

**New Brunswick Area Branch of the NAACP
(Unit #2094)**

P.O. Box 235 © New Brunswick, NJ 08903 © 732-828-5363 © newbrunswickareanaacp@gmail.com

May 3, 2022

Subject: Statement from NAACP NJ State Conference on Community Solar
Comments on Permanent Community Solar Program Design
BPU Docket No. QO22030153

New Jersey Board of Public Utilities
44 South Clinton Avenue
Trenton, NJ 08609

Dear President Fiordaliso:

The NAACP NJ State Conference (NAACP) applauds the efforts of the Board of Public Utilities (BPU) and Governor Murphy for their commitment to environmental justice in the context of Community Solar. Environmental injustices, which are now being exacerbated by climate change, have a disproportionate impact on communities of color and low-income communities. NAACP has been an active participant in the BPU proceedings to develop Community Solar policy in New Jersey, having previously filed comments with the BPU with the aim of ensuring that the Community Solar Program (Program) is highly successful in its goal to benefit low-and-moderate income (LMI) New Jersey residents.

NAACP believes that the BPU's Community Solar Program creates a prime opportunity for New Jersey to enhance its environmental justice efforts – if designed and implemented correctly. For solar developers, the current Program design includes substantial deterrents to serving individually metered LMI residents, as detailed below. As a result, to date most LMI-based programs have focused on master-metered housing, leaving individually metered LMI customers (by far the largest LMI customer sector) including people living in apartments and other individually metered residences with greatly reduced opportunities to participate and benefit from the Program.

This is an urgent and significant program flaw that should be addressed for both the pilot program and the permanent program moving forward.

Accordingly, we respectfully request that to truly address racial and income disparities in the Community Solar Program the BPU should expeditiously acknowledge and address the

inherent bias in the Program's current enrollment and billing systems, and make the following changes as soon as possible to address these disparities:

- 1. Adopt Rules allowing auto-enrollment of LMI customers for municipal Community Solar projects; and**
- 2. Adopt Community Solar Consolidated Billing using net crediting to provide LMI project revenue security and expand Community Solar to LMI customers.**

These changes to the Community Solar Program design should be adopted by September 1, 2022, as these are key aspects of environmental injustice that the BPU urgently need to address.

It is important to note there is already a foundation in place that will allow the BPU to expeditiously take these actions. Specifically: (a) the BPU has already drafted (but not adopted) an automatic enrollment rule which it can quickly use (with minor adjustment) as a basis for the auto-enrollment proposal; and (b) the electric utilities are amenable to consolidated billing using a net crediting method as they recommended such in their filing of May 28, 2021 to the Board. Accordingly, an implementation pathway is already established. What is needed now is timely BPU leadership and action.

The discussion below provides the policy basis for these recommendations.

Adopt an Auto-Enrollment Mechanism for Low-and-Moderate Income

Individually Metered Customers to enroll in The Community Solar Program

As NAACP shared in previous comments, Community Solar needs to be designed with a focus on the realities of LMI customers who struggle to meet their basic needs and stay within budget. At its core, the design must recognize that these customers are not looking for or nor should they be expected to put the time and effort into shopping for a green energy product. There are Community Solar Programs around the country that are aimed at typically affluent, environmentalist customers who are willing to go out of their way to sign up for the community solar, but this is not the people this program must reach in order to fulfil the State's goal towards environment justice. To reach the people and communities who are most in need of financial relief, the BPU must allow municipalities to use an auto-enroll or "opt-out" mechanism to subscribe customers.

Under an "opt-out" structure, LMI customers are identified en-masse by the municipality and auto-enrolled into Community Solar, while being well-informed of their right to opt-out of the Program at any time with no penalty. Opt-out is already a proven and Board-approved mechanism proved successful in Government Energy Aggregation Programs across the State. If the built-in protections used for Government Energy Aggregation are sufficient to enroll an entire town, then it stands to reason the same mechanism would and should be just as easily applied to the much smaller Community Solar Program.

From the perspective of providing sufficient energy savings to truly counteract the LMI customer's energy burden, the BPU's current rules on enrollment – whereby subscribers must enroll themselves on a one-by-one basis – are harmful to program success. The high costs to Community Solar developers to achieve sufficient enrollment of LMI customers significantly makes enrollment of individually metered LMI customers highly inefficient, difficult, and costly. Without an opt-in mechanism, the Board's goal of widespread, successful enrollment of individually metered LMI customers will not happen.

These points have been made to the BPU by the NAACP and others over the last several years, leading the BPU to issue a proposed rule amendment to allow auto-enrollment in November 2020. Unfortunately, the BPU allowed to this rule proposal to expire with adopting it (without explanation). Accordingly, **NAACP requests that the BPU re-propose an auto-enrollment rule to the Community Solar Program, applicable to both the Pilot and Permanent Program, to resolve the injustice that is embedded in their current Community Solar Pilot Program design.**

The BPU should direct the electric utilities to adopt Utility Consolidated Billing (UCB) Under the Net Crediting Methodology for The Community Solar Program

As NAACP shared in previous comments, in seeking equity it is important to examine the insidious ways that program design may be inherently discriminatory – including in its billing structure. The current billing approach for Community Solar is via dual billing, whereby community solar providers render a bill that is separate from the electric utility bill. For individually metered LMI customers, this leads to (a) customer confusion through receipt of a new bill and confusion about whether savings are being realized, (b) an increased rate of non and late payment, and (c) higher risk and costs to solar projects, resulting in increased cost and pricing to customers and less interest by investors in seeking individually metered LMI based projects.

The most appropriate and equitable structure of community solar billing would utilize the key features of the successful existing Basic Generation Service (BGS) billing structure which has been used by the BPU for over twenty years. BGS is the electric service provided to customers who do not shop for power supply in New Jersey's deregulated market. In the BGS billing structure, utilities already include the charges levied by default suppliers on their bills to customers and pay their default (BGS) suppliers on a regular and prompt basis for the power they provide, regardless of customers' payment patterns or histories. Under this system, the confusion of two bills is avoided and payments to suppliers are secured. NAACP shared this position during the Consolidated Billing Stakeholder Process held by BPU in March of 2021.

In response to the Consolidated Billing Stakeholder Process, on May 28, 2021, the electric utilities filed a report to BPU which agreed that the current billing approach creates significant problems and recommended a consolidated billing approach, known as Utility Consolidated Billing (UCB), in which the electric utilities will prepare and issue a single monthly electricity bill (inclusive of their normal electricity charges, the solar credit and the

charges from the community solar provider) to community solar subscribers. The electric utilities' proposed UCB structure is consistent with the BGS billing structure NAACP advocated for.

Furthermore, NAACP recommends that to truly fix this design flaw the electric utilities should make payment to the Community Solar Project monthly, regardless of the timing of customer payment (in the same manner utilities make payment to BGS providers). This will provide the Community Solar Project with more secure revenue; consequentially, the cost of serving low-income customers will be reduced, leading to higher savings for customers and a more successful Community Solar Program overall. Importantly, this will motivate investors to seek projects that serve LMI customers and mend a historical barrier to the success of programs aimed at serving that demographic.

Unfortunately, in the eleven months since the EDCs' submission, BPU has taken no action nor indicated to stakeholders when and what action will be taken to address the current unfair billing structure.

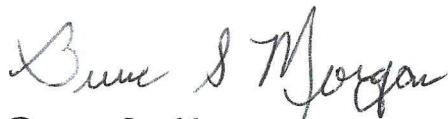
Creating an equitable Community Solar Program is within the BPU's reach. We urge the BPU to require the electric utilities to offer the same consolidated billing method for community solar which is already used for BGS for (at least) all LMI customers, and ideally for all customers; and to allow utility cost recovery of such initiatives from ratepayers. By instituting this design, BPU can change the status quo where investors view programs which serve LMI customers as risky due to the high degree of LMI payment risk. Instead, BPU can be leaders in addressing this problem and flipping the script, so investors want to invest in programs benefitting LMI customers.

Accordingly, **we recommend that BPU expeditiously adopt Utility Consolidated Billing (UCB) under the Net Crediting methodology for current pilot program community solar projects and for future permanent community solar program projects serving LMI customers.**

Conclusion

Through the two recommendations above (auto-enrollment and consolidated billing), the BPU and the State can create a nation-leading Community Solar program which addresses the past, present, and institutional environmental injustices that have plagued people of color and LMI customers. We look forward to working with you to make New Jersey a national leader in community solar and furthering much-needed environmental justice.

I greatly appreciate your attention to this matter and am available for any follow-up conversation.



Bruce S. Morgan

Bruce S. Morgan,
NAACP National Resolutions Committee Member
1st VP New Jersey State Conference NAACP
President New Brunswick Area Branch NAACP

Lawrence Powell

Lawrence Powell
Environmental Justice Chairman New Brunswick Area Branch NAACP

CC:

Jane Cohen, Executive Director of Governor's Office of Climate Action and the Green Economy

Taryn Boland, BPU Chief of Staff

Henry Gajda, BPU Deputy Chief of Staff

Kelly Mooij, BPU Director of Division of Clean Energy

ABOUT THE NAACP Founded in 1909, the NAACP is the nation's oldest and largest nonpartisan civil rights organization. Its members throughout the United States and the world are the premier advocates for civil rights in their communities. You can learn more about The New Jersey State Conference NAACP, the numerous local units throughout the state, the advocacy efforts, and the annual convention at <http://www.njscnaacp.org>

The New Brunswick Area NAACP was chartered to serve the following municipalities: Bound Brook, East Brunswick, Franklin Township (Somerset County), Highland Park, Hillsborough, Middlesex Borough, Milltown, New Brunswick, North Brunswick, Piscataway, Sayreville, Somerville, South Brunswick, and South River.