



VOTE SOLAR

May 15, 2023

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

In the Matter of the Community Solar Energy Program
BPU Docket No. QO22030153

Thank you for the opportunity to provide comments on this important matter.

This document is prepared by Vote Solar, a nonprofit that works state-by-state to advance a 100% clean energy transition that puts the interests, health and well-being of people at its center. Vote Solar also convenes the NJ Shines Coalition, a diverse coalition united by the vision of a resilient and equitable solar powered New Jersey that creates opportunities for everyone to thrive.

Vote Solar was glad to see the recent release of the Straw Proposal for the permanent Community Solar Energy Program, particularly the many provisions that emphasize expanding equitable access to clean energy. Many of these mirror the recommendations that we and a set of our allies submitted in May of 2022.

We strongly support a number of the provisions within the straw proposal. In particular:

- The prioritization of 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 Board 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.
- Requiring community engagement plans for all approved projects.

We applaud the Board's careful consideration and inclusion of previous stakeholder feedback, as well as lessons learned during the pilot program.

However, we have also noted key pieces missing within the straw proposal. When incorporated, these will allow New Jersey's program to lead the nation in expanding equitable access to community solar and clean energy writ-large. These are outlined below.

Energy Democracy & Restorative Justice

The renewable energy industry has long been unable to meaningfully reach low-income and overburdened residents of New Jersey, demanding innovative policy and business solutions that unlock the market potential of, and maximize benefits for, these communities. These innovations can happen if the state focuses on democratizing the energy system. However, the straw proposal fails to provide sufficient support for – or even meaningful engagement with – the wealth building and energy democracy needs of low income residents.

Historically, policies have limited black and brown New Jerseyans to participate in the energy economy as customers and workers. Yet creating supportive pathways to ownership or control over solar projects can dramatically enhance the benefits of solar to those who need the benefits the most.

Creating programs that allow communities to engage with clean energy technology as they wish can unleash a powerful tool for wealth-building in overburdened communities, which have historically suffered the most as the result of our extractive energy system, and have never been compensated for that legacy of injustice. However, doing so will require a sustained focus on supporting local communities to own and self-determine their energy infrastructure and needs.

Guaranteed savings are important and necessary. But New Jersey should take a crucial next step, using this opportunity to expand the range of options to include robust community ownership – encouraging the creation of durable and concrete community assets within overburdened communities.

Communities should be able to choose their own level of engagement – whether through participating in developer-owned projects or driving their own. Community driven projects can be more involved, but the potential community benefits are greater, and they are critical for

improving social equity outcomes. Our goal is to make both options equally available to communities across the state.

There are abundant examples of the type of program that should be incentivized to truly build community wealth. For instance, In New York City, the regional Community Energy Co-Op develops community solar within overburdened neighborhoods, and is governed by a co-op board of local residents aiming to create a more just and equitable energy future. Minneapolis is renowned for its community-owned solar model, where arrays are located at community-based organizations in overburdened communities, and members subscribe, save, and own a piece of the power.

New Jersey should not leave the development of these types of wealth-building programs to chance, or to market forces. Instead, we must create structures that facilitate community ownership.

The Board has multiple options for how to support community-owned and wealth-building projects, including:

- Up-front rebates for community owned projects
- Pre-development and technical assistance funding
- Providing a separate procurement lane for community owned projects, e.g. through a set-aside within the program capacity cap
- A higher ADI incentive for community-owned projects
- Incentivize community ownership models that facilitate community members working with a financial entity other than a traditional bank (such as a greenbank or community development credit union), to build and own their own community solar project
- A requirement that developers pass back some of their revenues into the communities they serve, or offer “stocks” or lease-to-own models for participants to own a share of the company, the solar project, or its revenues

We stand ready to help facilitate such programming and point to existing models and best practices, such as the Sovereignty Grant Program in Illinois.¹

As will be discussed in more depth subsequently, community owned projects should also be given preferential treatment in situations where EDC blocks are over-subscribed, and a tie-breaker process is employed.

Consolidated Billing

¹ <https://omb.illinois.gov/public/gata/csfa/Program.aspx?csfa=3055>

We are glad to see consolidated billing included 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 Board 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.

Community Engagement

We applaud the requirement of a community engagement plan for approved projects. However, the requirements as-written are too vague to guarantee meaningful collaboration. Genuine community engagement requires power being held by both sides. Especially for projects sited in overburdened communities, we urge the board to require developers to explain how community feedback will be meaningfully solicited – including feedback from communities with limited English proficiency – and how projects will be modified based on community input.

Beyond developer-led community engagement, the Board should conduct regular and targeted stakeholder sessions with low-income ratepayers who would be potential participants, as well as with community based organizations that serve them, focused around on what types of community engagement should be required. There may be concerns among groups that are not reflected here.

The Board should also seek out and follow the leadership of impacted communities by convening a working group of environmental justice and low income advocates, in order to receive regular guidance on how this program can best support overburdened communities, what qualifies a project as meaningfully supporting community wealth-building, eligibility metrics for defining overburdened communities based on geographic and demographic data, and other relevant topics as they arise.

As always, it is important to provide compensation to individuals and community organizations for their participation in such stakeholder sessions.

Further, we recommend that the Board itself engage communities across the state around the Community Solar Permanent Program, amplifying the benefits of the program through its own

outreach and working with trusted spokespeople and community-based organizations to educate members of overburdened communities about community solar's benefits.

In part due to historic mistrust of sales programs, rooted in a legacy of predatory marketing toward members of low wealth communities, community solar programs often sound "too good to be true." This is why community partnerships with trusted messengers are key to increasing adoption. This arrangement should include fair compensation for these community organizations and their representatives.

Workforce Development

We also note the absence of a workforce development requirement in the straw proposal. Workforce development is a key tangible benefit that community solar can bring to members of overburdened communities, and we urge the Board to require support for workforce development as part of all approved projects.

We recommend that this either be added as a key requirement within the community engagement plan, or be included as an additional stand-alone requirement for conditional acceptance into the Permanent Program.

Siting

We are pleased to see that the Board allows for geographic flexibility for project subscription, allowing for subscribers to participate in community solar from anywhere within a project's EDC territory. While a project does not need to be sited in an overburdened community in order to benefit that community, we must be vigilant against the possibility of a project being sited in an overburdened community without delivering meaningful local benefits.

In recognition of the persistent and pernicious pattern of construction in overburdened communities without consideration of community needs and interests, we recommend that the Board maintain more stringent requirements for public notice and engagement when considering the construction of a project in an overburdened community, and limit municipal-led subscriber acquisition to projects sited within the same or immediately adjacent municipality.

The BPU should maintain active and open channels of communication with organizations that serve overburdened community members, and should consider conducting targeted outreach to host special stakeholder sessions with these groups to ensure their views are centered on this topic.

Tie Breaker

In the case of oversubscribed capacity blocks, we firmly support employing a tiebreaker that favors those projects most likely to meaningfully benefit the communities they serve. However,

using projects' minimum guaranteed bill savings presents challenges which, considered together, lead us to recommend an alternative approach.

Asking developers to provide a minimum guaranteed bill savings before they know the full details of each project's financing – including which adders they will receive under the Inflation Reduction Act, which meaningfully impact their guaranteed savings – leaves us and a number of our allies concerned that some developers may commit to providing savings amounts that are incompatible with bringing their projects to commercial operation, ultimately leading to project failure. Further, since Staff has recommended that scrubbed capacity not be reallocated, we are concerned that premature or overly-optimistic commitments around minimum bill savings rate will adversely affect program size.

Instead, we advise 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 the approximate order in which they should be employed, should there be need of multiple tie-breakers):

- 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, e.g. through pairing with energy storage

We also echo others' recommendation that 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.

Program Size

Vote Solar has long held that the 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 community solar's ability 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.

That said, if the Board 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. Otherwise we risk failing to comply with the Solar Act of 2021, and our state 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 Staff’s urgent attention.

Conclusion

We are grateful for the opportunity to participate in this proceeding, which will have far-reaching implications for New Jersey’s equitable clean energy future. New Jersey’s Board of Public Utilities is uniquely positioned to advance a just transition to 100% clean energy that puts people first, and we appreciate the Board’s commitment to economic and energy justice.

We welcome the opportunity to discuss these ideas further with your office. Should you have any questions, don’t hesitate to contact us at the information below.

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Elowyn Corby
Mid-Atlantic Regional Director, Vote Solar
ecorby@votesolar.org

Kartik Amarnath
Mid-Atlantic Regulatory Director, Vote Solar
kamarnath@votesolar.org