



Monday, May 15, 2023

via email: board.secretary@bpu.nj.gov

Secretary of the Board

44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08625-0350

Re: BPU Docket Number QO22030153

Dear Secretary Golden –

NJR Clean Energy Ventures Corporation (“NJRCEV”) appreciates the opportunity to submit the following comments on BPU Docket Number QO22030153, pertaining to the Permanent Community Solar program Staff straw proposal. The Community Solar program creates one of the largest and most equitable means for the community to participate and adopt solar energy. We appreciate the Board's efforts to support the expansion of community solar programs in the state and look forward to helping improve the proposed regulation to ensure the success and longevity of the program.

NJRCEV is among the leaders in the New Jersey solar market. Since 2010, we have invested more than \$1 billion in over 400 MW of solar projects across all market segments and counties in New Jersey, comprising about 10 percent of solar installed in the State. This investment has supported more than 1,000 local jobs constructed with union labor, helped our customers save on energy costs, and reduced 330,000 tons of greenhouse gas emissions.

Siting/Co-Location

One of the critical issues we believe requires attention is the proposed prohibition on greenfield/farmland projects under the permanent community solar program. NJBPU should use the same siting guidelines as the Competitive Solicitation Incentive or "CSI" program to enable more flexibility in project development. While we understand the importance of preserving farmland, we believe that the current regulations are too restrictive and may limit the growth of community solar projects in the state. The current methodologies on siting from the CSI program should apply to community solar as well.

In addition, we believe that co-location of projects should be allowed, particularly if a net-metered customer has unused property they would like to host a community solar project, along with their traditional net metered project. This approach will increase the number of available sites for community solar projects and further advance the state's renewable energy goals. Co-location will also allow for scalability and the ability to maximize the utilization of existing infrastructure while increasing the deployment of renewable resources in an optimal manner.

As with greenfield/farmland access, this straw is developing the permanent community solar program, and there will come a time in the near future for New Jersey where most, if not all of the landfill, brownfield, and other promising “preferred” sites will have been filled. For the long-term viability of the

permanent community solar program, Staff should seek to expand this siting definition to include co-location for projects (and landowners) who may have already invested in net metered solar and are now looking to expand their investment into community solar.

Lastly, NJRCEV could also support a return to a rubric-style approval system, as was successful in the Community Solar pilot program. This approach would involve a rank-ordered preference based on siting characteristics, with preferred options such as brownfields, landfills, floating installations, and rooftops receiving the highest scores. Following these preferred siting options, commercial/industrial zoned areas would be given favorable consideration. While greenfield and farmland projects would be eligible, they would receive a lower ranking, encouraging developers to explore more sustainable siting alternatives. By incorporating a robust rubric-style system that prioritizes preferred siting options, development maturity, and subscriber discount rate, the Permanent Community Solar program could effectively encourage responsible land use, maximize environmental benefits, and leverage existing infrastructure. Additionally, NJRCEV would then support creating an annual or semi-annual submission period, similar to the CSI program, to review all submissions and ensure projects that meet program qualifications are accepted.

Project Ownership

Despite the Electric Distribution Companies' (EDCs) suggested intent of the Clean Energy Act of 2018, utilities have always needed to prove an underserved market to invest in rate-based renewable energy projects, and community solar is not one of those areas. We believe that allowing utilities to own community solar projects will discourage competition (contrary to the goals of New Jersey's deregulated electricity market structure), and limits the potential for smaller, independent developers to participate in the program. To ensure a level playing field for all developers, we recommend that the Board prohibits utilities from owning community solar projects at this time, as it has within the SREC, TREC, and SREC-II programs.

The EDCs can still play a critical role in ensuring the success of the permanent community solar program. Utilities possess extensive experience and infrastructure with the ability to leverage their existing resources, billing systems, and customer management capabilities to support the seamless integration of community solar projects into the grid. Their involvement can help streamline administrative processes, ensure accurate billing for participants, and facilitate the overall efficiency of the program and they will be compensated for doing so – without the need to allow utility ownership in this program.

Low-to-Moderate Income

NJRCEV understands the importance of ensuring equitable access to clean energy for all residents of New Jersey; however, we believe that the 51% subscriber requirement is not sustainable. At some point, all interested LMI customers will have subscribed, and no further projects can be built. We recommend that the Board consider setting a more reasonable percentage (or a return to some form of a grading system, factored-incentive, or incentive-adder for LMI) that will enable the program to continue to operate and expand in the future.

In addition, we agree with the majority of industry stakeholders (SEIA, NJSEC, MSSIA, etc.) who spoke to changes on LMI subscriber certification and re-certification at Staff's April 2023 stakeholder meeting. NJRCEV appreciates Staff's adjustment from the Pilot program to include additional eligibility programs and self-attestation. That being said, requiring routine recertification does not account for the realities of project "churn" and could cause unforeseen punitive impacts for LMI customers increasing their living-

wage to the point they no longer qualify as LMI. To date, no other state requires such recertification and we do not believe those should be enforced in New Jersey's community solar program.

Ensuring Prompt Program Development

NJRCEV recommends that NJBPU require opening of interconnection applications for community solar by all EDCs across the state in advance of final program approval. If waiting for the programmatic opening, it will create a large backlog of projects (as seen at the PJM-level) applying into the queue. We recommend that the Board require utilities to start accepting applications ahead of final program approval to streamline the application process. This will help to ensure that community solar projects can be developed more quickly and efficiently, benefiting all New Jersey residents.

Transfer of Existing Assets

Finally, we strongly advocate for existing solar projects to qualify for the community solar program once their SREC, TREC, or SREC-II eligibility expires. These projects have already made significant contributions to New Jersey's renewable energy goals and have been operating successfully within the wholesale market. By allowing them to transition seamlessly into the community solar program, we can leverage their infrastructure, experience, and capacity to generate clean energy for the benefit of local communities. This approach would not only enhance the program's effectiveness but also provide a pathway for the continued utilization of existing solar assets, maximizing their long-term value and fostering a more sustainable solar energy ecosystem in the state.

NJR Clean Energy Ventures supports the "Permanent Community Solar" straw proposal and appreciates the Board's efforts to promote the expansion of community solar programs in the state. However, we believe that the proposed regulations can be improved to ensure the success and longevity of the program. We urge the Board to consider our recommendations and make the necessary changes to ensure that New Jersey continues to lead the way in clean energy development.

We appreciate the opportunity to comment on this proceeding. We look forward to working with Staff and stakeholders to ensure a successful program that will facilitate robust community solar development opportunities and enable the State to reach its aggressive Clean Energy agenda.

Sincerely,

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