



Liz Lempert  
*Mayor*

**New Jersey Community Solar Energy Pilot Program  
BPU Docket No. QO18060646  
Comments from the Municipality of Princeton  
in response to the BPU Notice of July 9, 2020**

Dear Secretary Camacho-Welch:

We appreciate the opportunity to answer Question 2(c) and Question 6 under Topic 1: Equity and the Inclusion of Low- and Moderate-Income Households.

Princeton is committed to providing clean and affordable energy to its low- and moderate-income residents. As such, we support the Governor's and the BPU's Community Solar Energy Pilot Program's emphasis on environmental justice and delivering the benefits of solar energy to LMI customers. Princeton offers the following comments in support of this goal.

**Question 2(c): What would be the advantages and risks of implementing opt-out for community solar? Is an opt-out model the best approach to facilitating low- and moderate-income subscriber enrollment?**

Municipalities, like Princeton, exist to serve the public good. We bear the responsibility of protecting our community members as no private entity does. We believe the application of government energy aggregation (GEA) program opt-out rules to community solar provides necessary access to the LMI communities that the Community Solar Pilot Program aims to serve. The GEA opt-out rules protect hundreds of thousands of customers participating in GEA programs today in New Jersey, and they will work for LMI community solar customers. Princeton recently

launched a renewable government energy aggregation program and has experienced firsthand how his structure is a powerful tool for making significant steps towards cleaner, affordable energy.

The current "opt-in" subscription method requiring wet or electronic signatures creates a fatal barrier to entry for LMI customers. The unnecessary costs from highly intensive (and expensive) marketing and sales efforts to get LMI customer signatures make customer enrollment infeasible. These costs are avoided through the approach Princeton is developing, when a Municipality vets and competitively procures a community solar project partner on behalf of its LMI residents. Municipalities are also in a good position to maximize participation for LMI customers.

Based on our knowledge of the local population and working closely with affordable housing and other entities, Princeton (and most municipalities) can reach *all* of the qualified LMI customers that reside across town in a program design that can include master and individually-metered apartment developments, and single-family homes. Without an opt-out approach, significant numbers of individually metered customers will not be enrolled in or benefit from Community Solar. The opt-out method is an opportunity for New Jersey to lead the nation in LMI customer enrollment.

Furthermore, we believe using the GEA opt-out method prevents the "slamming" of LMI customers. Not only does the GEA model allow for a municipality to procure a community solar project partner using a transparent, public and competitive process to secure the best terms for *all* LMI residents, it also puts the municipality squarely in the role as the trusted, responsible party.

To capture the above benefits, the BPU should permit waivers from its rule to allow opt-out in its Round 2 Application Process.

**Question 6: What additional suggestions do you have to facilitate inclusion of LMI households?**

The BGS consolidated billing model should be adopted for use in the Round 2 application process.

Billing is an additional barrier to the participation of LMI households in the Community Solar Program. This issue goes to the heart of building a successful LMI community solar program. Financing is simply not feasible if investors must assume the risk of payment (delays and non-payment through a separate bill) for individually metered LMI customers.

Utilities assume this risk through the ratemaking provided to the BPU, but no solar developer/investor will accept the payment/revenue risk of serving these customers. Fortunately, the BPU has already built a solution to this problem elsewhere in its policies for BGS suppliers. The utilities already include the charges levied by default suppliers on their bills and pay their default (BGS) suppliers on a regular and prompt basis regardless of the customers' payment patterns or histories. The BPU should have the utilities provide this same billing and revenue collection for LMI community solar. The confusion of the two bills is avoided, and customer revenue is covered. Community solar for individually metered LMI customers can then be financeable and developed. The result is the acceptance of LMI customers into the program and lower-cost solar energy to those customers.

This solution, using the BGS consolidated billing model for community solar customers, can make serving individually metered LMI customers a reality in a manner that is consistent with BPU practice. It would be unfair not to provide this to LMI customers in Community Solar when it already provides it to all other utility BGS customers.

The advent of Community Solar in New Jersey is a significant first step for environmental justice. As a stakeholder in Community Solar, we have a vested interest and responsibility to our LMI residents to see that the Pilot Program is successful. We believe the only way to achieve a successful Program for LMI customers is through an efficient opt-out enrollment process for LMI subscribers and solving the challenges of billing the LMI community through BGS consolidated billing.

The adoption of these recommendations can vault New Jersey into a leadership position in environmental justice through community solar.

Thank you for your time and consideration of our comments, and we are available to answer any questions you may have.

Sincerely,



Liz Lempert  
Mayor