

Camacho, Aida (BPU)

From: Ila R Gillenwater <ila@cedgreentechnj.com>
Sent: Wednesday, May 26, 2021 9:26 AM
To: Secretary, BPUBoard (BPU)
Subject: [EXTERNAL] Comments regarding Docket No. QO20020184, Solar Successor Program Gillenwater, CED Greentech

Dear BPU Commissioners and Board Staff,

Thank you for the opportunity to provide input on the Solar Successor Program.

I work for a solar equipment distributor. CED Greentech is the largest distributor in the country, with 70 locations. We warehouse and deliver solar equipment to the jobsites and help the NJ solar industry with many aspects of the equipment arena.

I have worked in the NJ location for the last 3 years and was employed by solar installers before this role. My clients are comprised of installers, EPCs and developers. Some clients employ no more than 5 people and some over 50. We serve both the residential and commercial sector, including municipal installations.

Since I sit on the Board of Directors for MSSIA, my clients often come to me to better understand the solar policies and to express their views and opinions. Their extremely busy schedule often makes it challenging to attend the stakeholder meetings. Therefore, I am here to share what they are telling me.

TRANCHE ALLOTMENTS

There is a great deal of concern over the allotted tranches. They fear that the limited capacity will get grabbed by larger companies with the staff and resources. These larger firms will put many applications in at once, shutting out the small and medium-sized companies and their projects. It is understood that the capacity must be limited, but I suggest that there should be a stopgap to prevent a competitive advantage for the larger companies. Perhaps each company could be limited in its submissions per quarter. Quarterly tranche assignment also protects against a situation where the tranche becomes fully committed in the beginning of the year, creating a situation where solar companies are sitting around for months without work and eventually, going out of business.

INCENTIVE VALUES

The larger worry is with the incentive values. When selling residential, anything much beyond a 7 year pay back makes the purchase unappealing. Most homeowners are not willing to commit to something much beyond that time frame. There is a consensus that a \$100 incentive would get them to the right place. The residential installers have seen a steep decline in their business due to the current TREC price. Many have moved away from residential to the commercial segment. They are now worried about the value of the new commercial incentive.

The commercial market installers say that \$85 does not pencil out for the commercial projects, they need \$120. These installers rely heavily on out of state financing. These out of state monies will not be flowing to NJ with such low incentives. The payback is not there.

Not only will NJ miss out on out of state dollars, but we will also experience a loss of jobs if the projects don't get built.

TIME ALLOTMENT

Lastly, there is anxiety over the time allotted to build commercial and municipal projects. Approvals from the utility and townships are slow and completely out of the EPC's control. So many times, they have been 99% complete and just cannot make it to the finish line for the 12-month restriction. They are saying that getting an extension is virtually impossible. They are being penalized through no fault of their own.

I hope that these comments are helpful.

As I said, I have access to a large number of installers, EPCs and developers because of my company's position in the industry. If I may be of service as a conduit to them, please don't hesitate to reach out.

Thank you.

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