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

Re: Docket No. QO22080540, New Jersey Energy Storage Incentive Program, Comments of Generac Power Systems, Inc. on Request for Information – August 8, 2023

Acting Secretary Golden:

Generac Power Systems, Inc. (“Generac”) hereby submits these public comments on the New Jersey Storage Incentive Program (“SIP”) request for information (“RFI”) pursuant to the Board of Public Utilities (“Board”) Notice issued August 8, 2023. We also appreciate the opportunity to submit input in the New Jersey Energy Storage Storage Incentive Program Straw proposal (“Straw”) Strawman issued on September 29, 2022.

Generac is a leading energy technology company that provides advanced power grid software solutions, backup and prime power systems for home and industrial applications, solar + battery storage solutions, virtual power plant platforms and engine- and battery-powered tools and equipment. We have extensive experience developing and participating in energy storage programs in multiple jurisdictions across the country, including Arizona, Connecticut, Massachusetts, New York, Puerto Rico and Texas with our PWRCCell solar + battery storage and other Generac systems.

The questions outlined in the RFI are important for achieving the energy storage deployment and utilization goals in New Jersey, as set forth in the Clean Energy Act of 2018 and the Energy Master Plan. In our original submission in the SIP Strawman, we made the following observations and recommendations that draw on our experience with similar programs in other jurisdictions to incorporate best practices into the SIP, including:

- Clarify that energy storage aggregators are eligible to participate directly;
- Make the annual fixed incentive an upfront lump sum payment;

- Increase the upfront payment in initial program years to compensate for assumed pay-for-performance value stacking opportunities not yet available;
- Allocate equal capacity targets for Grid Supply and Distributed storage segments;
- Allocate equal capacity targets for residential and C&I customer classes for the Distributed storage segment;
- Exempt Distributed storage systems from uptime performance metrics;
- Allocate a separate capacity target for overburdened communities with an upfront incentive adder;
- Allow for assignment of pay-for-performance incentives to entity of choosing at time of program enrollment (e.g., customer, system owner, aggregator);
- Provide for use of inverter or storage device data for performance measurement and reporting; and
- Adopt additional pay-for-performance program features from the Connected Solutions program framework and design.

Generac concurs with the joint comments developed for this RFI by the Solar Energy Industries Association, Advanced Energy United, Vote Solar and the New Jersey Solar Energy Coalition (Joint Comments). While we are in concurrence with the Joint Comments, we also want to highlight a few areas that will have a weighted impact on the distributed storage market.

2.0. Installed Storage Targets, Deployment Timelines and Capacity Blocks

2.1 How Should capacity blocks be structured and proportioned both within each component of the NJ SIP (Grid Supply and Distributed) and relative to each other?

Generac urges the Board to set equivalent targets for each segment, such that the target for program year (“PY”) 2023/2024 Grid Supply and Distributed storage is 20 MW each, for PY 2024/2025 the target is 30 MW each, for PY 2025/2026 the target is 45 MW each, and so forth. Equal distribution of the targets at this time is appropriate and aligns with the stated goal to “show New Jersey’s long-term commitment to storage and to attract long-term commercial interest into New Jersey’s nascent storage industry.” (SIP at 14). A weighted target in favor of Grid Supply storage sends the wrong signal to the substantial Distributed storage segment of the industry.

We also recommend that the Board provide equal but separate targets within the distributed storage segment for residential and C&I projects. This will ensure a more equitable distribution of program funds and allocation of resources between these customer classes within the Distributed storage segment and ensure that a few very large C&I projects are not allocated the entire Distributed storage capacity block. Additionally, we would urge that the Board increase the overall initial targets based on the results of the Connecticut program which very quickly approved 46.4MW/139.4MWh in the initial tranche. As a result, the Connecticut program is now accepting applications for the second tranche two years ahead of schedule.

2.2 Should the proposed first-come, first-served application process be changed to a “First-Ready, First-Served” process?

Generac believes that changing to a “first-ready” requirement could inadvertently favor certain types of developers or projects over others, potentially excluding smaller players or projects with longer development cycles. Additionally, there is ambiguity in what constitutes “ready” and this could lead to potential disputes. A matrix of factors such as permitting status, interconnection agreements, and financing would need to be included and this would only lead to further complexity in the process.

We suggest that the proposed first-come, first-served application process should remain with perhaps an expiration date on the application in order to ensure that projects are pushed forward through the process and if not the incentive capacity could then be allocated to other projects on a waiting list.

2.3 How should the program be designed to avoid or minimize interconnection delays? Should the interconnection process be modified for accommodating energy storage and if so, how?

The interconnection process is already very arduous, especially for smaller developers/projects to support effectively. For this reason, we suggest that the program include allowance for the extended timeframes often seen with interconnect ques, especially if the applications have an expiration date. It is our understanding that the MA SMART program incentive allows for an extension with reasonable supporting data showing what has caused the delay and how it is being addressed, mirroring this could be advantageous if an expiration date/deadline is included in the application process.

II. Conclusion

Generac appreciates the opportunity to provide these comments on the Request for Information. We respectfully urge the Board to adopt the recommendations provided herein and we look forward to continued collaboration as the Board moves forward with the development of the NJ SIP.

Respectfully submitted,

[s] Zolaikha Strong

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