



INDEPENDENCE SOLAR

1008 Astoria Blvd, Suite E
Cherry Hill, NJ 08003

May 27, 2021

President Joseph L. Fiordaliso
New Jersey Board of Public Utilities
44 South Clinton Avenue
Trenton, New Jersey 08625

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

Dear President Fiordaliso:

Independence Solar has been a commercial and industrial solar installer in New Jersey since 2007. We applaud the BPU for your ongoing support of the solar energy sector and for stimulating the associated jobs and benefits that solar brings to the people of New Jersey. At this time, we would like to express our urgent concern regarding two (2) aspects surrounding the proposed Solar Successor Program and the closure of the Transition Incentive Program.

1. Proposed Initial Successor Incentive (Carport, Canopy): Raise from \$85 to \$150
2. Closure of the Transition Incentive Program: Allow for Timeline Extensions on Carport Projects

1. Proposed Initial Successor Incentive (Carport, Canopy): Raise from \$85 to \$150

We strongly urge the Board to consider a small carve out (30 MW) for an incentive level for the carport/parking canopy segment – from currently proposed \$85 level to \$150. This level is necessary to support development of solar carports in New Jersey. Independence Solar was an active participant in the Solar Successor stakeholder process during the last 2-3 years. Throughout this process, the Board and its consultants continually expressed varied incentive levels designed around multiple segments, including carports. The Board and legislature have expressed a desire to prioritize solar on the existing built environment – including rooftops, carports, brownfields, and landfills. Segments that are more expensive to build (such as carports) received a higher level of incentive under the TI TREC Program (\$152 per TREC) and were indicated to receive continued higher levels of incentives throughout the Solar Successor stakeholder process. In addition, the Cadmus Capstone report released on January 7, 2021 presented a range of incentive levels for carports of \$180-\$220 (page 82). These actions reinforced expectations within the solar industry that the Board would continue to incentivize the carport segment at the higher levels necessary to support development of this prioritized segment.

We were therefore shocked by the Straw Proposal released on April 7, 2021 that effectively collapsed all previous market segments, including carports, into an almost single incentive level of \$85. Based on our experience and the data published in the Cadmus Capstone Report of January 7, 2021, the cost of a carport project is 50-80% greater than a comparable rooftop system. It is unassailable that the market will not be able to support any carport projects at the proposed \$85 level and that the robust solar carport sub-segment that has been blossoming in New Jersey will abruptly cease. Further, some NJ businesses and solar developers who are in the middle of permitting solar carport projects will be faced with a difficult decision whether to continue investing into projects that may no longer be economical viable. These projects relied upon the guidance offered by the stakeholder process and Capstone report in deciding whether to pursue carport development and may now be forced to abandon costs that have already been invested. While we agree that the Board has a responsibility to balance support for solar with the cost caps set forth in the Clean Energy Act of 2018, it feels abrupt to pull out the rug from a small, yet important sub-segment of the solar industry.

Why is the carport sub-segment so important ? The carport segment is critical because parking carports offer unique benefits not provided by other solar segments – including 1) equity, 2) diversification, 3) visibility, 4) local jobs, 5) project lifetime and 6) integration with electrified vehicles. First, carports offer an equity benefit because not every business in New Jersey has a roof or land that is viable for solar. The roof may be old or not suitable for solar panels (slope, membrane, orientation, shading, etc). The building's structure may not be capable of supporting the incremental weight of solar panels. The business may be a tenant and their landlord will not allow solar panels on their rooftop. Due to these limitations, many New Jersey businesses may not be able to participate in the NJCEP solar program. However, by including a meaningful solar parking carport incentive above \$85, the Board now widens the universe of New Jersey businesses that can participate in the NJCEP solar program. Second, carports offer a diversification benefit because with a flat incentive level at \$85, solar projects in New Jersey will evolve towards the lowest cost projects possible. This may be acceptable from a purely budgetary perspective, but not if other stated diversification objectives are desired. We will see only large flat warehouse rooftops and mega ground-mounted systems built on low-cost land. In order to achieve lower cost, these larger projects often “helicopter” in out-of-state work crews and fail to create long-term economic benefits within the state of New Jersey. This result may reduce the cost of the Successor Program, but it also runs contrary to the Board's stated goal of project diversification and ancillary benefits (jobs, fostering a clean energy economy based in the borders of New Jersey, offering a variety of solar project types). A truly successful solar program cannot be measure solely by its operating budget, but must also capture the long-term benefits of job creation and fostering a local, in-state workforce. Third, carports are a highly visible reminder of the benefits of solar because they stand out and can be seen. The everyday New Jersey commuter cannot see solar panels up on a rooftop or hidden in a rural or wooded area. However, people really do remark and remember seeing solar parking carports. They are noticed. In addition, the users of solar carports enjoy the benefits of shaded and sheltered parking. This positive interaction fosters “word of mouth” and further reinforces the growth of the solar industry. Other solar segments cannot provide this viral networking benefit. Fourth, the solar carport segment ensures local jobs. In addition to solar installers and electricians, solar carports are unique in that they require other trades – steel erectors, cement contractors, site plan engineers. These types of trades are almost always local New Jersey workforce because they require a local presence and cannot be outsourced to out-of-state work crews. Fifth, carports provide an extended lifetime not offered by other segments. Rooftops need to be replaced every 20-25

years, hence limiting the lifetime of a rooftop solar project to the same 20-25 year lifetime – while solar panels are now warranted for 30 years. Parking carports projects are not subject to that same rooftop limitation and would continue to offer a longer lifetime to provide environmental benefits to the people of New Jersey. Finally, solar parking carports support transportation electrification which is another stated goal of the Board, the legislature and the administration. Independence Solar provides EV (Electric Vehicles) charging stations with all of our carport projects. In addition to raising the visibility of renewable energy, these projects raise awareness of EV's and the benefits of a transition from polluting fossil fuel-based transportation to cleaner EV-based transportation. The mere presence of EV charging stations under our solar parking carports stimulates adoption and demand for electric vehicles. This then further reinforces demand for solar as New Jersey citizens can now power their cars on the free energy of the sun.

Carports offer these critical benefits not offered by other segments within the Solar Successor Program. We certainly understand the need to balance budget, but we strongly recommend that in doing so, that the Board not inadvertently jettison the solar parking segment and throw away these critical benefits. In the same way that the Board has expressed preference for solar on brownfields and landfills, the Board should continue to support solar on parking carports.

2. Closure of the Transition Incentive Program: Allow for Extensions on Carport Projects

If the Board does not find it possible to allow for the ongoing development of new solar carport projects by adopting our recommendation above (1. Proposed Initial Successor Incentive (Carport, Canopy): Raise from \$85 to \$150), then we request that the Board simply allow for existing carport projects with TI registrations to receive up to (2) 6-month extensions for demonstrated, reasonable cause. These extensions would allow for carport projects with a TI TREC Program registration to receive the incentive level that would have been anticipated and was relied upon at time of registration. It is extremely challenging for a solar carport project to be completed from start to finish within a 12-month timeframe (we will walk through these challenges below). Unfortunately, the current framework and planned closure of the TI program does not allow for any extensions beyond the 12-month deadline. This essentially “pushes” most existing carport projects from the TI TREC program into the Successor Program. This puts the carport segment of the TI TREC Program in a unique position and unfairly penalizes this segment. By allowing this segment some relief to maintain TI TREC program status via (2) 6-months extensions for demonstrated, reasonable cause, then equity is restored to the carport segment.

To clarify this position, solar carport projects are more similar in overall timeline to large-scale ground-mount systems. Like ground-mount projects, carport projects are also required to undergo extensive site plan review from local township Planning Boards and/or Zoning Boards. The timeline for these pre-construction reviews can often extend 3-12 months before construction is even permitted to commence. After these pre-construction approvals are secured, solar parking projects might then require an additional 6-12 months for procurement, construction, and the final approvals necessary to secure the TI TREC. Therefore, the overall timeline on a typical solar parking carport project is **9-24 months**. Any carport project that is not able to finish within the existing 12-month timeframe faces a significant drop-off in incentive level by **40%** - from \$152 to \$85.

This timing issue does not impact other segments and the Board can limit this extension right only to the carport segment. For instance, for the large-scale ground mount segment, the transition from the TI TREC Program to the Successor Program is not significant – from \$91 to \$85. For the rooftop segment, these projects would also face the same drop-off as the carport segment (from \$152 to \$85), however rooftop projects are more typically completed within a 12-month timeframe. Rooftop projects do not require any site plan review from local township Planning Boards and/or Zoning Boards and can typically complete in 4 – 9 months. The carport segment is in a unique position in that carport projects were developed, and pricing was offered to customers based on guidance offered during the Stakeholder process that the carport incentive would be in the range of \$150-\$180. In fairness, these projects should at least be granted the opportunity to finalize within the guidelines of the TI TREC program via reasonable extensions.

To demonstrate the typical development timeline for a solar carport project is **9-24 months**, the following sub-tasks are outlined below:

1. Design/Engineering Plans & Studies (2-3 months)
 - Geotechnical, Subsurface, Site Survey Update, Site Plan, Structural Studies, Illumination Studies, Trenching Plans
2. Planning/Zoning Board Review (2-9 months)
 - Requires 1-3 months advanced notice to schedule a hearing
 - Townships can require updates and additional reviews
 - Abutters can comment and force additional hearings
3. Procurement (2-4 months)
4. Construction (3-6 months)
5. Inspections/Approvals (1-2 months)
 - Final township inspections and COA approvals
 - Utility Interconnection Approval and PTO

Finally, the drop-off in carport project returns from the TI TREC Program (\$152) to the proposed Successor Program (\$85) may create an unanticipated and dangerous incentive to expedite project construction timelines in a risky manner. Solar construction companies in New Jersey will face severe penalties if their projects are not completed within a 12-month deadline. Construction work that is rushed inherently becomes risky. This haste could yield sub-standard work, environmental compromises, and risks of fires. Since solar parking carports share space occupied by people and their cars, this could lead to tragic accidents. Again, we simply request that the Board allow some flexibility for timeline extensions for the parking carport segment – in order to provide equity with other segments and to protect the safety of New Jersey businesses and workers.