

VIA E-MAIL
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Secretary of the Board
Board of Public Utilities
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Evergreen Energy
Comments Regarding Docket No. QO20020184
Solar Successor Program

Dear Secretary Camacho-Welch:

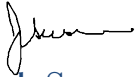
Thank you for your efforts in overseeing the solar REC program in New Jersey.

As a developer of commercial projects in New Jersey, Evergreen Energy would like to comment on a few important components of the proposal.

1. Value of RECs: The current proposal sets the target price at approximately \$85/ MWH. Perhaps for rooftop projects this is close to where it needs to settle to support the economics (we feel that it should be around \$100-110/ per MWH). However, the proposal would totally decimate the carport solar system segment of the industry. We have a few pending contracts that customers want to execute for development and construction totaling approximately 10 MW of solar carports. When the release of the proposal came out, we unfortunately had to put them on hold. Such low RECs cannot support loan payments for carport systems, making them not financeable. (Carport structures add approximately \$0.85-\$1.00/ per installed DC watt to a project. The cost to build is ~50% more than a rooftop system. It would therefore be necessary for the incentives to be increased accordingly to support such an investment.) We strongly recommend a much higher REC payment for carport systems. \$152 would be the floor; we think it should be ~\$175/ MWH.
2. Limit on applications: While we realize that the MW quantity per year is a reasonable number (based on historical data), having a limit on applications would put a real squeeze on the market. There would be a rush to put in applications, even ones that are not realistic, just to 'save a slot' in the system which would lock out many projects. There may be a few potential fixes, but each come short of a full solution.
 - a. Perhaps requiring an assurance payment would solve this issue. However, it may be challenging in many cases to give an assurance payment which may at risk if the township does not approve of the permit, specifically if it includes a site plan change (standard for carports, and some townships require that for commercial rooftop as well).
 - b. Possibly this can be corrected by requiring zoning approval prior to submitting a REC application (which would also address the overall issue, as only real projects would be

submitted). This unfortunately does not work. It is critical for developers to know at the onset of a project that a project is eligible for RECs. Some projects require special zoning/ planning board review which are both costly and time consuming. Developers need to have confidence that their project will be eligible for RECs so that they will be willing to invest in applying for these permits.

Respectfully Submitted,



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