May 12, 2023

NJ Board of Public Utilities
Secretary of the Board
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08625-0350

RE: Comments to CSEP straw proposal

Dear NJBPU Secretary and Staff,

Thank you for the opportunity to submit comments regarding the proposed Community Solar Energy Program "CSEP". Sustainergy is a registered Community Solar Subscriber Organization. We are familiar with the energy markets here in New Jersey and applaud your efforts in seeking stakeholder input during the promulgation of a permanent Community Solar Program. We look forward to continuing as a market participant in the final version of the CSEP. Please see below our respectfully submitted comments for your consideration.

Regards,

Vincent Palmieri
Managing Member

Sustainergy,LLC

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2) Project siting

We believe expanding the criteria to allow ground mounted projects on municipal or public property and commercially zoned property will not only help advance the states clean energy goals but also put to use appropriate lands to benefit the local residents with clean energy, lower electric bills and generate income from lease and tax benefits.

12) Participation by Affordable housing providers

We appreciate and agree with Staff's recommendation of residents of master – metered housing to be able to participate in the program and have access to financial benefits. However, we also recommend that master-metered housing providers be given the opportunity to pass on savings to residents indirectly like property improvements or rent abatement or avoidance. In addition, we believe there is a deeper concern that is impacting master-metered accounts and preventing them from participation. We believe a modification to Bill Credits is needed to better align the incentive for master-metered properties- specifically nonresidential accounts, which can include master-metered affordable housing. Nonresidential customers should not be singled out and compensated differently than other customer classes – as is the case when the proposed incentive paid for a nonresidential account is significantly less than that of a residential account. We will expand on Bill Credits in section 13.

13) Bill Credits

We appreciate and agree with Staff's recommendation to have master-metered affordable housing bill credit also apply to demand charges. However, this we feel is not enough and should also include proper commercial (nonresidential) accounts. Commercial customers should not be singled out and treated differently than all other customer classes - as is the case when the proposed incentive paid for a nonresidential account is significantly less than that of a residential account. Community solar by definition is intended to benefit all utility customers. Commercial or anchor customers are critical for the program's success. Staff's own comment on best practices to manage the banking of credits was the endorsement and value of using anchor subscribers to help balance and mitigate any credit banking. With the inequity of the incentives paid for nonresidential accounts, anchors will simply not be marketed to, sought and quite literally left behind. The economic incentive as proposed and now in operation with pilot program projects shows the effect clear as day that this model is not only not incentivizing commercial subscription- but is actively working to deter commercial subscription. These customers are not only being left out of meaningful marketing activities but are being spurned and turned away when presented for subscription all together.

14) Bill credit banking/excess bill credits

While we agree with Staff's recommendation on the ability for subscribers or subscriber organizations being able to choose an annualized period, we disagree on compensating "expired" credits at the avoided cost of power. Project owners have no control of when a subscriber moves, closes their account or decides to terminate. These credits have already been "earned" and we must be reminded that allocations by design are not 100%, accurate having to forecast load that is by nature impacted by many external inputs like mother nature and pandemics thereby increasing the chance of banking. Couple that with diss-incentivizing commercial anchor account participation, and that banking risk is increased without the use of anchor account to balance allocations. For project operators or hosts, we disagree in using a 12-month bank from the project's start of operation. This is a fundamental difference that customer churn is not accounted for in this method. The risks and reasons presented earlier for subscriber banking hold true here as well and as such, a subscriber or subscriber organization defined 12-month annualized period we believe is appropriate.

Thank you for allowing us to provide feedback,

Sustainergy LLC

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