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December 16, 2024

VIA ELECTRONIC FILING
Sherri L. Golden
Secretary of the Board
44 South Clinton Ave. 1st Floor
PO Box 350
Trenton, NJ 08625-0350

RE: Response to Request for Comments In the Matter of the Community Solar Energy Program Docket No. QO22030153

Dear Staff of the New Jersey Board of Public Utilities ("BPU" or "Board"),

Ecogy Energy, founded in 2010, is an experienced developer, financier, and owner-operator of distributed generation projects across the U.S. and Caribbean. Ecogy's focus and niche is on the <1 MW arena, particularly on systems sited on rooftops, parking lots, and brownfields. Ecogy believes that with sound planning, proper development and fair incentives for these types of projects, the state, its residents, and the clean energy industry as a whole will ultimately be more successful. Ecogy firmly believes that by focusing on projects constructed in and on the built environment, the development community can preserve precious and limited natural resources while directing the benefits of local solar to small businesses, property owners, nonprofits, low-income individuals, and other organizations that need them most.

We look forward to the opportunity to engage with the Board and provide comments on the New Jersey Community Solar Energy Program. We kindly urge you to consider our suggestions below.

1.) **What parameters used in the modeling for the ADI Program's one-year refresh differ between community solar projects and projects in the market segments for small and large net-metered non-residential projects located on rooftop, carport, canopy, and floating solar?**

No comment at this time, the parameters set for each project appear to be reflective of the goals of the respective ADI Programming.

2.) **What cost adjustments should be considered for the community solar market segment?**

Ecogy believes that cost adjustments based on rising interconnection costs should be factored into the community solar market segment, and have this be reflected in the incentive amount given.

3.) **Are different incentives required for community solar projects located in different EDC territories or with other characteristics?**

Ecogy believes that different incentives are required for community solar projects located in different EDC's, as the local utility rates vary widely. Additionally, a project's size and location should also have an impact on an incentive rate, an increasing incentive as project size decreases 1-MW DC, 500-kW DC and 250 kW DC. This will allow for equitable competition in the CSEP and support locations, typically smaller businesses or non-profits, in having solar installed on their property, providing more economic support to both the property owner and the CSEP subscribers.

4.) **The Inflation Reduction Act increased federal tax credits to 30%, with the possibility for increased incentives for projects using domestic content, projects sited in energy communities, and projects qualifying for the Low-Income Communities Bonus Credit Program (CSEP). How should these changes be accounted for in modeling incentive requirements for community solar projects?**

While the Inflation Reduction Act offers the possibility of increased federal tax credits ("adders"), this should not be accounted for in modeling incentive requirements for community solar projects. The possible "adders" are not guaranteed. However, if there are reductions, or negative changes implemented around existing 30% tax credit or the "adders" the BPU should consider model in the economic hardships these projects will face and either offer an increased incentive to match the existing 30% adder that projects would otherwise have received.

5.) **Does the pace of registration submission into the CSEP and subscription of the full capacity allocation support a change in incentive level from the initial value of $90 per megawatt-hour?**

While the CSEP registration process has proven to be highly competitive, with a greater discount required to receive acceptance into the program, the BPU should consider increasing incentive levels to match that of behind-the-meter projects. Another change that could be implemented is a REC increase based on the percentage discount being

proposed, thereby assisting subscribers in receiving a greater discount in their utility bills. There should be no decrease to the incentive level given the already competitive nature of the program.

6.) **How has the Community Engagement and Subscriber Acquisition Plan influenced project development and enrollment of LMI subscribers?**

No comment at this time.

7.) **How has the interconnection process influenced project registration and advancement to construction?**

The interconnection process has had a great influence on both project registration and advancement to construction. Ecogy has applied for projects in the three of the eligible EDC territories. Each EDC has their own interconnection process, and relies heavily on email correspondence without any true way to track application status or timeline deliverables.

In addition, the information provided from most EDCs has been very vague with no real details or possibility of moving forward a project beyond a "Conditional Approval to Install" until after the project has been accepted into the CSEP. The project which we have received CSEP acceptance in June 2024 and has been in a feasibility study queue since then, and there is no updated timeline from PSEG on when this will be completed, as they are still working through projects that were accepted into CSEP in December 2023.

At large, the interconnection process continues to be a barrier to entry, primarily in advancing a project to construction.

8.) **Under existing project development and interconnection processes, how does the project completion deadline of 18 months, or 24 months for projects located on a landfill or contaminated site, with the possibility of a six-month extension affect registration in the CSEP?**

The CSEP Project Completion deadline of 18 months, or 24 months for projects located on a landfill or contaminated site is appropriate, however, it should not begin until a project has passed through all interconnection screenings and has moved from "Conditional Approval to Install" to "Approval to Install".

This is based on Ecogy's experience in that a project will not advance beyond the "Conditional Approval to Install" phase until after it has been accepted into CSEP. As detailed above, Ecogy currently has a project that has been unable to advance for 6 of the 18 months approval window. If the study for this project will take at least a year to be completed, as we are seeing from the December 2023 projects, a project would be required to submit for the 6-month extension, and in jeopardy of being unable to achieve "Approval to Operate" or "Permission to Operate" (dependent on EDC) within the designated timeline.

Additionally, many municipalities require a Special Permit, Use Variance Approval, or other specific requirements for any solar project that is not classified as behind-the-meter, thereby requiring all community solar projects to go through an arduous Zoning or Planning Board process. This process can take anywhere from 3-6 months, depending on a local municipality's meeting schedule and application volume. Ecogy would also like to note that formal approval will typically not be received from the municipality without full "Approval to Install" from the respective EDC.

By extending the start date of the CSEP Project Completion deadline to begin once a project has moved from "Conditional Approval to Install" to "Approval to Install" would only benefit project development, allowing developers adequate time for projects to come operational without needing to request an extension or to be facing the possibility of a project not being completed by the enrollment deadline.

9.) What other issues should be considered in the one-year program review?

Ecogy has identified the following issues that should be considered in the one-year program review:

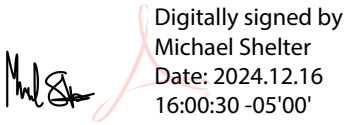
- There needs to be greater transparency from EDC's on pre-discounted Community Solar utility rates. A live matrix similar to that of the CSEP Capacity should be made available on the website. This matrix should also include a historical reflection of utility rates/ This will allow developers to make informed and realistic decisions when determining project viability in CSEP.
- Given the delays seen in achieving "Approval to Install" from the EDC, a project should be eligible to receive back any escrow payments made if the project is unable to meet the completion timeline (with the extension) under the existing structure of the CSEP.
- If a project's interconnection construction and design costs paid to the EDC exceed the CSEP escrow payment, the escrow should be reduced by the magnitude of the interconnection costs or waived. By paying the EDC's interconnection costs, a developer is already showing their commitment to

bringing the project to construction. A reduction or waiving of the escrow payment would allow for more working capital for developers to bring other projects into CSEP.

- The BPU should work with New Jersey legislature on promoting policy change at the municipal level, particularly around rooftop or other built-environment solar projects. In particular, Ecogy has encountered substantial costs and timeline delays on bringing a CSEP project to construction as the local municipality requires Zoning or Planning Board approval, which will take 3-6 months. By promoting policy change at the municipal level, projects will be able to go under construction quicker, bringing cost savings to subscribers, particularly the LMI community in the more immediate future.

We thank you for your consideration of these comments and appreciate you supporting the New Jersey clean energy industry.

Warmest regards,



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