State of New Jersey Governor Philip D. Murphy Lt. Governor Tahesha L. Way

Board of Public Utilities



Christine Guhl-Sadovy President

Dr. Zenon Christodoulou Marian Abdou Michael Bange **Commissioners**

NOTICE¹

IN THE MATTER OF THE DUAL-USE SOLAR ENERGY PILOT PROGRAM

Docket No. QO23090679

Notice of Solar Incentive Availability

The New Jersey Board of Public Utilities ("BPU" or "Board"), located at 44 South Clinton Ave, Trenton, New Jersey 08625, hereby announces the availability of an incentive from the Board's Dual-Use Solar Energy Pilot Program ("Dual-Use Pilot Program" or "Pilot Program") and Successor Solar Incentive ("SuSI") Program.

Name of Program: DUAL-USE SOLAR ENERGY PILOT PROGRAM ("PILOT PROGRAM")

Purpose: The Pilot Program is designed to encourage the development of dual-use solar facilities, also known as agrivoltaics, and provide incentives within the SuSI Program, which serves as the permanent program for providing solar incentives to qualified solar electric generation facilities.

On October 23, 2024, the Board established the Pilot Program in accordance with the Dual-Use Solar Energy Act of 2021 (P.L. 2021, c. 170, "Dual-Use Act") signed into law on July 9, 2021. The Pilot Program creates a new segment of the solar industry in New Jersey that is compatible with the State's rich agricultural heritage and seeks to demonstrate and study the compatibility of agricultural or horticultural production and solar photovoltaic infrastructure on the same land.

Goal: The goal of this incentive program is to obtain results from pilot projects ("Dual-Use Pilot Program Projects" or "Pilot Projects") developed on unpreserved farmland that support the productive agricultural or horticultural use of the affected land. The results from Pilot Projects approved for awards by the Board will be utilized to inform a permanent program. Developing a program for Pilot Projects will help New Jersey reach its overall goal of having 100% clean energy by 2050.

Program Requirements: The requirements for the Pilot Program are found in the <u>Dual-Use Pilot Order</u>.² These requirements are also set forth in the Notice of Proposal approved by the Board on October 23, 2024.³

¹ Not a paid legal advertisement.

² <u>In re Dual-Use Solar Energy Pilot Program</u>, BPU Docket No. QO23090679, <u>Order dated October 23, 2024</u> ("Dual-Use Pilot Order").

³ 56 N.J.R. 2271(a).

This Notice and Expression of Interest ("EOI") Form is intended only for entities submitting a Dual-Use Pilot Program Project for consideration by the BPU. Projects selected by the Board will be approved for participation in the Pilot Program.

Program Year 1 - Annual Capacity Target: 50 MW

This Notice and EOI Form are valid only for use in the following Program Year and Application Period: Program Year 1, Solicitation Round 1, Application Period 1

Pre-Qualification Application Period Opens: January 6, 2025

Pre-Qualification Application Period Closes: February 14, 2025 at 11:59:59 P.M.

Amount of incentives available: The Pilot Program offers solar incentives, in the form of NJ SREC-IIs, to eligible projects upon selection through a competitive procurement. The value of each SREC-II is established through the solicitation process, pursuant to the Dual-Use Pilot Order.

Incentives for Dual-Use Pilot Program Projects will include a "base" value and an "adder." The base value will be that for which the project is eligible under the SuSI program structure, in which applicants will receive an incentive either through the Administratively Determined Incentive ("ADI") Program or the Competitive Solar Incentive ("CSI") Program. The adder amount is proposed by the applicant to account for the incremental cost of the agrivoltaics investment and operational costs related to participation in the Dual-Use Pilot Program.

<u>ADI Program</u>: Dual-Use Pilot Projects up to five (5) MW in size, net-metered should apply through the ADI non-residential market segments for a base incentive. Applicants should use the table below to determine their base incentive level:

Market Segments	System Size MW (dc)⁵	Incentive Values (\$/SREC-II)
Small Net-Metered Non-Residential located on Rooftop, Carport, Canopy and Floating Solar	Projects smaller than 1 MW (dc)	\$110
Small Net Metered Non-Residential Ground Mount	Projects smaller than 1 MW (dc)	\$90
Large Net Metered Non- Residential located on Rooftop, Carport, Canopy and Floating Solar	Projects 1 MW to 5 MW (dc)	\$100

ADI Incentives (NJ-SREC-IIs) Per Market Segment - Effective March 13, 2023⁴

⁴ In re Successor Solar Incentive Program Pursuant to P.L. 2021, C. 169., BPU Docket No. QO20020184, Order dated March 6, 2023. The incentives shown in this table have been revised to only represent the market segments allowed in the Pilot Program.

⁵ All MW values in this NOIA are in direct current, or "dc".

Large Net Metered Non-Residential	Projects 1 MW to	\$85
Ground Mount	5 MW (dc)	ÇÜŞ

<u>CSI Program</u>: Dual-Use Pilot Projects that are net-metered and greater than five (5) MW but within the ten (10) MW capacity limit, or qualifying grid supply projects (i.e., those selling into wholesale markets), must apply for a base incentive through CSI. For the anticipated Application Period, applicants who have not received an award from the Board for a CSI-eligible project must use \$95/MWh as a base incentive value pursuant to the awards made by the Board for the CSI Program's Second Solicitation.⁶ Applicants must enter this value as the CSI incentive within their EOI per the instructions contained within this Notice. For an applicant designing a Pilot Project that has received an award from the Board in the CSI Program, the base incentive value must reflect the value of that Board award.

Eligibility Criteria: Solar facilities that are planned to be sited on unpreserved farmland within New Jersey are eligible to apply, provided they meet certain requirements outlined within this notice pursuant to the Dual-Use Pilot Order.

- Board Staff ("Staff") will not consider EOIs for Pilot Projects sited on preserved farmland. "Preserved farmland" means the same as such term is defined in section 4 of P.L. 2009, c. 213 (N.J.S.A. 54:4-23.3c).
- 2. New ADI Program facilities and new CSI-eligible facilities that have not commenced commercial operation by having obtained permission to operate from an electric distribution company ("EDC") are eligible to participate in the Pilot Program.
- 3. Existing solar projects that have commenced commercial operation by having obtained permission to operate by an EDC may not apply to requalify as a Dual-Use Solar Energy Project under the Pilot Program.
- 4. EOIs may be submitted for qualifying grid supply projects; net metered non-residential projects with a capacity greater than five (5) MW; qualifying grid supply projects paired with a storage facility; and net metered non-residential solar projects of five (5) MW or less.
- 5. Staff will not consider EOIs for community solar projects.
- 6. Staff will not consider EOIs for EDCs to develop, own, or operate Dual-Use Pilot Program Project(s).
- 7. Minimum size: 500 kW dc. Staff will not consider EOIs proposing Pilot Projects less than this capacity.
- 8. Maximum size: 10 MW dc. Staff will not consider EOIs proposing Pilot Projects more than this capacity.

Pre-Qualification Criteria and EOI Requirements: The EOI must identify the basic characteristics of the proposed Dual-Use Pilot Program Project, including, but not limited to, the following:

- 1. Municipal tax map with the block and lot location of the farm parcel clearly identified that shows the delineation of the proposed project site, research control area, and fencing;
- 2. Solar capacity;
- 3. Array type including a description of any innovative design or technology proposed;
- 4. Calculation of the land area covered by the array and control area;

⁶ In re Competitive Solar Incentive ("CSI") Program Pursuant to P.L. 2021, c.169, Order on the Outcome of the Second Solicitation in the CSI Program, BPU Docket No. QO21101186, <u>Order dated April 17, 2024</u>.

- 5. A description of the agricultural or horticultural use of the proposed project site over the previous three (3) years;
- 6. A description of the agricultural or horticultural activities proposed on the areas under and adjacent to the array for the next three years;
- 7. If the project is proposed to be net metered: The most recent twelve (12) months of historic electricity consumption according to a utility bill showing the site host's name, address, and electric tariff, if applicable;
- 8. Anticipated means of electricity sale;
- 9. Current state of project maturity, including any design, contracting, legal, permitting, or zoning review work performed and status of interconnection to a distribution or transmission system operated by a New Jersey electric public utility or local government unit;
- 10. Anticipated construction schedule, including anticipated cost milestones and development milestones, if available;
- 11. Estimated total installed cost including solar equipment, research required pursuant to the Pilot Program rules, monitoring and data collection equipment, labor, and soft costs;
- 12. Estimated incremental costs, as a subset of total installed costs, to be incurred as a result of participation in the Pilot Program specific to the agricultural or horticultural aspects of the Dual-Use Pilot Program Project;
- 13. Estimated Dual-Use incentive adder required to cover incremental costs; and
- 14. Contact information for one representative appointed by the project team to serve as a point of contact for Board Staff and to be responsible for submitting documents required throughout the solicitation process.

An EOI is required in response to this Notice and applicants must use the EOI Form provided. Proper completion of the EOI Form will satisfy the above requirements.

Terms and Conditions:

General Terms and Conditions

- The "Applicant" is defined as the main point of contact that submits an EOI Form (for example, an Applicant may be a farmer, landowner, solar facility developer or installer, solar facility owner or operator, or agent thereof). The Applicant appointed by the project team will serve as a point of contact for Board Staff and be responsible for submitting documents required throughout the solicitation process.
- 2. Prior to completing the EOI Form, the Applicant must carefully review the requirements in the Dual-Use Pilot Order, and any other rules, regulations, and codes applicable to the design, construction, and operation of a Dual-Use Pilot Project in New Jersey, for example, the ADI Program or CSI Program rules, as applicable. Furthermore, submission of an EOI Form does not obviate the need for compliance with all applicable local, state, and federal laws and regulations at any time during the design, construction, operation, and decommissioning of a Pilot Project including, but not limited to, regulations by other authorities such as the New Jersey Highlands Council and the New Jersey Pinelands Commission.
- 3. This EOI Form, and all information and documentation submitted in connection to it, will be subject to the provisions of New Jersey's Open Public Records Act ("OPRA"). If you wish to assert confidentiality regarding any of the information submitted, you must comply with the provisions of the Board's procedures pertaining to the submission of information claimed to be confidential, set out at N.J.A.C. 14:1-12 et seq.
 - For purposes of claiming confidentiality with regard to an EOI submitted in response to this notice, Applicants shall submit with their EOI 1) a redacted public copy, conforming

to the requirements of N.J.A.C. 14:1-12.3, created by printing out a copy of the completed EOI Form, redacting the information claimed by the Applicant to be confidential, and scanning the resulting document, and 2) a written affidavit, conforming to the requirements of N.J.A.C. 14:1-12.8, specifically justifying why confidential treatment is claimed for all redacted information the Applicant wishes to keep confidential. The Board notes that it may elect to share confidential portions of the EOI materials with other New Jersey government entities, including, but not limited to, NJDEP and NJDA, during the evaluation period or post-award.

- Applicants should be aware that a confidentiality claim made in accordance with the Board's rules will ensure only that, in the event a records request is submitted seeking the claimed confidential information or the Board is otherwise required by law to disclose the information, Applicants will receive a notice and an opportunity to be heard prior to the public release of the information claimed to be confidential. The submission of a confidentiality claim does not guarantee that the Board's Records Custodian, if required, will ultimately determine that the information claimed to be confidential should be kept confidential. In the event the Records Custodian determines information claimed to be confidential is not entitled to confidential treatment, that information is subject to public disclosure.
- 4. Amendments or supplements to the EOI Form will be made available via the New Jersey Clean Energy Program ("NJCEP") website at <u>www.njcleanenergy.com</u>. The EOI Form may be modified for future Application Periods at any time without prior notification.

Evaluation of EOIs and Approval of Pilot Projects

- 1. Only EOI Forms that are administratively complete by the close of the Pre-qualification Application Period will be considered for participation in the Dual-Use Pilot Program during the upcoming Application Period, unless provided a separate deadline by Staff to complete administrative deficiencies. An EOI will be deemed administratively complete if: 1) All questions are completed, except those explicitly marked as optional or if applicable, 2) All required attachments are included (see **Pre-Qualification Criteria and EOI Requirements** section above), and 3) All required signatures are included. Applicants will be notified if an EOI is deemed administratively incomplete and be given seven (7) business days to correct identified administrative deficiencies. An incomplete EOI will not allow the Applicant to move forward to submit an application but the EOI may be amended and resubmitted during a separate, subsequent Pre-qualification Application Period without advantage.
- 2. The Applicant may be required to supplement the information provided in the EOI Form upon request from the Board or Board Staff.
- 3. Following the close of the Pre-qualification Application Period, each EOI will be reviewed and evaluated by a dedicated Evaluation Committee, some of whose members may belong to agencies other than the BPU. Evaluations of EOIs will be based on criteria which reflect the goals and requirements of the Act. To this end, the following weighting will be applied in the evaluation:

Table 1. Weighting of Evaluation Criteria – Summary

Criterion	Weight
Maintaining the Affected Land in Active Agricultural or Horticultural Use	40%
Incentive Level and Project Costs	40%
Technical Feasibility and Technical Innovation	10%

Geographic Location, including Part of an Overburdened Community or in an	10%
Underserved Community	

Applicants should note that Appendix A contains an additional explanation of each criterion from Table 1 that will be used in evaluating EOIs.

- 4. In reviewing each EOI, Board Staff may consult with the Evaluation Committee. Any information marked and submitted as confidential will be treated as such by the receiving agency and used for the sole purpose of evaluation.
- 5. Staff may reject EOIs that are incomplete at the close of the Pre-qualification Application Period, that are not in compliance with the rules and regulations established in N.J.A.C. 14:8-11, or that do not meet a minimum standard for selection, as set forth in this Notice and the Dual-Use Pilot Order.
- 6. The application evaluation criteria in each solicitation round will be defined to seek diversity and innovation in agricultural and horticultural use, as well as project size.

Special Considerations for Siting

- 1. There are important siting restrictions for Dual-Use Pilot Projects. Applicants are reminded to refer to the Dual-Use Pilot Order for understanding these restrictions.⁷
- 2. A determination from the Board for siting Dual-Use Pilot Projects on a prohibited land type is not required for submission of an EOI. However, final approval from the Board will not be granted absent a waiver.
- 3. A meeting with NJDEP's Office of Permitting and Project Navigation ("<u>OPPN</u>") is not required for submission of an EOI. OPPN's <u>Permit Readiness Checklist</u> is also not required to be submitted with the submission of an EOI.

EOI Instructions for Preparation:

This section is designed to help potential applicants organize their proposals in a consistent fashion to facilitate effective and efficient evaluation.

- 1. Complete the EOI Form in its entirety. All fields are required, unless marked "optional" or "if applicable."
- 2. Submit sufficient detail on the prospective Dual-Use Pilot Program Project and research plans to enable review and feedback by an evaluation team comprising Staff, Rutgers Agrivoltaics Program ("RAP"), NJ Department of Environmental Protection ("NJDEP"), and NJ Department of Agriculture ("NJDA") representatives ("Evaluation Committee"). Applicants should note that evaluations of EOIs will be based on clearly defined criteria. These criteria are explained in the section above on "Evaluation of EOIs and Approval of Projects" and elaborated further in Appendix A.
- 3. Any question may be answered by attaching document(s) separately. If an attachment is referenced as additional information and it is not included, then its absence will not penalize an EOI but it may decrease the ability for the EOI to be evaluated appropriately. (Please note: Submission of excess information is not helpful and will hamper the ability to efficiently and effectively screen potential Pilot Projects. EOIs approved to move forward will have the opportunity and ability to provide more information in their Dual-Use Pilot Applications.)

⁷ Siting restrictions in the Pilot Program stemmed from the Dual-Use Act (N.J.S.A. 48:3-87.13(b)) and the Solar Act of 2021 (N.J.S.A. 48:3-119).

- 4. A proposed project team must be identified. Original signatures on all forms and certifications of the EOI Form are required. The certifications are not required to be notarized, but must include signed certifications from the landowner, the solar operator, and the farmer, as applicable, attesting to their familiarity with the requirements for participation in the Pilot Program as described in the Board Order, as well as to the accuracy of the submitted documents.
- 5. The EOI must also include a written lease agreement between the landowner, the solar operator, and the farmer, as applicable. If applicable, the lease agreement must be effective for a minimum of three years.
- 6. All selected Pilot Projects will be required to comply with the monitoring and research requirements pursuant to <u>Appendix B of the Dual-Use Pilot Order</u>. Take note:
 - a. The cost of the research equipment shall be the responsibility of the applicant, including the equipment needed for collecting data pertaining to environmental metrics. Management and collection of the data listed in (A) through (M), pursuant to the Appendix, for the first three (3) years of a Selected Project by the Board or its designee, i.e., Rutgers Agrivoltaics Program ("RAP") at Rutgers University, will be at no cost to the participant. Participants may choose to contract with a non-Board-appointed entity to collect the data at their own cost.
 - b. RAP is not able to enter into a contract for a specific project because of the Board's grant agreement with RAP. However, RAP will be available to provide information about Dual-Use Solar (Agrivoltaics) before a pre-qualification application is submitted through workshops and other outreach activities and materials that are publicly available and accessible. This is provided at no cost to stakeholders as part of the Rutgers Cooperative Extension System.
 - c. Once the Board approves projects for the Pilot Program, then RAP can be contracted to serve as a research partner/entity.
- 7. Applicants must identify the appropriate base incentive level for their project and the value of their proposed adder in the EOI Form in dollars(\$)/MWh.
 - a. Solar projects in the Dual-Use Pilot Program can qualify for an additional incentive ("adder") which will be added to the SREC-II incentive. Eligibility criteria for the base incentives through the ADI Program and CSI Program are outlined above. The adder will be based on the additional costs of the agrivoltaics project as compared to a conventional photovoltaic installation on the same site and of equal dc capacity. Applicants will calculate their requested adder by dividing the sum of incremental costs of the agrivoltaics project by the sum of its estimated energy production over the first 15 years. Each incremental cost should be listed separately with a detailed explanation. Examples of incremental costs include capital expenditures, costs of unique installation requirements, incremental operating, monitoring, and research costs, etc. Keeping in mind that the administratively determined SREC-II incentive already accounts for the gap between revenues and costs in solar market segments, the agrivoltaics "adder" is premised on the idea that there should be a fixed "additional" incentive denominated in \$/MW-hour and intended to represent the difference between costs of an agrivoltaics project and an "average" solar facility of equal capacity (dc). Once approved, the adder will remain fixed for the project's qualifying life (i.e., 15 years).
 - b. If an EOI proposal is invited to submit an application, the requested adder has to be fully justified. If the Board determines the value of the requested adder is inconsistent with the justification submitted, the applicant may be asked to reconfigure their project to enable a competitively priced SREC-II adder.

Expression of Interest ("EOI") Instructions for Submission:

The EOI Form is available on the Board's <u>website</u> (<u>https://www.nj.gov/bpu/newsroom/public/</u>) and on the NJ Clean Energy Program <u>website</u> (<u>https://www.njcleanenergy.com/renewableenergy/programs/dual-use-solar-pilot-program</u>). EOIs must adhere to all the instructions contained within this NOIA for submission. <u>EOIs must be received no later than 11:59:59 p.m., Eastern Time, on February</u> 14, 2025. Late submissions will not be accepted.

Electronic submissions are preferred. An electronic version of the complete EOI package may be e-Filed through the MyNJ portal or emailed directly to the Board Secretary inbox at: <u>board.secretary@bpu.nj.gov</u>. Instructions for E-filing can be found <u>here</u> and FAQs for E-filing can be found <u>here</u>.

If needed, applicants may mail or hand-deliver the original completed EOI package to:

New Jersey Board of Public Utilities 44 South Clinton Avenue, 7th Floor Post Office Box 350 Trenton, New Jersey 08625-0350 Attn: Division of Clean Energy Dual-Use Solar Energy Pilot Program EOI Package

Submission of an EOI does not bind or commit a project to participate in the designated Application Period, but it is required prior to submission of a Dual-Use Pilot Application.

Each EOI or potential project will receive a BPU docket number. Applicants will receive a Staff determination letter of approval or denial of the EOI via email to the email address listed in the EOI for the Applicant, no less than 30 days prior to the opening of the application round. If the EOI is approved, applicants may submit their application during the appropriate application period.

Staff will compile the results of the EOIs and report them to the Board for recommendations on the next steps to open an application period. The Board will make a determination on opening an application period, including adjusting any criteria as needed.

Questions and Further Information: Please address all questions pertaining to the EOI Form to <u>board.secretary@bpu.nj.gov</u> and <u>dual-use@njcleanenergy.com</u>.

Additional guidance and Frequently Asked Questions will be available on the NJCEP website at: <u>https://www.njcleanenergy.com/renewable-energy/programs/dual-use-solar-pilot-program</u>.

Dated: January 6, 2025

Sherri Q. Golden

Sherri L. Golden Board Secretary

Appendix A: Evaluation Criteria and Proposed Scoring Rubric

Table 2. Weighting of Evaluation Criteria – Detailed

	14/
Anticipated Evaluation Criteria Maintaining the Affected Land in Active Agricultural or Horticultural Use	Weight 40%
Proposals for monitoring the quality of agricultural or horticultural use of the land	40/0
 Minimizing and mitigating negative impacts to farmland 	
Plan for decommissioning	
Plan for stormwater runoff and other environmental issues	
Quality of the proposed design of the research plan	
Three-year plan for the farming operation	
Higher preference: Detailed plans and partnered with a NJ research public institution of higher education	
Bonus points: considerations for crop adaptability, enhanced benefits for mitigation plans, including environmental impacts and pollinator habitats	
Incentive Level and Project Costs	40%
Must include the ADI Program or CSI Program incentive amount, based on New Jersey SREC-II values	
established by the Board	
Higher preference: Lower cost, no adder requested	
Lower preference: higher cost with minimal justification	
Technical Feasibility and Technical Innovation	10%
Interconnection Planning Status	
Meeting the applicable SuSI Program requirements for a pilot project is a pre-requisite	
Higher preference:	
Higher preference: <u>Feasibility</u> – consideration of both technical solar feasibility and agricultural/horticultural feasibility,	
e.g., ability of a project to scale to a commercially viable installation for both agricultural products	
and solar production.	
This includes the consideration of project maturity, i.e., projects that have applied, been approved,	
identified any distribution system interconnection costs and are demonstrated to be close to	
commencing construction.	
Innovation – design aspects that seek to increase or maintain both solar and agricultural productivity	
compared to standard designs or practices	
Geographic Location, including whether the proposed project is part of an overburdened	10%
community or located in an underserved community	
Scoring includes consideration of a project plan for outreach and engagement with the impacted	
<u>communities</u>	
Higher preference: part of an overburdened community or located in an underserved community;	
representation within New Jersey	
Zero points: siting on a prohibited land type without a waiver	