**Friday, May 6, 2022**

via email: board.secretary@bpu.nj.gov

**Secretary of the Board**
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08625-0350
Phone: 609-292-1599

**Re: BPU Docket Number QO22030153**

Dear Secretary of the Board –

NJR Clean Energy Ventures Corporation ("NJRCEV") appreciates the opportunity to submit the following comments on BPU Docket Number QO22030153, pertaining to the permanent Community Solar program.

NJRCEV is among the leaders in the New Jersey solar market. Since 2010, we have invested more than $1 billion in over 370MW of solar projects across all market segments and counties in New Jersey, comprising about 10 percent of solar installed in the State. This investment has supported more than 1,000 local jobs constructed with union labor, helped our customers save on energy costs, and reduced 330,000 tons of greenhouse gas emissions.

The permanent Community Solar program will be vital in enabling the state to meet its 750MW per year goals. To ensure that program can be scaled to reach target LMI customers and meet annual MW installation goals, we offer the following recommendations on the key program design principles and terms below:

- **Program Design and Eligibility:**
    - The permanent program should be a "first-ready-first-served" approach, guided by stringent maturity requirements and high escrow fees, which incentivize developers to propose projects with high potential to complete and give priority to those projects which are most ready to come online.
    - Any unallocated capacity at the end of each energy year from any cancelled projects should be carried over into the subsequent energy year, starting with Year 1's capacity allocation (no capacity awarded) carrying over into Permanent Program Year 2, for a total of 300MW.
    - After Year 1, we recommend Staff consider structuring the program on a rolling admissions process over a multi-year timeframe. The 150MW annual target

    would become a capacity block target, with pre-defined incentive reductions subject to administrative reviews occurring based on block-achievement. This has similarities to the current ADI program which provides for prescribed incentive reductions subject to three-year reviews.

  - Consistent with the policy goals of the program, we recommend that the Community Solar permanent program be limited to those projects which can prove 51% LMI participation, while also being located on "preferred siting" i.e., rooftop, carport, or other "built-environment" siting, landfill/brownfield, or floating solar. Dual-use (i.e., agrivoltaics) projects should also be allowed; however, should count towards the Dual Use Pilot Program capacity, not Community Solar's capacity.
  - There should be a high bar for extensions, following a 24-month registration eligibility, limited to those projects which have made substantial progress towards mechanical completion and with delays beyond the control of the project developer; however, stringent maturity requirements and high escrow deposits should limit the need for extensions.

- **Project Selection:**
  - We recommend against wait lists, which add administrative burdens to program management Staff. Any scrubbed capacity should be rolled into subsequent energy years.
  - We recommend stringent maturity requirements, which ensure that projects which do apply have a high probability to complete, including obtaining site control, securing non-ministerial permits, and completion of a to be developed EDC interconnection pre-application process to quickly evaluate at a high level the likely interconnection cost and viability of a potential community solar project. The prescreen interconnection review would be an optional eligibility criterion, providing indicative costs, and must be provided with an EDC commitment of a fast turnaround time (i.e., 30 days).
  - We recommend escrow fees be set at $40/kW-DC. The deposit shall be made once capacity is awarded and then returned when the project achieves commercial operation. The deposit should be forfeited if the project does not come online by the construction deadline, which may be extended for cause by the Board for projects which have made substantial progress towards completion.

- **Community Solar Subscribers:**
  - At the initiation of the permanent program, market growth and scalability should be prioritized, and therefore we recommend subscribers be allowed to participate in any community solar project located within their same EDC service territory.

- We support the concept of allowing public entities to enroll participants in an opt-out approach provided that public entities are not restricted from partnering with private entities and that public entities follow all program guidelines on LMI verification. **We also believe EDC consolidated billing needs to be operational before this approach can be rolled out.**

- **Community Solar Bill Credits:**
  - Consolidated billing with purchase of receivables are cornerstone requirements for the community solar program, its long-term viability, and robust LMI-access and participation. It is also the model used for traditional third-party suppliers.
  - **We agree with the EDC recommendations where they provide consolidated billing for the entire community solar program and consistent with their bill formats. The EDC full solution approach to consolidated billing must also include purchase of receivables, credit, and collections.**

We appreciate the opportunity to comment on this proceeding. We look forward to working with Staff and stakeholders to ensure a successful program that will facilitate the solar growth goals in the State's Energy Master Plan.

Sincerely,

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