

July 29, 2009

Newark, NJ, USA: PSE&G Wins Approval for \$515M Solar Program

PSE&G today received approval from the New Jersey Board of Public Utilities (BPU) to invest \$515 million in 80 megawatts of solar projects, doubling the state's solar capacity and creating green jobs. Under an agreement reached in its Solar 4 All filing, the utility expects to complete the installations by the end of 2013. The program has two segments, each 40 megawatts in size.

The first segment consists of installing a solar unit (small distributed solar system of approximately 200 watts) on 200,000 utility poles in PSE&G's service territory, which includes the state's six largest cities and roughly 300 rural and suburban communities. It will be the largest pole-attached solar installation in the world. The solar units will be connected directly into PSE&G's electric distribution system and the power will be sold into the PJM wholesale grid. In a contract of about \$200 million with PSE&G, Petra Solar will make units for 200,000 poles in New Jersey's six largest cities and 300 rural and suburban communities in PSE&G's service territory. Over the 3 1/2 year life of the contract, Petra will add the green jobs to its employee base of 40-plus employees, most of whom work in the company's South Plainfield headquarters and manufacturing facility.

The second segment will focus on centralized solar, with PSE&G developing solar gardens and roof-top installations on facilities it owns and also at third-party sites.

"Our program will effectively double the size of New Jersey's installed solar capacity," said Ralph LaRossa, president and COO of PSE&G. "That is more solar capacity than currently exists in any state other than California. We have worked with New Jersey regulators and the solar community to develop a program that brings the benefits of solar to all of our customers."

PSE&G also announced today that it awarded the contract for the supply of the 200,000 pole-attached units to New Jersey-based Petra Solar. With headquarters in South Plainfield, Petra Solar has committed to make the solar units in New Jersey and expects to hire more than 100 employees to meet the needs of the contract.

Shihab Kuran, President and CEO of Petra Solar said, "We at Petra Solar are very pleased to enter a contract with PSE&G to provide 200,000 smart solar units for installation on utility and lighting poles throughout the state. Our pole-mounted, grid-connected system delivers true technological innovation. The interaction of solar generation and smart grid technology will enable PSE&G to enhance the reliability of its delivery of electricity to customers. My colleagues at Petra Solar and I are committed to creating green jobs and providing innovative products that address global energy and climate change challenges."

"It is great to see the promise of green jobs becoming a reality - especially in these rough economic times," said LaRossa. "PSE&G programs approved by the BPU to promote

energy efficiency, develop renewables and accelerate infrastructure investments are putting hundreds of New Jersey residents to work at a time when it is most needed."

The centralized solar segment of Solar 4 All, which involves projects of 500 kilowatts or more, will consist of several sub-segments.

The largest will be the development of 25 megawatts of solar gardens or rooftop installations at PSE&G-owned sites. PSE&G is evaluating five specific sites for development, though site selection will depend on permitting and site suitability.

The five PSE&G sites in New Jersey are:

In Union County- property in Linden,

In Middlesex County- the Central Gas Plant in Edison.

In Burlington County- the Cox's Corner Switching Station in Evesham.

In Mercer County- the Yardville Area Substation in Hamilton and property adjacent to the company's gas and appliance service building in Trenton.

PSE&G will also work with solar developers to install 10 megawatts of solar on third-party sites and five megawatts in municipalities that have New Jersey Urban Enterprise Zones (UEZs) within PSE&G's electric service area. PSE&G will receive federal tax credits and solar renewable energy credits, which will also be used to offset the cost to customers.

PSE&G estimates that this program will cost its average residential customer about 10 cents a month in the first year of the program.

The Solar 4 All program is one of several PSEG initiatives that are helping to reduce carbon emissions that contribute to climate change while creating new jobs.

Other initiatives include:

PSE&G Solar Loan Program

-- PSE&G is offering \$105 million in loans to help expedite and finance the installation of 30 megawatts of solar power on homes, businesses and municipal buildings throughout its electric service area.

PSE&G Energy Efficiency programs

-- PSE&G is spending more than \$240 million to provide energy audits for homes, small businesses and hospitals, and install insulation, programmable thermostats and efficient lighting.

PSE&G installation of high-efficiency street lighting

-- PSE&G is investing \$50 million to replace mercury vapor municipal street lighting with more efficient induction fluorescent lighting that will provide immediate cost savings to municipalities and reduce energy consumption.

PSEG development of a 350-megawatt offshore wind farm

-- PSEG Global has teamed with Deepwater Wind to form a joint venture called Garden State Offshore Energy, which is exploring the development the wind farm off the southern coast of New Jersey.

PSEG launch of compressed air energy storage business

-- PSEG Global has teamed with Dr. Michael Nakhamkin, the leading expert on compressed air energy storage (CAES), to form a joint venture called Energy Storage and Power (ES&P). ES&P exclusively markets, licenses, supports the development and supervises project execution of the second generation CAES technology.

PSEG launch of unregulated solar development business

-- PSEG has formed a new subsidiary, PSEG Solar Source, to develop solar gardens and solar farms throughout the United States.