

MURRAY E. BEVAN
mbevan@bmg.law

April 7, 2020

VIA ELECTRONIC AND REGULAR MAIL

The Honorable Aida Camacho-Welch
Secretary, New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350
Board.Secretary@bpu.nj.gov

Re: In the Matter of the Verified Petition of Astrum Solar Inc. D/B/A Direct Energy Solar for Waiver of SREC Registration Rules at N.J.A.C. 14:8-2.4 to Extend Construction Deadline for Solar Installation at the Children's Hospital of Philadelphia (Docket No. Q019121526)

Dear Secretary Camacho-Welch:

On behalf of my client, Astrum Solar Inc. d/b/a Direct Energy Solar ("Direct Energy Solar"), I am writing to formally withdraw its Verified Petition requesting a waiver of SREC Registration Rules at N.J.A.C. 14:8-2.4(i) and an extension of time to complete construction of its solar energy project at the Children's Hospital of Philadelphia facility located at 101 Plainsboro Road, Plainsboro Township, NJ 08536 (SRP Registration Number: NJSRRE1538458232) ("Petition"), which we filed with the Board of Public Utilities ("Board") on December 13, 2019. On March 9, 2020, the Board issued an Order on this Petition, which stated, *inter alia*:

Under these circumstances, while the Board **FINDS** that the changing requirements resulting from the planned expansion of the hospital, as described in the petition, represents good cause to relax or permit deviation from the rules, the Board **ALSO FINDS** that granting a one-year extension could potentially undermine a smooth transfer of incomplete projects from the SRP to the Transition Incentive program. Thus, the Board **GRANTS** the petition in part and **APPROVES** an extension to June 29, 2020. Should the Project achieve commercial operations prior to the time the Board determines that the 5.1% Milestone has been achieved, the Board **DIRECTS** Staff to issue full certification to the project upon Petitioner's

demonstration that all requirements, including the SRP requirements at N.J.A.C. 14:8-2.4, have been satisfied. The Board **FURTHER ORDERS** that if the Board determines that the 5.1% Milestone is attained prior to the time the Project achieves commercial operations, the Project shall not be eligible for the SREC but may instead be eligible for the transition incentive or successor program.

Direct Energy Solar had filed its December 13, 2019, Petition against the backdrop of the Board's December 6, 2019 Order concerning the transition incentive program. During the time in between Direct Energy Solar's filing of its Petition and the Board's issuance of an Order regarding the Petition, the Board's solar incentive landscape changed in several fundamental ways.

The first change subsequent to Direct Energy Solar's Petition was the Board's January 8, 2020, Order, which found that the transition incentive program may also include qualifying projects that enter the SRP pipeline after the attainment of the 5.1% Milestone but prior to the Board's implementation of a registration program for the Successor Program.¹

Two weeks later, on January 21, 2020, the "Cost Cap Act" amendments to the New Jersey Clean Energy Act were enacted, which provided the Board with more flexibility in calculating the cost cap.²

On March 9, 2020, the same day that the Board issued an Order regarding Direct Energy Solar's December 13, 2019, Petition, the Board issued another Order amending its December 6, 2019, order regarding the incentive structure of the Transition Renewable Energy Certificates ("TRECs") by modifying it to a fixed base compensation of \$152 per TREC generated by eligible facilities.³

¹ I/M/O a New Jersey Solar Transition Pursuant to P.L. 2018, C.17, BPU Dkt. No. QO19010068 (January 8, 2020).

² S. 4275 (2018), L. 2019, c. 448 (January 21, 2020).

³ I/M/O a New Jersey Solar Transition Pursuant to P.L. 2018, C.17 – TREC BASE COMPENSATION SCHEDULE, BPU Dkt. No. QO19010068 (March 9, 2020 – Agenda Item 8H).

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In addition to these three fundamental changes in the law regarding the transition incentive program, Direct Energy Solar's decision to withdraw its Petition is also based on its realization that the solar energy project at the Children's Hospital of Philadelphia is not likely to achieve commercial operations prior to the projected date of attainment of the 5.1% Milestone.

For the foregoing reasons, Direct Energy Solar is withdrawing its Petition. Direct Energy Solar will file for registration in the transition incentive program in the near future (when it has a more solid estimate of the project completion date).

Please do not hesitate to contact me should you have any questions or concerns.

Respectfully submitted,



Murray E. Bevan

Cc: Service List

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BPU Docket No. Q019121526

SERVICE LIST

NJ Board of Public Utilities

P.O. Box 350
Trenton, NJ 08625-0350

Abe Silverman
Chief Counsel

Abe.Silverman@bpu.nj.gov

Christine Sadovy
Deputy Chief of Staff

Christine.Sadovy@bpu.nj.gov

Sara Bluhm, Director
Division of Clean Energy
sara.bluhm@bpu.nj.gov

Scott Hunter
Manager
Division of Clean Energy
B.Hunter@bpu.nj.gov

Ariane Benrey
Program Administrator
Division of Clean Energy
ariane.benrey@bpu.nj.gov

Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003 Trenton; NJ 08625

Stefanie A. Brand, Director
stefanie.brand@rpa.nj.gov

Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101

Pamela Owen, Esq., DAG
Pamela.owen@law.njoag.gov

Direct Energy Solar

Murray E. Bevan, Esq
Jennifer McCave, Esq.
Katherine M. Dailey, Paralegal
Bevan, Mosca & Giuditta, P.C.
222 Mount Airy Road
Suite 200
Basking Ridge, NJ 07920
mbevan@bmg.law
jmccave@bmg.law
kdailey@bmg.law