REQUEST FOR COMMENTS IN THE MATTER OF
THE COMMUNITY SOLAR ENERGY PROGRAM
Docket No. QO22030153

The Coalition for Community Solar Access and our members thank the New Jersey Board of Public Utilities (the Board) and staff for initiating the stakeholder process to create a Community Solar Permanent Program (the Permanent Program) and we are honored to submit comments and responses to the Board's questions concerning the Request for Information Docket No. QO22030153.

Community solar is the key to ensuring equity and fairness of New Jersey's energy policies across all income levels and geographic regions of the state. A recent study by the U.S. The Department of Energy suggests solar energy has the potential to power 40% of the nation's electricity by 2035. Most importantly, the same report calls for 5 million households[1] to receive the benefits of community solar, further strengthening the need for the Garden State to build a robust, competitive, and cost-effective community solar permanent program. This is a 700% increase in community solar generation over the next 3 years and New Jersey is poised to be a model market for the nation.

The Community Solar Energy Pilot Program (Pilot) was designed as a competitive application process and the evaluation criteria was meant to further the state's policy objectives for community solar development. The Board received 664 applications in the Pilot totaling 1,500 MWdc of solar projects for 228 MWdc of available capacity. There were 150 projects selected, representing approximately 35 companies, townships, or EDC affiliates. Of the projects selected, approximately 60% are owned by 4 community solar companies with the remaining 31 selected developers holding far less than 1% of the market share each. The number of applications are positive indicators for the interest in the program and the excitement of the industry to provide economic benefits and guaranteed savings to the Garden State. However, the quality of applications coupled with the administrative burden of evaluating each application individually caused significant delays in the approval process and subsequent program roll out. It is the goal of CCSA to work hand-in-hand with the Board, stakeholders, and key decision makers to establish a community solar permanent program that eases the administrative burden of the Pilot, encourages innovation to ensure costs remain low for consumers, provides guaranteed savings for Low-to-Moderate Income and Overburdened Communities, sites solar on preferred sites, and fosters competition.

CCSA strongly recommends moving to a first come- first serve, open tariff permanent program with strong project maturity requirements designed to ensure project viability and achievement of the key priorities for the NJ Community Solar Program. Based on our experience in the pilot, CCSA recommends the following changes to the permanent program.

- **Move to an Open Tariff Enrollment under the Administratively Determined Incentive Program**. CCSA has a long-held policy in favor of an open enrollment program with significant

[1] Department of Energy 2025 Community Solar Goals
https://www.energy.gov/articles/doe-sets-2025-community-solar-target-power-5-million-homes

prerequisites for entry as a best practice for community solar program structures[2]. In our experience with more than 20 U.S. markets, this structure will ease administrative burdens for the Board, provide regulatory certainty and oversight, encourage cost efficiencies, and promote vigorous economic development. The uncertainty associated with the current application and scorecard processes has significantly increased project costs and risks. A regular and predictable program cadence is the key to promoting innovation while keeping costs low.

- **Maintain Low-to-Moderate Income requirements for each project.** CCSA recommends the Board maintain the current requirements for all projects to subscribe to a minimum of 51% LMI customers to be selected in the program. CCSA firmly believes changes to the LMI verification process will be required to ensure the policy goal of providing cost savings to vulnerable populations are actualized. (See additional LMI Comments below.)

    - **Add Self-Attestation as a Method to Verify LMI Status.** Self-attestation is respectful of consumer privacy and should be an acceptable method to verify LMI status, allowing all NJ residents who meet the required income levels to participate. This verification is critical to achieving New Jersey's aggressive commitment to serve low-to-moderate income consumers and ensuring the Garden State achieves the highest goals in the nation for this customer base.

    - **Require a bond** for any Community Solar Organization who performs subscriber acquisition under self attestation verification methods. A developer shall pay a bond per megawatt or scales with the number of subscribers serving and that bond should be held by the Board. This is a practice currently included in the Maryland Community Solar Pilot Program that has been effective in driving desired performance by the community solar industry in that state[3].

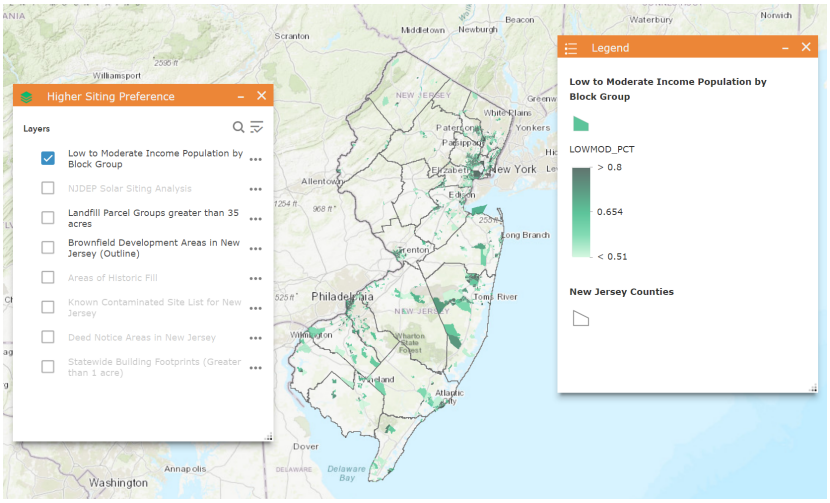
    - **Add additional Income Qualifying Programs.** In general, CCSA recommends that the Board include as an accepted verification method participation in any state, federal or local program that relies on income standards equivalent to the Community Solar Program (i.e. under 80% of area median income).

    - **Support automatic verification for Overburdened Communities.** Overburdened Communities are defined as any census block group, in which: at least 35 percent of the households qualify as low-income households; at least 40 percent of the residents identify as minority or as members of a State recognized tribal community; or, at least 40 percent of the households have limited English proficiency[4]. CCSA recommends incorporating the overburdened communities census tracts into the verification process.

    - **Use the NJBPU's Solar Siting Map for LMI Verification**. Under the current rules, qualified

[2] The Coalition for Community Solar Access Policy Matrix http://www.communitysolaraccess.org/wp-content/uploads/2019/04/2019CommunitySolarPolicyMatrix-2.pdf
[3] Maryland Public Service Commission Subscriber Organization Bonding Requirements https://www.psc.state.md.us/electricity/wp-content/uploads/sites/2/SO-Application-4-27-17-clean.pdf
[4] NJ P.L. 2020, CHAPTER 92 https://www.nj.gov/dep/ej/docs/ej-law.pdf

census tracts for LMI verification are limited to those in which 80% of the households in the census block tract earn less than 80% of the area median income, significantly limiting the number of qualified census tracts and thereby the number of customers who can be verified with this method. Currently, the Commission's solar siting map shows LMI verification at 55% and 80%. The below map reveals the limited universe of this customer base using the 55% threshold. The permanent program rules should allow for 55%, in accordance with the siting map to ensure all income qualified residents have the opportunity to subscribe. CCSA also recommends adopting the updated definition for overburdened communities from the Office of Energy Equity of the NJBPU, and for residence in an overburdened community be included as a verification method for LMI participation.



- **<u>Require project maturity measurements in the application process</u>** to keep costs low, drive policy goals in Governor Murphy's Energy Master Plan (EMP)[5], and ensure the best projects are brought forward. CCSA recommends the following items be added to the application process in lieu of the Board's Community Solar Scorecard[6]. The use of these project maturity requirements are designed to drive the goals of the EMP and the policy objectives for the Permanent Program. CCSA's recommendations are tailored to Community Solar, provide certainty and transparent market signals for the industry, and align with the current maturity requirements for the Administratively Determined Incentive (ADI) Program adopted by the Board[7]. These requirements are suggested specifically within the context of an open tariff program only, and CCSA does not believe some of these requirements would be applicable or viable within a competitive application process, as used in the pilot program.

[5] NJ Energy Master Plan
http://d31hzlhk6di2h5.cloudfront.net/20200127/84/84/03/b2/2293766d081ff4a3cd8e60aa/NJBPU_EMP.pdf
[6] NJBPU Community Solar Pilot Program Scorecard
https://njcleanenergy.com/files/file/CommunitySolar/FY21/8C%20Community%20Solar%20Energy%20Pilot%20Program%20Year%202%20Application%20Form%202020-10-01_fillable%20PDF%20application%20form.pdf
[7] NJBPU ADI Program Project Maturity Requirements
https://njcleanenergy.com/files/file/TI%20Program/FY22/8A%20ORDER%20Successor%20Solar%20Incentive.pdf

- ***Economic and Technical Project Maturity Requirements***

  - **Site Control**. CCSA supports projects developed on preferred sites including Rooftops, Brownfields, Landfills, Dual-Use Projects, Parking Canopies, etc. A project should be required to show an executed lease to establish site control.

  - **Non-ministerial permits** for local jurisdictions (e.g., conditional use permits).

  - **Interconnection viability.** Interconnection will remain one of the most significant development risks in New Jersey's permanent program. Projects should establish, through an interconnection cost study, that they can be economically interconnected before they apply for program capacity. Unfortunately, New Jersey's EDCs are not currently in a position to provide this information to all the applicants wishing to participate in community solar. As New Jersey's interconnection processes are refined, the Board should transition to require a system impact or similar study that provides the costs of interconnection from the Electric Distribution Companies (EDCs). The Board should require the EDCs to perform and the developer to have a completed interconnection cost study to provide an indication the project is viable. A cost study in conjunction with meaningful development deposits provides strong assurance that a project is viable and the project developer is serious and well-prepared to bring the project forward. CCSA recognizes a potential need for additional provisions or project maturity requirements for the beginning of the permanent program while the EDCs make these administrative updates to provide an interconnection cost study for each facility.

    For the long term success of the above proposed model, the Board will need to direct the Utilities to revise their interconnection standards to include the acceptance of interconnection pre-applications per the International Renewable Energy Council Standards in 2022[8] and move to accepting full interconnection cost study applications as soon as possible. CCSA's recommendation are consistent with the legislative requirements introduced in Senator Smith's S431 legislation[9].

    CCSA recognizes the need for prompt actions by the EDCs to adapt their interconnection procedures to ensure the health and viability of this program, in both the short and long term, and regardless of program structure. We and our members are eager to work with the Board, the EDCs, and all interested stakeholders to assist the EDCs in building their capabilities for the

[8] IREC Interconnection Standards 2019 https://irecusa.org/blog/regulatory-engagement/2019-edition-released-irecs-model-interconnection-procedures/
[9] Senator Smith's NJ S431 2022-2023 Session https://www.njleg.state.nj.us/bill-search/2022/S431

interconnection requirements for this program. **Recognizing the need to address these issues in the most cost-effective manner possible, CCSA members are open to working with all parties to find creative solutions to achieve improved interconnection outcomes.** .

- **Maintain the Community Solar Organization Registration** approved by the Board that provides background information on the Organization.

- **A project construction plan** outlining how the project will achieve commercial operation within program timelines and provide specific information regarding local government approvals.

- **Development security deposit** of $40 to $80/kWdc. 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. Development security is an effective tool to ensure project viability by filtering speculative projects and projects with poor financial viability. For the first year of the program, when interconnection costs remain unknown, the deposit should be refundable post receiving a full interconnection cost study.

- **A financing commitment letter** from a party with adequate, demonstrated financial resources to finance the project. Demonstration of financial strength can be shown via audited financial statements, or by other means acceptable to the Board.

- **Evidence of an EPC agreement** or partnership.

- ***Non-Economic Project Maturity Requirements***

  - **Documentation of Community Support** as currently required in the New Jersey 'Scorecard.

  - **Subscription Plan** and Subscriber Acquisition Experience.

  - **Subscriber Contract Template**. The New York Community Solar Program[10] has this requirement and is a community solar equivalent to the Administratively Determined Incentive Program (ADI) project maturity requirement[11] of a demonstrated contract between the developer and the end customer.

  - **Low-and-Moderate-Income Plan**. This is a requirement in Virginia, where there

[10] NYSERDA Community Solar
https://www.nyserda.ny.gov/All-Programs/NY-Sun/Contractors/Resources-for-Contractors/Community-Solar
[11] NJBPU ADI Program Project Maturity Requirements
https://njcleanenergy.com/files/file/TI%20Program/FY22/8A%20ORDER%20Successor%20Solar%20Incentive.pdf

is a 30% Low-Income requirement for each project[12].

- **Proven Track Record**. Community solar organizations and/ or partners should have demonstrated experience in community solar development and a track record of working with LMI/ Overburdened Communities.

- **Developer fees for program administration and consolidated billing administration** for the Board and (if needed) the Electrical Distribution Companies (EDCs). In coordination of the review of the ADI incentive program, the Board should evaluate the effectiveness and necessity of these fees.

  - **Administration Fee for the Board** shall be collected from developers at the time of application to the program. A fee could be set near $1,000/ MW to be paid when projects are accepted to the program.

  - **EDC Fee for Consolidated Billing**- Optional Net Crediting should be applied and paid for by community solar organizations or subscriber acquisition companies. Best practices in other states (NY, VA, and PA) is 1% of the bill credit by remitting the 1% from the payment to the community solar organization.

- **Optimize Distribution System and Maximize Grid Benefits.** The following recommendations for the Board's consideration are largely drawn from CCSA's recently released white paper, *Integrating Distributed Solar and Storage: The Keystones of a Modern Grid*. This white paper provides a comprehensive set of recommendations to policymakers, regulators, utilities, and other stakeholders on the steps that need to be taken to improve the process by which distributed energy resources (particularly solar and storage) are integrated into the distribution system[13]. (See additional Grid Modernization Comments below.)

  - **Substation Hosting Capacity**. Both the feeder and substation transformer must have available capacity for a project to interconnect successfully and therefore commercially useful capacity maps should provide information about both feeder available capacity and substation transformer available capacity. Additionally, line loading data (minimum and peak), existing distributed generation capacity, and reserved distributed generation capacity are equally important to assessing interconnection viability.

  - **Remove Artificial Barriers to Distribution Voltage Circuitry**. There is no recognition of circuitry greater than 13kV on any EDC's hosting capacity maps. Distribution voltage circuitry is not limited to 13kV and below and because community solar projects are

[12] VA SCC Shared Solar https://scc.virginia.gov/getattachment/e1c99ed7-7341-480b-adac-85c161fc8963/Initial-Low-Income-Subscripton-Plan.pdf

[13] The Coalition for Community Solar Access Interconnection Whitepaper https://www.communitysolaraccess.org/wp-content/uploads/2022/02/CCSA_BRO-White-Paper_20220214-1.pdf

required by rule to interconnect to the respective EDC's distribution system, the hosting capacity maps provided by the EDC should be reflective of said EDC's distribution system in its entirety, not just 13kV and 4kV circuitry.

- **Substation Transformer Data**. The CCSA respectfully requests the Board require all the EDCs to include substation transformer data on their hosting capacity maps, as well as distribution lines of all voltage ranges.

- **Update Hosting Capacity Maps Regularly.** Furthermore, the CCSA respectfully requests the Board of Public Utilities to require all the EDCs to update their hosting capacity maps every month.

- **Establish Interconnection Technical and Policy Working Groups**. The Board should consider organizing and executing an interconnection workgroup that includes related agencies, utilities, community solar and solar industry members, and stakeholders. An Interconnection Working Group is an extremely effective method of maintaining regulatory flexibility and driving consensus on technical matters. Many states have implemented technical and/or policy interconnection working groups. Such groups establish a forum for the exchange of ideas and information between utilities, industry, and other stakeholders and are often facilitated by policymakers or regulatory staff. They can allow for interconnection processes to evolve without the need for formal regulatory or tariff revisions but can also identify when more major changes are required and bring recommendations to a regulatory body. Importantly, an interconnection working group will foster better relationships between utilities and technical and policy experts to find common ground on issues as they emerge.

- **Develop community solar facilities on preferred sites** such as rooftops, brownfields, landfills, and parking canopies. The permanent program should also support innovative technologies and adopt best practices for previously developed and working lands that will incorporate agrivoltaics and other dual-use practices defined by New Jersey statute. (See Dual-Use Comments Below.)

There are several benefits associated with moving to an Open Enrollment program with strong project maturity requirements. To prevent regular delays experienced in the Pilot, moving to an open enrollment will ease the cumbersome process of scoring individual applications, decrease the administration of the program, and reduce costs to taxpayers. Private capital investments should be leveraged to pay for administration of the program with the utilities and the Board. Additional critical program changes should include:

Establish a system to recoup unused capacity from a given program year. Project failure is an unfortunate reality of development and ensuring all megawatts allocated in the community solar program are subscribed is critical to make positive impacts on climate change and lower the energy burdens of consumers. Developing a roll over mechanism from year to year or a waitlist will ensure no

megawatts are lost and the goals for community solar are actualized. (See additional comments below.)

Dual Use Community Solar- Agrivoltaics (dual-use solar) is aligned with the mission of community solar and provides additional community benefits beyond clean energy and savings.

CCSA recommends developing the Dual-Use Pilot Program in a manner consistent with the establishment of the Community Solar Permanent Program, ensuring both programs can work together seamlessly.

Consolidated Billing. CCSA is supportive of implementing utility consolidated billing (UCB) as an option for Community Solar Subscriber Organizations. Specifically, we are supportive of implementing the option for net crediting to enhance participation and decrease market risks.

Billing and Crediting Best Practices: NJ EDCs should adopt industry best practices for subscriber allocation submissions and processing and for the application of bill credits including:

- **Submission Portals**. Utilities should create and maintain submission portals and automate subscriber allocation list processes for projects.

- **Bulk Uploads** of customer data including at least 1,000 subscriber accounts per batch. Community solar credits must be applied to customer bills on a monthly, consistent, and uninterrupted basis.

- **Credits** will be applied against the full amount due on the Subscriber's monthly electricity bill[14].

- **Rollover Credits** of unused bill credits for 2+ years on host account and indefinitely on subscriber account. Utilities shall treat missing/erroneous bill credits as rollover credits.

- **Bill Credit Applications**. Community solar credits should always be applied to the monthly amount due. This is essential for budget billing customers.

- **Subscription portability.** Customers should be able to keep their subscriptions when they move to an address within the same utility service territory.

- **Accountability**. Utilities shall provide a report to the Board for all billing and crediting errors affecting 100+ subscribers, within 90 days of detecting the problem. The information included in this report should include: number of customers affected, dollar amount of credits affected, estimated time to rectify affected customers, method for rectifying customers, changes to prevent similar error from happening again.

[14] Maryland Division of State Documents, Code of Maryland Regulations,: 20.62.02: http://www.dsd.state.md.us/COMAR/SearchTitle.aspx?scope=20

While utility consolidated billing has many benefits and the automated processes should limit errors, experience in other states has shown that errors are likely a feature of any new program. As a result, there should be an orderly process in place to quickly correct any error within 30 days of their identification and if errors continue to occur or are unable to be resolved, there should be a formal path to raise those issues with the Board to assist in resolution.

Allow for banking of unsubscribed credits as NYSERDA has implemented in the Community Solar Program in New York. CCSA recommends changing the "annualized on COD" to "credits are generated"[15].

Billing and Crediting Workgroup. One lesson learned from other states, such as New York, is that it is useful to have an open forum to raise and work through implementation issues around the billing process. As a result, the Board should consider forming a Billing and Crediting Working group, made up of representatives from the utility, Subscriber Organizations, and Commission Staff, to tackle these issues on an ongoing basis.

CCSA strongly recommends the Board ensure all capacity is allocated in light of the current programmatic delays and enable Community Solar to fully participate in the ADI Program as determined by the Solar Act of 2021. Currently, Community Solar is the only industry prevented from participating in the SuSI program in Energy Year 2022 (EY2022) and CCSA recommends the following to address the lagging capacity allocation for the first year of the permanent program[16].

Capacity Allocation. Most importantly, the Solar Act of 2021[17] provided concrete capacity allocations for each segment participating in the SuSI program and further divided the capacity allocations by market segments participating in the Competitive Solicitation Incentive (CSI) Program[18] and the Administratively Determined Incentive (ADI) Program[19]. The Community Solar Program falls under the ADI Program and is currently the only market segment not permitted to participate and will not have the capacity block distributed in EY2022, see below. CCSA strongly encourages the Board to allocate 300 MW of capacity for the first year of the permanent program to ensure no capacity is lost during the development of the new rules. CCSA recommends the Board release EY2022 (150 MW) and EY2023 (minimum of 150 MW) for program opening in the fall.

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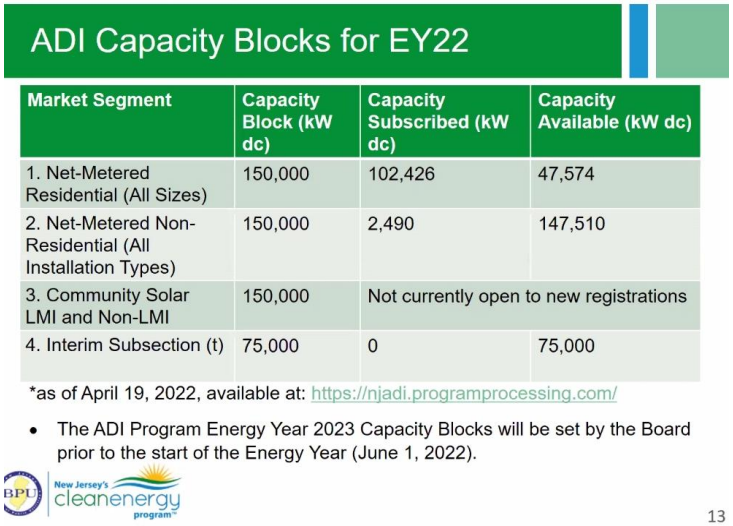
[15] NYSERDA Net Crediting https://www.nyserda.ny.gov/All-Programs/ny-sun/contractors/resources-for-contractors/community-solar

[16] NJ Senator Smith's S2605 2020-2021 Session https://www.njleg.state.nj.us/bill-search/2020/S2605

[17] NJ Senator Smith's S2605 2020-2021 Session https://www.njleg.state.nj.us/bill-search/2020/S2605

[18] NJBPU Competitive Solicitation Incentive Program https://njcleanenergy.com/renewable-energy/programs/susi-program/csi-program

[19] NJBPU Administratively Determined Incentive Program https://njcleanenergy.com/renewable-energy/programs/susi-program/adi-program



In summary, CCSA recommends moving the permanent program to an open enrollment with robust project maturity requirements designed to drive public policy and ensure cost effective project development. Taking lessons learned from the pilot and making the suggested substantive changes will ensure the goals of the Energy Master Plan are actualized and capacity will not be lost to failed projects[20]. These changes will also increase participation in overburdened and low-to-moderate income communities and maximize private capital investments driving New Jersey's clean energy program.

CCSA feels it is necessary to ensure all capacity is released in a consistent and timely manner. Regulatory certainty is a key element to ensure market viability and prevents boom and bust cycles. Front loading the capacity for the first year of the permanent program will catch the program up to match the legislative intent of the Solar Act of 2021[21] and provide a relief valve for the pent up demand for the program demonstrated in the pilot[22].

The creation of a robust and competitive, third-party permanent program will ensure greater access to solar energy for all New Jersians, lower energy burdens for those who need it most, and put the Garden State on track to being the leader for community solar generation in the Nation. CCSA looks forward to working with the Board, staff, stakeholders and key decision makers in the creation of the Community Solar Permanent Program. Please do not hesitate to reach out with any questions or concerns.

Sincerely,

Leslie Elder, Mid-Atlantic Director
Coalition for Community Solar Access
leslie@communitysolaraccess.org

[20] NJ Energy Master Plan http://d31hzlhk6di2h5.cloudfront.net/20200127/84/84/03/b2/2293766d081ff4a3cd8e60aa/NJBPU_EMP.pdf
[21] NJ Senator Smith's S2605 2020-2021 Session https://www.njleg.state.nj.us/bill-search/2020/S2605
[22] NJ Senator Smith's S2605 2020-2021 Session https://www.njleg.state.nj.us/bill-search/2020/S2605

The Coalition for Community Solar Access responses to questions included in the Request for Information are below.

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)?

Capacity Allocation. Most importantly, the Solar Act of 2021 provided concrete capacity allocations for each segment participating in the SuSI program and further divided the capacity allocations by market segments participating in the Competitive Solicitation Incentive (CSI) Program and the Administratively Determined Incentive (ADI) Program. The Community Solar Program falls under the ADI Program and is currently the only market segment not permitted to participate and will not have the capacity block distributed in EY2022 CCSA strongly encourages the Commission to allocate 300 MW of capacity for the first year of the permanent program to ensure no capacity is lost during the development of the new rules. CCSA recommends the Board release EY2022 (150 MW) and EY2023 (minimum of 150 MW) for program opening in the fall.

Rollover Capacity to address project failure or program scrubbing. Project development risk is revealed through discoveries during site preparation, interconnection cost, supply chain concerns, and ever changing U.S. trade policy. Ensuring all megawatts allocated in the community solar program are subscribed is critical to make positive impacts on climate change and lower the energy burdens of consumers. Developing a roll-over mechanism from year to year or a waitlist will ensure no program capacity will be lost to project attrition.. A well-executed roll-over plan would take any MWs lost to project attrition and add that capacity to the next program year. CCSA strongly recommends that all megawatts be allocated and subscribed in the pilot program by retroactively applying this same requirement to the pilot.

CCSA recommends that the Board roll over capacity in terms of dollars of headroom under the cost caps, as opposed to on a purely MW basis. This would ensure the Board's adherence to the cost caps remains constant, while maximizing the amount of MWs available under the program with the same budget. Within any given year, any project that drops out should have its budget (MW X incentive value) credited to the following energy year. This should apply to reallocated pilot program capacity and to permanent program capacity.

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?

CCSA recommends against dividing capacity into additional blocks beyond utility territory. Currently, the Community Solar Pilot Program divides the annual available capacity by utility territory. This is a practice CCSA supports and hopes the Board continues. However, CCSA strongly recommends against further dividing capacity allocation into further subcategories. In other states, CCSA has found this method creates unnecessary complexity in queue management and greater administrative burdens on both the Board and the EDCs. The numerous divisions of capacity often leads to fractions of capacity being available for such projects that must downsize to claim a limited amount of available capacity. Maryland's Community Solar Pilot Program is a first-come-first-serve program with blocks and a waitlist. The annual capacity is proportionally divided by utility territory and then into subcategory blocks: LMI Category: which requires projects to serve at least 30% LMI; SBO Category: for projects on preferred siting, or that are under 500 KW or that serve 51% LMI; and Open Category: an unrestricted block for other projects. If the program was not first come first serve and have a waitlist, this block feature would lead to additional complications for all parties involved (PSC, EDCs, and SOs.). Lastly, it has not shown to be an effective tool to drive policy priorities of the program and often leaves stranded fractions of capacity. Instead, CCSA recommends making the top policy priorities a requirement for application rather than using blocks as an incentive to drive policy objectives.

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. 1 N.J.S.A. 48:3-116(c)(3).

CCSA supports a Competitive Third Party Program and is Opposed to Utility or Municipal Ownership. The goal of community solar is to deploy clean energy and provide bill savings to subscribers, but more broadly, community solar provides a direct connection between a subscriber and clean energy generation. This connection is key to the Board's ultimate goal of engaging every New Jersey resident in the fight against climate change. Creating a robust third party market will allow for the greatest innovation and cost efficiencies for New Jersey Consumers. Utilities should be prevented from long term ownership and operation of community solar facilities in the permanent program. Under the deregulation statute for New Jersey, Utilities are prevented from owning energy generation facilities and were prevented from owning facilities in the Pilot. Third party ownership should continue in the permanent program.

CCSA does not support the requirement for a government entity to retain lifetime ownership of a community solar project. In our experience, local governments often do not have an interest in operating solar projects nor are they the most economically efficient owners of a project, from a tax perspective. CCSA recommends that the Board allow the option for community solar developers to partner with government entities to implement this program feature, not require the municipal entity to retain ownership of the project.

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?

Develop community solar facilities on preferred sites such as rooftops, brownfields, landfills, and

parking canopies. The permanent program should also support innovative technologies and adopt best practices for previously developed and working lands development that will incorporate agrivoltaics and other dual-use practices defined by New Jersey statute.

Dual Use Community Solar- Agrivoltaics (dual-use solar) is aligned with the mission of community solar, it supports the community in providing additional benefits beyond clean energy and savings. The Board has the opportunity to begin to bring agrivoltaics into the Permanent Program structure as defined by statute. CCSA strongly recommends community solar facilities be allowed to participate in the dual-use pilot program and as a critical component for evaluation of the pilot's fitness. Community solar facilities, after meeting rigorous agricultural qualifications defined by the dual-use docket, should be allowed to apply for capacity under the dual-use program and be eligible for fixed incentive levels, including those awarded to facilities serving LMI communities. CCSA believes this provides an opportunity to achieve multiple policy objectives at one time, ensuring additional solar can be provided to low-and-moderate income subscribers not currently being served by the solar programs. This program is uniquely situated to connect all regions of the state together through energy and crop production. Rural communities can harvest both crops and the sun to provide to both rural and urban communities who can benefit from locally sourced energy and locally grown food. This is a rare opportunity to bridge the policy and social disconnection between these two populations. Allowing Community Solar facilities to register capacity in the Dual-Use Pilot Program allocation will ensure these connections occur. Farmers can host and farm a dual-use crop plan, provide clean and renewable energy to their surrounding neighbors and urban community members, and participate as a subscriber in the facility to offset their own electricity burdens. The Dual Use- Community Solar combined facilities should be farm and community focused. Ensuring that family farms are able to continue to support the regional food systems while generating clean energy is a doubly impactful rural economic and social development opportunity. This opportunity allows everyone to actively participate in the Clean Energy Master Plan and make personal contributions to curb climate change.

CCSA recommends developing the Dual-Use Pilot Program in a manner consistent with the establishment of the Community Solar Permanent Program, ensuring both programs can work together seamlessly after the pilot phase has been evaluated and made permanent.

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?

Generally, Community Solar will benefit from the outcomes of the Grid Modernization Docket QO21010085 and holistic interconnection reform. Below are specific recommendations unique to community solar. These recommendations echo our recommendations for Grid Modernization and our comments in Docket QO21010085.

Access to Pre-Application Reports and Improvements to the EDC Hosting Capacity Maps. The Codes and Standards section of the Community Solar Energy Pilot Program Rules (14:8-9.9 of 51 N.J.R. 265) states "The EDCs shall make available and update, in a commercially reasonable fashion, capacity hosting

maps, within 90 days of the beginning of PY1." While the four EDCs of New Jersey did publish hosting capacity maps within 90 days of the beginning of Program Year 1, only Atlantic City Electric's map shows both i) feeder available capacity and ii) substation transformer available capacity. The other three EDCs – PSE&G, JCP&L, and Rockland Electric Company – provided hosting capacity maps that do not provide substation transformer available capacity.

- **Interconnection Applications.** CCSA respectfully requests the Board of Public Utilities to require all the EDCs to offer preliminary interconnection applications, a service that is generally available from other utilities across the country. A commercially reasonable pre-application report would include, available substation capacity and feeder voltage for the proposed point of common coupling, critical information to help developers screen sites for interconnection feasibility such as line loading data (minimum and peak), existing DG capacity, and reserved or queued DG capacity. Although this entails a little more upfront work for the EDCs, a "pre-app" saves time for all parties—the EDCs, the applicant, and the Board of Public Utilities—by quickly eliminating non-viable interconnection requests. After the first year of the permanent program, CCSA also recommends requiring a full interconnection cost study to be performed and completed prior to being eligible to apply for the program.

- **Substation Hosting Capacity**. Both the feeder and substation transformer must have available capacity for a project to interconnect successfully and therefore commercially useful capacity maps should provide information about both feeder available capacity and substation transformer available capacity. Additionally, line loading data (minimum and peak), existing distributed generation capacity, and reserved distributed generation capacity are equally important to assessing interconnection viability.

- **Remove Artificial Barriers to Distribution Voltage Circuitry**. There is no recognition of circuitry greater than 13kV on any EDC's hosting capacity maps. Distribution voltage circuitry is not limited to 13kV and below and because community solar projects are required by rule to interconnect to the respective EDC's distribution system, the hosting capacity maps provided by the EDC should be reflective of said EDC's distribution system in its entirety, not just 13kV and 4kV circuitry.

- **Substation Transformer Data**. The CCSA respectfully requests the Board require all the EDCs to include substation transformer data on their hosting capacity maps, as well as distribution lines of all voltage ranges.

- **Update Hosting Capacity Maps Regularly.** Furthermore, the CCSA respectfully requests the Board of Public Utilities to require all the EDCs to update their hosting capacity maps every month.

CCSA recognizes the need for prompt actions by the EDCs to adapt their interconnection procedures to ensure the health and viability of this program, in both the short and long term, and regardless of program structure. We and our members are eager to work with the Board, the EDCs, and all interested stakeholders to assist the EDCs in building their capabilities for the interconnection requirements for this program. **Recognizing the need to address these issues in the most cost-effective manner possible, CCSA members are open to working with all parties to find creative solutions to achieve improved interconnection outcomes.**

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

Optimize Distribution System and Maximize Grid Benefits. The following recommendations for the Board's consideration are largely drawn from CCSA's recently released white paper, *Integrating Distributed Solar and Storage: The Keystones of a Modern Grid*. This white paper provides a comprehensive set of recommendations to policymakers, regulators, utilities, and other stakeholders on the steps that need to be taken to improve the process by which distributed energy resources (particularly solar and storage) are integrated into the distribution system. The full report is provided as an attachment to these comments.

***Reforms to Current Interconnection Rules and Processes*.** Presentations made by parties in this docket to date have resulted in the recommendation of a number of reforms that could be made to New Jersey's existing interconnection rules. CCSA would recommend the Board consider including the following recommendations in its report:

- **Establish a Statewide Interconnection Application**. The establishment of a statewide online interconnection application will create the opportunity for significant improvements in the efficiency and transparency of the application and review process. Among other things, an online portal allows for applicants to track the status of multiple applications, easily avoid and correct common errors, implement the use of electronic signatures, incorporate electronic payments, and allows utilities and other parties to easily generate reports. CCSA recommends that the electric utilities be required to jointly procure the services of a third-party that will design and implement a single statewide application portal. There can still be separate pathways for each utility that include unique requirements, but there are still significant benefits of having a single statewide platform. This has been successfully accomplished in other states, particularly with statewide incentive programs.

- **Adopt Enhanced Utility Reporting Requirements**. The utilities are currently required to track the number, capacity, and type of generators that are interconnected in biannual reports submitted to the Board. While this is useful information to have, it does not necessarily track utility performance with respect to adherence to timelines. Accordingly, additional metrics should be added to these report that track the average number of days it takes for Level 1, Level 2, and Level 3 applications to move through each stage of the application review process. This information will be useful in tracking the performance of the utilities in meeting timelines set forth in state law and could be used by the Board to adopt further reforms in the future and/or

take action in the event that one or more utilities are underperforming. This recommendation could stand on its own, but also fits neatly with the creation of a statewide online interconnection application platform, which should allow for this data to be easily tracked.

- **Enforce Interconnection Timelines**. With the establishment of new tracking metrics comes the ability to create incentives and/or disincentives with respect to utility performance in meeting interconnection timelines. While establishing timeline enforcement metrics, incentives, and disincentives will likely require additional stakeholder process and input, it is a valuable exercise to undertake as it will ensure that utilities are accountable to the timelines established by the Board and will increase the likelihood that they are properly staffed to help the state meet its goals under its Energy Master Plan.

- **Permit Flexible Interconnection Agreements**. SEIA's January 28, 2022, presentation to the Board outlined a flexible interconnection process under which a generator voluntarily agrees to curtail its output under certain grid conditions. This can be an effective tool in deploying higher quantities of distributed generation and storage and deferring or avoiding major system upgrades and their associated costs. As such, CCSA recommends that the Board pursue the possibility of allowing this type of project interconnection in its revised rules.

- **Establish Interconnection Ombudsperson Role to Mediate Disputes**. An effective tool that has been employed by other states is to designate a member of the Board staff as an interconnection ombudsperson, which can facilitate the efficient and fair resolution of disputes between parties and through which more informal guidance can be provided to stakeholders. Establishing such a position within the Board would create a single point of contact through which customers can obtain information and seek advice on the proper steps to take to resolve issues and can also fulfill a role of mediating disputes between parties (e.g., utilities and interconnecting customers), helping to avoid formal complaints being filed with the Board for adjudication. An ombudsperson can also monitor interconnection trends and recommend actions that the Board may take to resolve policy and technical issues that are arising.

- **Establish Interconnection Technical and Policy Working Groups**.

Integrated Distribution Planning. Goal 5.1 of New Jersey's 2019 Energy Master Plan calls for planning and implementing distribution system upgrades to accommodate electrification and expansion of DERs. More specifically, Goal 5.1.1 calls for the Board to "require utilities establish Integrated Distribution Plans to expand and enhance the location and amount of distributed energy resources and electric vehicle charging on the electric distribution system." Although this is a separate exercise than reforming the state's interconnection rules and processes, the two are inextricably linked. This is because proactively planning the distribution system to accommodate DER growth and electrification will correspondingly result in more predictable interconnection costs and timelines. It will also allow for signals to be sent to interconnecting customers with respect to where they should be siting new facilities. Accordingly, to ensure that the interconnection process operates as efficiently as possible, it is critical for the Board to commence a stakeholder process to define how these Integrated Distribution Plans will be developed and implemented as soon as practicable.

Grid Modernization Technology Deployment. One final area that was touched upon in some comments

and materials provided by parties in this proceeding is the value certain grid modernization technology deployments can provide in facilitating the interconnection and integration of distributed generation. Directing utilities to invest in technologies and software such as distribution management systems (DMS), supervisory control and data acquisition (SCADA) systems, voltage and volt-ampere reactive optimization (VVO), and distributed energy management systems (DERMS) will all provide tremendous benefits with respect to integrating distributed generation. These tools provide utilities with critical information on how their grid is operating and specifically how DERs connected to the grid are performing and impacting that grid. This information can then be used by utilities and other stakeholders to inform system planning processes, the review of interconnection applications, and to improve hosting capacity maps (which can and should be updated more frequently than they currently are and should contain more detailed information). CCSA strongly recommends that utilities be directed to make investments in these areas if they are not already doing so.

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.

Move to an Open Tariff Enrollment under the Administratively Determined Incentive Program. CCSA has a long-held policy in favor of an open enrollment program with significant prerequisites for entry as a best practice for community solar program structures. In our experience with more than 20 U.S. markets, this structure will ease administrative burdens for the Board, provide regulatory certainty and oversight, cost efficiencies, and promote vigorous economic development. The uncertainty associated with the current application and scorecard processes has significantly increased project costs and risks. A regular and predictable program cadence is the key to promoting innovation while keeping costs low.

There are several benefits associated with moving to an Open Enrollment program with strong project maturity requirements. To prevent regular delays experienced in the Pilot, moving to an open enrollment will ease the cumbersome process of scoring individual applications, decrease the administration of the program, and reduce costs to taxpayers. Private capital investments should be leveraged to pay for administration of the program with the utilities and the Board.
For the long term success of the above proposed model, the Board will need to direct the Utilities to revise their interconnection standards to include the acceptance of interconnection pre-applications per the International Renewable Energy Council Standards in 2022 and move to accepting full interconnection study applications prior to program application in 2023. CCSA's recommendation follows the legislative requirements introduced in Senator Smith's S2606 legislation.

The Board shall also direct the utilities to include clear and enforceable timelines for interconnection review in tariff form. This allows for greater visibility into the project economics and ultimately viability of a project to meet commercial operation. Furthermore, the Board should consider organizing and executing an interconnection workgroup that includes related agencies, utilities, community solar and solar industry members, and stakeholders. An Interconnection Working Group is an extremely effective method of maintaining regulatory flexibility and driving consensus on technical matters that has been implemented by many states has been the creation of standing technical and/or policy interconnection

working groups. Such groups establish a forum for the exchange of ideas and information between utilities, industry, and other stakeholders and are often facilitated by policymakers or regulatory staff. They can allow for interconnection processes to evolve without the need for formal regulatory or tariff revisions but can also identify when more major changes such as these are required and bring recommendations to a regulatory body. Importantly, an interconnection working group will foster better relationships between utilities and technical and policy experts to find common ground on issues as they emerge.

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?

Establish a system to recoup unused capacity from a given program year. Project failure is an unfortunate reality of development and ensuring all megawatts allocated in the community solar program are subscribed is critical to make positive impacts on climate change and provide essential to lower the energy burdens of consumers. Developing a roll over mechanism from year to year or a waitlist will ensure no megawatts will be lost and the goals for community solar are actualized. A roll-over plan would take any MWs awarded to failed projects and add that capacity to the next program year. If a waitlist mechanism is preferred, it is CCSA's recommendation that the waitlist be maintained for the program year only (i.e., the waitlist would be reset at the end of each energy year). CCSA strongly recommends that all megawatts be allocated and subscribed in the pilot program by retroactively applying this same requirement to the pilot.

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?

Require project maturity measurements in the application process to keep costs low, drive policy goals in the EMP, and ensure the best projects are brought forward. CCSA recommends the following items be added to the application process in lieu of the Commission's Community Solar Scorecard. The use of these project maturity requirements are designed to drive the goals of the EMP and the policy objectives for the Permanent Program. CCSA's recommendations are tailored to Community Solar and align with the current maturity requirements for the Administratively Determined Incentive (ADI) Program adopted by the Board. These requirements are suggested specifically within the context of an open tariff program only, and CCSA does not believe many of these requirements would be applicable or viable within a competitive application process, as used in the pilot program.

- ***Economic and Technical Project Maturity Requirements***
    - **Site Control**. CCSA supports projects developed on preferred sites including Rooftops, Borwnfiuelds, etc. should be a basic requirement for program participation.

- **Non-ministerial permits** for local jurisdictions (e.g., conditional use permits).

- **Interconnection viability.** Interconnection will remain one of the most significant development risks in New Jersey's permanent program. Projects should establish, through an interconnection study, that they can be economically interconnected before they apply for program capacity. Unfortunately, New Jersey's EDCs are not currently in a position to provide this information to all the applicants wishing to participate in community solar. As New Jersey's interconnection processes are refined, the Board should transition to require a system impact or similar study that provides the costs of interconnection from the Electric Distribution Companies (EDCs). The Board should require the EDCs to perform and the developer to have a completed interconnection cost study to provide an indication the project is viable. A cost study in conjunction with meaningful development deposits provides strong assurance that a project is viable and the project developer is serious and well-prepared to bring the project forward. CCSA recognizes a potential need for additional provisions or project maturity requirements for the beginning of the permanent program while the EDCs make these administrative updates to study each facility.

  For the long term success of the above proposed model, the Board will need to direct the Utilities to revise their interconnection standards to include the acceptance of interconnection pre-applications per the International Renewable Energy Council Standards in 2022 and move to accepting full interconnection study applications prior to program application in 2023. CCSA's recommendation follows the legislative requirements introduced in Senator Smith's S2606 legislation.

  The Board shall also direct the utilities to include clear and enforceable timelines for interconnection review in tariff form. This allows for greater visibility into the project economics and ultimately viability of a project to meet commercial operation. Furthermore, the Board should consider organizing and executing an interconnection workgroup that includes related agencies, utilities, community solar and solar industry members, and stakeholders. An Interconnection Working Group is an extremely effective method of maintaining regulatory flexibility and driving consensus on technical matters that has been implemented by many states has been the creation of standing technical and/or policy interconnection working groups. Such groups establish a forum for the exchange of ideas and information between utilities, industry, and other stakeholders and are often facilitated by policymakers or regulatory staff. They can allow for interconnection processes to evolve without the need for formal regulatory or tariff revisions but can also identify when more major changes such as these are required and bring recommendations to a regulatory body. Importantly, an interconnection working group will foster better relationships between utilities and technical and policy experts to find common ground on issues as they emerge.

- **Community Solar Organization Registration** approved by the Board.

- **A project construction plan.**

- **Development security deposit** of $40 to $80/kWdc. 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 by Board Order.

- **A financing commitment letter** from a party with adequate, demonstrated financial resources to finance the project. Demonstration of financial strength can be shown via audited financial statements, or by other means acceptable to the Board.

- **Evidence of an EPC agreement** or partnership.

- ***Non-Economic Project Maturity Requirements***

  - **Documentation of Community Support** as currently required in the New Jersey Scorecard.

  - **Subscription Plan** and Subscriber Coordinator Experience.

  - **Subscriber Contract Template**. The New York Community Solar Program has this requirement and is a community solar equivalent to the Administratively Determined Incentive Program (ADI) project maturity requirement of a demonstrated contract between the developer and the end customer.

  - **Low-and-Moderate-Income Plan**. This is a requirement in Virginia, where there is a 30% Low-Income requirement for each project.

  - **Proven Track Record**. Community solar organizations and/ or partners should have demonstrated experience in community solar and a track record of working with LMI/ Overburdened Communities.

- **Developer fees for the administration of the program and interconnection process** for the Electrical Distribution Companies (EDCs). In coordination of the review of the ADI incentive program, the Board should evaluate the effectiveness and necessity of this fee.

CCSA believes these project maturity requirements go above and beyond what is currently applicable to other solar segments participating in 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?

Automatic enrollment into the Administratively Determined Incentive Program. CCSA believes that a community solar project should automatically be enrolled in the ADI Program once the project has cleared the Board's selection process and completed all of the project maturity requirements, listed above, for the program.

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?

Maintain Low-to-Moderate Income requirements for each project. CCSA recommends the Board maintain the current requirements for all projects to subscribe to a minimum of 51% LMI customers to be selected in the program. However, changes to the LMI verification process will be needed to ensure the policy goal of providing cost savings to vulnerable populations are actualized. CCSA firmly believes the following adaptations to the LMI-verification process for the permanent program are required.

Board sponsored Consumer Education Campaigns. CCSA supports an educational campaign backed by the Board that includes digital and direct communication with potential subscribers and subscribers. Advertising campaigns previously executed by the Board promoting NJ SMART would enhance the trust in the program for NJ Consumers. CCSA also supports direct communication from the Administration showing support for the program and participation. One way this can be achieved is by making the community solar website, managed by the Board, more consumer friendly.

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?

- **Add Self-Attestation as a Method to Verify LMI Status.** Enrolling low-and-moderate-income residents is a key policy goal for New Jersey and barriers of entry should be manageable and inclusive to ensure all residents who qualify can participate. The current verification rules limit the eligibility of LMI customers to only those who participate in certain programs or live in certain geographic areas. Self-attestation is respectful of consumer privacy and should be an acceptable method to verify LMI status, allowing all NJ residents who meet the required income levels to participate. CCSA strongly feels the below recommendations should be added in addition to self attestation rather than in supplement to.

- **Require a bond** for any Community Solar Organization who performs subscriber acquisition under self attestation verification methods. A developer shall pay a bond per megawatt or scales with the number of subscribers serving and that bond should be held by the Board. This is a practice currently included in the Maryland Community Solar Pilot Program that has been effective in driving desired performance by the community solar industry in that state[23].

- **Add additional Income Qualifying Programs.** In general, CCSA recommends that the Board include as an accepted verification method participation in any state, federal or local program that relies on income standards equivalent to the Community Solar Program (i.e. under 80% of area median income). Specifically, CCSA recommends that the Board add the following programs, which meet this standard, to the list of accepted programs:
    - Medicaid

[23] Maryland Public Service Commission Subscriber Organization Bonding Requirements https://www.psc.state.md.us/electricity/wp-content/uploads/sites/2/SO-Application-4-27-17-clean.pdf

- Supplemental Security Income - Social Security (SSI)
- Supplemental Security Disability Insurance - Social Security (SSDI)
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
- Temporary Assistance for Needy Families Assistance (TANF)

- **Remove proximity requirements for LMI subscribers** and all proximity requirements for facilities except for the legislative requirement for subscribers to participate in a facility located in the same utility service territory in which they reside.

- **Allow community organizations and nonprofits to qualify as LMI subscribers**

- **Allow Pay Stub Qualification as a backup to the above suggested verification methods.** Pay stubs are the most prevalent document households have that can readily verify income, as they do for equity loans. It is not expected that any community solar entity will use pay stubs as the first method of income verification, but when a customer does not have other forms of verification available, pay stubs are a viable backup option to ensure that low income customers can still be verified and participate. Pay stubs should be accepted, but are in no way a substitute or tradeoff for anything else, particularly self-attestation. Indeed, not every low income customer is gainfully employed and receiving pay stubs.

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 2 N.J.S.A. 48:3-116(c)(3).

Support automatic enrollment for Overburdened Communities. According to the 2018 Environmental Justice Law, Overburdened Communities are defined as any census block group, in which: at least 35 percent of the households qualify as low-income households; at least 40 percent of the residents identify as minority or as members of a State recognized tribal community; or, at least 40 percent of the households have limited English proficiency. CCSA recommends incorporating the overburdened communities census tracts into the verification process and maximizing current New Jersey Department of Environmental Protection (NJDEP) managed GIS tools to allow for easy verification for the Board, the EDCs, and Community Solar Organizations. Currently, the NJDEP hosts an interactive map for Environmental Justice and Overburdened Communities. CCSA recommends incorporating this tool to allow for automatic verification for these communities.

Use the NJBPU's Solar Siting Map for LMI Verification. Under the current rules, qualified census tracts for LMI verification are limited to those in which 80% of the households in the census tract earn less than 80% of the area median income, significantly limiting the number of qualified census tracts and thereby the number of customers who can be verified with this method. Currently, the Board's solar siting map sets LMI verification at 55% and the permanent program rules should match the tools available. CCSA also recommends adopting the updated definition for overburdened communities from the Office of Energy Equity of the NJBPU, and for residence in an overburdened community be included as a verification method for LMI participation.

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).

CCSA strongly suggests the removal of all geographic limitations beyond EDC-wide. As noted in a petition filed by a CCSA member company and by other CCSA members informally, the geographic limitations have created undo barriers of entry for subscribers, especially those in low-to-moderate income and overburdened communities.

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?

CCSA recommends the maximum subscriber limit of 250 subscribers be removed. Best practices from other community solar markets often require a minimum of 50% of a facility's generating capacity be subscribed by small accounts. Having a maximum subscription is punitive in achieving the goals of providing cost savings to New Jersey families, small businesses, and consumers.

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

CCSA strongly supports the current consumer protection measures in place and would encourage the board to place additional protections under a self attestation model, as discussed above.

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?

Community Solar Municipal Opt-Out Program. In CCSA's view, the goal of community solar programs generally, and certainly in New Jersey, is to empower customers who may otherwise be unable to participate in the clean energy economy and the green revolution. CCSA believes that an "opt-out" approach in conjunction with municipalities could lead to benefits for some otherwise hard-to-reach LMI subscribers, but it also raises questions regarding the engagement of consumers who are enrolled without their knowledge or consent and whether the aims of this program are being fully realized in such an approach.

In addition, CCSA does not believe that opt-out is a full solution to LMI participation, as opt-out approaches often only rely on utility-provided data and in some instances Census block group data to identify low income customers. Yet not all low income customers live in low income eligible areas and not every low income customer eligible for LIHEAP or other utility rate assistance program actually enrolls in those programs. Therefore an opt-in approach which can verify LMI status through a more robust array of methods, should remain a focus of the permanent program.

If the Board continues the municipal opt-out program in the permanent program, consolidated billing will be required to ensure customers who participate only receive one bill. This will decrease customer confusion and mistrust of a program they did not actively choose to participate in.

The benefits of community solar participation go beyond immediate economic factors to the overall customer experience. Community solar provides an opportunity to inform and empower subscribers and municipalities about their energy usage and allow all to play an active role in combating climate change. Particularly for overburdened and low-income communities, community solar provides an avenue into clean energy that may not otherwise be available. If the majority of subscribers are not aware of their participation in community solar, or have only a limited connection to it, the Board should question whether all of the objectives and possibilities of the Community Solar program are being achieved.

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?

Consolidated Billing. CCSA is supportive of NJ EDCs adopting industry best practices for subscriber allocation submissions and processing and for the application of bill credits including:

- **Submission Portals**. Utilities should create and maintain submission portals and automate subscriber allocation list processes for projects.

- **Bulk Uploads** of customer data including at least 1,000 subscriber accounts per batch. Community solar credits must be applied to customer bills on a monthly, consistent, and uninterrupted basis.

- **Credits** will be applied against the full amount due on the Subscriber's monthly electricity bill[24].

- **Rollover Credits** of unused bill credits for 2+ years on host account and indefinitely on subscriber account. Utilities shall treat missing/erroneous bill credits as rollover credits.

[24] Maryland Division of State Documents, Code of Maryland Regulations,: 20.62.02: http://www.dsd.state.md.us/COMAR/SearchTitle.aspx?scope=20

- **Bill Credit Applications**. Community solar credits should always be applied to the monthly amount due. This is essential for budget billing customers.

- **Subscription portability.** Customers should be able to keep their subscriptions when they move to an address within the same utility service territory.

- **Accountability**. Utilities shall provide a report to the Board for all billing and crediting errors affecting 100+ subscribers, within 90 days of detecting the problem. The information included in this report will include: number of customers affected, dollar amount of credits affected, estimated time to rectify affected customers, method for rectifying customers, changes to prevent similar error from happening again.

For example, earlier this year the Maryland Public Service Commission updated their community solar program regulations to include a number of industry best practices[25]:

- **Subscriber List Management.** A Community Solar Organization provides the EDC with the community solar output for each subscriber's bill and inturn, the EDCs process the subscriber lists.

- **Electronic Subscriber List Portal**. The EDCs are required to maintain an electronic portal that allows a community solar organization to submit electronic batches of subscriber accounts and edit existing accounts in real time.

- **Electric Company Credit Allocation Reporting.** The EDCs provide community solar organizations with an updated list of subscriber's bill credit allocation no later than the last day of every month following the month of the meter reading.

Allow for banking of unsubscribed credits as NYSERDA has implemented in the Community Solar Program in New York. CCSA recommends changing the "annualized on COD" to "credits are generated"[26].

Billing and Crediting Workgroup. While utility consolidated billing has many benefits and guidelines and automated processes should limit errors, experience in other states has shown that errors are likely a feature of any program. As a result, there should be an orderly process in place to quickly correct any error within 30 days of their identification and if errors continue to occur or are unable to be resolved, there should be a formal path to raise those issues with the Board to assist in resolution. One lesson learned from other states, such as New York, is that it is useful to have an open forum to raise and work through implementation issues around the billing process. As a result, the Board should consider

[25] MD CSEGS Rules https://regulations.justia.com/states/maryland/title-20/subtitle-62/
[26] NYSERDA Net Crediting https://www.nyserda.ny.gov/All-Programs/ny-sun/contractors/resources-for-contractors/community-solar

forming a Billing and Crediting Working group, made up of representatives from the utility, Subscriber Organizations, and Board Staff, to tackle these issues on an ongoing basis.

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

Re-visit the Master Metered Bill Credit to include demand and non-bypassable charges to the bill credit calculator to make community solar a more attractive proposition for these types of customers. Affordable housing is the big loser here.

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?

CCSA is supportive of implementing utility consolidated billing (UCB) as an option for Community Solar Subscriber Organizations. Specifically, we are supportive of implementing the option for net crediting for community solar to enhance participation and decrease market risks. If implemented properly with a reasonable fee structure and in a transparent, easy-to understand customer interface, net crediting can provide direct benefits to New Jersey community solar customers—including low- to moderate-income ("LMI") subscribers---and help New Jersey achieve its clean energy and equity goals by enabling greater access to community solar development at lower cost.

Across the nation, billing systems have been frequently cited as an impediment to increasing participation in community solar programs. An option for net crediting consolidated billing would remove billing and collection barriers to community solar, particularly for LMI subscribers. Under net crediting, the utility would manage the allocation of credits to customers and developers and remove the need for billing and collection between the Subscriber Organization and the subscriber. Net crediting is structured so that the utility will allocate a net credit to the subscriber and the remaining credit to the Subscriber Organization, minus a utility administration fee. Net crediting shifts the risk of nonpayment from the subscribers to the utility, while the utility receives the benefit of lower exposure to customer payments. The customer experience is dramatically simplified, enabling the Subscriber Organization to serve more households without the need to collect sensitive payment information. Under a net crediting program, the subscriber only receives a credit on their bill without having to worry about additional fees.

The New York Net Crediting Model

In an order on December 12, 2019, the New York Public Service Commission (PSC) adopted a mandate for the implementation of utility consolidated billing (UCB) throughout the state by January 1, 2021. UCB is a voluntary program available for all community solar projects, including those already interconnected and/or operating, if the community solar organization chooses to enroll their project. Enrollment is on a per-project basis.

New York's utility consolidated billing policy goals include:

- Reduce project costs
- Increase participant benefits
- Promote clarity and simplicity for customers
- Meet clean energy goals

Under the mechanism of net crediting, rather than receiving two bills from the community solar organization and the utility, respectively, community solar subscribers can instead receive a Community Solar Savings Rate on their utility bill. The utility allocates a monetary payment, known as the Sponsor Payment, to community solar organizations, reflecting the remaining Value Stack credit of the project.

For projects enrolled in UCB, customers are no longer required to pay two bills, and will only ever receive net credits on their utility bill. This mechanism *guarantees* savings for customers every month, achieving a major policy goal of the PSC. In addition, risk is shifted from the community solar organization to the utility, as utilities are mandated to allocate the Sponsor Payment regardless of customers paying their monthly utility bills. This risk reduction allows a wider range of options for enrollment in community solar projects, as community solar organizations must no longer consider the revenue risk of customers' actions on payment. It is important to note, the New York Public Utilities Commission recently stated "there is no greater risk for non-payment when a customer is receiving a discount." CCSA strongly feels that creating a consolidated billing system with the above considerations will mitigate risks for both the EDCs and the community solar organizations and most importantly improve the customer experience for those who participate in the program. Furthermore, the PSC approved a mechanism of cost recovery, similar to that used for recovering costs associated with RTO participation, to ensure that costs associated with UCB implementation are paid by community solar organization and will not affect non-participating ratepayers across the state.

CCSA is supportive of the swift implementation of community solar consolidated billing, provided an ongoing working group is established to further address challenges that arise during implementation and ongoing operation. Namely, CCSA encourages Staff to charge the stakeholder group with determining the mechanism of consolidated billing. All stakeholders will benefit from a clear and enforceable timeline for establishing an ongoing stakeholder group and implementing consolidated billing for community solar in New Jersey. CCSA looks forward to working with all stakeholders and key decision makers in the creation of an optional net crediting mechanism for customers in the Garden State. Please do not hesitate to reach out with any questions or concerns.

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

CCSA has no additional feedback or comments at this time.