



August 10, 2020

Aida Camacho-Welch, Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Avenue  
3<sup>rd</sup> Floor – Suite 314  
P.O. Box 350  
Trenton, New Jersey 08625-0350

**Re:     *Community Solar PY1 Comments***  
Docket No. QO18060646

Dear Ms. Camacho-Welch:

NJR Clean Energy Ventures Corporation (NJRCEV) respectfully submits the following comments.

NJRCEV has been a market leader in New Jersey's solar market since 2010 and owns and operates a diverse portfolio of over 300 megawatts (MW) in the State. We applaud the Board of Public Utilities (BPU) for its commitment to continuous improvement in the community solar program, and for its effort to consider lessons learned from the first year of the pilot program to make the second year more successful.

On Topic 1 (Questions 1-6), which addresses reaching the target low- to moderate-income (LMI) market, NJRCEV recommends the following actions, which will reduce the cost and risks associated with acquiring and managing LMI customers:

- A streamlined LMI application process that verifies qualification status through census level data supported by self-attestation of income status. The attestations could include an acknowledgment that customers and project sponsors may be subject to random audits to verify income status, and subject to exclusion from the program for any knowingly false statements;
- Allow for a customer opt-out provision for municipal-sponsored community solar programs, which would help significantly reduce customer acquisition costs. Municipal opt-outs are common practice in community choice aggregation (CCA) markets, where a municipality is the sponsor of a community solar project for its residents. States that provide for CCAs with opt-outs include California, New York, Ohio, Illinois and Massachusetts;
- Using consolidated billing and purchase of receivables (POR) to reduce LMI credit risk and associated financing costs will streamline the payment process for customers. The benefits of consolidated billing and POR have been recognized by the BPU in past rulemakings related to developing the competitive retail market structure in New Jersey;

- Master-metered public housing projects offer the potential for major efficiencies in acquiring LMI customers; however, there is variability in the economics of master-metered building projects. These include depending on solar project factors and bill credits applied to the utility territory and specific site. To support robust market growth in the permanent program, more refinement to transitional renewable energy credit (TREC) factors and bill credits will be needed in the public housing market segment.

NJRCEV offers the following suggestions for Topics 2 through 4:

### **Application Process (Topic 2)**

- Today, publicly available circuit maps are spotty and unreliable to determine the likelihood of interconnection approval. In order to ensure that projects approved have a high likelihood of being installed on time, NJRCEV recommends developing tools and processes to ensure an effective “pre-screen” for interconnection approval and costs that can be used by BPU Staff as evaluation criteria.
  - An additional evaluation category that reflects the likelihood of a project’s interconnection acceptance should be added to the application with utilities offering a preliminary screening of community solar interconnections.
  - Once the program moves from the pilot phase to full rollout, where program capacity may be less constrained, interconnection approval and site control can become requirements before projects apply to the program.
- Appendix C denotes that higher preference will be given to projects sited on landfills; however, if a landfill is not properly closed at the time of application, it could take years to obtain the proper permits and begin solar construction. During the pilot phase, we recommend the evaluation criteria include that landfill projects have the necessary permits in place to meet the installation timelines. As part of the full-scale program, we recommend that longer approval timelines be provided for landfills to address the complex permitting process associated with these locations.

### **Program Size (Topic 3)**

- NJRCEV believes Staff’s program size goal of 100 and 125 MW per year in pilot years 2 and 3 are directionally correct. With the 75 MW year one project goal, despite over 600 MW in applications, no projects have been installed.
- During the Pilot, we recommend Staff reassess goals each year, and adjust as needed based on market activity and conditions. The TREC structure provides a flexible mechanism for the solar renewable portfolio standard to be automatically adjusted based on installation volumes, and to avoid the mismatches in supply and demand that plagued the solar renewable energy certificate market. Once the community solar program moves from a pilot to a full-scale program, we recommend establishing an overall program goal to cover a multi-year period, coupled with a rolling admissions program, and with incentive reductions triggered by attainment of interim goals.

**Alignment with Solar Transition Incentive (Topic 4)**

- Incentives should be known with certainty when the Year 2 pilot program opens for new applications. Based on initial guidance from BPU Staff, the pilot will open for new applications in the fall of 2020, while the target is for the successor program to be implemented in early 2021; therefore, all projects approved in Year 2 of the community solar program should be eligible for the TREC program.

NJRCEV appreciates the opportunity to comment on improvement opportunities for Year 2 of the community solar pilot program and welcomes the opportunity to discuss these recommendations with Staff and industry stakeholders.

Respectfully submitted,

Larry Barth  
Director of Corporate Strategy

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Chris Savastano, Managing Director of Development  
Katie Feery, Manager of Corporate Strategy