



**Community Solar Program Year One Lessons Learned Comments  
Docket No. QO18060646**

The Coalition for Community Solar Access (CCSA) appreciates the opportunity to submit these comments to assist with the continued shaping of the New Jersey Community Solar Pilot Program and to help inform the regulations for Pilot Year Two.

CCSA is a national coalition of businesses and non-profits working to expand customer choice and access to solar for all American households and businesses through community solar programs. CCSA's mission is to empower every American energy consumer with the option to choose local, clean, and affordable community solar. CCSA works with customers, utilities, local stakeholders, and key decision makers to develop and implement policies and best practices that ensure community solar programs provide a win, win, win for all, starting with the customer. In New Jersey, our business-led trade association is composed of over 30 member companies and non-profits, working together to expand access to clean, local, and affordable energy to the state.

We are pleased by the commitment the Board of Public Utilities (BPU), the BPU staff, and the Governor have made to make New Jersey a leader in Community Solar and renewable energy development. CCSA thanks the Board and staff for their continued commitment to working with stakeholders, including organizations like ours, to provide a cost-effective marketplace with certainty, transparency, accountability, and innovation to achieve the state's righteous and ambitious clean energy goals.

**Topic 1: Equity and the Inclusion of Low- and Moderate-Income Households**

**Question 1:** How can the Board ease the process by which developers validate LMI status when enrolling subscribers?

- a. Should the Board consider amending the current rules regarding LMI subscriber verification, as defined at N.J.A.C. 14:8-9.8? If yes, how? For reference, please see Appendix 1 for selected excerpts of the relevant section of the rules.
- b. Please include a discussion of the following verification metrics, with examples from other states where applicable:
  1. LMI income affidavit;
  2. verification by census tract; and
  3. other means of encouraging and supporting LMI community solar participation.

CCSA applauds the Board's strong commitment to LMI participation in the Community Solar program and we believe the Board deserves credit for charting this path, which is already putting New Jersey in a position to be a national leader in this area. Currently, the principal



barrier to LMI customer participation in the program, and the Board's objective, is the rules regarding LMI subscriber verification. In CCSA's view, the current rules are not consistent with the Board's objective in facilitating LMI participation and closing the equity gap for LMI customers. It is essential that the LMI verification process does not create additional barriers to participation. Streamlining the verification process is the single strongest step that the Board can take to ensure that these goals become reality.

The current rules are not workable for many low-income participants and, contrary to the Board's goals, serve as a significant disincentive to participating in Community Solar. To that end, CCSA recommends the Board reject burdensome qualification methods such as requiring three years of tax returns, which is an unworkable requirement that non-LMI customers do not need to complete. Based on CCSA member experience, potential LMI customers will decline to participate in the program when faced with such a requirement.

Beyond serving as a logistical barrier to participation, this requirement raises important equity and privacy concerns. Simply put, the burden imposed should be commensurate with the benefit. Unlike direct assistance programs like LIHEAP, for instance, LMI subscribers are not guaranteed any additional benefit under the Community Solar program beyond their non-LMI peers. The current rules place a burden on LMI subscribers that is not justified by the benefit. The LMI qualification rules also unnecessarily put sensitive personal information into the hands of third parties. Tax return documents contain sensitive information which subscribers are rightfully hesitant to provide. But even if they are willing, the Board should question why there is an expectation for LMI subscribers, and LMI subscribers only, to provide sensitive information as a prerequisite for participating in Community Solar. CCSA members do not want to handle sensitive subscriber information of this nature and do not believe subscribers should be required to provide it.

CCSA suggests the Board amend the current rules to simplify and streamline LMI subscriber verification and to provide a menu of verification options for subscribers. In its income verification rules, the Board should strive to set up a process that is respectful of LMI subscribers, protects their privacy, and makes it as easy as possible for them to sign up for Community Solar. CCSA believes any of the below methods should be accepted as verification for the Community Solar program.

First, CCSA respectfully recommends that the Board expand the existing list of programs enabling income-eligible residents to qualify for Community Solar subscriptions. Programs such as TANF, SNAP, the Housing Choice Voucher Program (also known as Section 8 housing), and others, which already require a rigorous qualification process, it is possible to relieve the administrative burden on New Jersey residents. While the Board has identified a few such programs, CCSA believes that additional programs should be added to the list, increasing the flexibility for subscribers to qualify. The Board could publish a list containing programs that meet



this standard and update it, if necessary. As a starting point, the Comfort Partners program offers a list of federal/safety net partnership programs that can apply directly to community solar qualification<sup>1</sup>.

Second, CCSA recommends that the Board enable subscribers to qualify through an attestation of their income. This is the most inclusive and equitable process as it allows for all LMI subscribers who meet the income requirements to participate, regardless of where they live or their participation in other programs. It does not require sensitive information to change hands, is commensurate with the benefit received, and is not an undue burden on the subscriber.

While some question whether this opens the door to “gaming” or misrepresentation, CCSA member experience has not shown any reason to believe subscribers misrepresent themselves as being low-income. Moreover, it is not clear what their incentive to do so would be; as noted above, the program does not guarantee any added benefit to LMI subscribers. With that said, the Board could monitor the verification process to ensure that this solution works as intended.

Finally, CCSA recommends that the Board allow for LMI subscribers to qualify through proof of residence in a low-income census tract. Qualifying census tracts could be limited to tracts where the median income is less than or equal to the current income guidelines for low-income and moderate-income subscribers. Such data is publicly available and accessible. A census tract is a relatively small sample (generally around 4000 people) and would serve as a reasonable proxy of income.<sup>2</sup> Maryland has recently transitioned to using census tract data to qualify LMI subscribers and Virginia is giving it consideration.

**Question 2:** Current rules mandate that developers use the “opt-in” model for subscriber enrollment, in which a subscriber must affirm a community solar subscription with a wet or electronic signature. This is distinguished from the “opt-out” model, in which a subscriber is enrolled without affirmative consent, and given the option to unsubscribe (i.e., opt out) from the community solar subscription.

Based on experience with Program Year 1, as well as the successes or failures in other states, please provide feedback on the efficacy of the “opt-in” model, or, in the alternative, on the benefits and risks of the “opt-out” model for subscriber enrollment. In particular, please discuss:

*Opt-in Model:*

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<sup>1</sup> [https://njcleanenergy.com/files/file/Comfort\\_Partners/522-CP-BrochCRCI-Eng.pdf](https://njcleanenergy.com/files/file/Comfort_Partners/522-CP-BrochCRCI-Eng.pdf)

<sup>2</sup> United States Census Bureau, *Understanding and Using American Community Survey Data*, July 2018, Page 8: [https://www.census.gov/content/dam/Census/library/publications/2018/acs/acs\\_general\\_handbook\\_2018.pdf](https://www.census.gov/content/dam/Census/library/publications/2018/acs/acs_general_handbook_2018.pdf)



- a. From your perspective as a developer, subscriber, community organization, third-party entity, etc., please describe your experience using the “opt-in” model in Program Year 1. What challenges did you encounter? What, if anything, would you change about the process? Please specifically identify whether you are working on a community solar project approved in Program Year 1.
- b. Are there examples of other states that have been particularly successful or unsuccessful using an “opt-in” model for community solar? What has made them successful or unsuccessful?

*Opt-out Model:*

- 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?
- d. What consumer protection measures would need to be established in order to implement an opt-out mechanism for community solar?
- e. In what ways could an opt-out model of community solar subscriber enrollment be similar to, and different from, the model currently implemented under Government Energy Aggregation in New Jersey?
- f. Are there examples of other states successfully using an “opt-out” model for community solar? If so, what makes them successful?

CCSA acknowledges the stakeholder interest in the potential of opt-out models, and believes the issue warrants further exploration, but a wholesale shift in direction away from the current opt-in approach is not warranted at this time. CCSA does not believe that the opt-in approach is a barrier to signing up LMI customers, nor that an opt-out model is a singular solution to addressing LMI populations. As noted above, it is CCSA’s view that a simplified verification process will result in strong LMI participation across New Jersey.

There may be advantages to an opt-out approach for certain market segments as an additional method of enrolling subscribers. Some states, such as New York, have been actively exploring the potential of an opt-out model, carefully looking at robust consumer protections, model implementation requirements, and customer engagement. This partnership between community choice aggregation initiatives and community solar developers appears promising in New York. It is our recommendation, we look to this program for the best practices of this model to be considered for the permanent program, but in light of timing considerations, the rollout of PY2 should not be delayed by efforts to implement an opt-out approach.

The goal of community solar is to deploy clean energy and provide bill savings to subscribers, but more broadly, community solar provides a direct connection between a subscriber and clean



energy generation. This connection is key to the Board's ultimate goal of engaging every New Jersey resident in the fight against climate change. In CCSA's view, the goal of community solar programs generally, and certainly in New Jersey, is to empower customers who may otherwise be unable to participate in the clean energy economy and the green revolution.

The benefits of participation therefore go beyond immediate economic factors to overall customer experience. Community solar provides an opportunity to inform and empower subscribers about their energy usage and to take a personal and active role in combating climate change. Particularly for underserved and low income communities, community solar provides an avenue into clean energy that may not otherwise be available. If the majority of subscribers are not aware of their participation in community solar, or have only a limited connection to it, the Board should question whether all of the objectives and possibilities of the Community Solar program are being achieved. In addition, an opt-out approach would seem to rely on consolidated billing. If a customer who has not given explicit consent to sign up for a community solar project starts to receive a separate bill for it, there would likely be significant customer confusion or frustration with the program.

**Question 3:** How can the Board leverage existing programs (e.g. Comfort Partners, USF, etc.) to facilitate enrollment of LMI customers in community solar?

CCSA respectfully requests the Board to consider community solar as part of the suite of options available to New Jersey residents and should leverage existing programs to educate LMI customers about the benefits of community solar. To the extent that the Board has gathered data on LMI populations in the state from its existing programs, or other insights, it would be beneficial to work with Subscriber Organizations to make that information available to best direct outreach efforts and ensure that all communities and segments of the population are being addressed.

In addition, as noted above, CCSA would encourage the Board to leverage the current program to enhance and make changes for participation with existing LMI programs such as LIHEAP, Comfort Partners, and others. The Comfort Partners program already does important work connecting income-qualified customers with energy services, and we can build upon this platform to engage LMI customers on upcoming opportunities to participate in community solar.

**Question 4:** How can the Board leverage, or partner with, community organizations or others to facilitate equitable inclusion of community solar subscribers, including education, marketing, and enrollment?

CCSA appreciates the efforts the Board has made to provide education and market community solar to communities in New Jersey. The Board has an important role in providing unbiased and



trustworthy information about the community solar program and should continue its outreach efforts to community organizations and continue serving as a trusted third party.

Experience with energy procurement has made many communities and community organizations skeptical about new programs that purport to offer savings, especially when these programs are aimed at vulnerable populations. Information provided on the BPU website is very helpful and essential as a source of truth and validation. When community organizations understand community solar, they can be powerful messengers to LMI communities about the benefits of participation. CCSA members and the Board should be working together with community organizations to ensure program success.

**Question 5:**

What are the challenges specific to ensuring that low- and moderate-income households in master-meter buildings can become community solar subscribers?

- a. How common are these type of master metered apartments?
- b. Please describe the feasibility of reforming rates to ensure customers in master metered buildings receive community solar credits equivalent to those of single-family households.
- c. Please address any unintended consequences of this type of rate reform?
- d. What measures should the Board consider to alleviate these challenges?

Detailed data on master metered LMI housing in New Jersey is difficult to uncover from publicly available information. Anecdotally, recently constructed affordable housing usually has individual meters paid by individual tenants. Public housing authorities tend to have an older inventory which has more master meters. In addition, public housing authorities shelter a higher percentage of very low income (e.g., Section 8) tenants who are most in need of the benefits of community solar. In order to better understand the number of LMI customers served by master meters, CCSA encourages the Board to request the four electric distribution companies to provide information on the number of master metered buildings in their service territories and the number of customers served.

The bill credit worksheet recently provided on the BPU website illustrates the difference between the bill credit for a single-family residence compared to the credits received by a master meter which, because of its size, will be on a commercial rate. Currently, the TREC likely provides enough revenue to give a discount to the master metered subscriber and pay for the costs of the system, but in light of the more than double value obtained by selling to non-master-metered residential subscribers, there is an enormous financial disincentive to subscribe master-metered housing authorities. Should the TREC value decrease or be replaced with a successor SREC of lesser value, then it will become even more challenging to serve master metered LMI families.



While major changes will be difficult to implement prior to Year 2, in the context of the permanent program, CCSA recommends that the Board consider revisiting its decision on the value of the bill credit from August 2019 in order to ensure continued participation of master-metered buildings. That decision limited the economic viability of community solar offerings to these users, in particular, through the exclusion of demand charges from the bill credit. CCSA recommends that the Board consider different solutions to ensure LMI customers served by master meters will have the same access and economic benefit available to individually-metered customers. These solutions might include a new rate specifically for master metered LMI properties with a higher proportion of volumetric charges, or changes to the proportion of volumetric and demand charges in the existing rates

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

For applicants proposing to serve LMI customers, CCSA also encourages the Board to have these applicants demonstrate prior experience subscribing customers to community solar or demonstrate their plan to subscribe LMI customers. Demonstrating prior experience or a detailed plan adds weight to an application and the commitments that are made in it and provides confidence to the Board that awarded projects will be able to meet the requirement of serving LMI customers. If applicants do not have prior experience, they could provide evidence of a partnership with organizations that do have experience, agreements with affordable housing providers, or a detailed sales and outreach plan, for example. This will ensure that projects are able to succeed in subscribing LMI customers in a respectful manner, and will ensure a positive customer experience.

Program rules direct Board staff to produce a disclosure statement that is, “Intended to provide subscribers with an accurate overview of the subscription contract and shall include a plain-language summary of key provisions from said community solar subscription contract” (14:8-9.10(4)). Line 7 of the disclosure form instructions produced by Board staff states that, “Subscribers must be assigned to a specific community solar project. The ‘System Information’ section must be filled out.” CCSA has found in other states that LMI subscriptions often need more flexibility than this provision allows for. The Board could consider allowing for Subscriber Organizations to include a schedule of BPU-approved projects and corresponding system information, with the final allocation of the customer to one of the projects to be determined and communicated at a later date. This flexibility enables customers to be matched to projects only once timelines are more certain. As a result, customers who sign up earlier can be provided with greater assurance that they will also begin receiving benefits earlier and reduce the probability of project development risks jeopardizing or delaying their benefits.

The Board should also consider allowing consolidated billing as an option for community solar subscriptions. Under optional consolidated billing, the subscriber’s utility bill will include both the



bill credit and subscription fee, which the utility would remit to the subscriber organization and result in the subscriber paying just one bill, as opposed to two. A simplified payment structure can help to serve more LMI customers and reduce the overall costs of serving this segment of subscribers. CCSA would respectfully ask that when considering consolidated billing the structure be anchored in customer experience and cost-effective market measures.

### **Topic 2: Program Year 1 Application Form and Application Process**

For reference, please refer to the PY1 Application Form when responding to questions in Topic 2 specific to the application process.

**Question 7:** Please provide feedback on the process of submitting an Application. In particular, please discuss:

- a. Length of the application period: should the PY2 application period be longer, shorter, or equal to the 5-month application period in PY1?
- b. Should the Board implement a process for submitting an application via an online application form? If it is not possible to establish an online application process, how can the Board improve the process for submitting a hard copy application?

Project developers are now aware of the community solar pilot and had been anticipating an earlier program opening prior to the COVID disruption in March and April. For Pilot Year 2 to occur in the second year of the program and to ensure projects have certainty with respect to their eligibility for TRECs or the SREC Successor, it is essential to move forward with alacrity. CCSA suggests that the extent of changes, if any, in the application form drive the application window. If there are minimal changes to the application and the scoring rubric, then a 30-day application window is sufficient. If there are significant changes or new requirements included in the application, then a 60-day application window would be more appropriate, provided the Board clarified that Pilot Year 2 projects will be eligible for TRECs.

CCSA recommends the Board take this opportunity to eliminate paper applications entirely. Pilot Year 2 applications should be submitted only in electronic form for health and safety reasons and to reduce paper waste. An elaborate portal is not necessary for a pilot program and applications can be delivered to the BPU as PDF files via services such as DropBox or Egnyte.

**Question 8:** Please provide feedback on Section A of the PY1 Application Form (Application Form requirements, instructions, terms and conditions). Were the instructions sufficiently clear?

The requirements and instructions were clear and CCSA thanks you for your attention to detail.

**Question 9:** Please provide feedback on Section B of the PY1 Application Form (community solar project description). In particular, please discuss:

- a. Were certain questions unclear?
- b. Should certain questions in the PY1 Application Form be omitted from the PY2 Application Form? Why would you recommend excluding them?





- c. Should certain questions that were not asked in the PY1 Application Form be included in the PY2 Application Form? What would you recommend, and why?

Generally, Section B of the Application Form was clear. There were a few questions that would have benefited from additional explanation, including:

#### Section VII

- Question 18. CCSA believes a clear definition of “forested lands” could provide clarity to this question.
  
- Question 21. CCSA suggests the Board clarify this question to ask how projects are going above and beyond basic site improvement requirements, such as groundwater management plans. Projects should explain what they are doing to demonstrate good site management practices, such as planting pollinator-friendly groundcover.

#### Section VIII

- Question 4. CCSA’s membership appreciates New Jersey’s efforts to provide useful interconnection capacity maps. Other states, such as New York and California, also provide these types of maps but New Jersey’s grid is unique, with unique challenges, and this is an area where New Jersey has the opportunity to demonstrate leadership in best practices. In other materials provided to the Board, CCSA has noted deficiencies in the capacity maps provided by the EDCs. CCSA suggests these maps could be greatly improved through an interconnection working group process that incorporated industry and Electric Distribution Companies (EDC) input. Currently, the capacity maps do not provide solar developers or the Board with the consistently reliable ability to judge whether a project can be interconnected economically at any particular site. CCSA looks forward to working closely with the BPU staff on establishing an interconnection working group in the permanent program, building upon lessons learned from the pilot.

#### Section IX

- Question 3. Projects serving LMI communities should have a plan for consistent, respectful customer engagement processes. CCSA recommends that the Board ask applicants to provide an explanation of how they intend to serve LMI communities and award more points as appropriate. For example, every project with a clear commitment to serve LMI customers would receive 10 points, with additional points awarded based on outreach plans that highlight a developer’s previous experience successfully working on projects that serve LMI customers, existing New Jersey-based relationships, or partnerships with community or subscriber organizations that can demonstrate experience working with LMI communities.
  
- Question 9. Applicants should demonstrate a basic understanding of their market with detail on the number of potential subscribers, LMI and non-LMI, within the geographic constraints to which they commit. Applicants should also indicate whether there are enough potential subscribers to support their project. For example, the current



application form will not reveal whether a large LMI project in a small township will have enough potential subscribers.

One of the unanticipated consequences of the Year 1 application is that awarding higher points to projects that committed to highly constrained geographies discriminates against LMI families that are not within the limited vicinity of any awarded projects. For example, major cities have the highest proportion of need but the lowest available land area for hosting local solar projects. Expanding the geographic constraints for subscriptions can significantly improve community solar access for income-qualified urban residents without taking away from suburban need. To this end, CCSA suggests that LMI projects be allowed to recruit subscribers across an EDC service territory and automatically receive full points for the constrained geographic commitment category. We believe this is in line with the overarching goal of making community solar more accessible for New Jersey's many LMI residents.

**Question 10:** Please provide feedback on Section D of the PY1 Application Form (certifications).

The required certifications were clear and reasonable. CCSA thanks you for your attention to detail and clear instructions.

**Question 11:** Please provide feedback on Appendix A: Product Offering Questionnaire from the PY1 Application Form.

- a. Did this questionnaire accurately reflect the diversity of possible community solar product offerings? Page 6 of 8
- b. Should any changes be made to this questionnaire?

The product offering question reflected the diversity of offerings.

**Question 12:** Please provide feedback on Appendix B: Required Attachments Checklist from the PY1 Application Form.

- a. Was the Appendix B checklist helpful to completing the Application Form?
- b. Should the Board modify the list of attachments required in PY2?
- c. Are there certain required attachments for which the Board should provide further instructions and/or a standard template?

Appendix B was useful and helpful in completing the Application form. CCSA thanks you for your attention to detail and clear instructions.

**Question 13:** Please provide feedback on Appendix C: Evaluation Criteria from the PY1 Application Form. In particular, please discuss:

- a. Was Appendix C useful to Applicants in creating their applications?
- b. Should the Board modify the evaluation criteria for PY2? For example, should the Board give more or less weight to certain evaluation criteria in PY2?



- c. Are there criteria that were not considered in PY1 that should be considered in PY2? If yes, how would the Board evaluate, score, and verify these criteria?
- d. Please address whether the Board should consider awarding more potential points for projects proposing to serve more than 51% LMI customers and how such scoring would work.

New Jersey's community solar pilot program has generated tremendous interest on the part of the solar community. The application process used by the Board for choosing community solar projects is unique and, in a highly competitive market, drives outcomes that may yield unexpected consequences. Previously, CCSA have advocated for a 'first come, first served' model for allocating program capacity and CCSA look forward to working with the Board and other industry colleagues to help design an effective and equitable permanent community solar program. In the meantime, CCSA respectfully suggest there are several ways to improve the current application process, including selecting projects with higher levels of development maturity, land-use strategies that support New Jersey agriculture, and thoughtful community outreach plans.

Project maturity is commonly used in utility procurements to assess the development risk of a solar project. For example, interconnection agreements and completed site permits are strong measures of project maturity because they show the project has invested a significant amount of funds for engineering work, consultants, and studies to actually clear essential development hurdles. Completed interconnection studies reveal a more accurate picture of the costs to develop a project and whether the project will be economic. However, New Jersey's EDCs will not accept interconnection applications for community solar projects unless they have already been selected for the program, meaning that selected projects are entering the program with substantial uncertainty around their project costs. Since none of the projects selected for Pilot Year 2 will have completed interconnection studies, it is likely that some projects will fall out of the program as their interconnection studies reveal actual costs of interconnection.

CCSA suggests adding a scoring category that awards projects for achieving project maturity. For non-rooftop projects, maximum project maturity points could be granted based on having received all available permits (i.e., those that do not require a community solar award). For rooftop projects, maximum project maturity points could be granted for projects that have obtained a structural feasibility report from a qualified engineer (and to the extent any structural improvements are necessary, committing to perform the same). In short, CCSA believes that more points should be awarded to projects that have made the investments to achieve the progress that can be achieved prior to a community solar award.

Currently, zero points are awarded to projects that are sited on farmland or undeveloped land. Ground mount projects that are sited on new or existing agricultural land that allow for continued agricultural or horticultural activity in and around the arrays should be awarded points as a preferred site. These are known as dual-use or agrivoltaic projects and, if determined to be preferred siting in Year 2, these projects have great potential to not only help achieve New Jersey's ambitious clean energy goals, but also encourage farm viability and maintain vital



agricultural production. We encourage the BPU to take this step with an eye towards adopting a more robust dual-use element in the permanent program.

One of the most significant learnings from the application process in Pilot Year 1 was that a commitment to LMI is necessary to win a place in the program. However, there was little differentiation in the 30 points available to projects who committed to LMI allocations. Pilot Year 2 presents an opportunity to unpack those points and differentiate projects. CCSA encourages the Board to consider a base score (i.e., 10 points) for projects that commit to LMI, and then consider additional factors to award more points. These factors could include, but need not be limited to, items such as evidence of close coordination with organizations that specialize in LMI community outreach, detailed descriptions of the project sponsor's experience in reaching LMI families, or collaborations with community organizations. Examples of this coordination could be agreements, detailed communication plans, or other evidence that the applicant or subscriber organization can deliver on their commitment to serve LMI families.

CCSA does not support awarding additional points to projects that commit to greater than 51% LMI. Making the additional points available will drive all applicants to maximize their scores and effectively turn the community solar program into a 100% LMI program. There are many non-LMI New Jersey electric customers who would be excluded from any solar opportunity, if the community solar program became exclusively a residential LMI program. These include residents and business owners who rent, have financial barriers- despite not falling under the definition of LMI, or do not have a property suitable to host their own array.

Finally, given the competitive nature of the program and what CCSA expects to be a significant number of Pilot Year 2 applications, the Board should consider a higher degree of transparency in how points are assigned in the evaluation process. For example, stating "Higher Preference" for local jobs and job training is helpful in a directional way, but it would be more effective if the Board were to provide an understanding of what types of programs would be awarded the full 10 points versus a lesser score

### **Topic 3: Program Year 2 Application Process**

**Question 14:** The PY1 capacity was 75 MW(dc). Pursuant to N.J.A.C. 14:8-9.4(b), the PY2 capacity must be at least 75 MW(dc), but could be more. BPU Staff is considering recommending that the Board increase capacity in PY2 to 100 MW(dc), and to 125 MW(dc) for PY3, with the intention of soliciting annually for 150 MW(dc) in the permanent program. Please comment on this proposed plan.

CCSA appreciates the BPU's commitment to community solar and our shared vision that community solar can provide both direct benefits to New Jersey families who subscribe to community solar projects as well as economic stimulus for their communities. The first year of the pilot program demonstrated the supply-side potential of the community solar program through the number of applications and hundreds of megawatts of proposed projects. CCSA respectfully urges the BPU to take full advantage of the stimulus and savings opportunities available through community solar. Beyond these immediate benefits, community solar



supports the attainment of New Jersey’s renewable energy goals in a way that supports and benefits local communities. CCSA recognizes there is an interplay between the transitional incentives, the Pilot Year 2 of the community solar program, and the Board’s need to support other sectors of the solar market and we are ready to work collaboratively with the Board and other market participants.

Nonetheless, this is a critical time and it is vital to expand the community solar program significantly to 300 MW per year. Other states with a range of retail electric loads, less experience with solar, and no history of solar leadership have started with larger programs. For example, the New York Sun Program has integrated an uncapped Community Solar Program. Virginia, a newcomer to community solar, is beginning its program with 200 MW of capacity. Even Pennsylvania, a state not currently known for leadership in renewables, is considering an uncapped community solar program.

The COVID economic recession affects everyone in New Jersey and adds to the real human suffering of those who have lost their jobs or become ill from the disease itself. The New Jersey economy needs stimulus; New Jersey’s families need jobs and help paying their bills. The community solar pilot is designed to provide valuable learnings—and a clear result from the first year is that the concept works to stimulate the supply of projects which will create jobs and energy bill savings. The second year of the pilot program should test the capacity of the market to bring well-qualified projects to the program.

New Jersey’s energy market can support a much larger community solar program and New Jersey’s 2019 Energy Master Plan demands a much larger program:

The integrated Energy Plan modeling suggests that New Jersey should install 5.2 GW of solar by 2025, 12.2 GW by 2030 and 17.2 GW by 2035. . . this<sup>3</sup> represents installing an average of roughly 950 MW annually from 2020 through 2035.

Community solar has an important role to play in helping to meet New Jersey’s clean energy capacity goals. In addition, there are more than 270,000<sup>4</sup> LIHEAP-eligible, low-income families in the state who would qualify as low- or moderate-income community solar subscribers. There are literally millions more New Jersey electricity users who could potentially benefit from community solar. Pilot Year 2 of the community solar program can support the people of New Jersey at times when they most need the help.

As discussed elsewhere in these comments, the community solar application process selects for certain types of preferred projects and drives some unexpected consequences. The lack of interconnection studies, for example, will lead to some amount of project failure because solar projects will not know their costs of interconnection prior to applying for the program. A percentage of projects will fail when they receive their interconnection studies and discover the costs of interconnecting to the grid cannot be supported by the project’s economics. Knowing

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<sup>3</sup> 2019 New Jersey Energy Master Plan; p.124.

<sup>4</sup> <https://spotlightonpoverty.org/states/new-jersey/>



that some projects will not achieve commercial operation, the Board should increase the capacity selected for Pilot Year 2 to ensure a higher amount of community solar becomes operational

Finally, municipal governments have demonstrated significant interest in the community solar program and the Board is considering modifications to the program to further accommodate municipal participants. In 2019, these participants or their private sector partners proposed large projects, sited on landfills or other brownfield sites. It is reasonable to expect that municipalities will begin to represent an even larger proportion of the successful applications and municipal entities will likely need more time to bring their projects to commercial operation. In addition, municipal brownfield sites such as landfills face greater challenges in the permitting process, which increases the risk of project failure. As mentioned elsewhere in our comments, structuring a permanent program where projects can reserve capacity when they have acquired all necessary permits and signed their interconnection agreement, the longer timelines and higher permitting risks of municipal landfill projects won't be a disadvantage. Given the current selective, capacity-limited pilot program, CCSA suggests this is yet another reason to increase the program size to 300 MW per year.

**Question 15:** The 45 applications granted conditional approval in PY1 represented 17 unique applicants. Should the Board consider limiting the number of applications that are submitted by a single developer, or limit the number of applications by a single developer that will be conditionally approved?

CCSA believes the best community solar projects should be selected to serve New Jersey families, not certain companies. CCSA is strongly opposed to developer caps.

Competition is uncomfortable—it forces innovation, squeezes profit margins and requires companies to offer better value to their customers. Setting developer caps effectively apportion a market and almost certainly means that less-qualified, higher-cost projects will be selected over better-qualified projects. Competition is a powerful tool for innovation and cost reduction; limiting participation or creating allocations in a program would limit competition, create a sense of entitlement, and ultimately yield less value for New Jersey.

A highly effective approach to mitigate market concentration is the use of development security and performance deposits, both of which were absent from Pilot Year 1. Typically, utility procurements require successful bidders to post a significant amount of development security once a PPA has been signed. Development and performance security sharply curtail speculative bids and reduce concentration risks. The risk of losing a security deposit inspires applicants to be thoughtful about their project, rather than simply optimizing application responses in pursuit of the most points. For Pilot Year 2, it would be reasonable to require selected projects to post \$50 per kW within 30 days of being selected into the program, using cash, surety bonds or letters of credit. A thirty-day posting window is much longer than the typical 5 business days and would allow nonprofits, governments, and small community organizations adequate time to secure financing. Because projects are selected into the Pilot Program without interconnection studies or completed permits, development security should be



refundable under three circumstances: 1) when a project reaches commercial operation; or 2) the project receives an interconnection study that makes the project uneconomic and withdraws; or 3) the project is unable to obtain required, non-ministerial permits within one year of selection into the Pilot Program and withdraws.

**Question 16:** For ground-mount projects, please provide feedback on the DEP Permit Coordination checklist process.

DEP's Permit Coordination Process is robust and thorough. It should be noted in the Board's application process that DEP will waive in-person meetings with the Applicant if they are confident the Applicant understands the process and requirements provided by DEP.

As noted elsewhere in these comments, DEP's PV Siting Tool is a useful resource for evaluating potential solar sites. However, the tool is somewhat static and not frequently updated which means that sites that were mislabeled or have been disturbed or degraded since the last survey are not accurately labeled.

**Question 17:** The PY1 Application Form made certain sections optional for government entities. Did this facilitate applications by government entities? Should the Board consider a fully separate carve-out and application process for government entities?

Government entities face special challenges and the Board recognized that by providing supportive accommodations in the selection criteria for Pilot Year 1. During the Pilot Program, creating a separate carve-out and application process is not necessary. As CCSA have suggested elsewhere in these comments, a separate carve-out or application process isn't necessary in the context of the permanent program. If the Board decides to sequester a portion of the Pilot Program capacity for municipal applicants, then it should increase the capacity of the program accordingly and clarify that any unclaimed capacity reverts back to the main program in order to ensure the program meets its goals and deserving community solar subscribers are not deprived of the opportunity to participate. This step enables the program to meet its capacity goals and therefore provide the greatest opportunity for community solar subscribers to participate, setting the permanent program up for positive reception and success.

#### **Topic 4: Other**

**Question 18:** Should the Board consider amending the Pilot Program rules to require that community solar subscriptions guarantee savings compared to the subscriber's electric bill without community solar, as an added consumer protection measure, particularly given that all awarded projects already committed to doing so in the PY1 applications?

Respectfully, CCSA suggests the Board has answered its own question by noting that discounts are already provided, and therefore a requirement is not necessary. The community solar model predominantly works to attract subscribers by providing savings on their electric bills. The fact that all projects committed to providing some sort of savings illustrates the benefits of a large, competitive, market-driven program and reflects applicants' expectations that they will



need to compete on savings in order to attract subscribers. Though this competition is good for subscribers and CCSA encourages advocacy to support guaranteed savings, they should not be required. Subscribers can very well opt to join a community solar project for the sustainability and environmental justice benefits even if there are no savings involved, much like subscribers can already choose a renewables-focused supply company even if the cost is the same or higher than their existing rate.

Furthermore, setting a minimum savings guarantee would require the Board to undertake a significant amount of economic modeling—a sort of mini rate case—to understand individual project economics and determine the proper amount of savings per project. The economics of a 5 MW ground-mounted solar project tend to be very different from that of rooftop or parking canopy systems and different yet again from the economics of a landfill project.

Instead of focusing on calculating a minimum savings guarantee, we encourage the Board to put their time and effort into alleviating the larger sources of uncertainty that developers currently face, the most important of which is the value of renewable energy credits. Without knowing whether Pilot Year 2 projects will be eligible for Transitional RECs or an undefined successor REC, project developers will make conservative assumptions about the level of discounts they can offer to subscribers. Providing certainty that Pilot Year 2 projects will be eligible for TRECs and focusing efforts on establishing a successor program would be the most effective way to provide clarity on the economics of community solar projects that developers need in order to offer greater savings to their subscribers.

**Question 19:** Should the Board consider amending the construction timelines and extension policies at N.J.A.C. 14:8-9.3(c)? If yes, how? Currently, applicants have 6 months to start construction, and 12 months to become fully operational, with an unlimited number of possible extensions (so long as projects can demonstrate continued progress). Excerpts of the relevant section of the rules are provided in Appendix 1 below.

The timeline should reflect the realities of the solar development process in NJ and the community solar process more specifically. Unlike typical solar projects, community solar projects can't file for interconnection prior to award. Interconnection uncertainty along with other development requirements related to subscription and permitting necessitate longer timelines for construction and commercial operation. Short timelines and unlimited extensions will only serve to create extra administrative burden on both the Board and developers. Per the above, CCSA recommends that all projects have 18 months to reach operation with the option for an extension. Further extensions could be provided for projects that demonstrate either significant hardship or significant progress.

Per the above, CCSA recommends that for the pilot program, all projects have 18 months to reach operation with the option for a 12-month extension. Further extensions could be provided for projects that demonstrate either significant hardship or significant progress.





Other options can be considered to force unviable projects to release their capacity, such as milestone payments (like in NY) or deposits tied to extensions (like in MD); however, CCSA recommends these for consideration in the permanent program rather than in the pilot program.

**Question 20:** Should the Board consider restricting the 10-subscriber minimum exemption at N.J.A.C. 14:8-9.6(d) to only buildings that serve low- and moderate-income residents? Currently, the exemption applies to all multi-family buildings which have a community solar system located on-site. Excerpts of the relevant section of the rules are provided in Appendix 1 below.

CCSA does not recommend any changes to this exemption. Community solar should be available to every New Jersey ratepayer, even those in small, multi-tenant buildings. New Jersey has laudable goals aimed at increasing LMI participation in the pilot program, but this does not need to come at the expense of non-LMI residents who make up a large percentage of the overall population. In order to achieve the aggressive renewable energy targets that New Jersey has set, the BPU must take an all of the above approach and not create additional barriers to participation for any market segments.

**Question 21:** How is the Pilot Program impacted by the ongoing transition in solar incentives from the Transition Incentive Program to the Successor Program?

The solar incentive, and the transition from the TREC to the successor program have a profound impact on every aspect of the community solar program. The impacts stretch from who will be able to participate in the program (e.g., master-metered LMI who receive a much smaller bill credit) to the discounts projects provide their subscribers, to the site lease rates and project finance costs.

The uncertainty involved in this transition prevents investment, limits subscriber savings, and generally slows down development. For these reasons, CCSA strongly recommends that PY2 remain on the TREC in order to ensure maximum market participation and to ensure that PY2 delivers the savings and stimulus New Jersey families need.

Looking forward, the successor program marks an important new phase for New Jersey solar and a natural transition point to the permanent community solar program. The Board has the opportunity to reconsider and replace many aspects of the pilot program (e.g., rates for master metered buildings) in order to increase efficiency and maximize impact of the permanent program. CCSA recognizes the timing concern when it comes to the permanent program. It is important to take the necessary time to gather sufficient stakeholder input, but it is equally critical that the Board continues to move the ball forward in order for New Jersey to capitalize on the investment potential and environmental benefits of community solar. CCSA believes there is a path forward towards aligning the permanent program with the successor program and would point to the Board's approach to the TREC program, which proceeded with rulemaking and commentary after it was established, as a model. The same can be done with the permanent community solar program and we encourage the Board to begin that process promptly. There is a robust group of stakeholders ready and willing to engage on this topic and



CCSA recommends the Board lean on us in order to establish the permanent program in a timely fashion, align it with the successor program, and resolve the uncertainty that is currently acting as a break on robust solar development in New Jersey.

**Question 22:** A number of resources are available to prospective community solar applicants, including a Frequently Asked Questions page, EDC hosting capacity maps, and the Department of Environmental Protection Community Solar PV Siting Tool.

- a. What other resources do you believe the Board should provide to facilitate community solar development in New Jersey?
- b. Should the Board provide technical assistance grants for the development of community solar projects? If yes, to whom and under what conditions?

CCSA appreciates the resources the Board has provided and supports their continued use. The experience of Pilot Year 1, however, provides ample evidence that these important tools can be made much more useful and effective.

The interconnection hosting maps have the potential to become useful, but they require significant improvement. Currently, the maps cannot be trusted to provide accurate distribution substation and circuit-level data that would allow for confident project siting. It is also essential that these maps are updated on a consistent basis so that the data is as current as possible. Going forward, it will be important to establish consistent assumptions between the utilities and to clearly communicate those assumptions to solar developers. To that end, CCSA recommends the Board establish an interconnection working group with industry participation for the permanent program. CCSA member companies rely on interconnection maps in other states and CCSA is confident a working group can make the current interconnection maps much more useful by the time the permanent program is implemented. In the meantime, the Board can compensate for expected project failures by increasing the program capacity and recycling the capacity from projects that drop out.

While DEP's siting tool was useful, CCSA member companies identified some issues in the Project Year 1 process. DEP's maps are updated on a multi-year schedule leaving room for inaccuracies in 'preferred and 'not preferred' classifications. As the Board moves forward toward the permanent program and a broader solar strategy for New Jersey, it will be essential to resolve issues around land use and allow ground mounted systems to be deployed on a much wider scale to support New Jersey's renewable energy goals.

CCSA does not oppose the idea of technical assistance grants but questions how these would affect a program which is heavily focused on staying under the cost cap and keeping costs down for ratepayers. A potentially more cost-effective way for the Board to provide assistance for municipalities or organizations looking to engage in the community solar program would be to maintain a database of developers whom they can connect to for help and further information. If technical assistance grants are needed for specific infrastructure upgrades that are necessary to proceed with approved projects (such as replacing roofs or upgrading electrical infrastructure), we support the Board providing them to eligible entities.



**Question 23:** How can Staff otherwise support community solar developers and subscribers to ensure success?

We appreciate the Board and especially the hard work that Staff is doing to make the program a success. More than anything else, we recommend that Staff reach out to us more! As mentioned in an earlier comment, there is a diverse and robust group of stakeholders eager to engage and help move New Jersey community solar efforts forward, so please rely on our expertise to help design the most efficient program possible. Further in that regard, we recommend that Staff conduct more sit-down meetings and/or working group sessions in order to foster more vigorous discussion which is much more difficult to have during stakeholder comment sessions.

**Question 24:** Please provide comments on issues associated with the Pilot Program not specifically addressed in the questions above.

There are three topics that CCSA would like to use this section to address or flush out previous topics that only touched on in other sections.

#### **1. Ground Mount Solar:**

As mentioned in Topic 2, question 13, CCSA respectfully encourages the Board to lay the groundwork now for a constructive discussion on land use in Pilot Year 2 and the permanent program. CCSA applauds New Jersey in the establishment of impressive clean energy goals and the Board's strong commitments to achieve them. Furthermore, CCSA thanks the Board and its staff for highlighting community solar as a key to achieving them.

In recognition of the dense population of New Jersey and the state's commitment to conservation, CCSA and our members are committed to developing ground mounted projects in a manner that will compliment that state commitment. Based on the targets set forth in the EMP, ground mounted solar projects will be required to achieve these goals. In the spirit of accomplishing the state's conservation commitments, the ambitious clean energy goals, and responsible buildout of the Community Solar Program, we urge the Board to begin to incorporate dual-use and other beneficial ground mounted projects as a preferred siting category in the scoring rubric. The Board could consider awarding points to projects that are dual-use on new or existing farmland for Pilot Year 2 and beneficial ground mounted projects on marginalized agricultural land in the permanent program. CCSA would encourage the Board to consider the ecological benefits including, but not limited to, native and pollinator attracting plantings, carbon sequestration, water retention, reduction in use of fertilizers and pesticides, water use and stormwater runoff reduction, deer protection fencing, and promoting biodiversity.

CCSA's experience in other markets such as Massachusetts and New York, solar generation sited on marginal farmland can provide much-needed revenue for landowners and farmers to continue farming on other land, passing agricultural land on to future generations. It is an industry best practice to ensure all ground mounted projects are built to be removed at the end of life and are often required to leave the soil and site ecologically the same, or better, prior to



construction. Furthermore, it has become clear that ground mounted solar is a great way to improve land quality and preserve open space.

## **2. Capacity Recycling:**

The Board has previously indicated that capacity from PY1 projects that fail to move forward will not be recycled. CCSA believes this is a mistake and urges the Board to either create a waitlist or award capacity on a rolling basis as it becomes available. Capacity from a previous year can be added to capacity allocations in subsequent years. Given that the overall program is already capacity constrained, the success of the program will hinge upon the ability to implement the full capacity of community solar allotted in each program year. . New Jersey has ambitious, clean energy goals, and capacity recycling will contribute towards their timely achievement.

## **3. COVID-19:**

There is no doubt that COVID-19 has created additional hardships and delays in the entire development process. It is harder to meet with local officials, business owners and landowners to originate projects, it is harder to coordinate with community groups and environmental justice organizations on development opportunities, it is harder to permit projects with local agencies, and it is harder to outreach with the community and sign up subscribers. All of this adds further uncertainty to an already uncertain program. While we recognize that the Board and Staff cannot alleviate issues related to COVID, this is a strong opportunity for the Board to alleviate the other uncertainties within the program which are under their control. To that end, we again request that the Board allow for PY2 projects to qualify under the TREC program, begin the process to establish the permanent community solar program and ensure its alignment with the successor REC program, and remove barriers to efficient solar development which will boost the ability for community solar to provide the much needed post COVID-19 economic development and investment that will benefit all of New Jersey.