

October 25, 2022

***SUBMITTED VIA EMAIL***



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**Secretary of the Board**

State of New Jersey  
Board of Public Utilities  
44 South Clinton Avenue, 9th Floor  
Post Office Box 350  
Trenton, NJ 08625-0350

**RE: Docket No. EO20030203**

**ACP Supports the Staff Proposal to Create a Clean Capacity Credit Program**

The American Clean Power Association (ACP) thanks the New Jersey Board of Public Utilities (BPU) staff for their time and efforts over the past few months to develop a thoughtful and forward-looking report on detailing positive resource adequacy alternative structures.

In particular, the American Clean Power Association applauds the inclusion of a Clean Capacity Credit program as an integral part of the report's recommendations. ACP strongly supports the Clean Capacity Credit concept and urges the BPU to develop additional details on a timeline that would allow for implementation within the 2023 calendar year.

**ACP Recommendations to Create an Effective Clean Capacity Credit Program**

As the BPU undertakes its next steps in the development of a state-administered market and clean capacity program, ACP would like to highlight several key considerations and recommendations.

**New Jersey Should Continue to be a Regional Leader by Implementing a State-Administered Program while Advocating for a PJM Market Structure**

In 2018, New Jersey exhibited national leadership by adopting a 2,000 MW energy storage deployment target. In the interceding years following the legislature's adoption of an energy storage target, the U.S. Energy Storage industry has eagerly anticipated a mechanism for accelerating and advancing the energy storage market in New Jersey. ACP supports the staff proposal to create a Clean Capacity Credit program as a procurement mechanism to ensure that New Jersey continues to make progress on both its 2,000 MW energy storage target as well as its overarching clean energy imperatives. ACP supports and applauds the BPU staff recommendation to pursue its own voluntary regional market and state-administered Clean Capacity Credit. The State of New Jersey is in a strong position to provide regional and national leadership by developing its own market and clean capacity programs while simultaneously advocating for a PJM-wide clean capacity program.

**Establish a Timeline to Implement a Clean Capacity Credit Program by January 1, 2024**

ACP supports the expeditious establishment of a Clean Capacity Credit program in New Jersey and believes that a program can be effectively designed by the end of the 2023 calendar year. This would allow for the program to be implemented at the beginning of 2024. ACP stands prepared to serve as a resource and provide industry-specific knowledge to support the design and implementation of this program over the next year.

**Ensure the Clean Credit Capacity Requirements are Sufficient to Effectively Incent New Clean Capacity and Produce Emissions Reductions**

ACP would like to underscore the importance of developing a Clean Capacity Credit Program that results in procurement requirements sufficient enough to truly incent new clean capacity. The modeling included in the September 22nd report demonstrate that an Integrated Clean Capacity Market or Forward Clean Energy Market with low clean capacity requirements would produce negligible effects on the market. To make progress on emissions reductions and the transition to clean capacity, the requirements and alternative compliance payment should be substantial enough for the program to be effective.

**The Alternative Compliance Payment Should be Structured to Ensure that it is Used only when there are no Clean Capacity Alternatives**

In addition to adopting requirements for load serving entities to retire a sufficient quantity of credits meaningfully incent a market transition to clean capacity, the Alternative Compliance Payment should be structured in a way that ensures it is only utilized in scenarios where a clean capacity alternative is not feasible. ACP also recommends that the alternative compliance payment is indexed annually to ensure the program remains effective over time.

The American Clean Power Association looks forward to the expeditious advancement of the Clean Capacity Credit staff proposal and is grateful for the opportunity to participate in this meeting and provide feedback.

Sincerely,



Noah Roberts  
Director of Energy Storage  
American Clean Power Association