

Institute for  
**Policy Integrity**  
NEW YORK UNIVERSITY SCHOOL OF LAW

March 20, 2020

**VIA EMAIL**

Aida Camacho-Welch  
Secretary of the Board  
State of New Jersey Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
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**Docket Nos.: QO19010068 and QO20020184 - In the Matter of a Solar Successor Incentive Program Pursuant to P.L. 2018, C. 17**

**Re: Notice of February 28, 2020; *Getting the Value of Distributed Energy Resources Right*, a report by the Institute for Policy Integrity at NYU School of Law**

Dear Ms. Camacho-Welch,

The Institute for Policy Integrity at New York University School of Law (Policy Integrity) is a non-partisan think tank dedicated to improving the quality of government decisionmaking through advocacy and scholarship in the fields of administrative law, economics, and public policy.<sup>1</sup> Policy Integrity appreciates the opportunity to submit this brief response to the February 28, 2020 Notice issued by New Jersey's Board of Public Utilities (BPU). As indicated in the BPU's Notice, Cadmus, the contractor retained by BPU to develop an SREC successor program, has, based on stakeholder feedback, narrowed its analysis of incentive design for that program to three approaches: a tariff-based incentive, market-based RECs, or a performance-based incentive.

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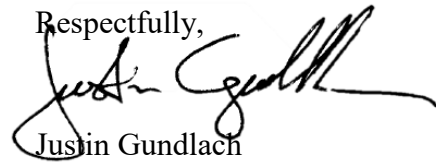
<sup>1</sup> This document does not purport to present New York University School of Law's views.

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Should Cadmus further explore a tariff-based incentive, Policy Integrity encourages it to consider our December 2019 report, *Getting the Value of Distributed Energy Resources Right*.<sup>2</sup> That report focuses on issues related to the compensation of *distributed* energy resources. However, in addition to containing useful information about compensating distributed solar and solar+storage installations, that report also explains how the value of electricity generated by *any* resource necessarily depends on the location of the resource and the timing of its operation in relation to patterns of regional and local load.<sup>3</sup> We hope that content might be of use, whether as background for the selection and development of an incentive program, or as a more directly applicable guide to the particulars of program design.

Respectfully,



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<sup>2</sup> JUSTIN GUNDLACH & BURCIN UNEL, GETTING THE VALUE OF DISTRIBUTED ENERGY RESOURCES RIGHT: USING A SOCIETAL VALUE STACK (2019), [https://policyintegrity.org/files/publications/Value\\_of\\_DER\\_Report.pdf](https://policyintegrity.org/files/publications/Value_of_DER_Report.pdf).

<sup>3</sup> *Id.* at 12-16, 28-31.