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**VIA ELECTRONIC
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NJBPU
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RE: Response to Request for Comments In the Matter of the Community Solar Energy Program (“Permanent Program”) – Docket No. QO22030153

Dear NJ Board of Public Utilities Staff,

Verogy is a vertically integrated commercial and industrial solar PV developer with operational projects throughout the Northeast and projects in development nationally. Verogy appreciates the opportunity to comment on Docket No. QO22030153 regarding the development of the Community Solar Permanent Program, as this program has the potential to greatly expand access to solar for all New Jerseyans, as well as serve as an example of an effective community solar program for other states across the country.

Please see Verogy’s response to the questions posed by the Board below. Verogy looks forward to the feedback the Board may provide & is excited to participate in this leading program.

I. Program Design and Eligibility

- 1) The Solar Act of 2021 states that the new Successor Solar Incentive Program should aim to provide incentives for at least 150 MW of community solar facilities per year. How should the annual Permanent Program capacity limit account for potential project “scrub” (i.e., planned projects that do not reach commercial operation)?
 - **No comment.**
- 2) Should the Permanent Program capacity be divided into separate blocks, and if yes, how? (i.e., By EDC service territory? By project type or size)? Additionally, the Solar Act of 2021 requires the Board to consider “the economic and demographic characteristics of the area served by the facility, including whether it is located in an overburdened community[.]”¹ How should any blocks address this requirement?
 - **Verogy suggests the Board consider dividing the available 150 MW of Community Solar under the ADI program between LMI-dedicated community solar and non-LMI dedicated community solar (not necessarily evenly). A dedicated carve-out would improve the chances of LMI Community Solar projects being built**
 - **Developers will seek the most beneficial sites for a project according to the Community Solar Permanent System scoring criteria. If this criteria is similar to the Pilot Program, LMI projects will be at an advantage to site the projects in the communities they serve.**
- 3) Staff intends to recommend similar qualifications and ownership restrictions for solar developers participating in the Permanent Program as were implemented in the Pilot Program. Please comment.
 - **No comment.**
- 4) What land use restrictions and limitations, if any, should apply to the siting of community solar projects?

While Section 6 of the Solar Act of 2021 does not establish siting standards for Community Solar projects, should the Board adopt comparable standards be extended to also apply to community solar facilities? What should those standards look like?

- **Verogy suggests the Board consider restricting the use of wooded areas for community solar projects, therefore preventing deforestation due to solar PV development.**
- 5) The CEA states that the Permanent Program rules and regulations shall “establish standards, fees, and uniform procedures for solar energy projects to be connected to the distribution system of an electric public utility” (Section 5(f)(11)). What changes, if any, should be made to the existing community solar interconnection standards and processes?
 - **No comment.**

- 6) What measures should the Board implement to minimize negative impacts to the distribution system and maximize grid benefits?
- ***Verogy suggests the Board consider giving additional selection preference to projects sited within or adjacent to the communities they serve – therefore placing generation at or near load. Similar to the Pilot program, there could be varying degrees of “adjacency” from adjacent municipalities to adjacent counties...etc.***

II. Project Selection

- 7) How should projects be selected for participation in the Permanent Program? Please provide a detailed description and discussion of the advantages and disadvantages of your proposed method of selection, with an emphasis on establishing criteria that are transparent and easily verifiable.
- ***No comment.***
- 8) Should the Board consider creating a waitlist for non-selected projects? If yes, why would a waitlist support the continued development of community solar projects without increasing program oversubscription? How should this waiting list be implemented to avoid a situation where all capacity is spoken for months or years ahead of a solicitation?
- ***Verogy would argue against creating a project waitlist to avoid a situation similar to that of the ABP in IL where all current and future capacity in the program is accounted for almost immediately. Instead, Verogy suggests allowing any unused or forfeited capacity from projects that fail to reach completion to be rolled forward into future years.***
 - ***If a waitlist was created, Verogy suggests that projects on the waitlist be allowed to bid into subsequent years solicitations while maintaining their spot on the previous years waitlist. Then, if in a later year’s solicitation, the project could forfeit its waitlist spot & allow other projects to advance on the waitlist.***
- 9) What minimum maturity requirements should projects be required to meet before applying to participate in the Permanent Program? To what extent should the Community Solar Energy Program maturity requirements be different from, or similar to, the requirements for projects to apply to the Administratively Determined Incentive (“ADI”) Program?
- ***Verogy supports maintaining the same maturity requirements as other projects under the ADI program.***
- 10) Should the Board consider any changes to the coordination between community solar project awards and the process for registering for the ADI Program?
- ***Verogy suggests using the same project registration process for all ADI projects, including community solar projects to avoid any confusion across multiple registration processes.***
 - ***If any additional steps are required for registration of community solar projects, Verogy suggests that they be housed within the same process or portal as all other ADI projects.***

III. Low- and Moderate-Income Access

- 11) What policies and measures should the Board consider to ensure that the Permanent Program maintains a high level of low- to moderate-income (“LMI”) participation? How can the Board support community outreach and education?
 - ***As stated in response to question I.2, Verogy suggests dedicating a certain amount of MW capacity within the Community Solar ADI program to serving LMI customers. The level of stringency of these requirements could vary, such as requiring “LMI Community Solar” projects to have at a minimum 51% of MW allocated to LMI customers, or 75%, or another milestone.***
- 12) Should the Board modify the Pilot Program’s income verification standards (see the Pilot Program rules at N.J.A.C. 14:8-9.8)? If so, how?
 - ***No comment.***
- 13) How should the Board consider “the economic and demographic characteristics of the area served by the facility, including whether it is located in an overburdened community, as that term is defined in section 2 of P.L.2020, c.92”?[2](#)
 - ***Verogy suggests the Board consider project selection criteria similar to the Community Solar Pilot Program, such as project adjacency requirements. Therefore a project would benefit from siting itself close to the load it serves. This would provide local community benefits as well as alleviate grid congestion by locating projects close to load.***
 - ***Verogy also suggests selection preferences and/or additional flexibility for projects sited on contaminated sites such as landfills or brownfields. Siting projects on sites such as these would provide benefits to the municipalities that own the sites through lease payments and/or tax revenues on otherwise wasted land.***

IV. Community Solar Subscribers

- 14) What should the geographic limitations for community solar projects and subscribers be (i.e., How far from the project can subscribers to the project reside)?

For context, the Pilot Program allowed projects to self-select the geographic limits of the project. Projects could choose between three options: municipality and adjacent municipalities, county and adjacent counties, and no limit (EDC-wide).

- ***Verogy suggests, similar to the Pilot Program, requiring only that Community Solar projects serve subscribers within the same EDC territory that it is located. However, Verogy also suggests providing project selection preferences for projects that are sited near the subscribers it serves, such as the examples given in this question.***

- 15) The Pilot Program mandated that each community solar project must have a minimum of 10 subscribers, and a maximum of 250 subscribers per MW of installed capacity. Should either of these mandates be changed under the Permanent Program?
- ***Verogy suggests removing the minimum of 10 subscribers per MW of installed capacity. This artificially restricts the capacity that could be allocated to entities with “medium-sized load” – i.e. somewhere between the load of a residential customer and a large industrial user. Many local businesses or LMI housing authorities, for example, could easily offtake load and benefit from > 100 kW of community solar capacity.***
 - ***Verogy suggests a minimum of 1 subscriber per MW of installed capacity.***
- 16) Should the Board make any modifications to the consumer protection measures implemented under the Pilot Program?
- ***No comment.***
- 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?
- ***No comment.***

V. Community Solar Bill Credits

- 18) If applicable, please discuss your experience with subscriber management and the allocation of community solar bill credits. What changes, if any, should be made to communications between community solar subscriber organizations and the EDCs, or to the allocation of bill credits by the EDCs?
- ***Verogy has historically sought community solar subscriber aggregation and management services from a third party.***
 - ***EDCs should be required to publish the monetary value of community solar bill credits by rate class annually, or whenever service rates change, so that the public (potential subscribers) and the development community are explicitly aware of the value of these credits and can make informed decisions based on this value.***

19) What modifications, if any, should the Board consider making to the value of the community solar bill credits?

- ***Verogy suggests EDCs be required to offer “DG friendly” utility rates, which shift costs from demand charges to energy charges for non-residential customers. This would have the effect of increasing the value of community solar bill credits for non-residential subscribers, and therefore increasing the likelihood non-residential customers participate in the Program.***
- ***Otherwise, Verogy suggests including some amount of demand / capacity benefits in the value of community solar bill credits. Because community solar projects are intended to be sited near the load they serve, projects would have the effect of reducing grid capacity requirements and providing grid-edge benefits for the EDCs within the communities where load is located. This would also have the effect of increasing community solar bill credit value for non-residential customers, and therefore increasing the likelihood of their participation.***
- ***Currently, the value of community solar bill credits for non-residential customers is dramatically less than that of residential customers, having the effect of reducing participation in the program by non-residential subscribers. These non-residential subscribers include LMI housing authorities whose tenants would benefit substantially from their housing authority’s participation in the Community Solar Program.***

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?

- ***Verogy supports the option for subscribers to elect whether to participate in consolidated billing for community solar through EDCs, or be billed separately by their community solar project owner directly.***

VI. Other

21) Please provide comments on any issues not specifically addressed in the questions above.

- ***The Community Solar Permanent Program should develop clear & consistent rules around siting multiple Community Solar projects on a single parcel or adjacent parcels. This would provide certainty for the development community when pursuing opportunities where one large parcel, or multiple nearby parcels are available for development.***
- ***The Community Solar Permanent Program should develop clear and consistent rules around the interaction of Community Solar projects with other ADI project types (net metered) or CSI projects on the same or adjacent parcels.***
- ***Verogy suggests allowing at least two Community Solar ADI projects be sited on a single parcel of contaminated or otherwise difficult to develop land that would have limited other uses, such as landfills or brownfields, provided that the projects are separately interconnected and separately metered. Because there are no sub-categories of Community Solar projects based on capacity, this would not result in project owners receiving higher than intended incentive rates. Additionally, allowing for multiple projects to be sited on a single contaminated parcel would encourage remediation of the entire parcel, rather than only part of it.***

Sincerely,

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