



May 15, 2023

New Jersey Board of Public Utilities

Attn: **Secretary of the Board**

44 South Clinton Avenue, 1st Floor

P.O. Box 350

Trenton, NJ 08625-0350

Re: The Community Solar Program
Tattleaux Solar Group Comments on
Staff Straw Proposal

Overview of Tattleaux Solar Group

Tattleaux Solar Group founders and senior executives were development, EPC, O&M and private equity executives of renewable and alternative energy projects in the 1980s to 1990s. Today, we only do community solar (and net metered projects for our community partners). We created our model and processes to be unique and different than any other renewable energy firm today and since the 1980s.

Today, Tattleaux first engages in community partnerships with community non-profits—community services organizations and school districts, and local public sector entities—towns, cities, counties, and public agencies. Tattleaux’s community partners provide us with both properties for solar and pools of potential residential subscribers. In stark contrast, almost all other firms participating in U.S. community solar programs scour for properties for solar and hire 3rd party subscriber organizations to acquire residential customers.

Tattleaux wishes to express overall concern with the BPU’s community solar program, which we believe is the best designed in the country. As of March 31, 2023, only 25 of an original 150 and 48 MW of an original 243 MW of conditionally approved PY1 (2019) and PY2 (2021) community solar projects have been installed.

We believe this severe underperformance is the result of 1) current solar firms’ (and utilities) same way of doing business as the 1980s-1990s renewable/alternative energy firms (and utilities) and 2) the BPU’s amendment of Pilot Program rules that insufficiently address the flaws in industry participants’ doing business the same way as in the 1980s-1990s. Specifically, most solar firms, especially all the larger ones, still pursue solar sites that are as large as possible and without regard for (and separately from) residential and LMI community engagement or subscriber acquisition efforts. As businesspersons, we understand that doing business the same way is much easier and appears less risky.

By the late 1990s, we observed the result of the “same old, same old” approach: that

NEW JERSEY OFFICE | 300 Carnegie Center Drive • Suite 150 • Princeton, NJ 08540 • (609) 786-2423

NEW ENGLAND OFFICE | 177 Huntington Avenue • Suite 1776 • Boston, MA 02115 • (617) 336-3999

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first iteration of the renewable/alternative energy boom ended. The risk of continued underperformance of New Jersey's community solar program is squandering the great opportunity to spread the benefits of clean solar electricity more efficiently to the residential market.

Given the above backdrop, and our agreement with the vast majority of NJ community solar rules dating back to the Pilot Program, our comments will be confined to those straw proposal recommendations that we believe will only extend industry players' old way of doing business that will result in continued severe program underperformance.

Tattleaux Comments on Straw Proposal

2. Proposed Community Solar Energy Program parameters

I. Program Eligibility

2) Project Siting

Tattleaux firmly believes Staff recommendations to limit community solar sites to rooftops, carports/canopies, contaminated sites/landfills and floating solar are too restrictive and will result in eliminating growth in NJ community solar projects. The number of these types of available sites is now very limited after solar firms have "picked over" such sites for both community and grid-tied solar over many years using their manpower and other resource focus on such available sites. Moreover, these sites hamper community engagement and subscriber acquisition because they are very often located at a distance from communities and make it difficult to explain to potential subscribers how they would receive electricity from such sites.

Tattleaux proposes that many other sites be added to the Permitted Sites list. In particular, we believe sites owned, but unused, by non-profit organizations, school districts and public entities that are smaller than 5.0 MW and not on farmland, Pinelands or Highlands should become permitted community solar projects. Moreover, we propose that the distinction between rooftop, land and parking lot sites for net metered vs. community solar projects be blurred, especially for project smaller than 1 MW. In our experience, given the smaller sizes of the sites our community partners provide us, it is often not economically feasible to build a net metered or community solar project on just the rooftop or parking lot or land our non-profit partners provide us.

Our experience is that Tattleaux's program of formal community partnerships with such organizations has resulted in these partners providing us with very many potential community solar (and net metered) projects located within their communities and significantly smaller than 5 MW. The primary reason is that Tattleaux community partnerships provide our partners with payments for the use of the property, donations for their discretionary use, significant (40% or more) discounts on their and their members' electricity, our sponsored and managed solar job training programs (for their members) and hiring to install our solar projects nearby. Given budget cuts/problems faced universally by these non-profits and public entities, they welcome our partnership and any support we provide them. They welcome monetization of any of their assets.

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And, finally, in addition to being located centrally to the community, their properties are small at less than 1 MW (indeed, a few are not large enough for project economic feasibility) so are quick to develop, interconnect and build, and easier to obtain subscribers for because of our partners' memberships base.

4) Program Capacity Segmentation

We propose capacity be allocated not based on EDC retail sales but based on the project's fulfillment of all other community solar rules regardless of location. Or, at the least, re-allocate more capacity to meet the qualified projects' needs. Our experience is that most available LMI project sites are not in PSEG territory.

6) Application Process and Project Selection

We agree overall with Staff Recommendations. The exception is the Staff recommendation that the tiebreaker be the "minimum guaranteed bill credit savings rate" which does not give credit for higher savings rates for certain types of subscribers. In particular, Tattleaux's savings rate for LMIs are significantly higher than the highest savings rate in the entire U.S. community solar market, while the rate for non-LMI subscribers is much lower than this. Based on our reading of the Staff Recommendation, our much lower non-LMI rate would be used as our tiebreaker.

7) Minimum project maturity requirements

We agree overall with Staff recommendations. The exception is we ask Staff to use proper discretion for the requirement of a project to receive all non-ministerial permits before applying to the program because much of this is not in the developer's control, especially for smaller projects. We are also concerned with possible delays by utilities even for projects smaller than 1 MW.

10) LMI participation

We appreciate Staff's concern for LMI participation and its recommendations. However, we caution that as previously, most solar firms' response to the current Staff recommendations of a project submitting a Subscriber Acquisition Plan and Community Engagement Plan in its application will not be sufficient in any way to turn around the program's underperformance (see "Overview" above) of the BPU's "Equity" goals. Specifically, solar firms can write up any kind of Subscriber Acquisition or Community Engagement Plan, but the firms' infrastructure and processes, if not changed, will fail in their execution.

19) SREC-II values

We believe the permanent program should and will align with federal solar incentives. And, yes, the incentive available for community solar projects in the ADI Program should be modified to reflect that projects may or may not qualify for the ITC adders.

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24) Community engagement

Again, we believe the key to this important Staff recommendation is the execution by solar companies. We recommend staff to place more consideration to community engagement and subscriber acquisition plans that have firm agreements to execute the plans and such agreements show formal terms for execution.

Thank you.

Sincerely,

Tattleaux Solar Group

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