

**REQUEST FOR COMMENTS IN THE MATTER OF  
THE COMMUNITY SOLAR ENERGY PROGRAM**

[Docket No. QO22030153](#)

Soltage LLC (“Soltage”) thanks the New Jersey Board of Public Utilities (“BPU” or “the Board”) and staff for the opportunity to submit these comments regarding the design of the permanent Community Solar Energy Program (“Permanent Program”). In these comments, Soltage responds to question #7 on how projects should be selected for participation in the Permanent Program and suggests that the Pilot Program scorecard method be used for the Permanent Program. Soltage also responds to questions #1, #4, and #11.

Soltage is a New Jersey-based company founded in 2006 in Jersey City, owning and operating over 350MW of solar assets across the nation. We are proud to own and operate the first landfill community solar project in New Jersey to become operational, the 3.1MW Tri-County Solar Farm in Delanco, New Jersey, which provides guaranteed savings to hundreds of residents including the majority of the project’s output to low- and moderate-income residents, and which has partnerships with several community organizations and local nonprofits. Soltage also owns and operates solar projects in fourteen states and counting, including eight states in which we either own and operate community solar projects already or have community solar projects under development. We are developing a robust pipeline of projects that we intend to apply into the New Jersey Permanent Program. Soltage is an active member of the Coalition for Community Solar Access (“CCSA”) and although we do support some of their positions regarding the Permanent Program, we do not agree with some of their positions, especially the “first come, first served” selection process, which we believe amounts to a game of who can click “submit” fastest the moment the program opens, or worse, who can program a bot to click “submit” fastest the moment the program opens. This letter serves to comment on the aspects of the Permanent Program for which our position differs from that of the CCSA, and also in some cases to emphasize what we believe are the most important items. For questions that we do not address in this letter, we agree generally with the CCSA letter.

**Question #7: Competitive Scorecard vs. First-Come-First-Served:**

The Permanent Program should continue the Pilot Program’s scorecard process. The main objection that some stakeholders raise to this method is the long time period that it took in the Pilot Program, especially Year 2 of the Pilot Program, for applications to be reviewed and scored and finally for winners to be announced via board order. In order to solve this problem, we suggest that applicants should be charged application fees, which should be used to fund additional NJBPU Staff positions or consultants dedicated to reviewing and scoring applications. On the other hand, considering the known excess of applications (at least 650 MWs), a first-come-first-served process would entail awarding projects to whoever can click “submit” the fastest, rather than awarding the projects that provide the greatest public good. We have participated in various states’ community solar selection processes, and we know from experience that a “fastest to click” process is, for all intents and purposes, a lottery system that allows luck or faster internet speeds or even the use of bots to drive the selection process; we also know from experience that New Jersey’s innovative scorecard method leads to solar companies like us maximizing the public good that their projects provide, from the siting to the subscriber savings to auxiliary benefits projects offer to townships and local nonprofits.

Some proponents of the “First-Come-First-Served” method suggest that in order to reduce the oversupply of project applications, project maturity requirements should be significantly raised. We believe that this will favor established players with bigger budgets and raise the barrier to entry too high for local small businesses and new solar startups to participate; Soltage is now an established national player, but we remember when we were a small local solar company in 2006, and we want that kind of opportunity to grow in the New Jersey solar industry to remain available to small local businesses, solar startups, and grassroots co-ops. Frankly, we also foresee our NJ development budget ballooning in a scenario where high project maturity requirements force us to put many more dollars at risk on projects before we know that they can secure a place in the Permanent Program, and even for a proud Garden State company like Soltage that could discourage us from pursuing New Jersey community solar compared to the many other states that do not require six-figure at-risk spends for every community solar project pre-state-award. Additionally, high barriers to entry favor rooftop projects over landfill and brownfield projects because rooftop projects are much easier and less expensive to permit than landfill and brownfield projects; with high project maturity requirements, we predict a significant decrease in the number of landfill and brownfield applications into the program, because it is hard to justify spending the many thousands of dollars permitting a landfill or brownfield project before knowing that it has a place in the community solar program.

Perhaps the most disastrous project maturity requirement that some proponents of a “first-come-first-served” program advocate for is a fully executed interconnection agreement or completed interconnection study. The Electric Distribution Companies (“EDCs”) are already handling a lot of work, they are backed up and often slow to complete studies, provide upgrade cost estimates, and respond to interconnection applicant questions. The thought of NJ EDCs getting flooded with hundreds of interconnection study applications for projects that don’t even yet have a spot in the Permanent Program, most of which will not be awarded into the program in any given year given the abundance of projects, is a nightmare. The entire state’s distributed generation industry, let alone community solar, could be clogged for *years* and this could truly have unintended consequences impacting the larger state Renewable Portfolio Standard. Also, remember that interconnection study results usually have expiration dates on them so this process would be repeated ad nauseum not only for new projects every year but also for the same projects over and over again. It is much better for everyone – and we imagine the EDCs would agree – for community solar projects to apply to interconnection studies after they are awarded into the community solar program, not before. Note that Soltage is amenable to interconnection pre-application reports being part of the community solar application requirements, provided that the NJBPU standardize what info is reported on pre-app reports and order EDCs to provide them in a timely manner and in the order they are requested. As a clarifying point, we are not necessarily advocating for pre-apps to be required in CS applications but we are amenable to this concept, unlike a requirement for a full interconnection study to be completed before CS application submittal which we strongly oppose. We also support the CCSA requests for standardization and improvement and regular updates to EDC hosting capacity maps.

**Question #1: How to account for projects that do not reach commercial operation**

On this point, we agree with the CCSA about a rollover mechanism, including applying this method to any pilot program projects that fail to reach commercial operation within their deadlines, and including a dollar calculation rather than a simple 1:1 MW calculation so that no budgeted TREC dollars are lost in the rollover process. To be clear, this is not asking for any permanent program projects to be awarded TRECs; this is saying that a calculation would be made to determine the incentive dollars that were previously

budgeted in a prior CS year's awards and that are now associated with failed projects, and translating those budget dollars into a number of MW in the then-next energy year community solar capacity. For example, the ratio of the TREC for CS to SuSI for CS LMI is 129.20 to 90, aka 1.435. For every 1 Pilot Program MWdc that fails to reach commercial operation, there should be an additional 1.435 MWdc rolled over and added into the next applicable permanent program year's capacity. Another way to calculate this is using a standardized production assumption such as 1200 MWh/MWdc/yr which has been used in NJBPU solar programs in the past, and a net present value discount rate. For example,  $\$129.20 \text{ TREC} \times 1200 \text{ MWh/MWdc/yr} \times 15 \text{ years} = \$2,325,600$  which should then be subject to a net present value calculation as well as a standard 0.5% annual decreased production rate on the 15 years. Regardless of which exact calculation method is used, the important point is that New Jersey should not miss out on budgeted dollars in its solar programs just because some awarded projects fail to reach commercial operation. If the SuSI ADI incentive for CS projects is reexamined and decreased or increased during the permanent program, the same principle should apply in the rollover mechanism during the permanent program. Some amount of project failure is normal in any community solar program, and the question is how best to deal with them. Note that our answer to question #1 and our answer to question #7 are related; the rollover mechanism that we support in our answer to question #1 and the higher barriers to entry that we oppose in our answer to question #7 are both ways to protect against the program falling short of its goals, but the rollover mechanism does so without raising the total dollars spent statewide by public and private parties per installed megawatt, while the higher barriers to entry greatly increase the total dollars spent per installed megawatt, discourages participation in the program, and clogs up the interconnection and permitting processes statewide.

On a related note, the first year of the Permanent Program should be a baseline of 300 MWdc, not 150 MWdc, in order to make up for the fact that the Permanent Program has not been finalized in time to award projects in energy year 2022. Solar Landscape's letter to the NJBPU dated March 30, 2022, has a more thorough explanation of why this 300 MWdc baseline in the first year of the Permanent Program is vital and we agree with their arguments on this point. The rolled-over MW from failed projects in the Pilot Program should be additional to the 300 MWdc in year one of the Permanent Program.

At a high level, we believe the most important metric in measuring success of community solar programs in New Jersey is number of megawatts installed, and these two points about the rollover mechanism and the 300 MWdc baseline plus rolled-over MW in the first year of the permanent program have probably the greatest impact upon total installed megawatts in the program of all of the questions the NJBPU has posed in its request for comments. This 300MWdc baseline plus rolled-over budgeted MW from the pilot program may sound at first like a big ask for year one of the Permanent Program, but actually this does not represent an ask for any additional dollars to be budgeted; this is all aligned with the targets and budgets that the NJBPU has already approved and is simply a way of protecting against program shortfalls by ensuring that no megawatts or budgeted REC dollars "die on the vine."

#### **Question #4: Siting**

Soltage supports the comments of CCSA and others that advocate for the inclusion of dual-use agrivoltaic projects as preferred siting for the Permanent Program, as well as all the siting types that are already considered preferred siting in the pilot program. In fact, we go one step further and say that with a scorecard selection process, the siting requirements should continue the eligibility of the pilot program which includes farmland even without dual-use. We acknowledge that non-dual-use farmland sites will be unlikely to be awarded in the first several years of the Permanent Program given the high supply of

preferred siting applications, but eventually in the long term, the preferred sites will be used up and not all farmland sites are suitable for dual-use, so keeping non-dual-use farmland eligible is an appropriate decision for the long term.

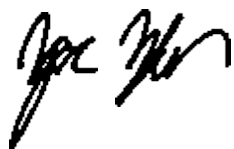
### **Question #11: LMI Access**

Soltage supports the CCSA and others' comments allowing for:

- Self-Attestation as a method to verify LMI status
- Additional income qualifying programs
- Remove proximity requirements or points on a scorecard for proximity of a facility to subscribers. Although this geographical aspect had good intentions in the pilot program, removing this aspect of the program will increase eligibility statewide for all residents and businesses to benefit from community solar.
- Allow for pay stub qualification as a back to the other verification methods

Soltage is eager to apply more projects to the NJBPU for community solar in our home state of New Jersey. We are committed to continuing job creation and workforce development, providing energy savings for subscribers including low- and moderate-income subscribers, and generating clean solar energy to fight climate change and local air pollution. Thank you for considering our comments and we look forward to the next steps in the stakeholder process.

Sincerely,



Zac Meyer  
Manager of Development  
Soltage