

VIA ELECTRONIC SUBMISSION - board.secretary@bpu.nj.gov

Aida Camacho-Welch, Esq.
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350

Re:

**Docket No. QO20020184
Solar Successor Program Straw Proposal**

Secretary Camacho-Welch:

On behalf of Hackensack Meridian Health, thank you for this opportunity to comment on the Solar Successor Program Straw Proposal.

Hackensack Meridian Health (HMH) is the largest healthcare network in New Jersey and includes 16 hospitals and more than 200 ambulatory care centers, fitness and wellness centers, home health services, rehab centers, and skilled nursing centers.

HMH is deeply invested in the issue of solar incentives, as it has a major role in our steadfast commitment and efforts to reduce our facilities' environmental footprint. HMH is leading the way in health care sustainability, as we have been nationally recognized for our work; this year, Sustainable Jersey presented HMH with the Sustainable Business Leadership Award, which recognizes a New Jersey company that has demonstrated a significant commitment to the core sustainability principles of people, planet, and prosperity, along with strong support for values that the Sustainable Jersey program advances. In 2018, HMH and PSE&G were recipients of a 2018 Regional Energy Project of the Year Award from the Association of Energy Engineers (AEE).

HMH already understands the challenges and benefits of sustainability efforts. We applaud the Murphy Administration's ongoing efforts to pursue sustainability through this, and other proposals. However, HMH has concerns with the Straw Proposal and its work toward accelerating New Jersey's Clean Energy Goals.

First, HMM has concerns with the proposed incentive value of \$85 for canopy solar projects. Canopy solar is deeply important to meeting both the State's and individual institutions' clean energy goals and we fear this Straw Proposal does not recognize this importance. Solar canopies deserve a higher incentive value in accordance with the benefits the Staff should be supporting:

- Solar canopies utilize existing parking areas to generate power without sacrificing valuable real estate nor New Jersey's limited open space;
- Solar canopy systems require little to no maintenance and allow easy access to panels for service and repair;
- Solar canopies provide shaded or covered parking for cars;
- Solar Canopies are a highly visible technology that promotes clean energy to the public.

In fact, the calculations computed by Cadmus and the Board recognize that an incentive level of \$85 is not sufficient for canopy projects. The calculation in the Straw (see Exhibit A page 2) shows that the amount needed for development of a canopy project is \$170. Yet the incentive schedule proposed in the Straw ignores its own calculation and instead proposes an \$85 incentive level for canopy projects. The incentive level for canopy projects should be corrected to reflect the Board's own calculation.

Therefore, HMM respectfully urges the BPU to increase the amount of capacity permitted on an annual basis for net metered commercial projects, as the level in the Straw (190 MW) would permit no growth from this sector.

HMM also is concerned with the evaluation of third-party-owned and host-owned solar projects. To incentivize host-owned projects over third-party-owned projects, the Board must acknowledge the importance of Power Purchase Agreements (PPAs), a third-party-owned financial model in which a solar developer arranges for the design, permitting, financing and installation of a solar energy system on a customer's property at little to no cost. The developer sells the power generated to the host customer at a fixed rate that is typically lower than the local utility's retail rate. This lower electricity price serves to offset the customer's purchase of electricity from the grid while the developer receives the income from these sales of electricity as well as any tax credits and other incentives generated from the system. This financing model is preferable to many entities interested in solar since it allows the host to delegate the planning, construction, management, and upkeep of the solar system so they can focus on their real mission: in our case, to care for our patients, while receiving a high level of savings.

In sum, HMM respectfully recommends that the Board revise the incentive levels for the development of net metered solar projects on commercial sites and increase the level of annual capacity afforded these types of projects under the Successor program. These amendments are needed to permit continued development of solar projects on such sites and to enable New Jersey to meet its goals.

Thank you for your consideration,

Kyle Tafuri

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