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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. QO21010085 – In the Matter of Modernizing New Jersey’s Interconnection Rules, Processes, and Metrics

Dear Secretary Golden,

PowerFlex would like to thank the New Jersey Board of Public Utilities (Board) for listening to stakeholders and proposing helpful amendments and new rules to N.J.A.C. 14:8. As a leading developer of clean energy solutions, PowerFlex participated in the Grid Modernization stakeholder meetings in 2021 and 2022. We are pleased to see that many of the suggestions we and other stakeholders proposed have been incorporated into the proposed amendments and new rules. We are especially delighted by the creation of an online portal to manage the interconnection process which will provide greater transparency for both developers and utilities. We have no doubt that the changes to N.J.A.C. 14:8 will alleviate some sources of delay and confusion and allow New Jersey to continue as a national leader of distributed energy resources (DERs). New Jersey electric distribution companies (EDCs) have historically been easier to work with than other utility territories in the country, enabling PowerFlex to install over 120 MW of solar and 200 EV charging stations statewide. We look forward to an even more efficient and collaborative relationship thanks to these proposals.

However, to ensure the full potential of the proposed amendments, PowerFlex requests that the Board implements some form of enforcement mechanism on the EDCs to comply with the new rules. While utilities have the power to enforce timelines and requirements on the developers through fees or potentially disqualifying an interconnection application, there is no similar enforcement mechanism for the utilities. In the past we have experienced utilities not following their own rules in response time for various reasons throughout the interconnection process. Without enforcement, the timelines and objectives listed in the new rules to N.J.A.C. 14:8 may not become reality, thereby undermining the development of these requirements and threatening the resiliency of the grid and growth of DERs.

Enforcement is especially necessary in ACE territory, where PowerFlex has faced the greatest delays. ACE’s processes for interconnection approval, impact/engineering studies, and

permission to operate (PTO) are slow, arduous and have delayed PowerFlex projects by years. For example, PowerFlex submitted for PTO with ACE on our Keystone Gibbstown project in May 2022; we are still waiting for PTO on the full system. The delays on this project can be attributed to ACE’s delays in providing impact study results and invoices for the project, completing their scope of substation upgrades and fiber installation for their self-mandated Direct Transfer Trip technology, and in the design, installation, and commissioning of their self-mandated utility recloser.

Furthermore, ACE is consistently slower in their review of interconnection applications, and their timelines to provide PTO. PowerFlex collects data measuring the duration between interconnection (IC) submission and interconnection approval, as well as the duration between Mechanical Completion (MC) of a project and PTO. Mechanical Completion is defined as the point at which the project is complete, inspected and approved by the AHJ, and is thus only waiting on the utility before it can be energized.

Generally, interconnection approvals in ACE territory take longer than its counterparts. Particularly between 2020-2021, IC approvals in ACE took approximately three times longer than in PSE&G and JCP&L, as can be seen in the following charts.

Figure 1

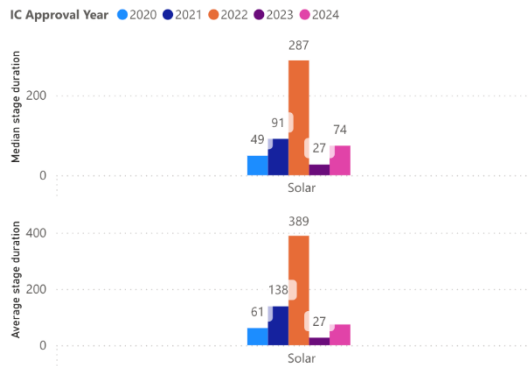


Figure 2

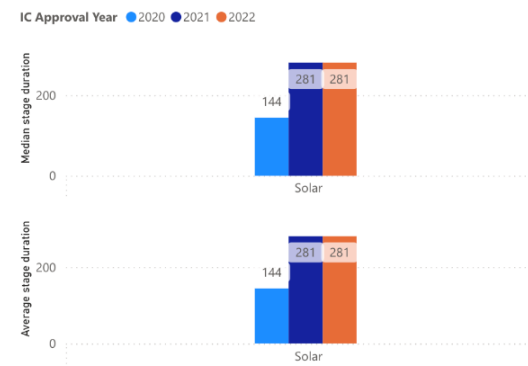


Figure 1: (Top) Median duration between IC submission and IC approval for PSE&G and JCP&L in 2020-2024; (Bottom) Average duration between IC submission and IC approval for PSE&G and JCP&L in 2020-2024
Figure 2: (Top) Median duration between IC submission and IC approval for ACE in 2020-2024; (Bottom) Average duration between IC submission and IC approval for ACE in 2020-2022.

It’s worth noting that the extended durations in 2022 in Figure 1 were exclusively in PSE&G territory; PowerFlex did not receive any IC approvals in JCP&L in 2022. The delays in IC approval were caused by **PSE&G’s decision to upgrade the hosting circuit**, based on changes to the load profile of the area that those circuits served. **This resulted in an additional 3.65 MW of clean power added to the PSE&G grid.**

Regarding the durations between MC and PTO, ACE is also slower than PSE&G and JCP&L. In 2022, the average duration between MC and PTO in ACE was 76 days, compared to the 28-day average in PSE&G and JCP&L. As mentioned previously, PowerFlex is also awaiting full PTO on the Keystone project, which has been mechanically complete since April 2022. PowerFlex did not achieve PTO on any projects in ACE in 2023.

Figure 3

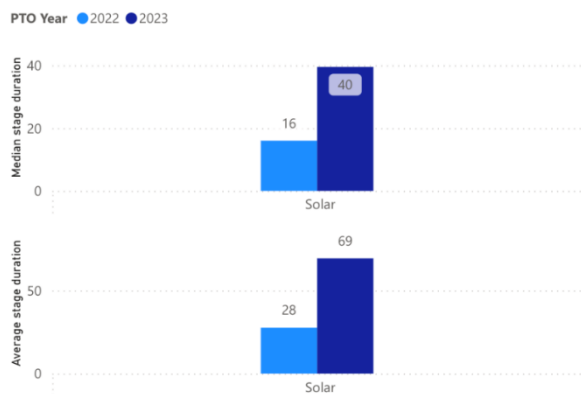


Figure 4

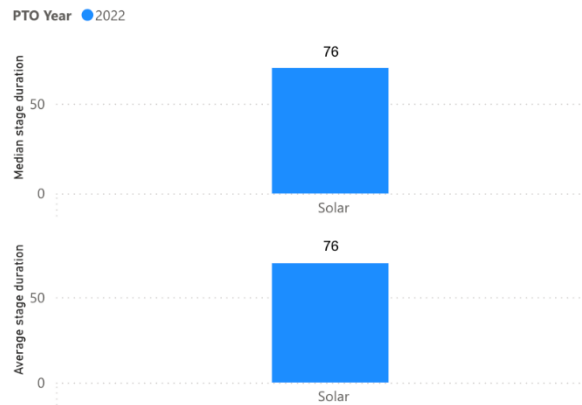


Figure 3: (Top) Median duration between MC and PTO for PSE&G and JCP&L in 2022-2023; (Bottom) Average duration between MC and PTO for PSE&G and JCP&L in 2022-2023

Figure 4: (Top) Median duration between MC and PTO for ACE; (Bottom) Average duration between MC and PTO for ACE.

Because of these delays PowerFlex has not heavily pursued new projects in ACE territory since 2022. PowerFlex has also experienced the following challenges in ACE:

1. Hosting capacity in ACE is **extremely limited**, despite minimal solar penetration
2. Every project that PowerFlex has applied for since 2020 has either:
 - a. Required upgrades to host the system, the majority in excess of \$200,000
 - b. Received requests from ACE to downsize the system to 250 kWAC or less when the proposed system sizes for the projects ranged between 600 and 1,400 kWAC
 - c. Been denied IC approval by ACE

PowerFlex supports the timelines detailed in the proposed amendments to N.J.A.C. 14:8 and hopes that their implementation will mitigate the delays we have experienced. However, without any enforcement mechanisms, we fear that the EDCs may not always follow these timelines. PowerFlex requests the Board clarify how the amendments will be enforced, potentially through penalties, if EDCs do not meet the requirements and recommendations of N.J.A.C. 14:8.

In addition, PowerFlex requests that the Board clarify the following in the proposal:

- On page six it lists the eligibility requirement for systems in the Level 2 interconnection review as those that are 2 MW **AC** or less, but later page nine lists the same requirement as 2 MW **DC**. Can the Board please resolve this discrepancy and clarify if the system size is measured in alternating or direct current? Alternating current is currently the standard in New Jersey for interconnection and PowerFlex prefers that this is maintained in the new rules.
- The proposed changes include allowing EDCs to charge applicants for actual costs, including overhead, of engineering work for any additional review or system impact study or facilities study, **in addition to** the initial application fee. However, it is currently unclear if there are any ceiling prices or limits for these additional costs as the previous cap on labor costs is proposed to be deleted. Is there any maximum number of hours or total amounts EDCs can charge applicants in addition to the initial application fee? If not currently proposed, PowerFlex requests the Board implement a ceiling cost or adopt a reasonable fixed fee structure to provide developers with transparency and accurate expectations of total interconnection application costs.

Finally, we see the next steps in the Board's effort to modernize the grid as increasing hosting capacity in highly congested areas of the grid. PowerFlex has identified multiple locations across the EDCs that offer no or minimal interconnection capacity but are desirable areas for distributed resources as they are home to large industrial zones and warehouses. We encourage the Board to address this problem in the next step of the grid modernization effort.

Thank you and the Board again for your continued efforts to improve New Jersey's interconnection policies and processes for distributed energy resources. PowerFlex supports the Board's amendments and looks forward to continuing to work towards a clean energy future for New Jersey. Please do not hesitate to reach out for further assistance.

Respectfully submitted,



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