SUBMITTED VIA EMAIL

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Aida Camacho-Welch, Secretary of the Board
Board of Public Utilities
Trenton, NJ 08625-0350

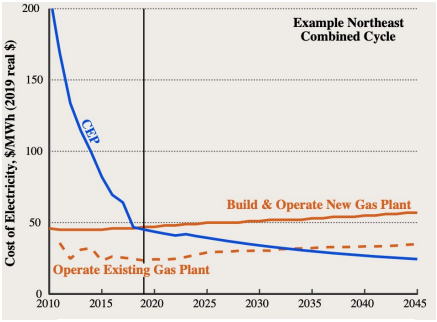
May 27, 2021

RE: Docket No. QO20020184 – Solar Successor Program

Dear Secretary Camacho-Welch,

EDF Renewables North America (EDFRE) is a market leading independent power producer and service provider with 35 years of expertise in renewable energy. The Company delivers grid-scale wind (onshore and offshore) solar photovoltaic and storage projects; and distributed generation solar, storage, electric vehicle smart-charging, and microgrids. EDFRE's portfolio consists of 20 GW of developed projects and 13 GW under service contracts. Our EDF Distributed Solutions group is currently developing and building over 60 MWs of solar projects in New Jersey and its Princeton-based employees have been actively involved in solar policy and solar project development in New Jersey for over 20 years. We respectfully submit the following comments regarding the Solar Successor Program:

Revisit Cost Caps – We need to re-visit cost caps. There is a massive amount of new electricity demand coming soon in New Jersey with the rapid electrification of transportation, new data centers being built to feed our every increasing use of the cloud and data mining for cryptocurrencies, and cultivation of cannabis. There will be an unprecedented surge in the need for electricity in the next few years and to meet goals for cost-effectiveness and greenhouse gas emissions, it will have to be renewable and carbon free. This is good news because with the continual reduction in the cost of renewable energy, and particularly solar energy, and the rapidly declining cost of battery energy storage, increase demand can be met with a combination of solar, wind, battery storage and demand response – what the Rocky Mountain Institute (RMI) calls a "Clean Energy Portfolio" or "CEP." Their study as represented below, illustrates that a CEP is less expensive than new gas generation being planned in the Northeast -- and that even just OPERATING those plants will be more expensive than a CEP by 2035. The study concludes that over the next 5 years, replacing planned natural gas plants with a CEP would save ratepayers $29 billion and avoid 100 million tons of CO2/year. Considering this information, how can New Jersey policy makers constrain the solar industry's growth by limiting private investment in solar now as prices continue to decline with obvious benefits to all ratepayers – cost reduction particularly during peak demand, transmission and distribution upgrade deferrals, economic development, job creation, and overall health benefits of cleaner air and water? If nothing else, these clear benefits need to be part of the analysis on the cost caps that are presumably there to protect ratepayers. As the RMI study showed, a more robust support of solar development is THE best way to protect shareholders. Please take seriously the analysis provided by Gabel Associates that properly includes some of the many benefits of solar in New Jersey, and more accurately reflects both the cost and benefits of the solar program enabling even greater MW deployment under the legislative cost caps – with benefits to ALL ratepayers.



"The Growing Market for Clean Energy Portfolios" Rocky Mountain Institute

Other comments on the Straw proposal are below starting with most problematic for the industry:

Competitive Solicitations. We don't see how it is practical in any way to develop solar projects, of any size, when you are required to find sites, obtain site control, design, and engineer projects, gain interconnection approvals, with all the significant costs of doing this, and then submit a bid for SRECs when you have no idea of their value and therefor project viability. Companies simply cannot put this amount of time and money at risk, nor create a solar business presence in New Jersey with a program designed like this. We don't see how your repair this structure to be effective but can point the Board to many other program designs that provide for competitive downward pressure on cost that should be considered. We will be happy to offer up other options in the still-to-be-planned Competitive Solicitation stakeholder process.

Net Meter projects should all have administratively set SRECs, period. And if the program must have a net metered (BTM) capacity size cap, we recommend 5 MWac, but strongly believe the current limit of no more than 100% of the customer's annual use should remain in place. Why would we limit private investment in New Jersey energy infrastructure that benefits ALL ratepayers, when private capital is ready to invest in customers ready to go 100% renewable?

All preferred sites should be administratively set with adders including for landfills, brownfields, floating solar, and carports. These sites often have multiple benefits to ratepayers and avoid building on farmland -- but can be more costly to build. As an example, solar carports are more costly due to the amount of steel required, but they have several advantages such as reducing heat islands, providing weather protection year-round for vehicles parked underneath, creating perfect platforms for EV charging, and occupy areas already allocated for parking only. Solar carports can provide the much-needed EV charging infrastructure that can make EVs more practical and accelerate their deployment. All things considered, solar carport projects may be the most valuable of all solar mounting platforms considering its many benefits and should therefor receive premium value support. Losing this infrastructure sector provided by the solar industry would set back New Jersey's solar ***and*** EV charging plans.

Administratively Set $ Level – We know Staff has heard loud and clear a widely held consensus that the $85 SREC level is too low to attract investment and would greatly shrink the number of projects being built in New Jersey causing significant industry job losses. We support the recommendations from the MSSIA modeling.

Capacity Targets – Net Metered projects should have only two buckets: 1) residential, and 2) Commercial and Industrial (C&I). The single C&I capacity target totals should be increased. Any unused capacity in any block should be shifted to blocks with demand.

Qualifying Life – 15-year qualifying life has proven workable but extending to 20-years would enable projects to lower project financing cost while also reducing impact to annual ratepayer cost.

Escrow payments – agree it can reduce Staff's concern for "ghost projects" but the levels in the Straw are too high, onerous, and will limit opportunities for small and mid-size companies. For C&I projects

there are already deposits required to gain EDC interconnection conditional TREC approvals, so they are not needed for C&I. Residential project deposits at some level seems reasonable. For grid supply projects the extensive up-front costs of developing should be adequate qualifiers that the developer seriously intends to complete the project.

Project completion dates should be increased for all projects to 18 months and extensions should be allowable given proof of adequate project progress. There are many examples of valuable projects that are simply too complex to complete in 18 months, let alone 12 months – lengthy permitting approvals (i.e., planning board, state agencies, environmental studies), unanticipated material procurement delays/market disruptions (i.e., labor disputes, pandemic, etc.), complex site logistics for installations (i.e., floating solar, carports, universities), and financing availability. For C&I we recommend either a standard 18-month completion date and ability to automatically extend for another 6-months given proof of project advancement -- and with a $1.00 per kWac deposit, or 12-months with two 6-month extensions allowable via staff approval, both with $1.00 kWac deposits.

Energy Storage - EDFRE has been eagerly waiting to hear about New Jersey's plans for energy storage incentive. We strongly believe that including storage in solar projects multiplies project value to customers and the electric distribution grid. Distributed storage in New Jersey's grid will make it more resilient to extreme weather events, and provide ongoing benefits to ratepayers, particularly reducing peak demand costs that are shared by ALL ratepayers.

To ensure the most successful deployment of storage resources co-located with solar projects in the Successor Program we support the Energy Storage Association's recommendations of:

- A separate energy storage incentive for solar-plus-storage projects that are selected through the competitive solicitations, up to a storage capacity target totaling 100 MW per year.
- A one-time fixed incentive of $350/kWh for energy storage attached to solar projects that qualify for the administratively set programs.

We stand ready to provide additional information and feedback and appreciate the opportunity to submit our comments.

Respectfully submitted,

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