



May 15, 2023

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

RE: I/M/O the Proposed Community Solar Permanent Program (Docket No. QO22030153)

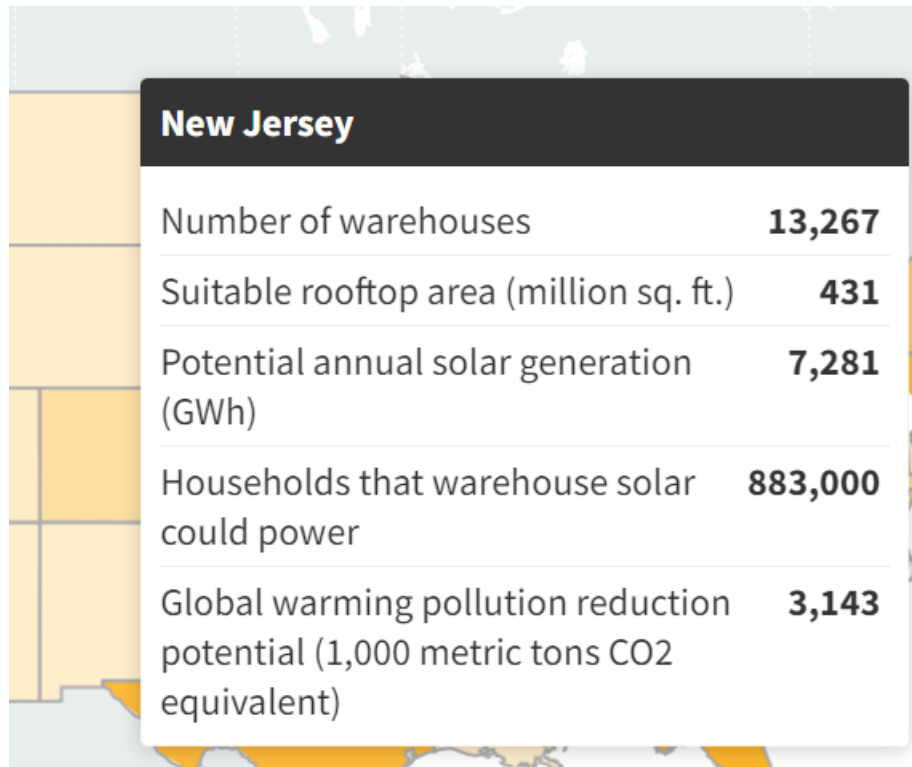
Dear Acting Secretary Golden:

On behalf of [Environment New Jersey](#) and our more than 80,000 citizen members and activists, I'm grateful for the chance to provide comment on New Jersey BPU's Community Solar Straw Proposal, which has clearly been thoughtfully and carefully prepared for public feedback and input.

Environment New Jersey works for clean air, clean water, clean energy, wildlife and open spaces, and a livable climate. We envision a greener New Jersey: one that protects more places where nature can thrive, and offers us and our children a greater opportunity to live healthier, more enriching lives. Many of these goals overlap with those of the Community Solar Program, which has seen two successful pilot years, and will hopefully see many more successful years to come – especially for the benefit of our environment, our environmental justice communities, and our low- to moderate-income residents.

We strongly support a number of the provisions within the straw proposal, in alliance with the Vote Solar coalition, for including access to affordable clean energy for those who need it most, by reserving 51% of program capacity for low- and moderate-income subscribers; streamlining and simplifying the subscriber experience by requiring consolidated billing and allowing for self-attestation; guaranteed meaningful savings for program participants, of no less than 10%, though we suggest the NJBPU consider instituting a higher savings rate for low income households; creating a pathway to automatic enrollment for municipal projects. When paired with transparency requirements and strong consumer protections, this can increase adoption, maximize benefits to participants and lower overall program costs; and finally requiring community engagement plans for all approved projects.

As a recent report called [Solar on Warehouses¹](#) from Environment America calls out, rooftop community solar sited on warehouses can bring many benefits to a renewable energy program, and this is one of the most encouraging parts of the Pilot program that we look forward to continuing in the Permanent Program. New Jersey's open spaces and wildlife habitats should remain as such, and as the most densely populated state we would be wise to continue locating large renewable energy projects on our plentiful commercial rooftops. The report found that New Jersey's existing warehouses could power 883,000 homes with community solar, an astounding statistic considering that this could be accomplished without any new warehouse proposals and without a single ground-mounted panel visible from the ground.



Despite what was a very strong Straw Proposal, we're concerned that a few areas should be adjusted to ensure that the maximum impact of the program can be accomplished while maximizing equity, minimizing failed "ghost projects," and at lowest cost to ratepayers.

Staff question for stakeholders 6: Please comment on the proposed process for project registration. Do you believe using bill discount offering is an appropriate method to select projects, should there be more applicants than capacity available?

Response:

New Jersey is a leader in community solar, which makes affordable solar energy accessible to disadvantaged and overburdened communities. However, recent changes to the program, particularly **the tiebreaker that focuses on the low and moderate-income (LMI) discount rate, may unintentionally undermine the program's success by reducing the number of completed projects.** Instead of relying on the LMI discount rate as a tiebreaker, we urge the Board to require developers to provide evidence of community support, which – as we have seen in the Pilot Program – has proven to increase the likelihood of project success.

Using the bill credit discount rates as a tiebreaker, without implementing measures to hold developers accountable, increases the risk of "ghost projects" that occupy program space without ever being realized. Incomplete projects are unable to deliver the environmental and economic benefits they promise to communities. To address this issue, NJBPU should require that developers demonstrate evidence of

community support, such as endorsements from mayors, support from environmental commissions, or municipal resolutions, as a tiebreaker when selecting approved applications.

To streamline the evaluation process and alleviate the burden on NJBPU staff, developers could be required to complete a cover sheet and self-assess their applications using a point system, indicating the number of objective evidence pieces of community support they have enclosed. This approach would ensure that the selection process is fair and transparent while reducing the workload on NJBPU staff.

We would advise, in partnership with our allies at Vote Solar, that NJBPU staff to consider other tie-breaker mechanisms that can favor those projects that will provide broad societal benefit, serving overburdened communities in particular. These include (listed in order they should be deployed):

- An explicit preference for community-owned projects, especially those located within overburdened communities
- Preference for projects that diminish the need for the dispatch of polluting infrastructure.
- Preference for projects that have secured a signed community benefits agreement, negotiated with local community leaders and community based organizations
- Preference for projects that increase local climate resiliency, i.e. through pairing with energy storage

We also support capacity blocks be opened on a quarterly basis, rather than annually, allowing projects that have not been conditionally approved as part of the permanent program to apply again without needing to wait a full year.

Staff question for stakeholders 21: Without a preference for projects which serve only the municipality or county in which they are located and neighboring municipalities or counties, how should projects in the Program maintain focus on local communities?

Response:

The pilot community solar program has gained national recognition for its ability to provide local benefits to residents, businesses, and the environment by promoting cleaner air and reducing reliance on fossil fuels. **However, the structure of the opt-out program as outlined in the Straw Proposal, poses a significant risk of eradicating these local benefits and, even worse, exacerbating historical environmental injustices.** Allowing developers to enroll a project in an opt-out program within any town of an Electric Distribution Company (EDC) could result in a single city hosting multiple community solar projects without its residents gaining any of the advantages of reduced energy costs.

Unfortunately, this would motivate developers to offer opt-out programs predominantly to wealthier towns, leaving residents in poorer towns excluded from subscription opportunities. This disparity in access to the program could perpetuate existing inequities. Therefore, we strongly urge the Board to address this issue in the permanent program by limiting opt-out programs to the same municipality or an adjacent one where a community solar project is located. By implementing this restriction, we can ensure a more equitable distribution of the program's benefits and prevent the exacerbation of socioeconomic disparities.

Community Solar Program Size: Environment New Jersey has concerns that a permanent community solar program should not include a capacity cap. We need clean energy programs that can accelerate to meet the rapidly growing demand for clean energy, as well as the existential urgency behind our global need for climate action.

Especially given the ability of community solar to democratize and expand access to clean energy, New Jersey has every reason to incentivize rather than artificially cap its growth. Uncapped growth would also eliminate the technical issues posed by capacity blocks, such as the need for a tie-breaker system.

If the NJBPU does move forward with the program capacity as outlined in the straw proposal, specifically that the “cumulative capacity for energy years 2022 to 2026 be no less than 750 MW” we urge Staff to ensure that the lost program capacity from EY22 and EY23 – during which no projects were approved – be factored into that calculation. We don’t want to risk failing to comply with the Solar Act of 2021, and New Jersey will be faced with a painful and unnecessary reduction of the overall program size by a full 150 MW. We believe this to be a simple issue to fix, but one that – due to the stakes of climate action – must receive NJBPU’s urgent attention.

Consolidated Billing: Environment New Jersey supports consolidated billing’s inclusion in the straw proposal. Paying two separate bills is one of the most common reasons why low- and moderate-income households fail to enroll or unenroll from community solar programs.

However, based on lessons learned from other states, we urge the NJBPU to add clear and escalating penalties for EDCs that fail to implement consolidated billing in a coherent and timely manner. We must be explicit in the permanent program’s design in order to eliminate the possibility of an EDC slowing down community solar deployment. This is especially important since automatic enrollment cannot be implemented by municipalities until after consolidated billing is in place. Any delay will result in cascading damage to the program, so we urge the Board to be exacting and concrete in its expectations for EDC implementation, and to enforce meaningful penalties for failure to comply.

We are deeply grateful of NJBPU’s careful consideration and inclusion of previous stakeholder comments, as well as the many lessons learned during the pilot program. Thank you again for the chance to submit comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Doug O'Malley". The signature is written in a cursive, slightly slanted style.

Doug O’Malley
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