G&S SOLAR

Request for Comments in the Matter of the Community Solar Energy Program
Responses from G&S Solar
5/6/22

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)?

To account for about half of the unused PY3 capacity, we proposed increasing the Permanent Program capacity to 225 MW for Year 1.

To account for the capacity lost by planned projects that do not reach commercial operation, thus causing the SuSI Program to fall short of its goal, there should be a process in place to make up for that deficit. If a project drops out of the block for whatever reason, that capacity should be added into the block of the following year.

To decrease the likelihood of selected projects dropping out, the Program should require an annual payment deposit to lock the project into the block and remain there, to be refunded upon project completion, as well proof of a signed site lease or option agreement between the developer and property owner. By raising the standards for entering the queue, this should increase the likelihood that the projects selected are ones that will reach completion.

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?

We propose dividing the Program capacity into two blocks: LMI (150 MW) and non-LMI (75 MW) projects. In this case, the LMI block should be exclusively LMI projects and the non-LMI should include any project regardless of LMI status. This would help ensure an established minimum target of LMI projects being built.

We support an EDC-wide geographic limit for subscribers, in which case the project's location would be irrelevant, since a subscriber can be anywhere in the utility territory. This issue should be addressed by offering a higher priority for LMI projects, which is how it's set up now.

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?

These standards should be extended to Community Solar. In the context of land use, community solar has the same effect on the land as grid-supply or net metering.

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?

There needs to be standards across the board. Right now each utility comes around with a different response.

G&S applied for 3 projects last year to Atlantic City Electric, all over 50 kW. The circuit was restricted to 50 kW, and the only option we were given was to lower our size to below 50 kW or be denied. In the event that a proposed community solar project exceeds the capacity available on the circuit, the utility should provide an option for the applicant to pay for any necessary grid upgrades.

6) What measures should the Board implement to minimize negative impacts to the distribution system and maximize grid benefits?

Invest in upgrading the distribution system.

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.

In addition to the scoring criteria used in the pilot programs, we recommend a few others:

- Higher preference for applicants with a proven track record
    - Experience building community solar (MW)
    - Experience building in NJ (MW)
- Higher preference for applicants that can prove adequate financial resources
- Application requirements
    - To decrease the likelihood of selected projects dropping out, the Program should require:
        1) an annual payment deposit to lock the project into the block and remain there, to be refunded upon project completion,
        2) proof of a signed site lease or option agreement between the developer and property owner, and
        3) an approved interconnection application.

      Raising the standards for entering the queue should increase the likelihood that the projects selected are ones that will reach completion.

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?

No waitlist. If community solar eligibility is determined by a selection process based on scoring criteria, we don't believe that a project that did not score high enough in one year should be first in line for the next. But for every project that was selected for community solar but then drops out or is removed, the capacity of that project should be added to the total capacity of the next phase.

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?

Applicants should be required to provide a signed site lease agreement or option agreement between the developer and property owner, as well as an annual, refundable payment deposit to lock yourself into the block and maintain your position in the queue. Because it's a competitive selection-based program, the standards for the Permanent Program should be more strict than those of 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?

If a project gets selected into the Permanent Program, it should not be shut out from the ADI Program. This should be addressed by setting the same MW cap for each.

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?

1) LMI projects should be prioritized in the Board's selection criteria
2) Divide the Program capacity into two blocks: LMI (150 MW) and non-LMI (75 MW) projects. In this case, the LMI block should be exclusively LMI projects and the non-LMI should include any project regardless of LMI status. This would help ensure an established minimum target of LMI projects being built.

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?

The Board offers a wide range of ways to qualify as LMI. We think the important thing is that, if you do have low to moderate income, your LMI eligibility is easy to prove. The current standards seem to accomplish that so we have no criticism at this time about the current rules.

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”?

We support an EDC-wide geographic limit for subscribers, in which case the project’s location would be irrelevant, since a subscriber can be anywhere in the utility territory. This issue should be addressed by offering a higher priority for LMI projects, which is how it’s set up now. We also supported including a separate block for LMI projects to further incentivize serving overburdened communities.

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).

We support an EDC-wide geographic limit for subscribers. This would provide the most flexibility to reach overburdened subscribers and would avoid the limitations caused by thinly populated areas around a given community solar project.

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?

We don’t see a reason to establish a subscriber maximum. It’s an unnecessary restraint on customer acquisition, which should be carried out without bias against customers with low electricity usage.

16) Should the Board make any modifications to the consumer protection measures implemented under the Pilot Program?

No.

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?

These projects owned by public entities should not have different rules from everyone else. Automatic enrollment should be allowed for everyone or not be allowed at all.

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?

On bill crediting is crucial to maintaining records. There should be clarity on whether the credits are volumetric or monetary, and clear communication between the EDC and subscribers in the event of delays or issues, especially wide-scale issues, so that subscribers are not left in the dark. If EDCs are managing subscribers through on bill crediting, developers and/or subscriber organizations should be notified about dropped out/disqualified customers on a regular basis, to allow for churn.

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

None.

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?

Payment default - credits should continue till subscribers receive their bills and have service.

VI. Other

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

We believe the public effort to provide sustainable and affordable energy to NJ residents is deserving of creative and unique policy considerations. For example, solar companies that engage in a public/private partnership with government entities/non-profits or senior/veteran organizations that provide low/moderate income residents with affordable energy should be given extra consideration.

Renewable and Solar facilities that deliberately incorporate community service within their project missions, like educational tools to advance the Governor's mandate for clean energy, should also be accorded additional consideration. The "New York One" program is such an example.

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