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IN THE MATTER OF THE PETITION OF ATLANTIC CITY ELECTRIC
COMPANY FOR APPROVAL OF AMENDMENTS TO ITS TARIFF TO
PROVIDE FOR AN INCREASE IN RATES AND CHARGES FOR ELECTRIC
SERVICE PURSUANT TO N.J.S.. 8:2-21 AND 2-21.1, AND FOR OTHER
APPROPRIATE RELIEF (12/20/20)
BPU Docket No. ER20120746
OAL Docket No. PUC 00284-21

STATEMENT OF THE JOINT SOLAR INTERVENORS
TO EXPLAIN THEIR
NON-OBJECTION TO THE STIPULATION OF SETTLEMENT

The Joint Solar Intervenors, who represent the New Jersey Solar Coalition, the Mid-Atlantic Solar and Storage Industries Association and the National Solar and Storage Industries Association, wish to explain their decision to not sign, nor to oppose, the Stipulation of Settlement. We understand the Company's decision to withdraw without prejudice" its "solar hosting initiative" had to be done in order to obtain the settlement. We believe that the issues implicit in the proposed expenditure of \$10 million to rectify "constrained solar hosting capacity" are best resolved in a generic, statewide proceeding promptly identifying and

implementing uniform standards and conditions for the rapid provision of solar interconnection infrastructure and services by electric distribution companies (public utilities) statewide to solar developers and their customer hosts and for the financing of enhanced infrastructure and services through the ratebasing of utility costs incurred in providing those essential services for every eligible solar developer.

These are not radical initiatives. For more than 100 years, the New Jersey Board of Public Utilities has judiciously exercised its statutory authority to “socialize” the expansion of providing needed infrastructure and services in response to increased customer demands that might otherwise go unmet. N.J.S.A. 48:2–23, going back to the 1911 establishment of the PUC, provides in relevant part as follows: "The board may, after public hearing on notice, by order in writing, require any public utility to furnish safe, adequate, and proper service including service in a manner that tends to conserve and preserve the quality of the environment and prevent the pollution [thereof]." Increasing or expanding the use of solar electric PV systems is an efficient and necessary means of protecting the environment, substituting zero emission solar PV energy facilities for fossil fueled generation. N.J.S.A. 48:2–27 provides additional authority. It states in relevant part "the board may, after hearing, ... require any public utility ... [to] establish,

construct, maintain and operate any reasonable extension of its existing facilities where in the judgment of the Board, the extension is reasonable and practicable and will furnish sufficient business to justify the construction and maintenance of the same and where the financial condition of the public utility reasonably warrants the original expenditure.” The Joint Solar Intervenors submit that there is more than enough demand for solar distributed PV systems to justify the "construction and maintenance" of the full array of interconnection services needed to facilitate a dramatic increase in solar development as one of the components most necessary to achieve the clean energy goals set forth in the State Energy Master Plan, the Global Warming Response Act and the Clean Energy Act, as well as the governor's call for New Jersey to do its part in the moral equivalent of waging war against Global Climate Change. (New Jersey is considered to be second only to Florida in its vulnerability to the many harmful impacts of climate change.) Time is not on our side; the Year 2030 is less a scant 9 years away. Thus, we must approach these issues with a sense of urgency, and hence our strong preference for a single statewide generic proceeding to establish uniform mandates and milestones for fully "solarizing" the state with the active assistance of utilities in the full support of ratepayers.

The courts of New Jersey have a long history of supporting a liberal, i.e.,

expansive interpretation of the Board's authority to enforce the utility "duty to provide [public] services where warranted and to share the cost of such service by rate basing prudent costs." See, e.g. Public Service Gas Co. v. PUC, 84 N.J.L. 463, 467-468 (Sup. Ct. 1913), aff'd in toto, 87 N.J.L. 597 (E.&A. 1915); Van Holten v. Elizabethtown Water Co., 121 N.J. 48 (1990); Twp. of Lakewood v. Lakewood Water Co., 29 N.J. Super. 422, 428-429 (App. Div.), reh'g den., 30 N.J. Super. 79 (App. Div. 1954); Golden Nugget Atlantic City Corp. v. Atlantic City Electric Co., 229 N.J. Super. 118, 127 (App. Div. 1988); Hilton N. J. Corp. v. Atlantic City Elec. Co., 205 N.J. Super. 217, 223-224 (App. Div. 1985); In re Centex Homes , LLC, 431 N.J. Super. 244, 266-267 (App. Div. 2009).

Importantly, the requirement of "sufficient business" to justify utility extension of service does not require a showing of immediate profitability due to the expansion; indeed not any profit at all need be shown, where the "public convenience and necessity" will be served thereby. See Lakewood Water Co., 29 N.J. Super. at 428-429. In short, New Jersey has a long and rich tradition of utilizing public utilities as the means for "marshaling private capital in service to the public," quoting the late Prof. Alfred Kahn and his definition of the public utility. And clearly the rapid expansion of utility investment in interconnection infrastructure and services with the costs rolled into ratebase critically serves the

public interest of all interested parties in the substitution of solar for fossil fuels and the air pollutants they emit, notably greenhouse gases, but also including a long list of unhealthy contaminants (particulates, SO₂, nitrates, mercury, etc.).

We conclude by rebutting the myth that solar power "subsidies" are driving up consumers rates such that New Jersey ratepayers are hit with some of the highest rates in the nation. This is inaccurate. Since the initiation of retail competition in electricity, rates, and more importantly, bills, have actually declined on an inflation-adjusted basis. New Jersey is now the lowest cost state in the N.Y. - Mid-Atlantic region; at least some of those reduced rates and bills can be attributed to the growth of solar electric which helps "peak shaving," to reduce peak demand for power on hot summer days when wholesale electric prices are peaking.

In conclusion, we respectfully submit that a generic proceeding -- of some sort -- to rapidly establish statewide standards for utilities to expand and to rate base their interconnection services as necessary for the rapid expansion of solar power is a win-win-win-win: For the benefit of public utilities in their enhanced ratebase and the environment by reducing harmful pollutants and for ratepayers who can see their utility bills stabilized or reduced and in the campaign against global climate change. Finally, as an added bonus, it may save New Jersey's 6000-

plus good paying jobs in solar energy.

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