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December 12, 2022

VIA E-FILING & E-MAIL
Carmen D. Diaz, Acting Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Re: I/M/O the New Jersey Energy Storage Incentive Program
BPU Docket NO. QO22080540

Dear Acting Secretary Diaz,

On behalf of our client, Novitium Energy ("Novitium"), attached please find Novitium's comments on the Board's Energy Storage Incentive Program Straw Proposal in the above docket.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

Murray E. Bevan

Enclosure

cc: Jeremy Conner, Novitium Energy (via e-mail)

COMMENTS OF NOVITIUM ENERGY
I/M/O THE NEW JERSEY ENERGY STORAGE INCENTIVE PROGRAM
BPU DOCKET NO. QO22080540

Novitium Energy ("Novitium") appreciates the opportunity to comment on the New Jersey Board of Public Utilities ("BPU" or "Board") Energy Storage Incentive Program Straw Proposal in Docket No. QO22080540. Novitium strongly supports the creation of an Energy Storage Incentive Program in New Jersey and commends the Board for its hard work in developing this Straw Proposal.

Novitium Energy is a National Energy Partners company with a headquarters in Voorhees, New Jersey. We are a solar development company specializing in commercial solar projects across the United States, including many projects in New Jersey. Our customers include public school districts and other public entities, non-profit organizations, and for profit businesses in a range of industries, including manufacturing, retail, industrial, hospitality, office, multifamily, and special purpose.

We strongly agree with the Board that "[e]nergy storage resources are critical to increasing the resilience of New Jersey's electric grid, reducing carbon emissions, and enabling New Jersey's transition to 100% clean energy". Our customers are particularly interested in the proposed incentives for behind-the-meter ("Distributed" or "Customer Level") energy storage systems paired with non-residential net-metered solar projects.

Energy storage is very important to solar development in New Jersey because of the numerous restricted circuits in some areas of the utilities' service territories. One of the biggest problems customers have in using renewable energy is the restrictions imposed by utilities on

interconnection rules. Most of the issues are from the utility stating that they cannot allow any more solar projects in certain areas due to those areas being over-saturated with renewable energy. Their reasoning is that the infrastructure of that area cannot support excess generation from solar. There is technology (Control Systems) that prohibits solar projects from producing excess energy and exporting it to the grid. This can be done in two ways. The first is by ramping down the inverters of the system or shutting the system off. The second option is for the control system to send the excess power to the battery or other energy storage system to be stored for a later time. For example, it will store power during the day and export the power to the building during night. As Board Staff recognized during their Energy Storage stakeholder meetings, the use of energy storage can defer the need for distribution system upgrades that can be very expensive for customers seeking to install net-metered solar. To effectuate this goal, the BPU must amend its regulations regarding interconnection in addition to creating this energy storage incentive program. We agree with the finding in the BPU's Grid Modernization Report that special provisions regarding interconnection of zero export energy storage facilities should be added to the BPU's regulations.

Novitium also agrees with the BPU's inclusion of demand charge reduction as one of the use cases for energy storage. Using batteries and other energy storage for demand response is very important. It will help the grid by smoothing out the peaks and valleys of different types of demand on the infrastructure. Customers will be able to store power during lower demand times and use the power stored during higher demand times. This will help both with the resiliency of the grid and help save customers on demand charge costs.

Novitium requests that the BPU clarify that non-residential net-metered solar projects under 5 MW paired with energy storage systems would be eligible for the Solar Successor

Administratively Determined Incentive ("SuSi ADI") program in addition to the energy storage incentives through this new program. Novitium also recommends an adder incentive for energy storage systems that benefit public entities, similar to the adder incentive proposed for overburdened communities.