

Ravinder S. Bhalla, Mayor
City of Hoboken
94 Washington Street
Hoboken, New Jersey 07030



Jennifer Gonzalez AICP, PP, CFM
Director of Environmental Services
Ph. 201.420.2000 ext. 4000
jgonzalez@hobokennj.gov

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

Re: The City of Hoboken
Comments Regarding Docket No. QO22030153
Permanent Community Solar Program Design

Dear Secretary Camacho-Welch:

Thank you for this opportunity to provide input on the permanent Community Solar Program design. Hoboken is committed to addressing environmental justice through innovative sustainability efforts such as Community Solar. As an urban coastal city, Hoboken is particularly vulnerable to the effects of climate change, which continues to threaten the quality of life for Hoboken residents. Sadly, low-income communities and communities in urban areas often bear the brunt of pollution and the impacts of climate change. The City of Hoboken has a responsibility to its residents to counteract imminent threats to the environment by taking an advocacy role in supporting clean energy development, especially regarding the Community Solar Program.

Please accept the following comments on Community Solar Permanent Program Design, Docket No. QO22030153. We provide these comments in response to the Notice of Request for Comments issued by BPU on April 11, 2022.

The following comments pertain to Questions 17 and 20 of the Notice of Request for Comments issued by BPU:

17) In November 2020, the Board proposed a rule amendment to the Community Solar Energy Pilot Program rules, which would have allowed certain projects owned and operated by public entities to automatically enroll subscribers without first seeking subscribers' affirmative consent to join the project. Subscribers would then have the option to "opt-out" of the project should they not wish to participate. How can the Board best support subscriber education and acquisition? Should the Board revisit its automatic enrollment proposal, and if yes, how can automatic enrollment be implemented consistent with customer data privacy rights?

- **The Board should adopt an auto-enrollment mechanism because such an "opt-out" approach is needed to secure the LMI customer base.** This will provide the revenue flow that will facilitate

lower cost project financing and more effectively serve the LMI residents more in need of energy cost relief. As the Board's Government Energy Aggregation (GEA) program design has demonstrated in a multitude of programs, an opt-out program operated by a municipality can simultaneously protect customers, achieve strong pricing and demonstrate savings; and reduce customer sign-up cost. This is historically proven by the State's own actions: in 2003, legislators passed the Government Energy Aggregation Act; however, it became clear that the opt-in requirement stymied the growth of GEAs. Accordingly, in 2012 the Government Energy Aggregation Act was amended to remove the opt-in requirements. Since allowing the program to use automatic enrollment, the GEA program has flourished, now serving dozens of municipalities and hundreds of thousands of residents. This lesson learned should be applied to the design of the permanent Community Solar Program as well.

- Automatic enrollment can provide much greater assurance that an adequate LMI customer load will be purchasing solar energy over the term of the Community Solar power purchase agreement. Solar developers price a "risk premium" into their pricing that is commensurate with the level of risk related to customer erosion. The opt-out approach will minimize this risk because the Community Solar Program will keep the customer size and load at an adequate level for the term of the Community Solar power agreement, which will translate to reduced costs and greater savings to customers. Under the opt-in approach, the risk premium and high costs of enrollment for LMI customers are so pronounced that there are virtually no community solar programs around the country that have achieved 100% LMI customers participation. Accordingly, the opt-out method is vital to the success of the State's efforts and will eliminate a significant hurdle that has stunted community solar success for the LMI population in other states. In short, the opt-out approach can make New Jersey a national leader in LMI-based Community Solar, delivering on the Murphy Administration's primary Community Solar goal: serving LMI customers.

- Automatic enrollment can be implemented to protect customer data privacy rights by using the successful GEA opt-out rules and protections. These measures, which have already been approved and adopted by the Board, are sufficient to protect customers' rights. Many of these policies can be directly applied to the Community Solar automatic-enrollment system with relatively little adjustment. Specifically, the Board can adopt opt-out regulations and address customer privacy issues through the addition of the following passage to the Community Solar Automatic-Enrollment Rules:

"All public utilities subject to regulation by the Board shall take necessary steps to facilitate and provide local government with access to the historic billing usage of customers, point of delivery identification number, if applicable, and other information required by the public utility to enroll customers in an automatic enrollment project upon satisfactory evidence that the automatic enrollment project is duly authorized by a municipal ordinance or resolution and by the Board. All public utilities subject to regulation by the Board shall provide this information for all residential customers in the municipality, at the option of the municipality, to facilitate the customer identification and enrollment process by the municipality. This local government access shall be for the purposes of identifying and enrolling LMI customers and determining subscribers' historic annual usage, in order to appropriately size community solar subscriptions. The municipality shall indemnify the public utility for any breach of customer information. All public utilities subject to regulation by the Board shall facilitate customer enrollment, opt-out, and, if community solar consolidated billing is directed by the Board, billing."

20) In May 2021, following an opportunity for public comment, the EDCs submitted a report to the Board with options and recommendations regarding the implementation of consolidated billing for community solar. In summary, the EDCs recommend that, if the Board adopts consolidated billing for community solar projects, this billing process be handled by the EDCs. The EDCs further recommended that the method of reflecting subscription fees on a subscriber's EDC bill be determined by each EDC based on the format that best corresponds to their existing billing practices. The EDCs did not recommend that the Board allow non-EDC billing options. Do you agree with the EDCs' recommendations? If not, why? How do you recommend the Board address payment default by customers?

- **Hoboken supports the EDC's recommendation for "Utility Consolidated Billing," and importantly, will further advocate to use the net crediting model for Community Solar Consolidated Billing.** This will mirror the existing Basic Generation Service (BGS) Program (the electric service provided to customers who do not shop for power supply in New Jersey's deregulated market) which includes a consolidated billing mechanism with all charges on the utility bill. BGS providers have their charges collected directly on the utility bill, and – importantly – the utility makes regular payment to BGS providers on a monthly basis, regardless of whether or when customers pay their bills (i.e., net crediting). This system should be the inspiration for Community Solar Consolidated Billing. Under this mechanism, EDCs will still engage in its normal payment recovery process, subject to the consumer protections in the BPU's rules.
- BGS-style billing has been used successfully for over 20 years. For community solar to achieve our social justice goals, and for Hoboken to achieve its climate action goals, we should not exclude LMI customers from this same approach of consolidated billing. Importantly, from the customers' perspective, it will be less confusing to see their total energy cost on one bill and the benefits of participation in Community Solar will be more apparent. Furthermore, using BGS as a model for billing will lead to more LMI customer participation at a lower cost because community solar developers will have stable revenue and be incented to serve them. Without it, community solar providers will increase rates to LMI customers and will receive a financial signal to minimize, rather than pursue, enrollment of individually billed LMI customers. The costs of this approach should be recoverable by the EDC from its ratepayers, as is the case for its other clean energy and consumer collectible support functions.

The City encourages the BPU to take a national leadership position in using community solar to advance environmental justice by adopting the auto-enrollment rule for LMI customers under a Community Solar Program led by a public entity and requiring the EDC to use the USB consolidated billing method with net crediting, for at least all LMI customers, and ideally for all customers.

Thank you for your time and consideration.

Sincerely,



Jennifer Gonzalez, AICP, PP, CFM, LEED GA
Director of Environmental Services and Chief Sustainability Officer
City of Hoboken

CC: Yasmine Pessar, ENV SP, WEDG
Environmental Planner and Project Manager
City of Hoboken