



2200 Atlantic Street, 6th Floor Stamford, CT 06902

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**New Jersey Board of Public Utilities**

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Trenton, NJ 08625-0350

Dear Staff of the New Jersey Board of Public Utilities (“BPU” or “Board”),

Altus Power, Inc. is a publicly listed operating company that develops, funds, owns, and operates distributed generation solar and energy storage projects across the U.S. Altus is deeply invested in the New Jersey Community Solar Pilot Program and the state broadly with over 100MW of operating solar systems in the state. We appreciate the opportunity to provide comments to the Board as it continues to grow the Community Solar Energy Program in New Jersey.

We support the majority of the proposed rules and commend the board’s hard work in putting together the Permanent Program proposal. There are two particular areas of concern that we would like to address with the Board

**Question 6.**

The method of selection used in pilot years one and two has been fair and transparent, while also extremely competitive. As noted from the pilot program, the competition for the program causes significant focus on the tie-breaker. There is an inherent problem with the tie-breaker which uses minimum guaranteed savings as a tie breaker

- The pilot requirement was a checkbox for 10%, 15%, or 20%+ for minimum guaranteed savings.
- The vast majority of applicants, and most or all awarded projects, chose the maximum 20% to receive the maximum points.
- If staff allows applicants to choose any minimum guaranteed savings percentage AND if this number is used as the crucial tie breaker then applicants have an incentive to submit an unreasonably high minimum guaranteed saving percentage even if it makes the project not profitable.
- Developers will over promise on the application to win the award with the intent to sell the project to a long term owner and get paid upfront for the rights.
- It’s likely that many of these awards which were granted on the tie breaker of savings will be rendered financially untenable at some point, either not getting built or going bankrupt and abandoned during operation if energy credit rates decrease or other project economics change. Subscribers who were enjoying the benefit of savings would suddenly lose this benefit.
- This will create problems for subscribers in many ways, projects with varying discount rates will all be competing for the same local residents.
- Higher discount rates being offered may call into question the legitimacy of the program.
- Neighbors may be receiving different discounts which at minimum creates confusion and will ultimately force solar projects to offer the maximum percentage.



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- Projects that are awarded at a planned percentage that is not the ultimate tie breaker will also not get built as they are undercut by these projects during subscriber acquisition.

Instead a proposal could be to still use minimum guaranteed savings as one factor in the tie breaker, with a cap or maximum at 20% discount. Then, Ancillary benefits or Project Maturity could be used as a tie breaker, or a simple lottery amongst projects submitted within 10 days. Ancillary benefits were proven by the pilot program to be varied, beneficial, and require applicants to illustrate things that truly set one applicant apart from another.

- The tie breaker is very important to the applicants so this requirement for ancillary benefits plan will compel all applicants to think outside the box and offer ideas that staff may not have ever considered but may provide significant additional benefits to CS subscribers.
- Examples of ancillary benefits are: Use of technology such as apps or other interface with customers that provides a better experience for subscribers, education of subscribers on other energy efficiency and renewable energy incentives and opportunities for their homes, events or subscriber appreciation that build awareness and keep people excited and informed about renewable energy, job offerings/apprenticeships for local people.
- Instead of a race to the bottom to break the tie by awarding the applicants who make the most outlandish guarantees for savings for projects that may never be built; staff can use the tie breaker to create a race to the top to award the most forward thinking and provides the best benefits applicant to break a tie.

#### **Question 7.**

Altus's experience in developing solar projects in New Jersey and across several states has shown that coordinating and working with utility design is one of the most important and time consuming portions of project development. Altus is sympathetic to the time it takes for utilities to review potentially hundreds of these applications, and an executed interconnection study could be hard for a solar project to secure in time to apply. This will lead to many projects applying at 999 kW to avoid this requirement. In this way, the current proposal disincentivizes large projects that benefit from economies of scale, and in turn is negative to the overall value the projects can pass along to the New Jersey rate payers and residents.

#### **Question 23.**

Consumer Protection Staff would also require that marketing materials clearly identify the specific community solar project or projects being advertised, including the project's capacity, address, and actual or expected in-service date.

Altus appreciates the intent of this question and the goal to provide marketing material that is in the best interest of the consumer. As an owner and operator of many community solar projects in multiple states, we have seen the physical constraints of most marketing materials make it difficult to include this information in a way that does not create noise for the intended messaging, which is a high risk due to the lack of public familiarity with Community Solar as a concept. Additionally, customer acquisition



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campaigns are often run for several projects at a time and may not remain stagnant. To include all this information for every project that the customer could potentially be assigned to could result in confusion, as opposed to the transparency that is intended by this comment. Alternatively, developers could be required to publish this information on a publicly accessible webpage and include reference to this on marketing materials.

Thank you for your time and consideration.

Sincerely,

*Matthew Marlow*

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