



**Tuesday, July 19, 2022**

via email: [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

**Secretary of the Board**

44 South Clinton Ave., 1st Floor

PO Box 350

Trenton, NJ 08625-0350

Phone: 609-292-1599

**Re: BPU Docket Number QO21010085**

Dear Secretary of the Board,

NJR Clean Energy Ventures Corporation (“NJRCEV”) appreciates the opportunity to submit the following comments on BPU Docket Number QO21010085, pertaining to the Draft Grid Modernization Report (“Report”) released on June 21, 2022.

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

The Report provides important information on the key metrics, processes, and best practices from other states on interconnection. The actions recommended will bring the State’s outdated interconnection procedures up to the standards of other leading clean energy states, and reduce the delays, rising costs, and closed or constrained circuits which undermine the State’s ability to achieve its 750MW annual solar installation goals.

Unlike the many external forces currently plaguing the solar industry which are beyond New Jersey’s immediate control, if properly executed the recommendations implemented in this Report can make a direct, measurable, positive difference. Rapid implementation of these recommendations is both possible and essential, and accordingly we offer the following comments:

- **Recommendation #1: Updating the N.J.A.C. to reflect the 2018/20 IEEE 1547 standard**

The Report points out that the State is currently operating under a July 2003 IEEE standard in the NJAC. BPU should implement the latest standard without delay and update it as new versions are released. If there are specific issues with any provisions of the standard, these

should be addressed later and removed from the critical path of getting the first round of updates completed as soon as possible.

- **Recommendations #2-4: Streamline processes/update hosting capacity maps and develop new interconnection pre-screen process**

We urge BPU to hire and partner with an external consultant with skills and expertise in the clean energy industry and application development, systems integration, process re-engineering to lead these efforts. Stakeholders can play a supporting role, reviewing straw proposals, defining business requirements, and participating in any concept and beta tests.

**Recommendation #5: Updating the N.J.A.C. to reflect new technical standards**

We agree with the Regulatory Sandbox concept introduced which provides for rapid prototyping, testing, continuous learning and improvement and seeks to actively engage industry participants with real projects. To be useful BPU needs to provide specific guidelines on what the structure and process of this sandbox will be, including clear commitments to timelines for review, discussion, and approval.

- **Recommendation #6: Restructure queue process and cost allocation methods**

In the Report, the consultant references best practices in other states (CA Rule 21, NY, MA, etc.) regarding queue sequencing. New Jersey should be a fast follower with proven best practices from these states. The consultant can play a leading role in recommending which of these should be adopted, and with stakeholder input determine where customization for New Jersey is appropriate.

- **Recommendation #7: Implement fair cost recovery mechanisms**

NJRCEV agrees with the recommendation to implement a cost-sharing approach vs. the cost “causer” approach currently utilized, and that the BPU should initiate a proceeding with the EDC’s. Since this proceeding is likely to be a lengthy process, the BPU should support passage of S431 which was recently approved in the full Senate, and which provides for innovative interconnection cost sharing approaches.

**Recommendation #8: Enforce Integrated DER and Distribution Planning from Energy Master Plan**

The BPU should create a standard for what an EDC Integrated Distribution Planning report should look like including defining minimum filing requirements, how frequently these need to be updated, and consider how to make these plans user-friendly for project developers.

- **Recommendation #9: Provide net metering for non-renewable resources**

Technologies like fuel cells, and backup generators using clean fuels like hydrogen and natural gas as substitutes for diesel fuel or gasoline, can play an important role in the State’s distributed energy architecture, and should be compensated for any energy, capacity, and resiliency benefits provided at rates reflective of the value delivered.

Innovative deployment of these technologies should also be able to leverage the “sandbox” concept, where new ideas can be rapidly prototyped and demonstrated.

We appreciate the opportunity to comment on this Report.

Sincerely,

Larry Barth, Managing Director Corporate Strategy

Cc:

Robert Pohlman, Vice President - Strategy, Communications, Govt Relations, and Policy  
Garrett Lerner, Director Development and Finance  
Steve Osborne, Senior Corporate Strategy Analyst