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10/31/2018

Aida Camacho-Welch,
Secretary New Jersey Board of Public Utilities
ATTN: BPU Docket Number: QO18060646
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**COMMENTS ON RULES FOR COMMUNITY SOLAR -
BEFORE COMMUNITY SOLAR CAN WORK WE NEED TO REFORM MUNICIPAL SOLAR FINANCING**

Dear Aida,

It makes sense that Community Solar in much of NJ would be catalyzed by township local government, BUT municipalities are **structurally disadvantaged** when it comes to solar financing.

It is hard for municipalities to raise the capital to install solar. As a result, they either don't install it, or they lease. Leasing delivers poor value to the owner compared to ownership, so taxpayers of NJ pay more for their taxes as municipalities pay more for their electricity than they need to. In addition, a 15- or 20-year lease today will become uneconomical as electricity prices are predicted to flatten and fall around 2030, according to the US Energy Information Administration.

- **For Community Solar to be widely adopted, municipalities need access to capital on taxpayer-favorable rates.**
- **Municipalities should be able to receive incentives equivalent to those that are available via the tax system for residential and commercial customers**

Because municipalities must always put solar projects out to tender and must always go for the **lowest bid**, it's hard to get many solar companies interested in the business. This is because the lowest bid will tend to have cheap panels of a **lower quality/efficiency/reliability**. Lower quality panels generate *less electricity* and *need fixing or replacing more often*, but the lease model is not set up to pay the installer for the additional maintenance involved.

- **For Community Solar to deliver value for taxpayers, a QUALITY standard for Municipal and Community Solar equipment should be instituted and revised every year.**
- **Municipalities should not be required to accept bids that are based on equipment below the quality threshold**

A future where New Jersey municipalities can be the engines of a green energy transformation enabled by Community Solar is only possible if it's a LOT easier for municipalities to finance solar power,

yours sincerely,

Howard Lee

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