

May 4, 2022

Submitted Electronically via NJ BPU Website

Secretary of the Board
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08625-0350
Phone: 609-292-1599
Email: board.secretary@bpu.nj.gov

Re: *In the Matter of a Solar Successor Incentive Program Pursuant to P.L. 218, C. 17*
Docket No. QO20020184

Sunnova Energy Corporation (“Sunnova”) submits the below comments to the Staff of the New Jersey Board of Public Utilities (“NJBP” or “Board”) regarding the proposed disclosure form (“Disclosure Form”) updates for the Transition Incentive (“TI”) Program and the Administratively Determined Incentive (“ADI”) Program. In doing so, Sunnova will respond to the Notice (“Notice”) in the above docket, dated April 7, 2022.

Sunnova is a leader in residential solar, battery storage and system protection services, with customers across the U.S. and its territories. We are your source for clean, affordable, and reliable energy, with a simple mission: to power energy independence so our customers have The Freedom to Live Life Uninterrupted®.

Sunnova supports NJBP’s goal “to provide consumers with readily understandable, basic information regarding the contractual rights and obligations specified in their solar contracts.”¹ More specifically, Sunnova agrees with the issues Board Staff identified, and particularly supports Staff’s efforts to (i) accommodate legitimate business and consumer interests without undermining the intent and benefits of the Disclosure Forms, and (ii) ensure that the Disclosure Form is provided to consumers in a way that ensures it is accurate, timely, and not overlooked by consumers.

As a preliminary matter, Sunnova concurs and supports the comments submitted by the Solar Energy Industries Association (“SEIA”). Additionally, Sunnova provides the following proposed revisions and comments noted in **Red** against the original in black ink for consideration by the Board.

In addition to this letter submission, we’ve also included a copy of the draft Disclosure Forms with the comments listed below added to the relevant sections of the Forms. Our comments are numbered consistently here and in the Disclosure Forms.

¹ NOTICE, IN THE MATTER OF A SOLAR SUCCESSOR INCENTIVE PROGRAM PURSUANT TO P.L. 2018, C.17 Docket No. QO20020184 (Apr. 7, 2022) (“Notice”) at 2.

General Comments to Recommendations:

1. Paragraph 3.c., (Notice, p. 4)

“...Disclosure Forms instead must be presented to and signed by the customer as a stand-alone document, submitted separately from and in addition to the solar contract.”

Sunnova has found that generating the Disclosure Forms simultaneously and with the same input data as the contracts ensures consistency of information, less vulnerability to manual transcription, and the customer’s receipt of an accurate disclosure.

To address the Board’s concern that the disclosure be certain to make “key contractual provisions readily visible to a customer” (Notice, at 4), however, Sunnova proposes requiring that the Disclosure be attached to the front of every solar contract package.

Comments to the Solar Lease Disclosure Form:

2. Form Description, Paragraph #3:

“Each participant in the ADI Program is eligible to receive incentives through the sale of the Solar Renewable Energy Credits-II (“SREC-IIs”) that the participant’s solar system produces...”

Sunnova is concerned that the above statement could result in confusion on the part of the customer as it implies that the Lessee will receive SREC-IIs incentives. Ownership of the SREC-IIs is addressed in Section O of the Lease Disclosure Form. In order to avoid inconsistency, Sunnova recommends clarifying language that the Lessor, as the owner of the system, may be entitled to the SREC-IIs instead of the Lessee. Alternatively, Sunnova recommends simply directing the customer to Section O for information about SREC-IIs ownership.

3. Form Description, Paragraph #5:

Revise language to clarify that the customer enters into an equipment lease, rather than a service contract:

Under a solar lease, a customer enters into an ~~service contract~~ equipment lease to make scheduled monthly payments to a solar leasing company/developer in exchange for receiving the electricity that the solar system produces.

4. Lease Disclosure Form, pg. 1:

Recommend removing “Lease Date” and “Solar System Size” terms from the Customer information Section. In some cases, the date of execution of the lease may not be known because the customer has some time to review the terms of the lease following receipt of the contract and Disclosure Form and prior to execution. Additionally, time may elapse between execution of the Lease Agreement and interconnection or the beginning of monthly lease payments, which may be the start of the term according to the terms of the Lease Agreement.

The solar system size is already provided in Box F.

5. Lease Form, Box A (1):

We suggest moving the references to ACH withdrawals from Box C to Box A, because the election directly affects the amount of the monthly payment. Alternatively, clarify that the amount of the monthly payment in Box A includes or excludes any discount for ACH withdrawal.

6. Lease Form, Box A (2):

Suggest removing dates of the Lease Term for the reasons stated in #4 above, or allow for a date range, as construction or permitting delays may result in the Lease term beginning later.

7. Lease Form, Box B:

Revise item #1 to read as follows: *"Amount you owe Lessor at the time of lease signing"*

Clarify that this is the amount due at lease signing, not the total amount due under the terms of the Lease.

8. Lease Form, Box D (1):

Recommend revising the format of the first payment due date to accommodate Lessors that allow flexibility to the customer in choosing the payment date after lease execution.

9. Lease Form, Box D (2):

Customer election for Electronic or Paper Invoices

We recommend removing this section. The consent to the receipt of electronic documents is contained in the lease contract. A separate election on the Disclosure Form would create confusion and could lead to inconsistent elections.

10. Lease Form, Box E:

Recommend adding "or ____" after the year for the timing of the first increase in lease payments to allow flexibility for an entry such as: *"one year from the date of your first monthly payment."*

11. Lease Form, Box F:

Clarify that the estimated production is for Year 1:

*"Estimated **First Year** gross annual electricity production in kilowatt-hours (kWh) from your leased solar system:"*

12. Lease Form, Box I:

Allow flexibility for the system removal fee to account for system complexities and the increase of cost over time. Suggest directing the customer to the appropriate clause in their lease.

13. Lease Form, Box I (2):

Add a qualifier to end of warranty for leaks from removal:

“Provided your System is removed in accordance with the terms of your Lease Agreement...”

14. Lease Form, Box I (2):

Add a qualifier and revise the last item in Box I accordingly:

“Following the removal ~~to~~ of the solar system, in accordance with the terms of your Lease Agreement the Lessor.”

15. Lease Form, Box L:

Recommend providing the citation(s) to the source of the data quoted here for customer reference:

You may find it useful to know that for the 15-year period ending in 2020 average electricity prices in New Jersey increased by an average of 2.19% per year and that for the 10-year period also ending in 2020 they decreased by an average of 0.29% per year. It is important to understand that projected or estimated electricity rates are estimates only and that your actual current future utility rates and utility rate increases/decreases may vary from the above or any other estimates.

16. Lease Form, Box Q:

Recommend providing larger space for additional disclosures.

17. Lease Form, Box S (Signatures):

We recommend the wording be standardized for each format (Lease, Loan, and PPA), to clarify who is signing; the provider, or the party certifying on the provider's behalf.

Solar Purchase Form

18. Solar Purchase Form, Page 1 (Customer Information):

We restate Comment #4, from Lease.

19. Solar Purchase Form, Box B:

Add language to clarify the amount due is not the entire amount, but just the downpayment, or amount due at the time of signing:

“Amount you owe Provider at the time the Contract is signed”

20. Solar Purchase Form, Box D:

We recommend the form be revised here to accommodate different methods of timing the start date; remove the “20___” to allow a blank line to add an auto-generated date without confusing the customer.

21. Solar Purchase Form, Box O:

Restate Comment #17 from Lease

Power Purchase Agreement (PPA) Form

22. Paragraph 3, Pg. 1:

We have the same concern here regarding customer confusion of SREC ownership as in the Lease Document and are Restating Comment #2 in the Lease document here. SREC ownership is already addressed in Box N of the PPA Form.

23. PPA Form, Customer Information section:

Restate Comment #4 from Lease

24. PPA Form, Box A (1):

Under the “Flat Monthly Rate” section, we suggest the inclusion of a box titled “Other” to allow flexibility for a description of other product types and payment options.

PPAs already in, or soon coming to, the New Jersey market include terms that cannot be accommodated by the current draft of the Disclosure Form. By creating a form that can accommodate new products and address legitimate business and consumer interests, the NJBPU can avoid creating circumstances where a solar provider may need, or feel a need, to change or deviate from the Form to accommodate these legitimate business and consumer interests.

25. PPA Form, Box C:

Restate Comment #5 from Lease

26. PPA Form, Box D:

Restate Comment #8 from Lease

27. PPA Form, Box E:

Because PPA monthly payments depend upon the variability of production and payment options, the projection of a maximum monthly PPA payment is inexact. We recommend allowing this to be an “estimated maximum monthly payment” for the first year of the PPA only.

28. PPA Form, Box F:

We recommend limiting the estimated gross annual production projection to Year 1; annual production decreases are already provided in the following line.

29. PPA Form, Box I:

Restate comments #12, #13, and #14 (all concerning system removal) from Lease

30. PPA Form, Box L:

Restate comment #15 from Lease

31. PPA Form, Box R (Signatures):

Restate comment #17 from Lease