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VIA ELECTRONIC MAIL

Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue
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Trenton, New Jersey 08625-0350
board.secretary@bpu.nj.gov

**Re: New Jersey Community Solar Energy Pilot Program, Program Year 1 Lessons
Learned; Docket No. QO18060646**

Dear Secretary Camacho-Welch:

Jersey Central Power & Light Company (“JCP&L” or the “Company”) is pleased to submit comments in response to the Board of Public Utilities’ (“Board” or “BPU”) Request for Comments (“Request”) related to Program Year 1 (“PY1”) of the New Jersey Community Solar Energy Pilot Program.

On May 23, 2018, Governor Murphy signed the Clean Energy Act, which, among other things, ordered the establishment of a community solar pilot program (“Pilot Program”).¹ The Pilot Program includes three program years and will be followed by a permanent community solar program. The Board conducted an extensive stakeholder process to develop the regulations for the Pilot Program, which were adopted on January 17, 2019 at the above-referenced docket.

The Board accepted PY1 applications between April 9, 2019 and September 9, 2019. On December 20, 2019, the Board issued an Order conditionally approving 16 community solar projects within the JCP&L service territory.² To date, none of the projects are operational and JCP&L has not been notified regarding any future subscribers to these projects.

With no projects currently operating and no feedback available from subscribers, the Board and other stakeholder have little information regarding which components in the regulations are working and which require modification. As a result, the Company does not support significant

¹ P.L. 2018, c. 17.

² *In the Matter of the Community Solar Energy Pilot Program*, Docket No. QO18060646 (Order entered December 20, 2019 and amended February 25, 2020).

changes to the Pilot Program at this time with respect to third-party owned community solar projects.³ To the extent the Board adopts changes for Program Years 2 (“PY2”) and 3 (“PY3”), all costs associated with those changes imposed on utilities should be recoverable via the pending rider recovery mechanism.

The Company’s comments focus on the elements in the Board’s Request that would have a significant impact on utilities and their customers. Specifically, JCP&L will address 1) changing the subscriber model from an opt-in to an opt-out model; 2) utility consolidated billing on behalf of community solar developers; and 3) expanding the annual capacity limit for PY2 and PY3 of the Pilot Program.

On May 17, 2019, the Company previously submitted comments raising legal and implementation concerns regarding the opt-out model and utility consolidated billing of subscriber fees. The Company continues to oppose transitioning from an opt-in to an opt-out subscriber model. Currently, customers must provide their affirmative consent through an opt-in model before they are subscribed to a community solar project. Without this affirmative consent, a customer may not understand the terms of enrollment or impact on their bill. An opt-out model could lead to certain customers paying more on their monthly electric bills because it is not yet clear whether subscriber fees would be low enough to benefit all customers. If customers are subscribed to a long-term contract by their municipality through a governmental aggregation format, customers could be subject to early termination fees if they decide to install distributed generation at their home in the future. Moreover, at this early stage of the Pilot Program, it is impossible to know whether there is any justification to change from an opt-in to an opt-out subscriber model. There may be significant interest from customers to subscribe to these projects, which would render an opt-out subscriber model unnecessary. The Company does not support requiring customers to participate in a program without their prior affirmative consent particularly when there is not yet any information available to justify such a change.

In addition, although not a topic of the Board’s Request, a few stakeholders expressed an interest in utility consolidated billing of subscriber fees during the Board’s stakeholder session on July 27, 2020. The Company would oppose transitioning to this billing framework during the Pilot Program for all the legal and implementation issues raised in the May 17, 2019 comments. No community solar project in JCP&L’s service territory is operational, which means that no customer billing for these projects has begun. Once again, it is premature to adopt any changes to the billing framework for these projects when the current billing methodology remains untested.

To the extent the Board orders utility consolidated billing of subscriber fees, the information technology work to develop this billing framework on behalf of third-party owned community solar projects would be extensive, time-consuming, and costly. The Company does not believe such procedures could be developed and implemented before the end of the Pilot Program. If required to move forward with developing this framework, the Board should grant full and timely recovery of all costs through a rider recovery mechanism.

³ As discussed further below, the Pilot Program should be expanded to include utility-owned community solar projects.

Finally, the Board is currently considering the Pilot Program capacity limits for PY2 and PY3. The annual capacity limit for PY1 is 75 MW, and the Board's regulations permit the Board to choose different capacity limits for PY2 and PY3.⁴ Although this flexibility exists within the regulations, the Company questions expanding the Pilot Program when no PY1 project is currently operational. However, the Board did not permit utilities to own and operate community solar projects as part of PY1, and information related to the viability of utility-owned projects would be useful for the Board's development of a permanent community solar project. As a result, if the Board seeks to expand the annual capacity limits for PY2 and PY3, the Board should allow utilities to participate as well.

JCP&L appreciates the opportunity to provide these comments on Program Year 1 of the Community Solar Energy Pilot Program and looks forward to further participation in the Pilot Program.

Best regards,

A handwritten signature in blue ink, appearing to read "Lauren Lepkoski", is written over a horizontal line.

Lauren Lepkoski

Teresa Harrold

Jersey Central Power & Light Company

⁴ N.J.A.C. 14:8-9.4(a)-(b).