

March 15, 2023

Carmen Diaz
Acting Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Ave
Trenton, NJ 08625

Re: Docket No. QO21101186, Competitive Solar Incentive (CSI) Program

Dear Secretary Diaz:

Nexamp appreciates the opportunity to respond to the questions issued by Staff of the Board of Public Utilities (BPU) regarding the registration requirements under the CSI program. Nexamp agrees with the concerns cited by Staff that some of the requirements may be difficult to obtain within the prescribed 30-day window from the announcement of awards.

Of particular concern is the requirement to have electrical and building permits in hand or submitted to the relevant jurisdiction. In our experience, these permits are among the last development items to be completed prior to construction. These applications represent final designs for the project, which are shaped by the development work and permitting that come before them. Were this requirement to remain, Nexamp believes that it may cause a number of projects to drop out from the solicitation—resulting in a less competitive outcome—or otherwise may cause projects to drop out shortly after award—resulting in a failure of the program to produce viable projects.

In light of these concerns, Nexamp respectfully urges the Board to remove the electrical and building permit requirement from the registration package. Nexamp also recommends further changes to the registration requirements, detailed in the answers to the questions posed by Staff below.

1. Have you experienced, or do you anticipate barriers to submitting applications for electrical and building permits to relevant municipalities within the timeframe in accordance with the requirements of the CSI Program?

Nexamp does anticipate barriers to submitting applications for electrical and building permits within the timeframe required for CSI registration.

Electrical and building permits are normally the last permits requested prior to starting construction. The specifications included in the electrical and building permits are typically derived from prior (a) development work (siting analysis) and (b) ministerial permits, both of which are typically done only after incentives are verified and contracts are secured. This development work can take several months and is not typically done “at risk” prior to securing all necessary incentives.

Site investigation leads to the preparation of preliminary design plans which are the basis of for submittals to an AHJ (authority having jurisdiction) tasked with reviewing initial plans. These packages also require significant capital and time to prepare. The AHJ can include but is not limited to NJ DEP, Special Commissions (i.e. Highlands, Pinelands, Meadowlands, etc), special authorities (i.e. NY/NJ Port Authority), Federal entities (EPA, Army Core of Engineers), and others. Review and approval of these submissions result in ministerial permits.

In general, these ministerial permits may include some level of negotiation and adjustments to the original design plans. The resulting adjustments are then incorporated into a final design package which is then the basis for electrical and building permits.

For these reasons, 30 days from award is not an adequate window for projects to have completed this item. Nexamp respectfully requests that the Board remove this requirement from the registration package.

2. What if any, changes to the registration requirement do you consider necessary?

In addition to the above, Nexamp recommends that the Board reconsider the following items in the registration requirements:

- A 30-day window is insufficient for item 3 (*a contract between the primary installer or the third-party owner, as applicable, and the bidder or customer of record*). Such a contract may take several months post CSI award, particularly if the relevant contract is with a public entity that requires internal board approvals and may be subject to state comptroller review prior to execution. Nexamp recommends that the Board require such contracts within 1 year of the CSI award.
- Registration also requires the project to have Part 1 of the interconnection agreement signed by the utility. In our experience, the utilities do not typically sign Part 1 of the interconnection agreement. Instead, they send a confirmation email stating conditional approval has been granted. This email notice is consistent with language in the Part 1 document that states in part "...upon signature and return of this Part 1 or by notification by electronic mail or other acceptable means...". Nexamp recommends that the Board clarify this point.

Thank you for the opportunity to provide comment on this matter.

Respectfully,

Jake Springer
Policy Director, Mid-Atlantic
Nexamp
jspringer@nexamp.com