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January 18, 2023

**Via Electronic Mail**

Carmen D. Diaz, Acting Board Secretary  
**NJ Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Flr.  
P.O. Box 350  
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**Re: I/M/O the Petition of New Jersey American Water Company for  
“Preferred” TREC Factor for Floating Photovoltaic Solar Pursuant to the  
Board’s Transition Incentive Order  
BPU Docket No. QO20020111**

Dear Acting Secretary Diaz:

Please accept this letter as the comments of the New Jersey Division of Rate Counsel (“Rate Counsel”) in the above-referenced matter. Consistent with the March 19, 2020 Order of the New Jersey Board of Public Utilities (“BPU” or “Board”) in I/M/O the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. EO20030254, this communication is being filed electronically with the Secretary of the Board and is being provided to each person on the service list by electronic mail only. No paper copies will follow. **Please acknowledge receipt of this letter.** Thank you for your consideration and attention to this matter.

Rate Counsel is submitting these comments in response to a Stipulation, filed with the Board on January 17, 2023, that was entered into in this matter among Petitioner New Jersey American Water Company, Inc. (“NJAW” or “Petitioner”), the Board’s Staff, and three other entities, NJR Clean Energy Ventures III Corporation (“NJRCEV”), Canoe Brook Solar Partners, LLC (“CBSP”), Solar Renewable Energy, LLC (“SRE”), RETTEW Field Services, Inc. (“RETTEW”) (collectively, the “Project Developers”) that previously submitted a letter in support of the Petition. Rate Counsel has concerns about the Stipulation, but has determined not to oppose it for the reasons explained below.

In the Petition, NJAW sought assignment of a TREC factor of 1.0 in the Board’s Transition Renewable Energy Certificate (“TREC”) program for the a 8.92 megawatt floating solar project known as the Canoe Brook Project. In an earlier Order in this docket, the Board determined that NJAW had failed to demonstrate that floating solar projects, as a class, warranted a 1.0 TREC factor. I/M/O the Petition of New Jersey American Water Company for “Preferred” TREC Factor for Floating Photovoltaic Solar Pursuant to the Board’s Transition Incentive Order, BPU Dkt. No. QO2002011, Order at 6 (July 15, 2020) (the “July 2020 Order”). In that same Order, the Board established 0.6 as the default TREC factor for floating solar projects, but allowed for individual projects to petition for assignment of a higher factor based upon the specific facts and circumstances involved in a specific project. Id.

Following the issuance of the July 2020 Order, NJAW and the Project Developers submitted an analysis of the Canoe Brook Project using a model previously used by the Board’s Staff to develop TREC factors for other types of solar projects, and presented the results of that analysis to Staff. Stipulation, par. 11 & 12. Based on the result of that analysis, NJAW, the

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Project Developers and Staff have entered into a Stipulation in which they jointly recommend the assignment of a TREC factor of 0.76 to the Canoe Brook project. Stipulation, par. C.

Rate Counsel did not perform an independent study of the additional analysis submitted to Staff by NJAW and the Project Developers in support of a TREC factor of 0.76, therefore is unable to verify the appropriateness of the 0.76 factor. This is the reason Rate Counsel is not a signatory to the Stipulation. Further, it is Rate Counsel's understanding that NJAW and the Project Developers were prepared to move forward with the Canoe Brook Project with a TREC factor of 0.6 in the event the Board did not grant a higher factor. Nevertheless, in deference to Staff's expertise, Rate Counsel will not oppose the Board's approval of the Stipulation.

Respectfully submitted,

Brian O. Lipman, Esq.  
Director, Division of Rate Counsel

By: */s/ Sarah H. Steindel*  
Sarah H. Steindel, Esq.  
Assistant Deputy Rate Counsel

SHS

c: Service List

New Jersey American Water Co./  
In the Matter of the Joint Petition for  
Assignment of “Preferred” TREC  
Factor for Floating Photovoltaic Solar  
Pursuant to the Board’s Transition  
Incentive Order

Joint Petition for Assignment of  
“Preferred” TREC Factor for Floating  
Photovoltaic Solar in the Transition  
Incentive Order  
BPU Docket No. QO20020111

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