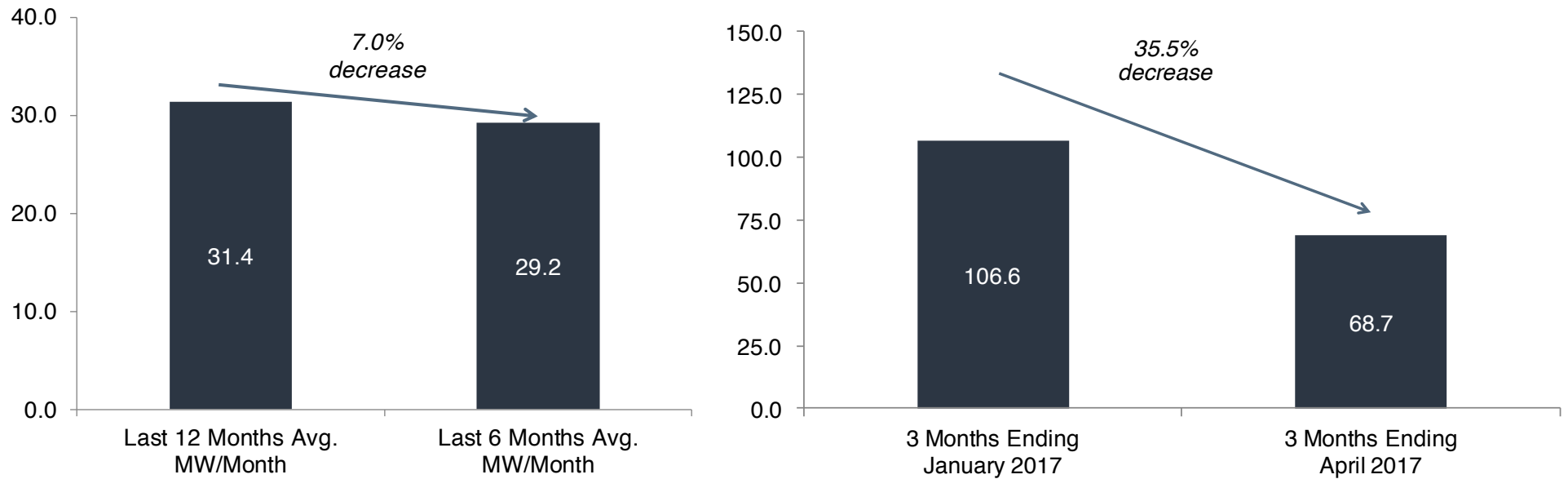
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NJ SOLAR BUILD RATES (MW)



Total qualified capacity as of 5/31/17 = 2,168.9 MW



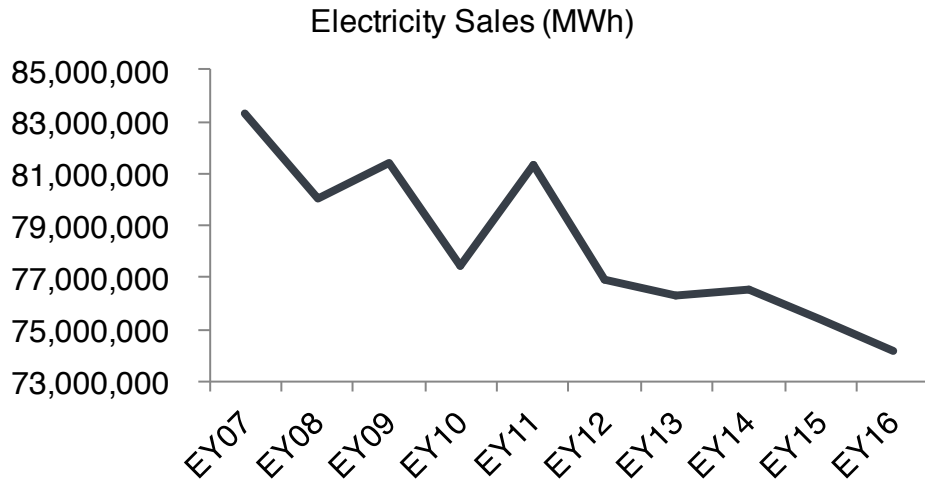
Source: New Jersey Office of Clean Energy (NJ OCE) Full Installation Project List prepared by AEG, as of May 31, 2017.

For the purpose of illustrating installation trend data we omit the most recent month from our analysis under the assumption that the given number will be materially revised in future reports. Hence, April 2017 is the final month of data used for trend analysis and forward projections.

NJ ELECTRICITY SALES (MWh) AND SRECs REQUIRED



Recent years have declined or are flat; EY2016 = 74.2 mm MWh



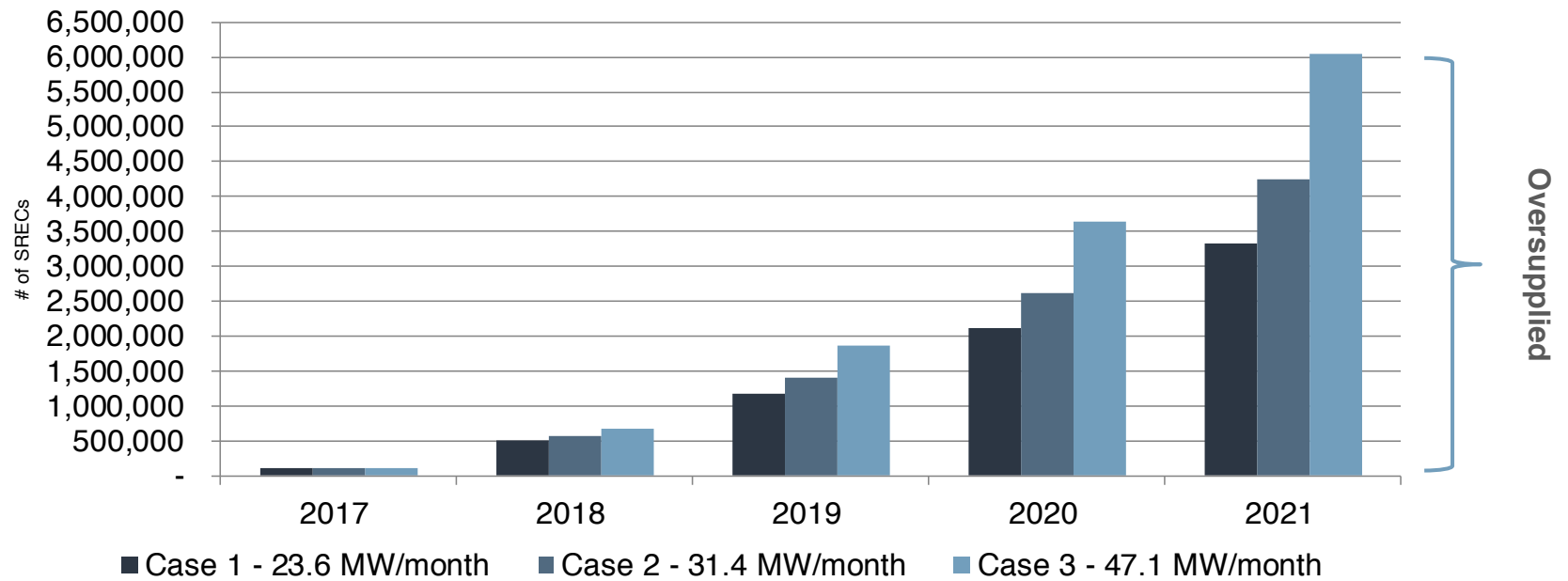
Energy Year	RPS Solar %	SRECs Required (in 000s)					Range
		SACP	-1% Growth	0% Growth	1.0% Growth		
2017	3.00%	\$ 315	2,204	2,226	2,248	45	
2018	3.20%	\$ 308	2,327	2,374	2,422	95	
2019	3.29%	\$ 300	2,369	2,441	2,515	146	
2020	3.38%	\$ 293	2,409	2,508	2,610	201	
2021	3.47%	\$ 286	2,449	2,575	2,706	258	

Source: New Jersey Office of Clean Energy and SRECTrade Estimates.

As of 6/23/2017 in PJM GATS

- NJ13 – 7,730 SRECs available; NJ14 – 13,472 SRECs available; NJ15 – 28,758 SRECs available; NJ16 – 170,076 SRECs available; NJ17 – 1,857,990 available
- Installed capacity as of 5/31/2017 – 2,168.9 MW
- Scenarios are presented under two different load growth assumptions – flat load growth and negative load growth (-1%)
- Scenarios presented are derived from Trailing Twelve Month (TTM) average build rates per month – 75% / 100% / 150% of current TTM build rates per month
- Assumptions based on information readily available as of this report. Generators reporting late to GATS or in process with NJ OCE are not considered

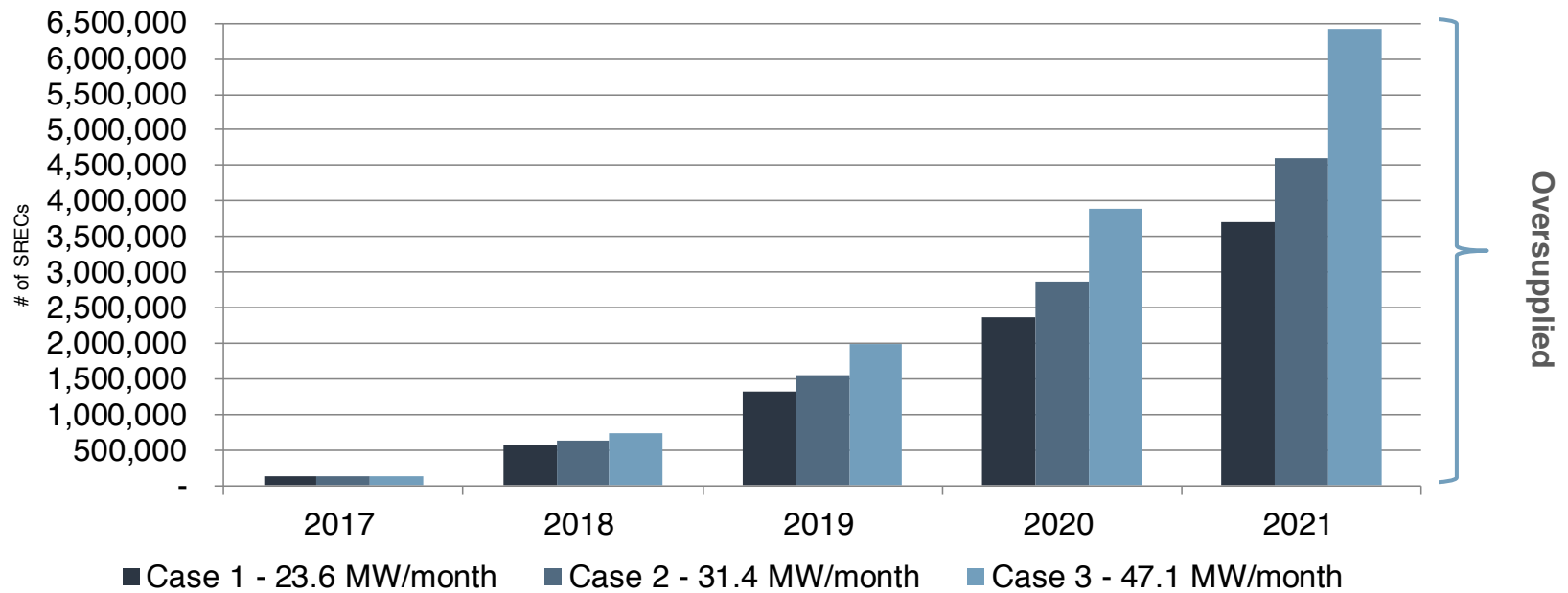
NJ SUPPLY / DEMAND SCENARIOS – CURRENT RPS, FLAT LOAD GROWTH



Energy Year	2017	2018	2019	2020	2021
Estimated % Oversupplied / (Undersupplied)					
Case 1 - 23.6 MW/month	4.8%	21.3%	48.1%	84.5%	129.5%
Case 2 - 31.4 MW/month	4.8%	23.7%	57.4%	104.7%	164.6%
Case 3 - 47.1 MW/month	4.8%	28.4%	75.9%	145.3%	234.9%

Source: SRECTrade Estimates

NJ SUPPLY / DEMAND SCENARIOS – CURRENT RPS, NEG LOAD GROWTH (-1%) 



Energy Year	2017	2018	2019	2020	2021
Estimated % Oversupplied / (Undersupplied)					
Case 1 - 23.6 MW/month	5.9%	24.7%	55.6%	97.9%	151.1%
Case 2 - 31.4 MW/month	5.9%	27.1%	65.2%	119.0%	188.1%
Case 3 - 47.1 MW/month	5.9%	32.0%	84.3%	161.3%	262.0%

Source: SRECTrade Estimates

NJ SUPPLY / DEMAND SCENARIOS – CURRENT RPS, FLAT LOAD GROWTH



SREC Forecast vs. Estimated SRECs Req.	2017	2018	2019	2020	2021
Case 1 - 75% of Last 12 Month Average MW Added Per Month Throughout the Forecast					
Estimated NJ SREC Requirements	2,225,972	2,374,370	2,441,150	2,507,929	2,574,708
Less: Excess SRECs From Prior Period	220,036	107,150	505,008	1,175,318	2,118,079
Less: Case 1 Estimated SRECs Produced	2,113,086	2,772,229	3,111,459	3,450,690	3,789,920
# of SRECs Under / (Over) Supplied	(107,150)	(505,008)	(1,175,318)	(2,118,079)	(3,333,291)
Case 2 - Last 12 Month Average MW Added Remains the Same Per Month Throughout the Forecast					
Estimated NJ SREC Requirements	2,225,972	2,374,370	2,441,150	2,507,929	2,574,708
Less: Excess SRECs From Prior Period	220,036	107,150	561,547	1,401,472	2,626,925
Less: Case 2 Estimated SRECs Produced	2,113,086	2,828,767	3,281,075	3,733,382	4,185,689
# of SRECs Under / (Over) Supplied	(107,150)	(561,547)	(1,401,472)	(2,626,925)	(4,237,906)
Case 3 - 1.5x of Last 12 Month Average MW is Added Per Month Throughout the Forecast					
Estimated NJ SREC Requirements	2,225,972	2,374,370	2,441,150	2,507,929	2,574,708
Less: Excess SRECs From Prior Period	220,036	107,150	674,624	1,853,779	3,644,616
Less: Case 3 Estimated SRECs Produced	2,113,086	2,941,844	3,620,305	4,298,766	4,977,227
# of SRECs Under / (Over) Supplied	(107,150)	(674,624)	(1,853,779)	(3,644,616)	(6,047,135)

Source: SRECTrade Estimates

NJ SUPPLY / DEMAND SCENARIOS – CURRENT RPS, NEG LOAD GROWTH (-1%) SRECTrade

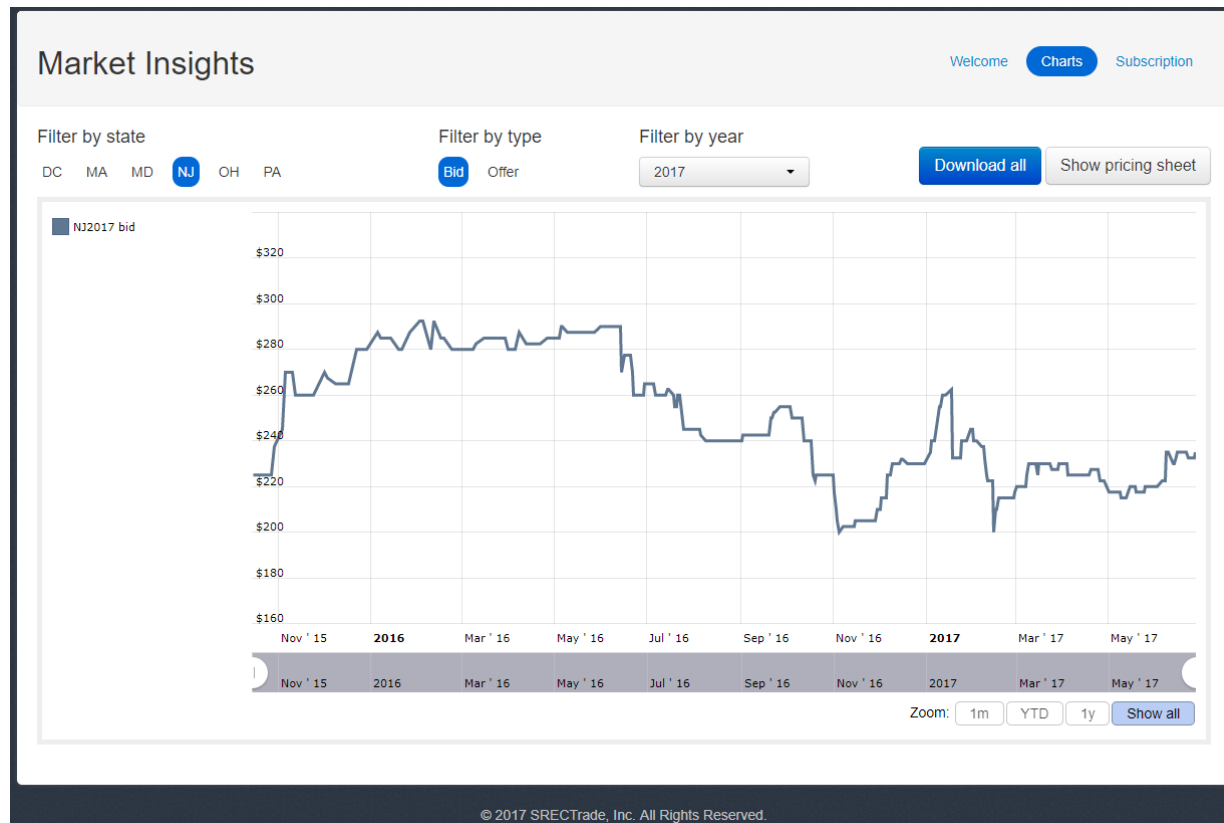
SREC Forecast vs. Estimated SRECs Req.	2017	2018	2019	2020	2021
Case 1 - 75% of Last 12 Month Average MW Added Per Month Throughout the Forecast					
Estimated NJ SREC Requirements	2,203,713	2,327,120	2,368,645	2,409,106	2,448,522
Less: Excess SRECs From Prior Period	220,036	129,410	574,518	1,317,332	2,358,916
Less: Case 1 Estimated SRECs Produced	2,113,086	2,772,229	3,111,459	3,450,690	3,789,920
# of SRECs Under / (Over) Supplied	(129,410)	(574,518)	(1,317,332)	(2,358,916)	(3,700,314)
Case 2 - Last 12 Month Average MW Added Remains the Same Per Month Throughout the Forecast					
Estimated NJ SREC Requirements	2,203,713	2,327,120	2,368,645	2,409,106	2,448,522
Less: Excess SRECs From Prior Period	220,036	129,410	631,057	1,543,486	2,867,761
Less: Case 2 Estimated SRECs Produced	2,113,086	2,828,767	3,281,075	3,733,382	4,185,689
# of SRECs Under / (Over) Supplied	(129,410)	(631,057)	(1,543,486)	(2,867,761)	(4,604,929)
Case 3 - 1.5x of Last 12 Month Average MW is Added Per Month Throughout the Forecast					
Estimated NJ SREC Requirements	2,203,713	2,327,120	2,368,645	2,409,106	2,448,522
Less: Excess SRECs From Prior Period	220,036	129,410	744,133	1,995,793	3,885,453
Less: Case 3 Estimated SRECs Produced	2,113,086	2,941,844	3,620,305	4,298,766	4,977,227
# of SRECs Under / (Over) Supplied	(129,410)	(744,133)	(1,995,793)	(3,885,453)	(6,414,158)

Source: SRECTrade Estimates

NJ HISTORICAL PRICING



Current NJ17 market: \$235.00 @ \$245.00

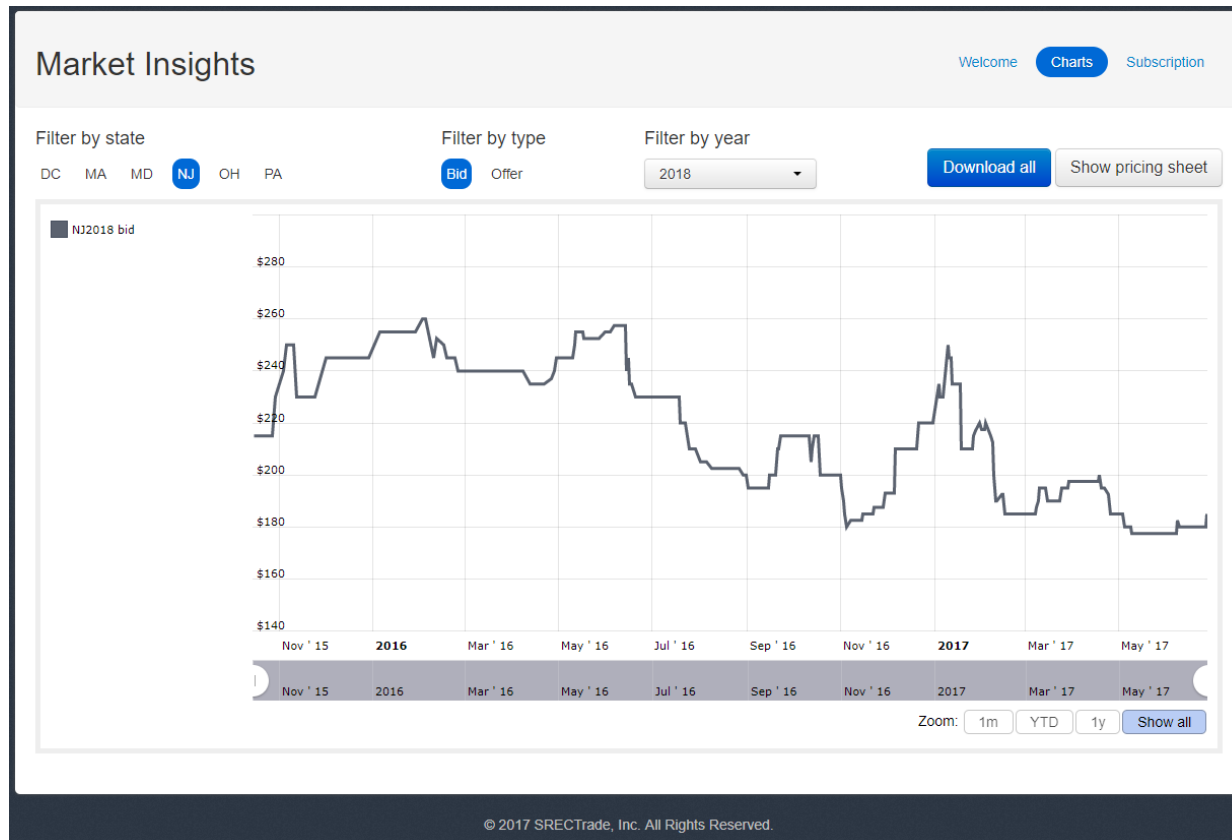


Source: SRECTrade Market Insights

NJ HISTORICAL PRICING



Current NJ18 market: \$185.00 @ \$195.00



Source: SRETrade Market Insights