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VIA ELECTRONIC FILING
Secretary of the Board
44 South Clinton Ave, 1st Floor
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Trenton, NJ 08625-0350

RE: Response to Request for Comments In the Matter of the Community Solar Energy Program ("Permanent Program") – Docket No. QO22030153

Dear Staff of the New Jersey Board of Public Utilities ("BPU" or "Board"),

Ecogy Energy, based in Brooklyn, NY, and founded in 2010, is an experienced developer, financier, and owner-operator of distributed generation projects across the U.S. and Caribbean. Ecogy's focus and niche is on the <1 MW arena, particularly on systems sited on rooftops, parking lots, and brownfields. Ecogy believes that with sound planning, proper development and fair incentives for these types of projects, the state, its residents, and the clean energy industry as a whole will ultimately be more successful. Ecogy firmly believes that by focusing on projects constructed in and on the built environment, the development community can preserve precious and limited natural resources while directing the benefits of local solar to small businesses, property owners, nonprofits, low-income individuals, and other organizations that need them most.

We look forward to the opportunity to engage with the Board and provide comments on the guidelines to be released in the straw proposal for the permanent community solar program. We kindly urge you to consider our suggestions below.

I. Program Design and Eligibility

1) The permanent program should record the date and time of a project based on who applied, utilizing a waitlist for projects that didn't get into the first 150 MW in the order that qualified projects came in. This backlog of qualified projects should be publicly visible. Additionally, projects may drop out of the program, in which case that capacity should be reallocated to a future project. While using timestamps to implement a waitlist of projects, the focus should be on ranking; projects that scored the most points should be re-entered into the program if capacity

becomes available. If two projects have the same amount of points, the project that was submitted first should be selected.

2) The permanent program capacity should be divided into separate blocks. The blocks should be divided by EDC service territory and then by project type and size, similar to other state markets such as Massachusett's SMART program and New York's Value of Distributed Energy Resources. There should be a minimum allocation for projects with systems between 250 and 500 kW in size. There should also be designated allocations for rooftop and canopy projects; canopy projects should receive a minimum percentage of at least 10% of applications for each EDC block. There have not been any canopy projects approved in the past, so this designated allocation would help diversify the community solar system portfolio. Additionally, 5% of the program capacity should be allocated to landfill projects.

There should be a 25% maximum of the total program MW capacity allocated for one single developer to prevent monopolization of the program awards and to encourage diversification in the solar workforce in the state. The BPU should also consider requiring 20% of projects to be in disadvantaged communities or assign 20% extra points to projects with preferred criteria which would need to be quantitatively defined in the program guidelines.

3) Ecogy supports the continuation of similar qualifications and ownership restrictions for developers in the Permanent Program as were implemented in the Pilot Program.

4) Community solar projects should favor siting on the built environment to limit harm to the natural ecosystems in New Jersey. One example of devastating environmental effects due to solar installations can be seen in Rhode Island; More than one thousand acres of forested land in Rhode Island have been cleared for solar development between 2018 and 2021.[1] Should the BPU not set clearly defined and rigorous land-use restrictions, valuable forested land or other crucial habitats could be destroyed. The BPU should continue to encourage agri-voltaic and floating solar systems as options for innovative and alternative siting opportunities and should consider potentially allocating a small percentage of the total capacity to these types of projects.

There should be standards for siting community solar projects. Many of the community solar projects in the history of New Jersey's program have been sited on industrial roofs. While this has been a common siting location in the past, Ecogy believes there should be a focus going forward on affordable housing complexes and smaller rooftops. The siting standards should be established with concern to try and avoid the clear-cutting of trees for systems like ground mounts. Landfills should continue to be considered suitable sites for solar systems, and the BPU should potentially define a minimum and maximum allocation of the total capacity to these types

[1] Solar fields are contributing to deforestation in Rhode Island. Advocates want to change how the state incentivizes development. https://thepublicsradio.org/article/solar-development-forest-loss

of projects; the siting standards should focus on utilizing space that will provide the greatest benefit to the community and populations in the greatest need while resulting in the least amount of environmental harm. The BPU should grant more canopy projects in parking lot areas as they are perfect siting locations for solar while taking advantage of existing impervious surfaces.

5) Developers should be able to apply for interconnection before the permanent program guidelines are released. There should also be an expedited review process for smaller projects, as was done in Rhode Island with projects at 200 kW AC and below. New York also implemented an expedition of 500 kW sized projects which only have to conduct a supplemental review instead of a full impact study. Any acceleration of the review process allows for projects that are smaller in size to get through the interconnection process with greater speed and efficiency. By accelerating the timeline, the BPU can reduce the cost burden on smaller projects that don't have the same economies of scale as larger projects, ultimately eliminating any unfair advantages based on system size. Also, the interconnection consent form should improve its interface in order to be more accessible for the developer to use.

The hosting capacity map should be more accurate and should undergo regular review for updates. For instance, the Atlantic City Electric hosting capacity and restriction maps are not updated and show different values than ones provided by the utility when Ecogy approached them directly. Being that this a requirement for the Pilot 2 Program, the hosting capacity map should contain reliable data.

6) In order to minimize negative impacts on the distribution system and to maximize benefits to the grid, the BPU should seek out and select projects that help the local circuit and substation. Additional considerations should include the hosting capacity of a project, as described in our block suggestion and project criteria above, as well as siting projects close to load.

A relevant example of a system put in place to minimize negative impacts and maximize benefits for the grid is the New York Value of Distribued Energy Resources ("VDER") otherwise known as the Value Stack[2]. The Value Stack in New York compensates projects based on the time and location of electricity production to the grid in the form of bill credits. The Value Stack is determined by the distributed energy resources' energy value, capacity value, environmental value, demand reduction value, and locational system relief value.

II. Project Selection

[2] The Value Stack. New York PUC.
https://www.nyserda.ny.gov/All-Programs/ny-sun/contractors/value-of-distributed-energy-resources

7) Projects should be selected using a 100 point scale based on the following criteria: system size, system type, the discounts offered to end customers, level of community engagement, and additional benefits such as the inclusion of an electric vehicle charging station, battery storage, and an energy monitoring system. Preferred criteria for system types include those installed on brownfields, on rooftops, and for affordable housing units or complexes. Additional criteria for consideration should be the developer's experience in other community solar programs, the developer's experience in owning and operating solar systems, and project certainty and maturity. The level of community involvement and project maturity should be given higher importance in the scoring system because these types of projects will likely provide benefits sooner and with greater certainty to the targeted LMI and disadvantaged communities who need community solar most.

Projects should also be examined for the alignment and compatibility of developer strategy and community solar program parameters. For example, how carefully has the developer assessed their proposed projects with consideration to who their client is and what kind of system will be installed? There should be evidence of a clear understanding of the community solar guidelines within the developer project strategy.

Establishing clear and rigorous criteria for participation in the permanent community solar program in New Jersey is critical to the program's success. Should the BPU choose to allow for open enrollment of the permanent community solar program, unviable and undesirable projects will be allocated capacity, like what happened in Rhode Island's community solar program with no criteria for participation.

8) Yes, there should be a waitlist. Developers spend a significant amount of resources in order to qualify for the Community Solar Program and its minimum requirements; therefore it would be beneficial to provide a mechanism that allows for a potential continuation of such projects. Projects on the waitlist should be vetted for maturity by asking the developer to provide updates about the progress of their project. For example, there could be a waitlist stipulation that a developer needs to provide proof of interconnection after a certain amount of months of being on the waitlist. Similar conditions can apply to waitlisted projects for performance guarantee deposits and proof of submission for permitting approval; essentially, a project milestone timeline should be submitted to the BPU while projects are on the waitlist. If a project does not meet the stipulated deadlines for project maturity, the BPU may remove them from the waitlist.

This way, and similarly to the methods used in New York's community solar program, the BPU can remove immature or otherwise unviable projects from the pipeline, and the program's total capacity would then not be spoken for months or years in advance.

9) The following project maturity milestones should be required before a project may apply for participation in the permanent program:

- Executed option or lease agreement (cannot be nonbinding)
- Proof of submission of application for an interconnection agreement
- Proof of available hosting capacity
- Bid deposit
- NJ PE Structural approval for roof systems if applicable
- Defined project milestone timeline

10) Coordination is necessary between the two programs. The BPU should release awards for community solar projects in the permanent program a number of months—could be 3 months, for example—before registration opens for the ADI program. This would allow developers the necessary 3 months (or a different amount of time determined by the BPU) to prepare to apply for the ADI program.

III. Low- and Moderate-Income Access

11) The BPU should require 51% of the 150 MW allocation to go toward LMI projects and give an incentive to build projects for LMI communities. Within the 51% of the 150 MW allocated for LMI projects, the projects themselves should consist of 51% LMI and 49% open ratepayers in order for the project to qualify as LMI.

The Board should facilitate relationships with affordable housing entities and make it easier for an affordable housing entity to qualify as LMI via a master meter arrangement. Instead of requiring individual subscribers in an affordable housing complex to opt into community solar, the BPU should allow the entire complex to subscribe to community solar as a single entity.

The best thing the BPU can do to create trust and camaraderie between the Board and LMI communities is to act swiftly in making fair guidelines and the eventual application for this program publicly available. Lack of action and delays on the Board's behalf will only contribute to distrust in the permanent community solar program.

The BPU should compile a list of affordable housing communities and local organizations to engage with and reach out to, and projects that prove early-stage engagement with the community should continue to receive more points.

12) The BPU should aim to require the most minimal standards possible so as to not create barriers to entry for the LMI folks who need community solar benefits the most. We suggest that the BPU lowers the minimum requirements by giving the subscriber organization the possibility

to verify LMI status via electricity bills on an individual's account rather than doing it through a credit score check which is not consumer friendly.

13) The BPU should consider the percentage of an area's median income as a threshold for qualifying as LMI, as it does now with the definitions of low income (a household with adjusted gross income at or below 200 percent of the Federal poverty level) and middle income (a household with a total gross annual household income in excess of 200 percent of the Federal Poverty Level, but less than 80 percent of the median income, as determined by annual HUD income limits). The BPU should also consider the energy burden of a community—if more than 6% of a household's annual income is going toward the cost of energy, that should be considered a highly energy burdened household.[3]

IV. Community Solar Subscribers

14) There shouldn't be any restrictions on the distance between projects and subscribers. The BPU should maintain the Pilot Program's guidelines for each project self selecting their own geographic limits within the EDC territory, including the option for having no limit and subscribing EDC-wide.

15) For commercial subscribers, there should be a limit (at minimum) of 2 subscribers, and a maximum of 50% of the total capacity of the project may be assigned to an anchor. New York and Massachusetts both have commercial limits on their community solar programs, so instituting this limit in New Jersey has relevant context and precedent. Maintaining the 10 subscriber minimum and 250 as max is sufficient—we agree with these limits.

16) The consumer should be guaranteed a discount, and there should be no termination fees as well as a consumer-friendly contract.

17) Consumer education is of the utmost importance with automatic enrollment. We support the opt-out policy, and we believe that it is the consumers' right to take advantage of discounted electricity. Requiring subscribers to opt into this program limits the capacity of community solar energy allocated to deserving households in need; instead, subscribing all residents of a housing facility or complex and allowing individuals to opt-out at their discretion will allow for a far greater amount of solar energy to be utilized. Additionally, the automatic enrollment and the opt-out system will enable developers to avoid the costly upfront costs of resubscribing LMI residents in a new location due to churn[4].

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[3] Drehobl, Ariel, Lauren Ross, and Roxana Ayala. "How High Are Household Energy Burdens." An Assessment of National and Metropolitan Energy Burdens across the US (2020).

[4] Phinney, Robin. "Exploring Residential Mobility among Low-Income Families." Social Service Review, vol. 87, no. 4, 2013, pp. 780–815. JSTOR, www.jstor.org/stable/10.1086/673963. Accessed 9 Apr. 2021.

The BPU should allocate funding as part of their community outreach budget to educate consumers on their rights and ability to opt-out and on the benefits they receive by being subscribed to community solar.

V. Community Solar Bill Credits

18) There needs to be a specific strategy outlined and known to employees within the EDC to ensure that administrative tasks are up to date and credits are applied to subscriber's accounts. Administrative backlog with the allocation of bill credits fosters distrust within subscribers and developers, and it neglects the duty of sufficient public service. Establishing a rigid administrative system to stay on top of bill credits will help New Jersey's EDCs avoid the situation ConEdison[5] New York currently finds itself in, with an enormous backlog of community solar bill credits to distribute as well as errors in the distribution of credits.

A clear solution to help with administrative efficiency is to implement consolidated billing and focus resources on making consolidated billing successful sooner rather than later. Should administrative functioning and subscriber management be ignored or pushed off until too late into the permanent program's development, the EDCs run the risk of dealing with justifiably frustrated customers, taking away from the overall success of the permanent community solar program.

19) The BPU should model the value of the community solar bill credits to the current rate that each EDC is charging, including the all-in rate. The total bill amount should be divided—including taxes and other line items not previously included in the community solar bill credit calculation—by the total kilowatt hour amount. The rate should increase as much as utilities increase their rates.

The EDC should apply an annual escalator on the community solar bill credits that would stay the same for the duration of the project.

20) We support consolidated billing for community solar. However, in other markets where consolidated billing was only allowed to be implemented by the EDC, there have been delays and errors delivered by the EDC. For example, in New York, ConEdison has an extensive backlog of community solar bill credits yet to be distributed. To ensure that the BPU sets rigorous quality standards, and to avoid harm to the renewable energy transition by creating frustration in customers if there are delays or administrative problems, we recommend that consolidated billing be open to everyone. Providing the opportunity for competition for the

[5] Maldonado, Samantha. "Dark Days for Solar Energy Customers Hoping for Con Ed Discounts." THE CITY. THE CITY, March 17, 2022.

utility will make their service better. Leaving no alternative for the implementation of consolidated billing allows for a lack of focus and urgency within the EDC.

Additionally, there would be a significant push to the market if there is any backstop from the utility. By allowing consolidated billing to be handled outside of the EDC, there is a reduction in default risk and a decrease in the rate of return for project financiers.

VI. Other

21) No further comment.

We thank you for your consideration of these comments and appreciate you supporting the New Jersey clean energy industry.

Warmest regards,

/s/

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