



New Jersey Board of Public Utilities  
Docket # QO20020184  
Comments from NJ Solar Power

December 9, 2022

NJ Solar Power has been building Residential and Commercial Solar Systems in New Jersey for over twenty years. We have seen the market change over time where purchasing was the main model to one of today where third party ownership has taken over. We are the only Residential Installer that only offers purchases as we determined over 7 years ago that this is the best option for the Ratepayers. Yet, no one in any of the Stakeholder meetings is speaking up for the Residential Ratepayers.

We are hoping that the board has the conviction and the courage to stand up for the residential ratepayer and what is truly best for them as we do every day. Clearly there are billions of dollars at stake here and the lobbyists and the Policy staffs of others are hard at work to make their case. You really need to pull apart the onion and analyze the numbers. Here are the main points:

1. Residential ratepayers make up almost 50% of the Rate base
2. Direct Purchase is the only way for them to reap the most benefits from the program
3. All TPO models take most of the benefits while leaving the residential ratepayers with 10-15 reduction in the electric bill. That is all.
4. Community Solar has been allocated 50% of the Residential Program

We are fortunate that staff and board members recently saw the potential of a shutdown and on December 7<sup>th</sup> allocated more MW's to the Residential segment. This is a bandaid to a problem in the allocation that will eventually lead to the destruction of the residential market in New Jersey.

If we are truly trying to create jobs and do what is best for the ratepayers then we are clearly missing the mark by doing nothing to encourage Direct Ownership. The numbers clearly show that:

- a. Direct ownership gives all or most of the benefits to the Ratepayer
- b. Direct ownership is delivered at a lower cost to the ratepayers



In fact third party ownership is 20-40% more costly to the ratepayers due to the overhead of supporting their business models. This is true of both Community Solar and any other Leasing program. The leasing companies are Sales machines that clog up the program by offering one touch sign up. Often ratepayers have no idea what they did and this leads to the 30-40% cancellation rates. The current program has no way of determining if the project is moving forward and the slots are filled for one year.

We also need to have the courage to do what is right for the residential ratepayers and not to be in fear of not being Equitable. Specifically the goals of the Community Solar Program.

When you analyze what is really happening here:

1. Community Solar is marketing to same ratepayers as the Direct Purchase and leasing companies are.
2. The large Community Solar Systems accelerate the shutdown of grid areas preventing thousands of ratepayers from purchasing a system
3. LMI Customers are required to have similar credit scores as those that are needed for Direct Purchases
4. Direct Purchase is the best way for these LMI Customers to participate in the Solar Market

We must do something to prevent these companies from shutting down the program and costing the state thousands of jobs. Jobs that will never come back as workers will be discouraged and not want to participate in the Solar Market. We also need to encourage Direct Ownership vs. Third Party Ownership.

In order to accomplish this, we recommend the following.

1. Modify the Allocation of Residential Systems to:
  - a. Net Metered Residential 225MW
  - b. Community Solar 75MW
2. Create a new Capacity Block in order to encourage Direct Ownership as follows:
  - a. Net Metered Residential DO 40% or 90MW
  - b. Net Metered Residential TPO 60% or 135MW



By making these changes we will set aside a part of the program where residential ratepayers reap all or most of the benefits at a lower cost. We will also create a mechanism to further adjust the numbers as the program matures.

Thank You,

William Hoey  
CEO