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August 2nd, 2024

New Jersey Board of Public Utilities
44 S. Clinton Ave.
Trenton, New Jersey 08625

Re: Docket No. QO21010085

President Guhl-Sadovy, and Commissioners Abdou, Bange, and Christodoulou,

Sunnova Energy International, Inc. is a national adaptive energy services company. Founded in 2012, Sunnova services more than 438,000 customers across 51 States and U.S. territories including New Jersey. The purpose of this letter is to provide recommendations on the current New Jersey Grid Modernization effort. Sunnova has been involved in the grid modernization effort for over two years and is very excited about how the new interconnection rules have been developed.

Timeline Accountability

We appreciate the BPU setting out specific timelines for utilities and applicants to meet to keep the flow of applications moving. However, under the current regulation regime, there does not seem to be a method of accountability for utilities. While applicants may lose their place in the queue for not meeting timelines, there is no sanction, penalty, or incentive to ensure utilities are meeting timelines. Colorado recently passed legislation that creates penalties for delayed interconnection. “If a retail electric utility fails to provide timely service and adhere to timelines that the commission establishes as part of the commission’s interconnection rules, the retail electric utility may be subject to penalties of up to two thousand dollars per day for each day that the violation occurred.”¹ The Colorado PUC adopted performance index metrics that provide bonuses or penalties depending on if the utility met interconnection timeline requirements or not and a refund mechanism for customers facing utility delays.² We believe that these types of timelines best provide important levels of consumer protection when paired with sanctions. Without accountability, customers can face long delays in having their systems operational.

Proactive System Upgrade Planning

The current proposed interconnection rules still require the cost causer to pay for the entire upgrade. We appreciate the requirement for utilities to provide additional information on how a specific system can avoid an upgrade, but it still seems like a level 1 project can be kicked to level 3—meaning that consumers are met with a drastic increase of project costs without much

¹ Colorado Senate. 2023 Regular Session. SB 23-16, Greenhouse Gas Emission Reduction Measures, <https://leg.colorado.gov/bills/sb23-016>

² Proceeding No. 23AL-0188E, Decision No. R24-0018

warning. There should be more clarity for level 1 projects on cost allocation responsibility if they do not want to install batteries or reduce their system size. We agree that the Proactive System Upgrade Planning docket is a good venue to work through a more reliable and transparent process for consumers and small business installers alike. In the meantime, we suggest that interim measures be taken to avoid unnecessary skyrocketing in project costs without a process for mediation between utilities and solar customers. Colorado's Modernize Energy Distribution Systems bill established a \$300 short-term cost cap for upgrades required by system 25kW and under. The interim solution will be in place until the commission performs a rulemaking to decide cost allocation.³ We believe this is a simple, interim solution that the BPU can include in the interconnection rules.

Hosting Capacity Maps

The current proposed rules allow for utilities hosting capacity maps to be updated quarterly. With the proactive system upgrade process, it is important for companies to validate grid accessibility with accurate data on hosting capacity. The process will rapidly change grid capacity and open the distribution system, so monthly updates of the hosting capacity maps are more appropriate.

Sunnova appreciates the Board's time and this opportunity to help shape grid modernization efforts in New Jersey.

Thank you,



Meghan Nutting
Executive Vice President of Government and Regulatory Affairs
Sunnova Energy International

³Colorado Senate. 2024 Regular Session. SB 24-218, Modernize Energy Distribution Systems, <https://leg.colorado.gov/bills/sb24-218>