KENDALL SUSTAINABLE INFRASTRUCTURE

6 University Rd.
Cambridge, MA 02138

May 15, 2023

To: New Jersey Board of Public Utilities
44 S Clinton Ave.
Trenton, NJ 08625
Attention: Sawyer Morgan

Re: Comments in Response to Docket No: Q022030153, Community Solar Energy Program

To the Board of Public Utilities ("BPU"):

Kendall Sustainable Infrastructure, LLC ("KSI") builds, owns and operates solar projects in New Jersey and other states. Our comments are aimed at advancing the interests of New Jersey's Community Solar Energy Program in a way that is fair, balanced, and likely to lead to year-over-year growth of the program.

Our comments relate to topics in the Staff's NOTICE: In the Matter of the Community Solar Energy Program.

Topic 3) Overall Program Capacity

In light of the high demand for the program, its creation of jobs and other economic activities in the state of New Jersey and its many public benefits, we believe that the program should be 300 MW per year for at least the first two years. Based on the application volume received for the Pilot program, the BPU should acknowledge and meet the demand for solar.

KSI encourages the BPU to set developer limits or a staggered approach to rollout. A majority of the allocations in the Pilot program went to a limited number of larger scale developers, which shows that the application and selection methodology favored a small subsect of development. Many smaller scale developers did not get selected based on high volume and the financially competitive nature of the process. To avoid a flooded application process, we support a staggered rollout and larger capacity.

Topic 4) Program Capacity Segmentation

We support the Staff's recommendation that 51% of capacity go to LMI customers.

Topic 5) Qualifications for Project Ownership

KSI supports the Staff's recommendation that EDCs do not develop, own, or operate community solar projects.

Topic 6) Application Process and Project Selection

KSI is in favor of the shift to a first come, first served participation process. We also support a waiting list for that would admit eligible projects into successive years. However, we do not feel that the tie breaker process outlined is a reasonable approach. Projects should not be competing on a single factor which is not comprehensive of the project. The Board should consider additional criteria when addressing a tie breaker such as project maturity and feasibility.

Section 11) LMI Income verification standards

KSI supports the BPU''s push to expand the list of eligible programs, shift to self-attestation, and standardized formatting for LMI verification. This is a great response to stakeholder feedback and is in line with market expectations.

Topic 14) – Bill credit banking/excess bill credits

KSI agrees with the Staff's recommendation that bill credits may be banked for up to 12 months from the start of operations, with an additional 12 months to be allocated to new subscribers.

However, for a period of 12 months following their generation, all bill credits throughout the life of the program should maintain their full value until they are allocated to paying subscribers. KSI also recommends this process should be applied to Pilot projects.

We expect customer churn to be substantial. In some months, arrays may lose 5% to 15% of their customers. The program should anticipate the problems associated with customer turnover and provide means for owners to fully monetize their bill credits. Losing the full value of bill credits puts operators at a severe disadvantage. While this may be less of a problem with consolidated billing, the problem is still likely to persist even with consolidated billing.

When an operator builds and operates a community solar project, they provide benefits that include jobs and clean energy that replace emission-producing fossil fuel energy. They also provide energy savings to communities that have not historically been able to access such savings. These benefits are created as soon as the energy is created and delivered to the grid. After creating these benefits, operators should not be penalized if they are unable to replace customers who have defaulted, moved or passed away. We view maintaining bill credit value as an issue of fundamental fairness, and a way for community solar participants to best receive the benefits created by community solar arrays.

Topic 15- Consolidated Billing

We strongly support the Staff's recommendation to implement consolidated billing.

However, an ongoing utility fee of 1% of the value of all bill credits is extremely high. Implementing consolidated billing may be a software adjustment. It is similar to accommodating retail electric supply and is neither complicated nor costly for utilities. We recommend a service fee that is a one-time first year payment of 0.5%. After that, the utility's billing systems will be automated and there will be no expense per credit incurred by the utility, so no ongoing fee should be charged. Or, at most, any ongoing fee should be in the range of 0.1% per credit.

Topic 21- Geographic distance between project and subscribers

We support the Staff's recommendation to eliminate the geographic distance requirement for subscriptions, allowing projects to engage subscribers within in the EDC territory, regardless of project location. KSI encourages this recommendation to apply to the Pilot program.

Kendall Sustainable Infrastructure, LLC
KSIBD@kendallsustainableinfrastructure.com