



May 28, 2021

State of New Jersey
Board of Public Utilities
c/o Aida Camacho-Welsh
44 South Clinton Ave. 9th Fl
Trenton. NJ 08625-0350

RE: Comments regarding Docket No. Q020020184, Solar Successor Program

I. Introduction

Vanguard Energy Partners, LLC is pleased to submit the following comments on the New Jersey Solar Successor Straw Proposal (Straw Proposal.) Further, we want to thank Staff for their hard work in developing this Straw Proposal and their transparency with stakeholders throughout the entire process.

Vanguard Energy Partners, LLC (VEP) is a full turnkey commercial, industrial, and utility scale solar engineering, procurement and construction (EPC) provider. VEP was incorporated in 2007 and has been operating every year since.

As our comments align with the joint comments from the Solar Energy Industries Association and the New Jersey Solar Energy Coalition, VEP will keep our written comments brief.

II. Overall Program Design

Though VEP generally agrees with and supports Staff's approach in bifurcating the Successor Program between Administratively Determined and Competitive Solicitation programs, we believe that the proposed incentive levels in the Administratively Determined Program are too low to sustain the current market, let alone grow it, and that contaminated land projects should remain in the Administratively Determined Program until the "Year-One Check-Up."

III. Administratively Determined Incentive for All Net-Metered and Community Solar Projects

VEP wishes to echo the comments submitted by SEIA and the New Jersey Solar Energy Coalition on this matter. A more gradual reduction the incentive levels are required if NJ wishes to maintain its current solar market. We urge Staff to consider the REC valuations proposed by either MSSIA or Gable be used in lieu of those listed in the Straw Proposal for, at minimum, the first year of the Successor Program. If the incentive levels prove to be too high, then they may be adjusted down during the "One-Year Check-Up."

Additionally, the balance of system component costs are increasing. Item cost for as cooper, steel and custom switchgear are seeing increases as high as 200% These cost increases add approximately 4-5% increase to the overall project cost. For example, copper costs have increased from \$2.1 in 2016 to \$4.53 in 2021, equating to



a 214% price jump. With the wire cost accounting for approximately 5-10% of project costs, this translates into a 11% price increase. (<https://www.nasdaq.com/market-activity/commodities/hg%3Acmx>)

There is an assumption that the cost to install will continue to decline, but that simply is not true. The major system component pricing is declining, but the rate they are declining at is leveling and the rate the balance of system components are increasing are being to outpace the reduction in cost.

Further, interconnection costs have increased year over year. With telemetry and relay requirements now being imposed on small commercial and industrial projects under 250 kW, coming in at costs between \$60,000 and \$100,000, these smaller C&I projects are cost prohibitive, even at a \$152/TREC valuation.

IV. Project Siting

VEP asks the Board to kindly consider including adders for carports and canopies as well as for floating solar and dual use agricultural projects.

Staff has indicated carports and canopies are expensive installation that they only account for 4.5% of the aggregate installs in NJ. We believe that the 4.5% of installed capacity is proof that these projects require higher incentive rates as they are not buildable under present incentive levels. As other cheaper installation sites become less available due to high build rates, NJ will only be left impervious surfaces whose costs will remain high as there were no market forces help drive them down in the interim. If Staff and the Board wish to lower the cost to install over impervious surfaces, they will need to include higher incentive rates for this market segment now.

We further request that Staff include a stacked adder for Dual Use Agri Solar projects to offset the cost of the steel required to post the arrays up. Dual use agri solar that not only maintains the land to be used for farming at a later date, but that allows for the land to be farmable will the array is installed, should receive additional incentives for the CO2 offset from the PV array and the crops. This tiered adder will allow farmers to keep their farmland through land lease agreement with solar developers, but also allows them to continue farming the land and generating revenue from those crops.

Lastly, we believe that contaminated land projects should remain in the Administratively Determined Program. These projects have inherent risk associated them, that when coupled with an undetermined incentive level, will prevent developers and investors from financing these projects.

V. Conclusion

Vanguard Energy partners, LLC hopes the Board and Staff will consider our comments. We look forward to the Boards final determination and successful launch of the NJ Solar Successor Program, shortly

Sincerely,
Shannon Donnelly