



Project Live, Inc.

Services for Mental Health Consumers

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Dear New Jersey Board of Public Utilities,

Project Live, Inc. (PLI) is a private, non-profit agency that provides a wide range of residential, rehabilitation, support, and vocational services to individuals diagnosed with mental illness in Essex County, New Jersey.

As an affordable housing provider, we would like to first express our gratitude to the Board for all the effort you have put into ensuring the New Jersey Community Solar Energy Program is accessible to affordable housing providers and beneficial to our low- and moderate-income (LMI) residents. However, there is a risk that the program may not succeed in meeting its goal of ensuring residents of master-metered affordable housing are able to access the benefits of the program due to two specific issues. Below are some recommendations and considerations to remedy this, as you finalize the permanent program.

Direct pay requirements

We have concerns regarding the proposed modifications to how affordable housing providers may subscribe to community solar projects. It is unfeasible to require that master-metered housing providers and affordable housing providers who enroll their housing properties as LMI subscribers pass on 75% of the electricity bill savings to residents in the form of direct payments. This requirement creates a challenging administrative burden and is unworkable for organizations that provide affordable housing options for transient communities. This setup would also put housing providers at risk of losing HUD funding for 100% of the community solar savings, not just the 25% that would be retained by the affordable housing provider.

We understand the need to ensure that residents of affordable housing who do not directly pay their energy costs have tangible gains from participating in community solar projects. However, we believe that the current proposal places an unworkable administrative burden and unacceptable risks on affordable housing providers. Instead, we recommend that the Board retain the pilot affidavit requirements for these groups. These requirements are more flexible and are a more feasible solution for affordable housing providers.

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Project Live is a EQUAL HOUSING OPPORTUNITY Provider

Furthermore, we urge the Board to consider the unique circumstances of some affordable housing providers, particularly those serving transient communities, when making modifications to the Community Solar Program. We understand the importance of ensuring that LMI families benefit from the program, but modifications must also be reasonable and feasible for supportive housing providers like our organization whose mission is to improve the lives of the residents we serve. To ensure that the transition to clean energy for LMI communities and affordable housing providers is viable and accessible, the Board should revert to the pilot rules for demonstrating LMI eligibility for affordable housing participation. This would ensure tenants receive the benefits of the Community Solar Program through tenant property enhancements or other services and proposals laid out by the provider according to their capacity.

Value of the bill credit

We are also concerned that the proposal to adjust the bill credit calculation for master-metered affordable housing complexes by including demand charges will not raise the value enough to ensure robust participation by affordable housing providers. Including the demand charge will provide a modest increase in the value of the bill credit, but the rate will still be much lower than the rate applied to individual residential subscribers.

Setting the value of the community solar bill credit too low will disincentivize community solar system owners and subscriber organizations from seeking master-metered affordable housing subscribers because they will lose too much revenue. If the system owner has the option to subscribe a residential rate class subscriber at a bill credit rate close to \$0.16/kWh or subscribe the same kilowatt hours to an affordable housing subscriber at a bill credit rate close to \$0.09/kWh, they will most certainly choose the residential subscriber (because the loss in revenue from taking such a lower rate outweighs the benefit of avoided costs of acquiring a single master metered account instead of residential subscribers). Note: These hypothetical rates would be subject to discounts.

Setting the bill credit for affordable housing accounts too low will also disincentivize affordable housing providers from going through the administrative burden of signing up. Given that the minimum discount requirement for the program is only 10%, savings for housing providers and their LMI residents could amount to less than \$0.01/kWh.

We urge the Board to consider including all demand and capacity-related charges included in the delivery/distribution and supply portions of the utility bill when calculating the bill credit for affordable housing subscribers whose accounts are assigned to non-residential rate classes. Since community solar projects produce electricity during the early evening hours in the summer when system capacity charges are incurred, these subscribers are contributing value to the electrical grid for which they are not compensated. Incorporating capacity and demand value into the bill credit for master-metered affordable housing subscribers won't bring the value of the bill credit as high as the residential bill credit, but it should bring it close enough to ensure affordable housing tenants receive a meaningful benefit and system owners are motivated to subscribe them. **If only the demand charge is included in the bill credit the New Jersey Community Solar Program will continue to disenfranchise affordable housing tenants in favor of "residential" accounts.**

Thank you for considering our feedback on these issues. We appreciate your commitment to ensuring that the Community Solar Program benefits all New Jersey residents, including those living in affordable housing.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ross Croessmann".

Ross Croessmann, MSW, LCSW
Executive Director