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December 9, 2022

**In the Matter of the One Year Review of the
Administratively Determined Incentive Program
BPU Docket No. QO20020184**

Via Electronic Mail

Carmen D. Diaz, Acting Secretary of the Board
Board of Public Utilities
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08625-0350
board.secretary@bpu.gov

Dear Acting Secretary Diaz:

Consistent with the Board's November 17, 2022 Notice in the above-captioned docket, Public Service Electric and Gas Company respectfully submits the attached comments on the ADI program.

Very truly yours,

A handwritten signature in black ink that reads "Aaron I. Karp". The signature is written in a cursive style with a horizontal line underneath the name.

Aaron I. Karp

**I/M/O the One-Year Review of the Administratively Determined Incentive Program
Docket No. QO20020184**

**Public Service Electric and Gas Company Comments on Board Staff's November 17, 2022
Notice of a Stakeholder Meeting Regarding the One-Year Checkup Proceeding Announced
in Board Staff's July 11, 2022 Listserv Notice**

Public Service Electric and Gas Company (“PSE&G”) appreciates the opportunity to provide input on Board Staff’s November 17, 2022 notice (the “Notice”) soliciting stakeholder feedback on “whether to adjust the incentive levels or capacity blocks in the ADI Program” as part of the “one-year check-up” required in the 2021 Successor Solar Incentive (“SuSI”) Program Order and as announced in Staff’s July 11, 2022 listserv notice.¹ PSE&G provides these comments both to support Staff’s ongoing efforts to achieve the State’s clean energy goals, and to suggest how increased utility involvement in the Administratively Determined Incentive (“ADI”) Program could promote progress in areas of the ADI Program that may be falling below targets.

PSE&G strongly supports the policy objectives of the State of New Jersey and Governor Murphy to significantly reduce greenhouse gas emissions, with the goal of 50% renewable energy by 2030 and 100% clean energy by 2050. These policy objectives are necessary to address climate change, perhaps the most significant long-term threat to the State of New Jersey. PSE&G commends the Board for soliciting stakeholder input at this “one-year checkup” to ensure that the SuSI Program remains on track to achieve the State’s clean energy goals.

With respect to the design of the State’s SuSI Program, the clean energy goals in the Energy Master Plan are significant and challenging. The participation of the New Jersey electric distribution companies (“EDCs”) is essential if the State is going to have a realistic opportunity to meet the goals of installing 7.4 GW of solar by 2026, 12.2 GW by 2030, and 17.2 GW by 2035. To achieve these objectives, the State would need to nearly double its annual build capacity to meet the near-term goal and almost triple what the market has delivered annually over the past five years to meet the long-term goal of 12.2 GW by 2030. Given these substantial targets, it is critical that the Board develop a cost-effective approach to incent solar development, particularly given the high cost of solar and the solar cost caps in the Clean Energy Act.

While PSE&G commends the Board for seeking to engage multiple sectors of the solar industry to achieve these goals, PSE&G suggests that the Board should focus its primary efforts on incentivizing those solar projects that are most cost-effective: larger-scale, grid-connected projects. While the ADI Program is currently limited to net-metered projects 5 MW or less, the ADI Program had reserved a 75 MW capacity block for interim “subsection (t)” projects, or those sited on landfill, brownfield, or areas of historic fill.² However, that block was vastly undersubscribed. As displayed during Staff’s presentation at the December 2, 2022 stakeholder

¹ In re a New Jersey Solar Transition Pursuant to P.L. 2018, C. 17, BPU Docket No. QO19010068, Order dated July 28, 2021 (“SuSI Program Order”) at 21-22.

² The Board closed the interim subsection (t) section of the ADI Program on December 7, 2022. In the Matter of Competitive Solar Incentive (“CSI”) Program Pursuant to P.L. 2021, C.169, BPU Docket No. QO21101186, Order dated December 7, 2022 at 31-32.

meeting in this matter, zero MW of capacity were subscribed in that block for the entirety of the energy year that ended May 31, 2022, and only 5.2 MW—approximately 7% of the block—were subscribed in the current energy year through November 29, 2022. This suggests that incentives for private developers may be insufficient to spur solar development on such land.

To address this gap, PSE&G suggests that the State maximize all proven approaches to solar development, including bringing the State’s EDCs into the market to grow the grid-connected solar sector, and especially solar developed on landfill, brownfield, or areas of historic fill. Currently, however, the SuSI Program design does not acknowledge that there is an opportunity for the EDCs to participate, whether in the ADI Program or in the Competitive Solar Incentive Program. Yet PSE&G is particularly well suited to address the lackluster subscription of the interim subsection (t) block. Through its long-running Solar 4 All® Program, PSE&G has developed numerous solar generating facilities on landfill and contaminated sites (such as brownfields). PSE&G understands that these sites are generally difficult to develop for the private market due to the complexity and challenges of meeting New Jersey Department of Environmental Protection requirements, local permitting, and a long development cycle (approximately 2-3 years). Yet as demonstrated through the Solar 4 All® Program, PSE&G has become a national leader in developing these difficult sites, with approximately 35% of all landfill/contaminated site solar capacity in the State. This model can and should be expanded to allow utilities to build and own solar on additional unproductive landfill and contaminated sites, which would be an underserved market segment without PSE&G’s involvement.

In a related vein, PSE&G suggests that EDC participation in the Community Solar Program could also benefit similarly underserved communities. While the Notice reflects that the Community Solar market segment has been reserved for the permanent program, PSE&G remains available to participate in the Community Solar Program, to assist in providing better access to solar for low- and moderate-income residents.

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Thank you again for this opportunity to provide comments on the ADI Program and the New Jersey solar market. As described above, increased utility engagement in solar development could be a true “win-win” opportunity, by both increasing the supply of clean generation and bringing the State closer to its clean energy goals. We look forward to working with the Board, Rate Counsel, and interested stakeholders to continue to refine a Successor Solar Incentive Program that achieves the important goals set forth in the Clean Energy Act of 2018.