



May 6, 2022

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**Carmen D. Diaz**  
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Dear Secretary of the Board Diaz,

Sunwealth Power, Inc. is a public benefit corporation that develops, finances, owns, and operates commercial-scale solar projects in New Jersey. Sunwealth believes that the solar energy economy should be inclusive and expansive, and it is grateful that the New Jersey Board of Public Utilities shares this vision. Sunwealth thanks the New Jersey Board of Public Utilities for the work it has done to grow and democratize the clean energy economy, and it appreciates the steps that the BPU is taking to continue supporting solar energy development with the permanent Community Solar Energy Program (“Permanent Program”).

The Sunwealth team has carefully reviewed the Request for Comments released by the BPU around the Permanent Program, and it humbly submits the following suggestions:

**Key recommendations:**

**Question 2: Sunwealth proposes a separate funding tranche reserved for projects under one megawatt** to ensure that capacity in the Permanent Program is not granted to a relatively small number of large projects. Sunwealth has experience developing more than 10 Community Solar projects on dual-purpose commercial space, including at the Blue Army Shrine in Franklin, NJ, and believes that these projects deliver outsized environmental and communal benefits.

**Sunwealth also proposes a separate funding tranche reserved for Low- and Moderate-Income Community Solar projects.** This will encourage the development of Community Solar projects that intentionally benefit low-income ratepayers, which will help the Board address the requirement from the Solar Act of 2021 to consider the economic characteristics of the area served. A separate LICSS block will ensure that capacity remains available for these projects.

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**Question 11:** Under the Community Solar Energy Pilot Program’s definition of LMI projects, 51% of project capacity must be allocated to LMI subscribers. Sunwealth advocates that the definition of LMI projects be amended in the Permanent Program to also support administration of Community Solar savings via **a no-cost option for LMI subscribers that supports greater savings, simplified billing, and reduced administrative costs.** Under the Board’s current recommendation, a minimum of 10% savings would be provided to LMI subscribers, equating to 5.1% of bill credit value distributed as savings to LMI subscribers (10% savings x 51% capacity=5.1%). The Permanent Program should expand the definition of LMI Community Solar to include projects that deliver 10% of all bill credits to LMI subscribers *at no cost*. This no-cost option would:

- Double the savings provided to LMI households (from a minimum of 5.1% to 10% of total bill credit value).
- Eliminate need for two monthly payments (one to the utility and one to the Community Solar provider), avoiding subscriber confusion and hesitation.
- Eliminate costs associated with subscriber management, including monthly billing.

In practice, a no-cost option for LMI subscribers means that a subscriber who previously received \$100 of bill credits and paid \$80 to the Community Solar provider would now simply receive \$20 of bill credits at no cost.

**Question 14:** Sunwealth proposes that residents living anywhere within the utility territory of a Community Solar project should be able to subscribe to the project. This is especially important for LMI inclusion in the growth of Community Solar, as many LMI residents in New Jersey are concentrated in small areas that are geographically distant from areas with open space that may be optimal for Community Solar project development.

**Question 18:** Community Solar subscriber organizations generally bill customers based on a set discount from the dollar value of the monthly Community Solar bill credits applied to customer accounts. To date, Sunwealth and our partners have not received information regarding the dollar value of such bill credits on a monthly basis. Instead, we have only received the total kWh value of monthly Community Solar credits applied to subscriber accounts from EDCs in New Jersey. **Sunwealth recommends that EDCs be required to provide Community Solar subscriber organizations with dollar values of subscribers’ bill credits on a monthly basis.** With this, subscriber management organizations can invoice subscribers accurately rather than estimating bill credit dollar values, considering that all bill credit calculation criteria, (e.g. supplier, seasonal and on/off-peak rates per rate class) are not currently provided on a monthly basis to Community Solar subscriber organizations. Providing bill credit dollar values each month to Community Solar subscriber organization bill is a best practice for consumer protection and Community Solar savings guarantees.

### **Additional recommendations:**

**Question 1:** For projects that do not reach commercial operation prior to the initial deadline, Sunwealth proposes an optional fee-based extension that applicants can secure. Charging a fee to

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extend the incentive will ensure that only projects that have strong potential to be completed in the next year will receive an extension, as the fee will deter projects that are unlikely to move forward. The fee would be \$25 per kW AC, would be held by the BPU in escrow, and would be refundable if the Community Solar project achieves commercial operation within the extended deadline period.

**Question 3:** Sunwealth affirms its support for third party ownership in line with the qualifications and restrictions implemented in the Pilot Program. This means that third parties can continue demonstrating site control on property that they do not own through site leases, or other similar agreements.

**Question 8:** Sunwealth proposes implementing a waitlist for non-selected projects in conjunction with the proposed fee-based extension option that Sunwealth suggested in response to Question 1. Projects on a waitlist would be selected only if an originally selected project was not moving forward and did not apply for an extension. This approach will ensure that the Community Solar capacity allotted for a given year is met, and it will not increase program oversubscription.

**Question 9:** Sunwealth proposes that projects must submit an agreement demonstrating site control as well as a preliminary layout using an industry accepted production modeling software (Helioscope, Aurora, etc.). The Community Solar qualification is the rate-limiting-step for development, and therefore, should have maturity requirements that demonstrate project viability, but should require no further monetary expenditure by developers to secure items like interconnection approvals or construction drawing sets.

**Question 10:** Sunwealth proposes keeping the ADI program registration process separate from the Community Solar project award process. This separation will allow for the greatest level of flexibility and timeline-control for solar developers. The solar development process can be lengthy, especially with long equipment lead times, so it is most efficient for developers to apply for the ADI program once they have a solid understanding of the timeline of the project to manage the risk of incentive expiration.

The team at Sunwealth appreciates the BPU's consideration of our comments. Sunwealth hopes that these comments contribute to a Permanent Program that builds a democratized and far-reaching solar economy in New Jersey.

Sincerely,

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