

James A. Meehan, Esq.
(610) 921-6783
(330) 315-9263 (Fax)

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VIA ELECTRONIC MAIL ONLY

Carmen D. Diaz, Acting Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625 -0350
Board.secretary@bpu.nj.gov

Re: In the Matter of the Community Solar Energy Program
Docket No. OO22030153

Dear Acting Secretary Diaz:

On April 11, 2022, the staff of the New Jersey Board of Public Utilities (“NJBP” or “Board”) issued a Request for Comments to certain questions regarding the design of the permanent Community Solar Energy Program (“Permanent Program”). Jersey Central Power & Light Company (“JCP&L” or the “Company”) appreciates the opportunity to submit comments in reference to the Permanent Program. The Company hopes that the Board will find JCP&L’s comments and suggestions helpful as it begins its consideration of this important topic.

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)?

Response:

The Company is not opposed to accounting for potential project “scrub” subject to maintaining the annual cost cap established pursuant to N.J.S.A. 48:3-87d(2). In order to provide sufficient time for project study and system planning, JCP&L recommends that the capacity associated with any project that is scrubbed be awarded in a subsequent program year.

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?*

Response:

To ensure continued equitable distribution of these projects across the State, JCP&L recommends the Program capacity continue to be allocated between Electric Distribution Companies (“EDCs”) based upon each EDC’s percentage of electric sales – an allocation basis which has been used in previous solar program and energy efficiency program offerings. This results in roughly one-half of the capacity being allocated to PSE&G, with JCP&L’s allocation half that of PSE&G’s, and Atlantic City Electric’s (ACE) portion being half the size of JCP&L’s. Rockland Electric Company typically will receive a less than 5% allocation. There should be no reallocation of any excess annual capacity.

The Company has no objections to creating a set-aside of dedicated capacity for community solar projects located in areas of, and serving, LMI participants. This is considered an under-served market which generally lacks siting capability, as well as the ability to individually invest in solar projects, and therefore JCP&L believes a dedicated allocation would be suitable for a portion of the program.

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.*

Response:

As stated in rule comments provided by the Company on November 30, 2018: Under N.J.A.C. 14:8-9.3(c) 4, the Company does not believe it is appropriate to restrict or otherwise limit the EDCs from developing, owning, or operating community solar projects. JCP&L believes that this provision from the Pilot Program is inconsistent with the legislative intent of the Clean Energy Act (“CEA”), which allows for EDC-owned community solar when the BPU establishes a permanent community solar program. In fact, the Act explicitly provides that the Board shall “adopt rules and regulations for the permanent program that set forth standards for projects owned by electric public utilities...” *N.J.S.A. 48:3-87.11(f)*. EDCs would be in the best position to locate and operate projects to provide the most benefit to the grid and its customers. Appropriate locations could be selected that benefit the grid by limiting constraints or by operation to provide reactive voltage support and voltage regulation. Given the language of the CEA and the benefits of utility ownership described above, JCP&L does not believe the Permanent Program should include a restriction on utility ownership as was included in the Pilot Program. Additionally, the costs of such facilities should be subject to full and timely recovery.

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?

Response:

Land use restrictions and limitations should be consistent with current New Jersey statutes and regulations, including any local land use requirements. Siting standards for Community Solar Projects should be consistent with those provided in existing rules for the Pilot Program.

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?*

Response:

All Community Solar Energy Projects should comply with all current and future applicable interconnection requirements, standards and processes applicable to each EDC. The Company believes there should be no special treatment for Community Solar. The reliability and resiliency of the electrical grid must be protected. Interconnection applications and procedures ultimately are designed to ensure such protection, and thus all interconnections should be held to the same standards.

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

Response:

The capacity limit for individual community solar pilot projects is set at a maximum of five MWs per project, measured as the sum of the nameplate capacity in DC rating of all PV panels comprising the community solar facility. The Company recommends the Board continue to implement capacity limits to ensure the reliability and resiliency of the electric distribution system is protected. Further, as stated in earlier comments, the Company believes all Community Solar Energy Projects should comply with all current and future applicable interconnection requirements, standards and processes applicable to each EDC. The Company believes there should be no special treatment for Community Solar.

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.*

Response:

The Company defers comment on this topic.

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?*

Response:

The Company defers comment on this topic.

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?*

Response:

The maturity requirements for the ADI Program contemplate that under certain circumstances a project developer will have already submitted an interconnection application to the EDC prior to seeking Board approval of the project. Under the Permanent Program, JCP&L believes that the interconnection application for any project should not occur prior to Board approval of the project applicant. The EDCs believe it to be inefficient to devote resources to perform interconnection studies for projects prior to application that ultimately may not be selected by the Board. To prevent unnecessary and inefficient use of resources, the timeline for completion should be expanded to allow for projects to undergo the interconnection process only after they have been selected by the Board to construct a community solar project.

10. *Should the Board consider any changes to the coordination between community solar project awards and the process for registering for the ADI Program?*

Response:

The Company defers comment on this topic.

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?*

Response:

As indicated in the Response to No. 2 above, the Company has no objections to creating a set-aside of dedicated capacity for community solar projects located in areas of, and serving, LMI participants. This is considered an under-served market which generally lacks siting capability, as well as the ability to individually invest in solar projects, and therefore JCP&L believes a dedicated allocation would be suitable for a portion of the program.

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?*

Response:

The Company defers comment on this topic.

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?”*

Response:

The Company defers comment 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).

Response:

As stated in earlier comments on this topic, the Company again suggests that the geographic limitations for community solar pilot projects and subscribers should be that projects and subscriber should be within the same municipality within the EDC territory to maintain the proximity linkage between where power is generated and where it is consumed. Currently, there is no geographic restriction for siting projects relative to the location of participating subscribers, other than the requirement that participants and the project be located within the territory of the same EDC. Participants in community solar projects do not reduce their use of the distribution system by the virtual crediting mechanism contained in a community solar program. As a result,

subscribers will be relying on the distribution system to deliver 100% of their power requirements, for which service subscribers will not be paying for their share of distribution costs.

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?*

Response:

There should continue to be a minimum number of subscribers per community solar pilot project. The minimum number of subscribers could vary with the size of the community solar project. As stated previously by earlier submitted comments of the Company, requiring a minimum number of subscribers provides some protection against abuse of the program to get around contiguous property rules. Customers should not be allowed to simply install solar in a remote location and assign themselves the benefit of the generation. JCP&L also supports continuing to limit the maximum number of subscribers per MW per project in order to control the administrative burden of implementing the program and, ultimately, the costs of the program to customers.

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

Response:

The Company defers comment on this topic.

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?*

Response:

As stated in comments submitted by the Company on August 7, 2020, the Company has legal and implementation concerns regarding the opt-out model and utility consolidated billing of subscriber fees. The Company continues to oppose transitioning from an opt-in to an opt-out subscriber model. Currently, customers must provide their affirmative consent through an opt-in before they are subscribed to a community solar project. Without this affirmative consent, a customer may not understand the terms of enrollment or impact on their bill. Moreover, N.J.S.A. 48:3-85 does not permit the release of customer information by the utility without customer consent except under limited circumstances that do not apply to the Community Solar Program. An opt-out model also could lead to certain customers paying more on their monthly electric bills because it is not yet clear whether subscriber fees would be low enough to benefit all customers. If customers are subscribed to a long-term contract by their municipality through a governmental aggregation format, customers could be subject to early termination fees if they decide to install distributed generation at their home in the future.

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?*

Response:

If properly sized, any excess credits at the end of the year should be minimal. However, in the Company's limited experience, the lone operating community solar project in our service territory is grossly undersubscribed. The Company has insufficient experience upon which to recommend further changes to the crediting and associated communications processes.

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

Response:

In previous comments, the Company had suggested that the bill credit for Community Solar projects should be based on the cost of retail generation service, such as BGS. Since the host is not collocated with the load, inarguably there is use of the distribution system, and in some cases, the transmission system, to provide this service. Therefore, credits or excess credits should not be applied to retail distribution charges, including distribution base rate charges and riders. However, with the value of the credit currently being set at the full rate, excluding certain identified non-bypassable riders and charges, there should be assurance that the EDCs be allowed full and timely recovery for the cost of the credits, along with the other program-related incremental costs.

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?*

Response:

The Company agrees with the EDCs' recommendations as set forth in the May 2021 report.

VI. Other

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

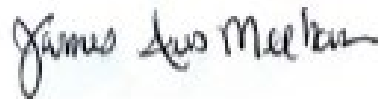
Response:

As stated in previous comments, the Company suggests the monthly reporting requirement pursuant to N.J.A.C. 14:8-9.11(a) be submitted on a quarterly basis. This monthly activity could prove to be burdensome for all involved, as the program expands. The Act does not require monthly reporting by the EDCs. Only the operators of solar energy projects were subject to a monthly reporting requirement. A suggested alternative would be to require reporting of limited information on a monthly basis, with the more extensive information provided on a quarterly basis.

Finally, JCP&L encourages the Board to undertake a comprehensive stakeholder process to review the Pilot Program before transitioning to the Permanent Program. In crafting its final rules for the Permanent Program, the Board would benefit from a detailed review that is focused on identifying the program elements that work and those elements that should be changed or eliminated.

JCP&L again thanks the Board for the opportunity to provide these comments. If you have any questions, please do not hesitate to contact me.

Very truly yours,



James Austin Meehan
Counsel for
Jersey Central Power & Light Company