

Borough of Somerville

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Borough Council: Granville Brady ♦ Jane Kobuta ♦ Tom Mitchell
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5/27/2021

VIA E-MAIL

TO: 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

Comments Regarding Docket No. QO20020184, Solar Successor Program Straw Proposal

Dear Secretary Camacho-Welch:

Thank you for this opportunity to submit comments on the Solar Successor Program (*Docket No. QO20020184*). The Borough of Somerville is invested in the outcome of the Solar Successor Program as both a public entity and an energy customer. We submit these comments in the interest of our 12,000 residents.

We applaud your Staff's work towards creating a fair solar market in New Jersey, but there are certain elements that cause us great concern, namely the incentives. Specifically, we urge you to amend the suggested approach to community solar landfill projects and third-party-owned solar.

As far as solar on landfills, the benefit of such projects is obvious; the same goes for Community Solar projects. Under the Straw Proposal, all community solar projects – including landfill-sited - are under an Administratively Determined Incentive of \$70-\$90/MWh. Alternatively, grid supply projects located on targeted desirable land uses – such as landfills – receive the higher “preferred site” incentive. this creates a conflict.



Municipal Offices ♦ 25 West End Avenue ♦ Somerville, New Jersey 08876

Phone (908) 725-2300 ♦ Fax (908) 725-2859 www.somervillenj.org

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Community solar on landfills should get the landfill/preferred site incentive, not the recommended reduced incentive value for being Community Solar.

Logically, regardless of program, there is no difference in the site preparation costs of landfill whether or not it is designated as community solar or grid-tied. Landfills require significant permitting, engineering, and remediation/site preparation before solar installation even begins.

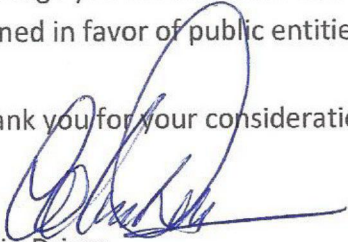
This should be the main consideration in setting incentive values for types of projects the Board desires to encourage.

Furthermore, Somerville takes issue with the Straw Proposal evaluation of “direct-owned” solar projects as superior to “third-party-owned” solar projects. As a public entity, we do not have the ability or the desire/skills to directly own a solar project. Public entities prefer the ownership of the solar project by a third-party, the solar developer. We do this because we need to focus our resources and energy to serving the public. We have no ability to handle all the aspects of financing, permitting, construction, operation, and maintenance of a solar site. For these reasons, public entities prefer to enter into a Power Purchase Agreement, or PPA, with a private developer. This agreement allows the developer to pursue financing that it is not available to us, such Federal tax breaks (since we are a non-taxable entity), and then pass the associated savings onto us and our residents.

Accordingly, “third-party-owned” solar projects are the only viable method for public entities to pursue solar and should not be subject to less favorable treatment in the Successor Program.

We urge you to reconsider the evaluation and recommendations of “direct-owned” versus “third-party-owned in favor of public entities.

Thank you for your consideration,



Colin Driver

Director of Economic Development

Cc: Mayor D. Sullivan

Councilman G. Brady