In response to: REQUEST FOR COMMENTS IN THE MATTER OF THE COMMUNITY SOLAR ENERGY PROGRAM, Docket No. QO22030153

May 6, 2022

Dear Acting Secretary of the Board Diaz,

Thank you for the opportunity to provide comments on this important matter.

These comments are written on behalf of the following organizations: Drawdown NYC, Serving New Jersey; Earthjustice; Environment New Jersey; GRID Alternatives; NAACP- Metuchen-Edison Area Branch; NAACP, NJ Chapter - Health Education Energy and Pollution Subcommittee of the Environmental and Climate Justice Committee; Natural Resources Defense Council; Neighborhood Sun; New Jersey League of Conservation Voters; Sierra Club - New Jersey Chapter; Solar United Neighbors; Tri-County Sustainability; Unitarian Universalist Faith Action; and Vote Solar.

In order to reach its ambitious clean energy goals and do so equitably, New Jersey needs to focus on community solar as one of the most accessible forms of clean energy. Approximately 75 percent of individuals across the country do not have access to solar energy solutions, because they don't have suitable roof space, don't own their home, or face financial barriers to going solar. These barriers are even more acute for low-income customers. Community solar programs can help address both the physical and financial barriers of going solar. This is why it is so important to get the details of the NJ permanent Community Solar Energy Program right.

Below you will find our responses to several of the posed questions.

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 achieve the state's decarbonization targets, of 50% reduction of greenhouse gas emissions by 2030, and 100% clean energy by 2050, New Jersey must develop all the renewable energy it can. Community solar is vital for expanding solar access to those households without suitable rooftops. In fact, community solar lowers overall grid system costs, and saves all ratepayers money.[1] Given these significant benefits, the size of the permanent program would be at least 150MW, but in an ideal world, the maximum program size would not be predetermined. It would instead be demand-driven with no program cap, as is the case in many states with mature and thriving community solar markets like Minnesota[2] and Washington, DC. For places with program capacity caps like Massachusetts[3] and Colorado,[4] demand regularly exceeds the annual limits, and regulators are required to revisit the program limitations and rules again and again.

The existing annual cap of 150MW of community solar may be artificially low for NJ, unnecessarily limiting the projects that can be developed. As we know, in the first program year of the pilot, BPU received applications totaling 652 MW, and only 78MW were selected to move forward.[5] And in its second year, BPU received 800MW of projects, only selecting 150MW.[6] By contrast, Minnesota built 250MW of community solar in 2018,[7] and NY built 350MW of community solar in 2021.[8]

Instead of a preset annual capacity cap, we recommend pursuing an approach that provides BPU flexibility over the program size, year over year, that better aligns with market demand. Program capacity flexibility paired with LMI access and community engagement requirements could allow the market to grow in an effective and equitable manner. Were BPU to maintain a program capacity cap, we recommend increasing the program size to better reflect demand; and simultaneously increasing the overall size of the ADI program and overall cost cap, such

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[1]The Institute for Self Reliance found the Minnesota community solar program saved all ratepayers $11 million per year. https://ilsr.org/minnesota-community-solar-saves-all-utility-customers-money/

[2] https://votesolar.org/files/1315/5691/0323/VS-Minnesota-Solar_Gardens-2019-Report.pdf

[3]https://www.greentechmedia.com/squared/the-lead/solar-industry-warns-against-smart-reforms-in-massachusetts

[4] https://www.denverpost.com/2020/07/24/colorado-community-solar-rules/

[5] BPU Docket Nos QO18060646 and QO20080556 https://www.nj.gov/bpu/pdf/boardorders/2020/20201002/8C%20-%20ORDER%20Community%20Solar%20Year%202%20Application%20Form%20and%20Process%202020-10-01.pdf

[6]https://www.njspotlightnews.org/2021/10/community-solar-bpu-pilot-permanent-low-middle-income-residents-cheaper-800-megawatts/

[7]National Renewable Energy Lab "Sharing the Sun Community Solar Project Data, Dec 2020 revision" https://data.nrel.gov/submissions/167

[8] https://ilsr.org/national-community-solar-programs-tracker/

that both community solar and rooftop solar markets can thrive. Understanding that these changes may not be possible in year one of the permanent program, they should be under consideration for future program years.

In terms of selected projects that are later scrubbed, were BPU willing to eliminate the program cap, this would no longer be an issue. However, should BPU maintain the program cap, it should make 100% of the equivalent amount of MW or program funding from scrubbed projects available the following year, in order to ensure all deployment targets are met.

Very important to the success of the program is predictability and reliable timelines, allowing developers to plan and continue to invest in NJ year after year. Recognizing limited staff capacity at the Board, we recommend establishing a modest application fee to help support program management. The fees would support a fund to hire contractors or new staff to ensure all timelines are met. If this fee is adopted, we recommend a fee waiver for developers who are based in overburdened communities in NJ.

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?

There should be no preset capacity limit, allowing for each local market to accommodate its full demand.

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.

We support the prohibition of EDC ownership of community solar projects.

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?

The BPU should consider a community solar projects' proximity to overburdened communities. While the energy and savings benefits of the solar production should serve families and businesses in these communities, we should not actively encourage projects to be sited in overburdened communities unless the communities are seeking out projects, e.g. on local organizations, schools, multifamily housing units, or other facilities that serve community members. We need to be actively repairing a legacy of overburdening these communities with power facilities, not replicating it. If a proposed project is located in or adjoining an

overburdened community, the Board should require permit applicants to significantly engage the surrounding community in the permitting process, undergoing similar questions as those required through the Environmental Justice law.

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?

Interconnection can become a major hurdle for expedient deployment of community solar. Interconnection delays have been a major problem in Minnesota,[9] for example, delaying deployment for months, if not years. Indeed, NJ is facing similar challenges, e.g. there are large parts of the grid, primarily in Atlantic City Electric territory, that have been entirely closed to new solar installations for years due to circuit constraints.

We recommend BPU consider the following steps to proactively address interconnection concerns:

1. Require open and transparent reporting of the timelines to interconnect community solar projects and the fees charged. BPU could require each EDC to complete such reporting on a monthly or quarterly basis, and make the data publicly available in a standardized format that's easy to analyze.
2. Create a standard interconnection fee on a per kW basis
3. Investigate performance-based incentives to the utilities for interconnecting solar expeditiously or penalties for failing to do so
4. Creation of an Interconnection Working Group between the EDCs and stakeholders with oversight and participation from board staff. The working group would explore these ideas and develop recommendations to the Board. It could review, edit, create, or eliminate any policies, processes, tariffs, rules, or standards associated with the interconnection of community solar facilities, with the goal of transparency, accuracy, efficiency, and equity to support the achievement of the overall objectives of the program. Such collaboration could begin to remedy today's interconnection challenges developers face, including circuits closed to any solar development.

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

Siting solar and storage in the right places on the grid can be transformative to the operation of the grid. It can enable utilities to avoid billion-dollar upgrades, through so-called non-wires alternatives, thereby saving all ratepayers money.[10]

[9] https://www.startribune.com/solar-developers-fault-xcel-for-delays-in-their-projects/572540511/
[10] See details from projects in states across the country in this SEPA report: https://sepapower.org/resource/non-wires-alternatives-case-studies-from-leading-u-s-projects/

However, only utilities have the visibility into the system to know which areas of the grid would benefit from distributed energy resources like community solar. Integrated distribution planning requires EDCs to look into the future, predict demand curves, and state publicly how the utility will invest to meet the system's needs.[11] This process increases visibility stakeholders have into the grid and the utilities' investment plans. If done well, such planning can facilitate optimal siting of solar projects at the right places on the grid, while at the same time lowering costs for all ratepayers by avoiding more expensive "traditional" upgrade options.

We recommend creating an Integrated Distribution Planning Working Group between the EDCs and stakeholders with oversight, facilitation, and participation from Board staff. The working group would support the Board in establishing an integrated distribution planning requirement for all EDCs, as called for in the 2019 Energy Master Plan.[12] The goal would be to ensure the utilities' near and long term distribution grid investments are made in a transparent fashion, facilitate rapid renewable energy deployment, and result in equitable outcomes across all communities.[13] It would also aim to foster proactive collaboration between EDCs and community solar developers to more effectively plan into the future; increase hosting capacity and open closed circuits to more solar; and enable project siting in optimal locations on the grid.

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.

As noted above, moving into a demand-driven program rather than imposing a program cap is critical to reach our decarbonization goals. While doing so would eliminate the need for prioritizing certain projects, we still recommend maintaining requirements of projects that mirror the prioritization recommendations below.

If the Board does choose to maintain a program capacity limit, the Board should prioritize projects that:

- Successfully serve and engage overburdened communities from the start
- Are owned or operated by people from overburdened communities
- Are registered Minority and/or Women Owned Business Enterprises (M/WBE), like in Washington, DC; and/or certified Benefit Corporations, as is the case in Oregon.[14]

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[11] For a primer on integrated distribution planning, see this SEPA report from 2020: https://sepapower.org/knowledge/integrated-distribution-planning-idp-what-is-it-and-how-do-we-achieve-it/

[12] https://www.nj.gov/emp/energy/

[13] For more on equity in grid modernization, see this Center for American Progress article: https://www.americanprogress.org/article/advancing-equity-grid-modernization/

[14] https://www.oregoncsp.org/wp-content/uploads/2021/03/PIM-v20210112.pdf

- Provide tangible economic benefits to people in overburdened communities, such as workforce development and pathways to community ownership

We also support continuation of the competitive solicitation process for project selection rather than moving to a first-come-first-served model. The competitive solicitation process allows the BPU to prioritize projects that can demonstrate clear benefits to overburdened communities, and prevents the queue from being overwhelmed by the most resourced developers. This process also ensures the projects offering the most community benefits are selected. In the long term, we would like to see the New Jersey community solar program become demand-driven rather than limited by program capacity, which would eliminate the need for only selecting certain projects. Such a demand-driven program should be fitted with guardrails to ensure community benefits are required in each project. In the meantime, however, we see competitive solicitation as the best path forward for project selection.

If the BPU does move to a first-come-first-served model, the program should be limited to projects that serve predominantly LMI households, and are sited on preferred locations such as brownfields, warehouse rooftops, and landfills.

As discussed in response to question 1, we recommend the Board establish a modest application fee from developers to help support the application review process and program oversight. The fees would support a fund to hire contractors or new staff to ensure expedient application processing and sufficient program oversight. If this is adopted, we recommend a fee waiver for developers who are based in overburdened communities in NJ.

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?

Consolidated Billing: Paying two separate bills is one of the most common reasons why LMI households fail to enroll or unenroll from community solar programs. It is cumbersome and confusing and makes savings incredibly difficult to perceive. LMI ratepayers are not going to trust community solar programs until their savings are clearly reflected on their utility bill.

Guaranteed Savings: In order to further facilitate LMI participation, the BPU should require that community solar projects provide significant guaranteed savings based on project output in a given billing cycle. Although the current guaranteed savings do provide a critical lifeline for households living paycheck to paycheck, they are often not high enough to make the program noteworthy for other LMI households, especially with burdensome enrollment requirements.

Trusted Messengers: We recommend the BPU work with trusted spokespeople who share the benefits of community solar in highly visible ways to educate LMI households about the program. In part due to historic mistrust of door-to-door electricity sales programs that tricked people in poor communities into signing up for scams under the guise of savings and

environmentalism, community solar programs sound “too good to be true.” With developers left to market the program on their own, it remains difficult to overcome these barriers. The BPU itself can also serve as a trusted messenger and help advance community solar in the LMI households where it can be most helpful but where enrollment is most difficult to obtain. We also suggest the BPU partner with community-based organizations to discuss the program with participants and community members. This arrangement should include fair compensation for these community organizations and their representatives who would essentially serve as consultants to the BPU. We recommend video spots, mailers, ads on buses, and other highly visible communication tools to educate members of the public about community solar’s benefits with the trustworthiness of the messengers above.[15]

Mailers and Website: The BPU should mail eligible LMI households a copy of a sample community solar bill, especially in the absence of a consolidated billing program. Many LMI customers are turned away by the confusion of having two bills, which makes it hard to visualize savings. The mailer should include a full explanation of community solar’s benefits, real-world testimonials, and a BPU number to call with questions (rather than a developer). We also recommend the BPU require that every 3 months, utility companies include educational inserts about community solar for LMI customers along with customer bills. The BPU should also maintain a customer-facing webpage that allows ratepayers to learn about community solar, easily search for open projects in their area, estimate their savings, and take steps to enroll. Sustainable Princeton has a document that the BPU can turn to for inspiration on this work. The BPU can also take examples for customer-facing web pages from Rhode Island’s solar marketplace website, and Oregon’s community solar program website, both of which have clear and accessible information for customers about community solar participation and the projects available to them.

Community Engagement: When the BPU considers new community solar projects, they should work with developers and community-based organizations to engage LMI ratepayers from the start. Each new project should host at least 2 informational sessions about the project with presentations in Spanish or the largest minority language of the area. The BPU should also work together with municipalities to distribute information about projects through their existing channels of public communication.

Capacity: We understand these steps will require increased capacity from the BPU. We offer two suggestions to help meet that need. First, each of the undersigned groups stands ready to support the BPU on these steps by helping draft program rules, building relationships with community organizations, compiling best practices, and other needs that may arise. Second, as mentioned above in #7, we recommend the Board establish a modest application fee from developers. The fees collected could help support the Board’s oversight of the program, including new staffing or marketing needs required to successfully engage LMI ratepayers with the community solar program. If this is adopted, we recommend a fee waiver for developers who are based in overburdened communities in NJ.

[15] Examples of these practices are highlighted on the Low-Income Solar website https://www.lowincomesolar.org/best-practices/community-solar/

Clear and Transparent Income Threshold: Participation of low- to moderate-income customers is often stymied by lack of knowledge from potential customers about what qualifies as "low- to moderate-income." A step as simple as making the threshold clear for customers and making the logic behind that threshold transparent can make LMI participation that much less burdensome, allowing potential LMI customers to understand their eligibility in a quicker and more accessible manner.

No subscription fee: One of the biggest barriers to getting low- to moderate-income households to sign up to community solar is the subscription fee. Many LMI may lack the upfront capital to subscribe to community solar programs. Eliminating this subscription fee would therefore increase LMI participation. Colorado and Oregon both offer successful community solar programs that have no subscription fees.

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?

We strongly recommend the Board allow ratepayers to self-attest to the fact that they qualify as Low-Income or Moderate-Income. Successfully subscribing LMI customers to community solar is the single most important piece to ensuring this community solar program succeeds overall in NJ. Allowing automatic qualification based on census tract is a terrific and important first step; however, we recommend that all community solar participants be allowed to simply sign a statement attesting to their income status. This document should not require notarization and should accommodate electronic signatures. Customers may be reluctant to voluntarily categorize themselves as LMI, and customers are oftentimes unwilling to complete the excessive paperwork proving their income status. Some would-be customers decide the discount is not worth the hassle nor feeling the potential stigma of being considered moderate or low income. This has been one of the major hurdles to fully subscribing community solar projects in NJ.

We do understand the urge to prevent misuse of this system. If the BPU wishes to include a program design that will guard against fraud, we recommend that the income threshold be made clear to all participants, and that developers be required to submit a security deposit and/or pay a fee if they are discovered to be wrongly categorizing customers as LMI.

Another simple step BPU should take to improve the income verification process in NJ, particularly for moderate income customers, is to allow for more types of documents to prove income, including paystubs, W-2s, and tax returns as is the case in Maryland.[16] BPU should publicly display its list of organizations and services (such as residing in affordable housing) that would automatically qualify customers, such as Colorado[17] and New Mexico.[18] The BPU could

[16] https://neighborhoodsun.solar/verify/

[17] https://www.xcelenergy.com/staticfiles/xe/Marketing/Files/co-sr-community-Low-Income-Verification-Form.pdf

[18] New Mexico's rules direct the Commission to 'develop a list of low-income service organizations and programs that may pre-qualify low-income customers'

also look to the Access Clean California program,[19] which features an eligibility engine that securely leverages an IRS service to provide the applicant a document-free income verification option.

That said, were all LMI households allowed to simply complete a self-attestation certifying their status as an LMI household, they would be able to realize critical savings without having to jump through logistical hoops that often turn them away from participating. This is especially important for moderate-income ratepayers, whose status may not be captured by the existing pilot rules. Allowing self-attestation is crucial for New Jersey to meet and scale its ambitious LMI participation targets and serve as a nation-leading model.

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

As noted above in response to question 4, we do not recommend that the BPU incentivize community solar projects from being physically located in overburdened communities. We certainly do want to prioritize projects that *serve* ratepayers in overburdened communities, but they need not be located there. We recommend that the Board maintain more stringent requirements for public notice and engagement when considering the construction of a project in an overburdened community. The BPU should maintain active and open channels of communication with organizations that serve overburdened community members, and should consider conducting targeted outreach to host special stakeholder sessions with these groups to ensure their views are centered on this topic.

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).

No limit. BPU should aim to avoid unnecessary constraints on the program, if it seeks to scale up and achieve its decarbonization targets.

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 recommend eliminating the 250 subscriber maximum. Allowing flexibility in terms of subscription sizes will enable more customers to participate.

https://www.nm-prc.org/wp-content/uploads/2022/04/Community-Solar-Order-Adopting-Rule.pdf at pg.51
[19] http://accesscleanca.org

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

Related to #11 above, the more the BPU and the Governor's office can do to legitimize the community solar program and its participating companies, the easier it will be for consumers to trust the offerings. The BPU could conduct spot checks to review participating companies' marketing materials to ensure accuracy. The BPU could also help to guide developers in consumer protections by providing sample and template contracts and forms that exemplify what consumer protection looks like in disclosures, savings, and general language for customers. The BPU can look to Oregon's community solar program[20] for example on what such sample contracts and forms could look like and where to centralize them so that they are accessible to developers.

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?

An automatic enrollment community solar program can powerfully support LMI ratepayers and neighborhoods, as demonstrated by the NYSERDA Solar for All Program,[21] which has now enrolled over 4,000 low-income customers. There are many benefits to eliminating customer acquisition entirely through an "opt-out" process, including more expedient completion of projects. In fact, customer acquisition remains one of the largest costs of solar projects.[22] However, extra care must be taken to ensure such a program is administered properly. We recommend the following:

- Guaranteed savings: Participants should be guaranteed savings on their monthly electricity bills based on the associated project's performance during a given billing period. Participating community solar owners should provide participating customers guaranteed savings either in the form of (a) a minimum dollar benefit per kilowatt-hour generated, or (b) a minimum percentage of the value generated by the array. Participants should not be charged a fee to enroll or to opt-out, nor should they be required to pay anything throughout their participation. Rather, the savings should be administered via a net crediting approach.

[20] https://www.oregoncsp.org/
[21] https://fileservice.eea.comacloud.net/FileService.Api/file/FileRoom/13932817
[22] https://www.energy.gov/eere/solar/solar-soft-costs-basics

- Clear notice: Program administrators must provide clear and ample notice about enrollment and instructions for opting out, all in the languages spoken by eligible participants. The notice should also include complete information shared by trusted messengers about the benefits afforded by community solar to prevent participants from perceiving it as a scam, including a sample bill. Participants should be informed about the potential (or guaranteed) savings and the impact on the stability of their electricity (in that it will be the same or even more stable).

- Selecting participants: We recommend the Board undertake a thorough and transparent process in determining the allowed mechanisms for the selection of participants. We recommend a weighted lottery when the number of eligible participants outweigh the potential program capacity. The selection should prefer those with the greatest need for savings (i.e. low income and/or significant arrears). We also recommend using geographic selection, for example enrolling low-income customers residing in close proximity to a new community solar project. Another channel for selection that we recommend is looking at the list of participants already enrolled in other energy assistance programs for LMI households, which would guarantee that participants are both definitely eligible and in need of energy assistance.

- Utility collaboration: A model of a successfully administered program can be found in the Solar1 partnership with the New York City Housing Authority.[23] The BPU should note that the program's success at least in part depended on full partnership and collaboration with the utility provider, Con Edison, along with the New York State Public Service Commission. We are happy to provide more information about the program's successful administration.

- Competitive solicitation: We recommend a competitive solicitation process for community solar providers, similar to the one used in project selection currently. The selection should prioritize developers and administrators with a proven track record of serving LMI ratepayers and upholding data security best practices, while maximizing benefits for LMI ratepayers and overburdened communities such as bill savings, workforce development and economic opportunities.

- Data privacy: It is vital that ratepayers' sensitive information, including their personal data or information on their arrearages, be protected and restricted. The BPU must put in place necessary precautions that only a select few trusted public employees with a "need to know" can access such sensitive data. If the BPU relies on a third party to administer this effort, it should be an impartial entity (not the solar developer) with a proven track record of data security and a prohibition on selling data, or using participants' personal information for any other purpose than the administration of the program.

- Engagement with ratepayers and organizations that serve them: The BPU should conduct targeted stakeholder sessions on this topic with low-income ratepayers who

[23] https://www1.nyc.gov/site/nycha/about/press/pr-2018/pr-20180925.page

would be potential participants, as well as with community based organizations that serve them. There may be concerns among groups that are not reflected here. As always, it will be important to provide compensation to individuals and community organizations for their participation in such a stakeholder session.

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?

The BPU must keep a watchful eye on EDC's allocation of bill credits. The BPU should allow for community solar developers to easily provide feedback if and when problems arise. Washington, DC, for example, is dealing with major issues from its utility's alleged mishandling of community solar bill credits.[24]

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

There is a large gap between residential community solar bill credits (11-12c/kWh) and commercial community solar bill credits (3-4c/kWh). This isn't fair to the thousands of residents in affordable housing buildings that are master-metered at commercial rates. Community solar isn't reaching this customer base because the revenues of those projects are too small to be pursued. We therefore recommend raising the value of the community solar credit earned from projects serving master-metered affordable housing buildings to at least include demand and fixed charges.

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

<u>Community Ownership</u>

Community solar is an excellent way to relieve energy burdens, particularly in LMI communities where burdens are disproportionately high. However, community solar alone is not a form of wealth-building. Community ownership is the next step in building wealth in overburdened communities. New Jersey can look to examples in other areas for community solar models that build true community wealth. In New York City, the regional Community Energy Co-Op develops community solar within overburdened neighborhoods, and is governed by a co-op board of local residents aiming to create a more just and equitable energy future. Minneapolis is renowned for its community-owned solar model, where arrays are located at community-based organizations in overburdened communities, and members subscribe, save, and own a piece of the power.

[24] https://dcist.com/story/22/03/23/pepco-systematically-mishandling-solar-projects-ag-racine/

NJ can incentivize community ownership via up-front rebates and by providing a separate procurement lane for community-owned community solar projects, e.g. through a set-aside within the program capacity cap. Like the New York SUN program, New Jersey can include adders in its solar program to incentivize community-ownership of community solar projects; specifically, adders can be included in the SuSI Program to increase the value of SREC-IIs for community-owned projects. Additionally, New Jersey can enable community ownership by providing a separate procurement lane for community-owned community solar, whereby the state would carve out a certain amount of the community solar program and dedicate it for community-owned projects.

The Office should consider piloting a community ownership model wherein community members can work with a financial entity other than a traditional bank (such as SunWealth, the Local Initiatives Support Corporation, or Resonant Energy), to build and own their own community solar project. Through the Sovereignty Grant Program, Illinois will be supporting community solar projects that demonstrate the ability and intent to create community ownership and community wealth building. As part of the Permanent Program, New Jersey should establish a similar fund for communities looking to establish their own community solar projects.

Pre-development and technical assistance funding may also be helpful. The New York State Energy Research and Development Authority provides an Affordable Solar and Storage Predevelopment and Technical Assistance funding opportunity to address resource gaps and to remove market barriers preventing LMI solar development in NY. The fund provides $200,000 for predevelopment and technical assistance, including the development of cooperative or community ownership models. Illinois will also be using funding to promote community ownership.

We stand ready to help facilitate such programming and point to existing models and best practices.

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The NJ Board of Public Utilities is uniquely positioned to advance these solutions and secure an equitable, just transition to a clean energy future in New Jersey. Thank you for the opportunity to share our ideas with you. We appreciate your commitment to economic and energy justice and hope to discuss these ideas further with your office. Should you have any questions, don't hesitate to contact us at the information below.

Signed:

Drawdown NYC (serving New Jersey)

EarthJustice

Environment New Jersey

GRID Alternatives

NAACP, NJ State Chapter - Health Education Energy & Pollution Subcommittee of the Environmental & Climate Justice Committee

NAACP - Metuchen-Edison Area Branch

Natural Resources Defense Council

Neighborhood Sun

New Jersey League of Conservation Voters

Sierra Club - New Jersey Chapter

Solar United Neighbors

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