

NEW JERSEY BOARD OF PUBLIC UTILITIES

REQUEST FOR COMMENTS
COMMUNITY SOLAR AND COMMUNITY RENEWABLES –

August 25, 2008

A Community Solar stakeholder process was approved by the Board in its Order of December 6, 2007, Docket Number EO06100744 (December 6 Order) which established the solar transition to a market-based incentives for solar. In that Order, Staff recommended a community based solar program that would allow residents or small businesses to “buy” into a centrally located project as opposed to individual home installations as a means of reducing costs while still allowing small customers to participate in the solar marketplace. Staff further recommended that the applicable RPS and net metering rules be amended to remove the 2 MW cap on eligibility for net metering.

The Board found that the development of community based systems could create a way for smaller customers to participate in the solar market place at a lower cost than that of building a small system on each customer’s residence. (December 6, Order at 42). The Board directed OCE to commence a stakeholder process to develop specific recommendations regarding a proposed community based solar program and to develop proposed modifications to the RPS and net metering regulations. (December 6, Order at 42, 45.)

Community Solar and Community Renewable could involve the aggregating of individual meters and netting their total generation against their total charges, to allow individual customers with different usages and different tariffs to reduce their transactional costs and take advantage of renewable energy that either can not be installed on the customers property or is more cost efficiently constructed collectively in a larger system as opposed to smaller individual systems. Allowing communities to buy into one large project may be a more efficient and cost effective way of installing renewables than installing thousands of ‘behind-the-meter’ projects at individual locations, as required under the current net metering rules. These type of community renewable projects could also be deployed at optimum locations around the State, relative to available renewable resources, community interests or the need for distributed power sources. However, it should be noted that not all community renewable projects require net metering to be effective. Other types of community renewable programs may be considered.

The overall goals of a Community Renewable Program should be consistent with the stated goals of the Solar Transition as set out by the Board in Solar Transition Order (December 6, 2007): *to promote the sustained and orderly market development; reduce regulatory uncertainty to the extent reasonable and prudent; minimize ratepayer impacts; minimize transaction cost and; support other policy goals to reduce emissions of greenhouse gases, encourage participation by a wide variety of types of customers, and relieve congestion on the electric transmission.*

Specifically staff request input on experience to date with Community Renewable programs across the country and the key design parameters which made them most effective. Please submit all comments to Anne Marie McShea, OCE Policy Administrator at anne.mcshea@bpu.state.nj.us by September 9, 2008: