

May 26, 2021

Via email: board.secretary@bpu.nj.gov

Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities (the “Board”)
P.O. Box 350
Trenton, NJ 08625

Re: Comments regarding Docket No. QO20020184, Solar Successor Program

Dear Secretary Camacho-Welch,

True Green Capital Management LLC (“TGC”) appreciates the opportunity to participate in the development of New Jersey's Solar Successor Program. TGC has been a significant investor since 2011 in New Jersey’s solar market with over 131 megawatts of solar power plants in its portfolio, representing an investment of approximately \$233 million in the State of New Jersey. We remain highly vested in the continued success of solar in New Jersey and would like to share, for your consideration, our comments on select questions raised in the Solar Successor Program Staff Straw Proposal:

Question 6:

TGC shares the Board's concern that for a well-functioning solar program, it is essential that "ghost projects" or "queue sitting" be avoided, as not only does this misuse Board resources, but also disqualifies or dissuades serious investors early in the process. To avoid this, we recommend that in addition to the project maturity requirements listed on page 13 of the Straw Proposal, Staff consider including the deposit of 10% of project costs, refundable only on project commercial operation, as a minimum maturity requirement for registering in the administrative incentive program. With this upfront deposit, the Staff may also consider relaxing the completion timeline to 24 months or altogether removing it, deriving comfort from the fact that the deposit bears a sign of the sponsor’s commitment towards the successful completion of the project. This approach will disincentivize fund-less developers and sponsors using the Board’s resources as a “free option”, while allowing projects to manage permitting and other time-dependent processes which is critical as we are coming out of Covid. We note that this concept of a deposit has been utilized in programs across other jurisdictions (for e.g., Connecticut, Illinois, and Southern California).

Question 34:

There is a steep change between incentives offered under the Transition Incentive ("TI") Program and the ones contemplated under the proposed Successor Program. Several projects that are economically viable under the TI Program, would not be so under the Successor Program. As project sponsors, we can only take decisions based on the announced legislative paradigm and known transition dates. Since the exact date of close of the stakeholder process is unknown, it is unclear as to exactly when the final 30-day window for submission to the TI-Program would end. This places a disproportionate amount of risk that is beyond the reasonable control of a project sponsor on projects being currently developed. We believe that the transition from the SREC Registration Program ("SRP") to TI Program transition was transparently and seamlessly managed, with sufficient clarity and transparency provided on the transition

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date. We request that the same transparency and certainty be provided during the transition to the Successor Program and a specific cut-off calendar date for submission into the TI program be announced, at least 60 days in advance, such that all submissions in queue be considered under the TI Program and be awarded the same if found eligible.

As an additional point, we would like to highlight that as the world continues to reel from the impact of the Covid pandemic, supply chains have been severely affected resulting in prolonged delivery times and prices that have increased by 131% since May 2020¹. Given the exogenous nature of the pandemic, we request sufficient time to be able to successfully navigate these challenging dynamics. During the onset of Covid last year, staff had judiciously and carefully considered Covid's impact on projects and appropriately tailored the closure of the SRP program. We request that the same discretion be called upon during this transition and the 12-month project completion under the TI program be relaxed. A potential solution here could be adopting towards TI Program the same extension provision that Staff proposed for the Successor Program – i.e., projects requesting extension submit a deposit of 10% of the project cost, refundable only on commercial operation.

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In closing, TGC appreciates this opportunity to provide comments to the Successor Program Straw Proposal and remain available should you have any queries or questions.

Respectfully submitted,



PANOS NINIOS

Dr. Panagiotis Ninios
Managing Partner
True Green Capital Management LLC

¹ IHS Weekly Pricing Pulse, 20 May 2021 - <https://bit.ly/3fhqVFe>