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NOTICE¹

Docket No. QO18060646

New Jersey Community Solar Energy Pilot Program

Stakeholder Meeting

The Staff of the New Jersey Board of Public Utilities ("BPU") invites all interested parties and members of the public to a Stakeholder Meeting to discuss a number of issues to inform the development of the Community Solar Energy Pilot Program ("Pilot Program").

On May 23, 2018, P.L.2018, c.17 (the "Clean Energy Act," formerly known as A3723/S2314) was signed into law, directing the BPU to adopt rules and regulations establishing a Pilot Program within 210 days. This Pilot Program will enable utility customers to participate in a solar energy project that may be remotely located from their properties and receive a credit on their utility bills for their participation in a community solar pilot project. Community solar will therefore enable access to local clean energy for utility customers currently unable to place clean energy generation directly on their own properties. The BPU is particularly interested in ensuring that low- and moderate-income ("LMI") customers are able to access community solar, and that community solar development is pursued without materially compromising the preservation of open space or protected lands in New Jersey. A successful Pilot Program will enable the construction and operation of multiple community solar projects across New Jersey. The Pilot Program will provide necessary experience and lay the groundwork for the development and implementation of a full-scale Community Solar Energy Program within 36 months, in conformance with the Clean Energy Act.

Community Solar Pilot Program Stakeholder Meeting:

Date: Tuesday, July 24, 2018
Location: Rutgers University College Avenue Student Center
126 College Ave, New Brunswick, NJ 08901
Multipurpose Room, 2nd Floor.
Time: 10 a.m.

¹Not a Paid Legal Advertisement

The Stakeholder Meeting will be organized thematically to maximize efficiency. The anticipated schedule will be as follows, subject to change:

Approximate time	Topic
10:00 a.m. – 10:15 a.m.	Welcome and Introductions
10:15 a.m. – 11:45 a.m.	Session I: Siting and Project Size
11:45 a.m. – 1:15 p.m.	Session II: Low- and Moderate-Income Access
1:15 p.m. – 2:00 p.m.	LUNCH BREAK
2:00 p.m. – 3:30 p.m.	Session III: Value of the Credit
3:30 p.m. – 4:45 p.m.	Session IV: Applications and Interconnection
4:45 p.m. – 5:45 p.m.	Session V: Customer Subscriptions, Customer Protection
5:45 p.m. – 6:00 p.m.	Conclusion and Next Steps

Stakeholders wishing to speak are asked to tailor their remarks to the session topic. Stakeholders who wish to be called first should submit a summary of their comments/presentations to the BPU, and identify the specific session during which they would like to be called. Stakeholders wishing to speak during multiple sessions should submit a summary for each of the relevant sessions. These summaries will enable the BPU to organize the order of interventions and to prepare questions to stakeholders. Summaries must be submitted via email to communitysolar@njcleanenergy.com no later than 5:00 p.m. on Thursday, July 19, 2018. Stakeholders wishing to speak at the public meeting without previously submitting Summaries may do so by signing up upon arrival to the Public Meeting on July 24, 2018.

Written comments are also encouraged and must be submitted to Aida Camacho, Secretary, New Jersey Board of Public Utilities, 44 South Clinton Avenue, 3rd Floor, Suite 314, CN 350, Trenton, New Jersey 08625. Written comments may also be submitted electronically to Rule.Comments@bpu.nj.gov in PDF or Microsoft Word Format. All comments must be received on or before 5:00 p.m. on Friday, July 31, 2018. Please note that this proceeding is specifically limited to the Community Solar Energy Pilot Program Rulemaking. The BPU asks that stakeholders not reiterate comments made in community solar proceedings in other states, but rather tailor remarks to the specificity of New Jersey and the content of this Request for Comments. This Request for Comments, and all stakeholder comments and responses received, will inform the BPU's drafting of rules and regulations establishing the Pilot Program.

Please take further notice that the discussion points contained in this Request for Comments have been prepared by Board Staff for discussion purposes only. Consistent with the rulemaking process, the final rule proposal will be carefully reviewed by the Board prior to publication in the New Jersey Register.²

² Disclaimer: This document has been prepared to provide preliminary ideas pertaining to the establishment of a Community Solar Energy Pilot Program in New Jersey. It does not necessarily represent the views of the BPU, its Commissioners, or the State of New Jersey, and in no way precludes the BPU's ability to design and implement the Community Solar Energy Pilot Program as it deems to be best policy.

Request for Comments

Stakeholders are invited to submit general comments on the issues below. Staff requests detailed input on the following specific areas and questions:³

I. Siting and Project Size

- 1) What should the annual Pilot Program capacity limit be? Please justify your answer both qualitatively and quantitatively.
- 2) How should the annual Pilot Program capacity be allocated between Electric Distribution Companies (“EDCs”)? How should excess annual capacity be reallocated if not used?
- 3) How should the Pilot Program annual capacity limit be divided among different project categories? What should those categories be (e.g., “small,” “brownfield, landfill, historic fill,” and “LMI” project types)? Please propose a breakdown of categories, with respective percentages of the annual capacity limit.
- 4) Should co-location of solar projects be allowed? What conditions or limits should apply?
- 5) What should the geographic limitations for community solar pilot projects and subscribers be (i.e., how far from the project can subscribers reside)? Please justify how your proposal maintains the community link between project and subscribers, without compromising the feasibility of community solar pilot projects.
- 6) What land use restrictions and limitations, if any, should apply to siting community solar pilot projects? Should siting of community solar pilot projects be restricted to certain areas? Your answer should include a specific discussion of community solar on farmland and open space. Land use restrictions will be consistent with current New Jersey statutes and regulations.
- 7) Provide recommendations on alternative siting and creative land use in sites other than “brownfields, landfills, areas designated in need of redevelopment, in underserved communities, or on commercial rooftops.” For instance, are parking lots, road rights-of-way, multifamily buildings, or schools appropriate locations for community solar? Please provide both qualitative and quantitative responses, including what specific policies may be required to facilitate development of these types of projects.
- 8) What liability, provisions, and exemptions should apply to community solar developers and subscribers for projects located on landfills and/or contaminated land?

³ All answers should provide precise qualitative and quantitative justification (where appropriate), and specifically comply with the provisions in P.L.2018, c.17.

II. Low- and Moderate-Income Access

- 9) Provide recommendations on the definition of LMI community solar pilot projects, with appropriate justification.
- 10) Provide recommendations on what LMI eligibility criteria should be accepted to qualify a subscriber and/or a project as LMI. Include consideration of how many times or how often LMI subscribers should be required to submit proof of eligibility.
- 11) The BPU is considering a number of different approaches to encourage development of LMI community solar pilot projects, including, but not limited to:
 1. Dedicated capacity: e.g., a certain percentage of overall capacity for the Pilot Program would be reserved for LMI projects.
 2. Procedural: e.g., LMI projects would receive preference in the solar interconnection queue.
 3. Financial: e.g., incentives would be provided to LMI community solar pilot projects, potentially as an adder to the bill credit.

Which approach, or combination of approaches, should the BPU implement in order to most effectively support LMI access to community solar pilot projects, in conformance with the Clean Energy Act? Please be specific in recommending qualitative and quantitative incentives, and proposals for implementation.

III. Value of the Credit

- 12) Please define the following terms: "value of solar," "retail rate," and "avoided cost of wholesale power." Please discuss applicability and impacts on the Pilot Program
- 13) The BPU is currently working to determine an appropriate value of the credit on each participating subscriber's bill. The BPU requests that stakeholders provide indicative financial data and analysis in response to the scenarios described below.⁴ Please ensure responses include quantitative and qualitative assessments. Responses may also include quantitative and qualitative assessments for alternative variations to these scenarios that you believe to be relevant and representative of the New Jersey market (e.g., variations on project size, location, type of off takers etc.).

Scenario 1: 5MW ground-mount system on a rural landfill. Assume that the landfill is owned by a municipality, who has agreed to lease the land for \$6,000/year.

Scenario 2: 400kW rooftop system on a high-school roof. Please include assumptions regarding lease payments to the school board.

Scenario 3: 1MW canopy system in an urban parking lot.

Scenario 4: 200kW rooftop system on an affordable housing multi-family building. Please assume that, of the 200kW system, 100kW will be directly net metered to offset common load, and 100kW will be used for community solar subscriptions for LMI tenants of the building.

⁴ Stakeholders must identify any sensitive and confidential trade secret information by submitting them in accordance with N.J.A.C. 14:1-12.1; however, this information will be used as guidance for public policy only.

For each of these scenarios, please provide your best estimates for:

- Site acquisition, including lease or purchase, cost of applicable studies and time, and cost of negotiating land document.
- Pre-development, defined as all of the overhead costs from the day of site control to the Day 1 of construction.
- Development, defined as all construction costs and investments, both hard (e.g., panels, balance of system, interconnection, etc.) and soft (e.g., labor, permits).
- Customer acquisition, including number of customers, churn, cost of acquisition. Please provide differentiated estimates for higher-income versus LMI customer acquisition.
- Total project cost per kWh. Estimated time from project approval by BPU to Day 1 of operation.

Please submit the quantitative assessments in unlocked Microsoft Excel spreadsheets.⁵

- 14) How should the community bill credit be administered? Should an annualized period mechanism be used for community solar? If yes, should the annualized period be set once per Pilot Project, or once for each individual community solar subscriber?
- 15) Identify best practices in EDC administration of community solar billing in other states and explain how they can and should apply specifically to the New Jersey Pilot Program. EDCs specifically should identify issues relating to changes in the Data Exchange and Protocol Process Flows (or subsequent versions) and how they will administer the billing and crediting process in the Electronic Data Interchange ("EDI") process.
- 16) What should happen to excess credits on a subscriber's bill at the end of a year?
- 17) Are there charges on subscribers' utility bills towards which the community solar bill credit should not be able to be applied?
- 18) Should unsubscribed energy be purchased by the EDCs at avoided cost or area locational marginal pricing ("LMP")? Or should the community solar pilot project bear the loss of unsubscribed energy?
- 19) Should Pilot Projects be eligible for solar renewable energy certificates ("SRECs")? If yes, should the SREC be given to the subscriber or to the community solar project owners?
- 20) What components of the Community Solar Energy Pilot Program should be eligible for rate recovery by the EDCs? Include specific reference to what costs should be included to implement and comply with the Pilot Program. What should be the process for determining eligible costs? What should the process be for reviewing eligible costs and the proposed mechanism for recovery?

⁵ If a spreadsheet is confidential, or contains confidential information, it is sufficient to identify it as confidential in a header or footer, rather than identifying the confidentiality of individual cells.

IV. Applications and Interconnection

- 21) Please provide specific comments on how the Pilot Program application process should be organized, including: 1) what items should be included in the application, and 2) what specific criteria should the BPU use to rank applications.
- 22) What specific measures should be implemented to ensure an effective and streamlined interconnection process for community solar pilot projects?
- 23) What measures can be implemented to minimize negative impacts and maximize grid benefits to the distribution system of an EDC?
- 24) Should existing solar projects be allowed to reclassify as community solar pilot projects?
- 25) How can community solar subscription organizations most efficiently submit all required information regarding individual subscriptions to both the BPU and the relevant EDC? In the case of a replacement subscriber in an existing community solar project, should the subscriber organization be allowed to provisionally accept a new subscriber, subject to BPU review and right to disapprove within 30 days? What should that required information be?
- 26) What reporting requirements should apply to EDCs with respect to the Pilot Program?
- 27) What specific measures, if any, should apply to multi-family buildings?
- 28) What specific measures, if any, should apply to master-metered buildings in terms of eligibility for a Pilot Project? Please discuss specifically how to ensure that benefits of a community solar subscription are passed through to tenants.
- 29) What information regarding community solar pilot projects should be made available on the BPU website? Should website publication be automatic upon approval of the project by the Board, or only upon request from community solar project owners?
- 30) What specific elements should the BPU consider to ensure a smooth transition from the Pilot Program to a full-scale Community Solar Program?

V. Customer Subscriptions, Customer Protection

- 31) Should there be a minimum number of subscribers per community solar pilot project? If so, what should it be? Please provide specific support for this number.
- 32) What should be the maximum subscription size for each subscriber? Should specific limits be placed on residential versus commercial subscribers?
- 33) What specific measures should be enacted for both community solar subscription organizations and the BPU to manage subscriptions effectively? Please provide specific churn rate assumptions.

- 34) Should subscriptions be portable? If yes, under what conditions?
- 35) Please identify what specific limits, if any, should be placed on the transferability of subscriptions, in accordance with applicable statutes, rules, and regulations. If the BPU were to determine that transcriptions are fully transferable (i.e., able to be brokered and sold), what consumer protections should be established? Please include consideration of, among other things, necessary approvals and certificates, to ensure that if a community solar subscription market, including through third parties, were to develop, that said market is fair and transparent?
- 36) Please provide comments on consumer protection measures, including ideas and language for consumer protection rules, and a proposed customer disclosure form.
- 37) Besides NJ building codes and standards, what specific technical standards should the BPU cite in its rules and regulations for the community solar pilot projects?
- 38) Please provide general comments on any issues not specifically addressed in the questions above. Please do not reiterate previously made comments, keep these comments succinct, and make specific reference to their applicability in the New Jersey context.



Aida Camacho-Welch
Board Secretary

Dated: July 6, 2018