



Secretary of the Board
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May 15, 2023

IN THE MATTER OF THE COMMUNITY SOLAR ENERGY PROGRAM Docket No. QO22030153

The New Jersey League of Conservation Voters is pleased to provide comments to the New Jersey Board of Public Utilities (“the Board”) on the Community Solar Permanent Program Straw Proposal. New Jersey LCV is a non-profit advocating for high quality and clean air, water, and open space accessible to all New Jerseyans. Thank you to the Board and staff of the Board for this robust community solar proposal, incorporating lessons learned from the pilot program into the permanent program, and making clear connections between public comments and staff recommendations. New Jersey LCV supports the strengthening and expansion of this program, and we provide comments on each section of the proposal below.

Overall Comments

The community solar program is a vital way for low- to moderate-income (“LMI”) households and those without rooftop access to achieve clean energy benefits *and* savings. In the pilot program alone, the Board shared in the public notice that subscribers received “over \$6 million in bill credits with a net savings of more than \$1 million since the start of the Pilot through February 2022”. These monumental savings come from the 47.7 MW that are online, supplying 6,000 subscribers as of February 28, 2023.¹

Ultimately, the design of the community solar permanent program must make sure that these projects are successful and the benefits realized by the intended low- and moderate-income recipients. We remain concerned that making cost the key factor in project selection could have outsized consequences on the growth of the program. Making cost the key selecting factor for program selection incentivizes developers to underestimate cost, risking the collapse of these projects when they begin actual construction. Projects will not succeed and benefits will not be realized. Cost as the primary driver of the Board’s selection could slow growth of community solar overall. We urge the Board to consider this, and to consider requiring a non-refundable bond if the selected project does not energize within a set time period to alleviate some of the potential for “low balling” initial project cost.

I. Program Eligibility

1. Project size and co-location of Projects

New Jersey LCV agrees that the permanent program should take full advantage of a sited location by allowing for co-location of a community solar project with exclusively net metered projects. While a

¹ Pg. 4: [In the Matter of the Community Solar Energy Program, Docket No. QO22030153, New Jersey Board of Public Utilities.](#)

solar developer should take advantage of the parcel of land they are using to the fullest extent that is environmentally sound, they should not receive the high SREC-II credits that community solar provides if they are producing greater than 5 MW under the law. Net metering is a condition that allows for residents to reap additional savings off their electricity bills, which is a key benefit of the community solar program. **It is recommended that net metering projects and benefits be prioritized to low- to moderate-income households to further reduce energy burdens for LMI customers.**

2. Project Siting

We applaud the Board for prohibiting any construction of these projects on valuable open spaces, including forests, preserved farmland, and Green Acres conserved properties. However, we have concerns with the Board's language on the distinction between different types of already developed and impervious properties. We note that contaminated sites and landfills inherently have higher barriers to entry due to remediation costs. While of course we agree with the Board's position that proposals on contaminated sites and landfills must prevent offsite erosion and flooding, we maintain this should be the case for all proposals, and reiterate that there is some additional cost associated with doing so on a contaminate site or brownfield. We do not wish to disincentivize utilizing these locations, as remediation of contaminated sites and brownfields provides significant community benefit. Therefore, if there arises a situation where multiple applications are seen as equally competitive, we would urge the Board to consider appropriate remediation of contaminated sites and landfills as a preferential deciding factor in the case of a "tie".

3. Overall Program Capacity

The Solar Act of 2021 calls for 750 MW of SREC II community solar from EY22 to EY26. Because there are no new projects for EY22 and EY23, the 225 MW for EY24 and EY25 and 150 MW for years following will not meet the minimum of 750 MW of SREC II community solar credits.

Rolling forward the 150 MWs missed from both EY22 and 23 would indicate that there would need to be, at a minimum, 250 MW between energy years 2024 - 2026 to meet statutory goals. However, if we additionally consider project approval as compared to project actualization, the pilot program reflected a 50% decrease. The Board should plan to aim higher than the minimum 250 MW needed to meet statutory goals and increase the application approval capacity to the floor of 300 MW. **We believe that 300 MW as a floor will ensure the Board meets statutory goals**, and the simplification of the application process should allow for the review and approval of more projects on a faster timeline.

4. Program Capacity Segmentation

New Jersey LCV agrees that the Board should continue segmenting the capacity by EDC territory to ensure that those without access to clean energy, regardless of where the site is located in respect to their community, have access to community solar. There is some merit in locating projects in or adjacent to the communities of which they will serve, particularly because the intended low- to moderate-income or overburdened communities disproportionately have an abundance of large rooftops, carports, and contaminated sites. However, we believe the majority LMI-serving recommendation of each project helps to address some of this concern while simultaneously ensuring we do not continue the practice of siting infrastructure disproportionately in those same communities. We do, however, encourage employment of LMI individuals into these high-quality, good paying jobs, regardless of their proximity to a project's location, as further described in our comments under the community engagement plan.

II. Application Process and Project Selection

6. Application Process and Project Selection

Cost savings is a key principle in providing clean energy while reducing energy costs to low- to moderate-income customers. However, bill discount offering should not be the only tie-breaking method in the event that a capacity block is oversubscribed. The pilot program had a 50% build rate because developers viewed projects, in addition to customer's guaranteed savings, as unprofitable. As outlined in our general comments, ranking by offering savings rate incentivizes developers to overshoot their discount rates, and could lead to a low build rate or projects being non-compliant with the rates they set forth. Therefore, we strongly encourage the use of **at least**, if not more, one other factor to help remove the likelihood that developers will overshoot their offered billing discount, such as the acknowledgment of brownfield remediation outlined above. There are greater regulations required as part of siting on these parcels, and the remediation required with siting will provide greater net-benefits to the community in which the project is located.

III. LMI Access

9-11. LMI Definition, Participation and Income Verification

We recommend the Board continue using the definition of an LMI household as outlined in the straw, or that of below 80 percent of the area median income.

New Jersey LCV agrees that all projects should be required to serve a **minimum** of 51% LMI subscribers, which reinforces that community solar should center around equitable access to clean energy and reduction in cost burdens for financially vulnerable communities. Adders under the Inflation Reduction Act make it even more attainable for projects attaining 50% or more of the benefits to LMI households to come to fruition, with stackable tax credits of 10 to 40 percent².

New Jersey LCV supports the Board's expansion of income verification for LMI households, including accepting assistance program documentation such as Medicaid, SSI, WIC, and other programs, and allowing for self-attestation. There are already many barriers to enrollment, including mistrust in outreach through community solar canvassing, discomfort in sharing personal financial information, and difficulty in finding the proper documentation as required in the pilot program. Reducing barriers to enrollment through self-attestation and other assistance programs is a small but significant way in which the Board can increase enrollment into community solar projects. Therefore we **strongly support** self-attestation.

Self-attestation through a third-party platform must be secure and safe, and explanation and verification of said platform's safety must be made explicit to LMI customers to ensure that mistrust of the platform does not become a barrier to completing a self-attestation form.

12. Participation by Affordable Housing Units

While New Jersey LCV agrees that housing authorities should not be excluded from community solar benefits, we believe the savings should be passed on to residents in an equitable manner. Housing authorities should therefore identify some best ways to utilize the money accrued from community solar savings, propose the menu of choices to the community in at least one community meeting, and provide benefits through the option chosen by popular vote. The community engagement session should be held after 6 pm, in the primary language of residents, and comprehensive and legible signage should be placed throughout the community. Proper distribution of funds by housing authorities should be enforced, which can be done by a third party separate from the Board, or as part of the Board's regular review process.

15. Consolidated Billing

² [The Inflation Reduction Act | US EPA](#)

New Jersey LCV agrees that consolidated billing is the best model to bill customers to reduce the risk of non-payment and help customers better understand the full benefits of their enrollment in community solar. Consolidated billing should ideally be through EDCs rather than third party consolidated billing. Third-party billing often involves sharing of additional personal information, a randomly-generated email tied to the utilities account, and payment information provided to the third-party account. A billing working group will ensure that additional hurdles with billing arise can be directly addressed as they arise. To ensure effectiveness of the working group, we recommend including subscribers and community leaders in the working group, which will help provide the working group receive direct community feedback and problem solving.

VII. Community Solar Subscribers

21. Geographic distance between project and subscribers

New Jersey LCV agrees that a project located in an EDC territory should be available to any community located within that EDC territory; however, there should be guardrails to ensure that projects sited in a predominantly LMI community (defined as one that is overburdened with 35% or more of the community being low- to moderate-income) should service 80% or more LMI community members. This will ensure that community solar benefits beyond workforce development are being distributed to those community members who can most benefit from the cost savings provided through a project. The 80% LMI-serving is consistent with the opt-out model, and while it is not guaranteed to directly benefit the community in which the project is located, it provides more targeted benefits to communities who need the financial assistance.

23. Automatic Enrollment

One of the greatest barriers to LMI community adoption of community solar is the challenge of enrolling LMI customers in these projects. Automatic enrollment, also known as the opt-out model, removes the process of having an individual enroll in the program, thus eliminating that barrier. The challenge is that LMI customers require income status verification, so they would still be required to provide the proper documentation. Therefore, New Jersey LCV recommends using community-specific census tracts to identify LMI community members without requiring their income verification. In addition, we recommend that an opt-out model in a community also provide adequate public engagement, including tabling opportunities with self-attestation forms for LMI community members to enroll in the program on the spot. In conjunction with the measures outlined above regarding billing and self-attestation, and the community engaged described below, we believe this will support greater community enrollment in the program.

VIII. Other

24. Community Engagement

We applaud the Board for including a community engagement plan as a requirement of every application for the community solar permanent program. In addition to the required elements outlined in the straw proposal, we recommend including pieces on workforce development and engagement with limited-English proficient community members. New Jersey LCV encourages the inclusion of outreach to LMI communities and pre-project training opportunities to be embedded into the community engagement plan. Low-income communities often intersect with communities of color, so ensuring that communication is available in other languages most commonly spoken by the community

is critical, as well as ensuring the public events are held after hours and in accessible locations. One of the barriers to entry into the program has been no awareness that the program exists, so a robust and thoughtful community engagement plan must be a strong requirement of any project the Board approves.

26. Pilot Program

New Jersey LCV agrees that in the future, projects that were approved in the pilot program should implement consolidated billing after the developer and EDC has been given sufficient notice of the implementation requirement. In addition, we recommend the inclusion of a new, or updated, community engagement plan for projects that have no comparable plan. Specifically, this will be to engage with the community that have not come online in the first year of the pilot program and for all projects for the second year of the pilot program. This will ensure that pilot project applicants make efforts to directly engage with the communities they will be located within, while ensuring that energy benefits go to the communities they are meant to serve.

Thank you for the opportunity to comment on the Community Solar Permanent Program Straw Proposal. If you have any questions, contact Allison McLeod, Public Policy Director, at allison.mcleod@njlcvt.org.