

New Jersey Community Solar Energy Pilot Program
Program Year 1 Lessons Learned
Written Comments by Centrica Business Solutions

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

An opt out policy should be put in place and it will eliminate all of these concerns. This is the simplest and cheapest way to get subscribers signed up to community solar systems. It is also the cheapest method and therefore is in the best interest of the ratepayer, since the cost savings would result in cheaper EPCs and management costs and those savings would ultimately end in the customer's hands.

LMI affidavits are a cumbersome process and should not be required. Income verification such as tax return documents are also difficult for the customer to submit and provide in confidence to developer organizations. All of this information is already readily available to the utility and therefore is an unnecessary addition of onerous and costly steps for a customer to sign up for the solar project. If community solar is going to be successful in New Jersey the state needs to remove these frictions that prevent offtakers from being connected with solar generators and an opt out policy is by far the easiest and cheapest way to do this.

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.

We are not familiar with any state program that has been successful with an opt- in model.

The clear advantages of an opt-out model are that it would be much easier and cheaper for customers to get signed up for solar projects, which is what New Jersey wants. It is easier for both the customer and the developers. There are no major risks to this approach. It's important to note that this leaves the option for the customer to choose. They still have the option to opt-out. In order to ensure satisfied customers, the utility could provide them a summary of their savings that illustrates how they have benefited from this program. Having both saved money and contributed environmental benefits from their participation, customers should be pleased with the outcome.

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

Utilities already have the data necessary to determine which customers are LMI through their various programs such as Comfort Partners, LIHEAP, etc.

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?

No comment.

Question 5: What are the challenges specific to ensuring that low- and moderate-income households in master-meter buildings can become community solar subscribers?

No comment.

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?**

The five month application period is sufficient. It should not be shortened, because the current permit readiness requirement is extremely onerous and requires documents to be completed by the Department of Environmental Protection, which can take many weeks.

- 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?**

Yes, the Board should absolutely implement an online application process. This is not difficult to do and would make it much easier for projects to be submitted. It would allow for a grace period where corrections could be requested if information is missing on an application. It can allow for much faster communication between the administrator and the developer during and after the application process. Printing multiple copies of applications and physically mailing them to the BPU is an extremely antiquated method of doing business. Additionally, it wastes significant amount of paper and creates unnecessary emissions from the delivery of the documents. It eliminates the need for notaries, as docuSign can easily be implemented as well.

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?

Yes

Question 9: Please provide feedback on Section B of the PY1 Application Form (community solar project description).

Section B is fine.

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

Section D is fine.

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

The questionnaire is fine.

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

Appendix B is fine. The checklist was helpful.

Question 13: Please provide feedback on Appendix C: Evaluation Criteria from the PY1 Application Form.

The Evaluation Criteria are more or less reasonable. However, the Board should provide more detail on what is meant by each of the different criteria. For example, the Bonus Points are confusing in the Siting section. The Other Benefits is not clear either. What is meant by audits or energy efficiency measures? Who is receiving those measures? The Community Environmental Justice Engagement section is unclear. What determines a partnership with a municipality? Is it just some endorsement from the municipality that they like the idea of the project? What else is expected of the developer for a more robust partnership? The Geographic Limit section is also unclear. Is this in reference to the proximity of the solar array to its offtakers? If so, this is not explicitly stated.

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. 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.

Increasing the capacity is a very good idea. 150MW per year in the permanent program is a reasonable thought. However, it does not make much sense to limit the capacity by any amount. There was no capacity limit per year in the Legacy SREC Program, there is no annual limit in the TREC Program, and there likely will be no annual capacity limit in the Successor SREC Program. If the state wants to implement more community solar, there does not seem to be a reason to place any limit on the annual capacity allowed. If a main priority of the state is to incent projects with certain characteristics, specifically those related to siting and offtaker participating (LMI), there are ways to drive those types of projects to be built without an annual cap and a full review process by the BPU in order to select projects that fit those specific characteristics.

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?

No.

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

This is an unnecessary process, which ultimately would occur in later stages of the development process.

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?

No. This is unnecessary.

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?

Yes. Savings are already an integral part of the customer expectation.

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.

Yes, this is an unnecessarily fast development timeframe. 24 months is a better time frame for project completion.

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.

The 10 minimum requirement is not particularly difficult to fulfill.

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

No comment.

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.

These are all helpful resources, but there should be a program administrator that is able to answer questions more quickly. The current FAQ is extremely helpful, but we've found that questions that are submitted are not answered for months at a time, until the FAQ is updated. This limits the ability for projects to continue to move forward because there is a lack of communication from the BPU on particular questions that are not always clearly explained in the provided documentation.

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

The program administrator should be able to assist with administrative questions or interpretations of the program rules.

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

No comment.