



December 16, 2024

**Sherril L. Golden**

**Secretary of the Board**

**44 South Clinton Avenue, 1st Floor**

**PO Box 350 Trenton, NJ 08625-0350**

**Dear Secretary Golden,**

On behalf of Aspen Power, thank you for the opportunity to submit public comments regarding the Community Solar Energy Program ("CSEP"). Aspen Power is a distributed energy generation platform building the clean energy future. We partner with businesses, communities, and others in the industry to develop, construct, operate, and own renewable energy assets. Our organization has a significant presence in the State of New Jersey, thanks to the leadership of both the Board and the Murphy Administration.

While Aspen applauds the success of the permanent CSEP since its rollout one year ago, we believe there are several areas that can be refined to drive better outcomes for New Jersey ratepayers, the solar industry, and the fight against climate change. Our recommendations are detailed below.

**1. Eliminate the Municipal Support Letter Requirement**

The community support letter requirement under the Community Engagement and Subscriber Acquisition Plan, while well-intentioned, has proven problematic in practice. This requirement has created unnecessary friction and confusion between solar developers and municipal officials, often delaying or outright blocking viable community solar projects. In multiple cases, municipal officials have expressed hesitancy or outright refused to provide a letter of support, sometimes without allowing the developer an opportunity to present the benefits of the project.

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This requirement grants disproportionate and unilateral authority to municipal officials to derail projects that otherwise meet all technical, environmental, and regulatory criteria. Importantly, no other community solar program in the United States requires such a letter, making New Jersey an outlier in this regard. Most programs rely on established permitting processes – both ministerial and non-ministerial – to address municipal concerns in a balanced and transparent way.

By eliminating the support letter requirement, the BPU would streamline project development and reduce barriers to entry for developers, ultimately accelerating deployment and ensuring that local governments' concerns are addressed through the proper permitting channels. Ministerial processes, as seen in programs across Illinois, New York, and Maryland, provide a robust framework for municipal engagement while avoiding undue delays or arbitrary denials. We urge the BPU to consider this approach to foster equitable and efficient project development.

## **2. Implement a Developer Cap to Promote Equity and Competition**

Aspen appreciates the BPU's focus on reducing costs and protecting ratepayers within the CSEP. However, the current structure has led to a disproportionate concentration of awarded capacity among a few developers, undermining equitable access to the program. To address this, we strongly recommend the adoption of a developer cap similar to the Illinois Shines program, which limits individual developers to no more than 20% of the annual program capacity.

This approach would promote a more competitive and diverse market by ensuring equitable participation from a broader pool of developers. Diverse participation also enhances innovation, improves service to subscribers, and mitigates risks associated with market concentration, such as over-reliance on a small number of large firms. Furthermore, limiting market share for any single entity helps maintain the program's original intent of democratizing access to clean energy for New Jersey communities.

A developer cap would align New Jersey's CSEP with best practices observed in other leading markets, ensuring more equitable distribution of program benefits while maintaining competitive pricing. The BPU should consider such a policy to strengthen program integrity and foster long-term growth.

## **3. Establish a Waitlist System to Support Project Development**

The absence of a formal waitlist system within the CSEP creates uncertainty for developers whose projects fail to secure capacity in a given solicitation. This uncertainty, coupled with lengthy intervals between solicitations, discourages investment in projects that are otherwise viable and aligned with program goals. A waitlist system would provide developers with the confidence to continue project development, ensuring a steady pipeline of shovel-ready projects for future solicitations.

A well-designed waitlist system could include scoring criteria to prioritize projects that deliver maximum benefits to ratepayers and communities. For instance, projects offering higher bill credit discounts, sited on preferred locations (e.g., rooftops, parking lots, or brownfields), or located in low-income or environmental justice communities could be prioritized. This approach would align with the program's equity and cost-reduction goals while incentivizing the development of projects that deliver the greatest value.

The Illinois Shines program offers a strong precedent, where waitlisted projects are scored and ranked based on program priorities. Such a system not only reduces developer risk but also creates a more predictable and efficient process for allocating capacity. We urge the BPU to adopt a similar model to ensure that viable projects remain in the pipeline and that ratepayer benefits are maximized.

#### **4. Address Barriers to Multifamily Property Participation**

The CSEP has significant potential to support solar deployment at multifamily properties, yet the current program structure places these sites at a competitive disadvantage. Multifamily projects often face higher installation costs due to non-optimal roof designs, multiple interconnection points, and other logistical challenges. Additionally, the practice of ranking all projects within the same capacity tranche, regardless of size, creates a further disadvantage for smaller-scale projects typically found at multifamily properties.

Including all CSEP projects up to 5 MWdc in the same tranche for bill credit discount ranking disproportionately benefits larger projects that can achieve economies of scale. These larger projects can offer higher bill credit discounts, often at the expense of smaller projects, such as those sited on multifamily buildings, schools, and small businesses. This outcome runs counter to the CSEP's goal of ensuring equitable access to clean energy for all communities.

To address this, Aspen Power recommends segmenting the program by size category, creating a dedicated capacity tranche for smaller projects (e.g., sub-1 MW). This segmentation would level the playing field, enabling multifamily properties to compete fairly while encouraging solar development in densely populated areas. Additionally, offering targeted incentives or higher scoring for projects sited on multifamily properties could further support this market segment, ensuring that the CSEP delivers meaningful benefits to residents of these communities.

We sincerely appreciate the Board for extending the opportunity to provide comments on the Community Solar Energy Program. Aspen Power is committed to supporting the program's success and to working collaboratively with the BPU and other stakeholders to achieve New Jersey's ambitious clean energy goals. We look forward to continuing our partnership with the Board and other stakeholders to make community solar accessible, equitable, and impactful for all New Jersey residents.