



March 15th, 2023

Via Board's External Access Portal only

New Jersey Board of Public Utilities
c/o Acting Board Secretary Carmen D. Diaz
44 South Clinton Ave, 1st Floor
PO 350
Trenton, NJ 0825-0350
Board.secretary@bpu.nj.gov

Re: Comments Regarding Docket No QO21101186 - IN THE MATTER OF THE COMPETITIVE SOLAR INCENTIVE ("CSI") PROGRAM PURSUANT TO P.L. 2021, C.169 REQUEST FOR INFORMATION

Dear Secretary Carmen Diaz and Commissioners,

CS Energy is pleased to submit the following comments on the permanent Competitive Solar Incentive Program ("CSI"). We have first-hand experience developing and constructing projects for similar programs in other states and we are glad to see staff drawing on lessons from these similar efforts in constructing the CSI program.

CS Energy Responses to Questions for Stakeholder Feedback

CS Energy is a large-scale EPC contractor & developer focusing on ground mount projects that will be located on land comprising of brownfields, landfills, industrial land, and 'greenfields' (i.e. Tranche 1, 3, and 5). We have installed over 1,500MW across the US and over 290MW of projects in NJ. We are highly experienced and familiar with the permitting process of our market sector and our comments & suggestions draw from our experiences in NJ so that the BPU may shape a successful CSI program to meet the State's energy goals.

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?

Yes, as proposed in the Final CSI Order BPU DOCKET NO. QO21101186 published on December 7th, 2022,(the "CSI Order") we anticipate significant barriers to submitting applications into the CSI program in the markets we participate in. The CSI Order pre-qualification, bid, and registration process includes the following general steps:

- A. *Pre-Qualification* – this step requires that the project demonstrate that they have interconnection agreement or feasibility study completed, and also requires that the project has completed early-stage development by demonstrating an updated site plan, which shall be signed and sealed by a PE.
- B. *Bid & Award* – After pre-qualification, a project may submit a bid in current solicitation.
- C. *CSI Program Registration* – If awarded, the project must register into the CSI program within 30 days of award. The registration package includes several deliverables for registration. We take exception to registration requirement 3 & 6.

Registration Requirement 3 – requires that a contract between the installer and bidder / applicant be provided with the registration. We discuss our concerns to this requirement in our answer to #2, below.

Registration Requirement 6 requires that electrical and building permits have, at minimum, been submitted to the relevant AHJ. CS Energy recognizes the Board's intention for projects registering into the program to show maturity in the development process, but the requirement of submitting electrical and building permits within 30 days of bid award is misaligned with the pre-qualification process and the Board's 36-month COD deadline. At pre-qualification, the requirement is that the project has interconnection queue and the site plan has been refined. The refinement of the site plan includes updated survey (both land and environmental) only. In land development, there are several intermediate steps between establishing a site plan and applying for building and electrical permits. Typically, this includes planning board approvals, zoning variances, soil conservation district approval, environmental impact statements, and in certain scenarios DEP approval for general or individual permits if required. In fact, municipalities will not accept an application for building and electrical permit unless the developer can demonstrate that all of the discretionary permits have been obtained. In short, there is a lot of work to do between preparing a site plan and submitting for a building / electrical permit and for this reason the requirement to have or apply for building and electrical permits within 30 days of award is unreasonable in our market. Such a requirement could be used for roof mount projects needing only building and electrical permits to be built.

CS Energy Recommendation

We recommend moving the deadline for electrical and building permits for ground mount systems to a year before the COD deadline. This timeline will ensure adequate time for construction completion and allow the developer time to obtain discretionary permits while simultaneously providing a motivator to the developer to quickly develop and build the project with the incentive awarded.

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

In addition to the recommendation made in the previous answer, we also suggest that the requirement that a contract between the installer and developer be removed for ground Tranche 1, 3, & 5.

Similar to our comments to question 1, having a contract to install is not reasonable or necessary 30 days after award. Through the permitting process changes will occur, supply chain will change, and if the developer were to contract in mid stage development (as opposed to late stage, prior to NTP) we would lose significant negotiating power with our subcontractors and vendors. The most cost-effective way to build is to competitively bid the project when the project is more advanced.

Our recommendation is to remove this requirement for registration.

Thank you for your consideration and we look forward to hearing your feedback.

Best Regards,

A handwritten signature in blue ink, appearing to read 'John Ervin'.

John Ervin
Director of Development
CS Energy