



New Jersey Solar Transition
BPU Docket No. QO20020184

Comments from CEP Renewables, LLC in response to the BPU Notice of August 11, 2020

Secretary Camacho-Welch:

The purpose of this letter is to provide comments from CEP Renewables, LLC on the above matter pursuant to the BPU's notice of August 11, 2020. We appreciate the opportunity to provide these comments.

CEP Renewables, LLC, with almost 20 years' experience in the solar industry, has developed approximately 100MW of utility scale solar projects in New Jersey and won the trust of leading companies in the renewable energy sector as well as medium and growing SMEs because of its expertise and knowledge of the local market.

Introduction:

The idea of solar on non-preserved farmland has provoked many strong reactions.

Owners of non-preserved farmland in New Jersey bristle at any restrictions regarding activities on their land. There are challenges to profitably operating a farm in New Jersey and many farmers welcome the idea of a steady source of income that solar would provide to help support their farming activities. Solar developers regularly point out they can install low cost solar as ground mounted arrays in scale that will help New Jersey achieve its emissions and renewable goals.

On the other side are supporters of open space and keeping farmland farmable in a state that is one of the most built out in the nation. These advocates argue open space is at a premium in New Jersey and other opportunities should be pursued to meet renewable goals. They also voice concern about farmland being leased or sold for solar development that would effectively eliminate opportunities to farm the land in a traditional way, pitting electrons against food production.

Like many policy debates, there is a place in the middle that New Jersey has not explored – solar generation co-existing with farming activities, known as “dual use” solar projects. The agricultural property is used for dual purposes simultaneously– traditional farming activities and the non-traditional farming of sunshine for electricity generation. This approach presents a major opportunity to support farming in New Jersey and help New Jersey develop solar projects that are respectful of New Jersey's strong desire to preserve open space.

Comments:

Adders: The idea of using “adders” is a favorable mechanism to incent the types of projects favored by the State. Adders should be available for dual use projects and would be embedded in the multiplier provided to dual use projects. These projects should be favored by the state since, in



addition to helping New Jersey meet its emissions and renewable goals, developing these types of projects helps farmland viability. Based on these considerations, dual use solar should receive a

fifteen-year fixed REC payment (similar to TREC design) with an adder/multiplier to recognize its costs and benefits.

There is a reason New Jersey is called the Garden State. While farming is a difficult proposition it is one the State has a strong interest in seeing succeed. Agriculture is an important component of the New Jersey economy and a point of pride for the State. Despite our size, the State is a top 10 producer for such items as cranberries, blueberries, peaches, bell peppers, spinach, and of course tomatoes. Our role in the regional market surrounding New Jersey is significant as the State produces more than 100 different varieties of produce appealing to large diverse markets in and surrounding the state.

Benefits versus cost: Solar energy has demonstrable value which should be recognized in the Successor Program. A few illustrations of this value are as follows:

- Merit Order Impact: Injecting solar energy into the grid at a fuel cost of zero puts downward pressure on the clearing price in the wholesale energy and capacity markets for electricity. This benefits all ratepayers. This impact has been recognized by the BPU in its review of energy efficiency programs.
- Emission free: Solar is emission free. New Jersey has suffered from poor air quality and this is an emissions free generation source. It is also carbon free, thus contributing to the fight against climate change.
- Economic multiplier effect: Solar is locally produced, creating jobs and economic benefit to the State, a fact also recognized by the BPU in its review of energy efficiency, and offshore wind energy projects. Solar also provides benefits to the grid, although quantifying how solar may defer distribution upgrades and/or provide locational grid benefits will be the subject of ongoing investigation and discussion with utilities as distributed energy resources (DERs) continue to play a larger role in generation. It is notable that in the NY REV proceedings, *distribution value* was recognized and given a placeholder as a “market transition credit,” in the value stack for large scale solar with ongoing work to help more specifically quantify its value.

The SREC, and now the TREC, has both value components and cost components which have never been separately quantified.

A value and cost distinction is also important when it comes to formulating the adders to incentivize one type of solar application over another type of solar application (e.g. solar canopies favored over ground arrays). As discussed in the prior section, there is demonstrable value to enhancing farmland viability. While there may also be additional cost in some dual use solar projects (related to higher than usual elevation of the panels to allow for farming activities underneath arrays), any adder may be comprised of cost and value considerations.



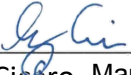
Flexibility: For dual use projects, farmers know best how to use their land for agricultural activities. The State should not be overly prescriptive. Farmers should be given flexibility to experiment and learn how best to put their land to work by combining farming with solar arrays on the property.

In summary, with the solar successor program, New Jersey has an opportunity to find the right balance in using farmland to help New Jersey meet its emissions and renewable energy goals. Recognizing and allowing dual use applications with enough flexibility to ensure farmers can succeed in putting their land to the best agricultural use is a way to achieve the balance that is long overdue for farmers, open space advocates, environmentalists, and renewable energy developers.

Thank you for the opportunity to share our thoughts on this matter.

Respectfully submitted,

CEP Renewables, LLC

By:  _____
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