

PHIL MURPHY
Governor

SHEILA OLIVER
Lt. Governor

STEFANIE A. BRAND Director

January 17, 2020

By Hand Delivery and Electronic Mail

Honorable Aida Camacho-Welch, Secretary NJ Board of Public Utilities 44 South Clinton Avenue, 9th Floor P.O. Box 350 Trenton, NJ 08625-0350

Re: Comments of the New Jersey Division of Rate Counsel on the Staff

Request for Comment on Calculation of the

Clean Energy Act 5.1% Milestone

Dear Secretary Camacho-Welch:

Please accept for filing the enclosed original and ten (10) copies of comments being submitted on behalf of the New Jersey Division of Rate Counsel ("Rate Counsel") in connection with the above-referenced matter. Copies of Rate Counsel's comments are being provided to all parties on the service list by electronic mail and hard copies will be provided upon request to our office.

We are enclosing one additional copy of the comments. Please stamp and date the extra copy as "filed" and return to our courier.

Honorable Aida Camacho-Welch, Secretary January 17, 2020

Thank you for our consideration and attention to this matter.

Respectfully submitted,

STEFANIE A. BRAND Director, Division of Rate Counsel

By:

Assistant Deputy Rate Counsel

Enclosure

solar.transitions@bpu.nj.gov cc:

Paul E. Flanagan, BPU Sara Bluhm, BPU Kelly Mooij, BPU Sherri Jones, BPU Scott Hunter, BPU Abe Silverman, BPU Rachel Boylan, BPU

Pamela Owen, DAG, ASC

STATE OF NEW JERSEY

BEFORE THE BOARD OF PUBLIC UTILITIES

| In re: Staff Notice Seeking Stakeholder Input | , |
|---|---|
| on Calculating the Solar 5.1% Milestone | |
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COMMENTS OF THE NEW JERSEY DIVISON OF RATE COUNSEL ON THE STAFF REQUEST FOR COMMENT ON CALCULATION OF THE CLEAN ENERGY ACT 5.1% MILESTONE

January 17, 2020

1. Introduction

The Division of Rate Counsel ("Rate Counsel") thanks the Board of Public Utilities ("Board" or "BPU") for the opportunity to provide comments on Staff's notice seeking stakeholder input on calculating the solar 5.1 percent milestone. The Clean Energy Act of 2018 (P.L.2018, c.17) ("CEA"), directs the Board to close the Solar Renewable Energy Credits ("SREC") Registration Program ("SRP") to new applicants once solar generation reaches 5.1 percent of total retail sales, and no later than June 1, 2021. On August 7, 2019 the Board approved a rule proposal addressing the methodology for determining the percentage of solar generation sold ("5.1% Calculation Rule") and this rule was approved for publication in the New Jersey Register on January 8, 2020.

The 5.1% Calculation Rule requires that the Board produce an estimate of the solar electricity generation that can be expected from one MWdc of solar capacity representative of the fleet of New Jersey solar installations. It also requires that an estimate of retail electricity sold in the last 12 months be calculated from data supplied by PJM-EIS GATS for load served adjusted for distribution line losses. Both the estimated generation and distribution line loss adjustment should be based on stakeholder input. Thus, Staff issued a request for comment on both of these estimates on January 9, 2020.

Item 1: Estimate of solar electricity output in kilowatt-hours on installed capacity, representative of the fleet of New Jersey solar installations.

In New Jersey, the protocol for estimating annual productivity of solar installations has been to use an estimated 1,200 kilowatt-hours ("kWh") per kilowatt (dc) installed. According to Staff, this estimate is derived from the National Renewable Energy Laboratory solar estimation tool "PVWatts Calculator," and is based upon typical meteorological data collected from Newark and Atlantic City weather stations. However, actual solar electric generation from New Jersey

installations tends to be less than this 1,200 kWh protocol. In fact, PJM-EIS estimates that over the Energy Year ("EY") 2014 through EY18 timeframe, generation was closer to 1,169 kWh per kW. If the Board uses the 1,200 kWh protocol, the 5.1% threshold could likely be reached in March 2020. However, if the Board uses the actual observed 1,169 kWh measurement, the 5.1% threshold will be reached in April or May 2020.

Rate Counsel recommends that the Board use the EY2014 through EY2018 average of 1,169 kWh given that it is based on actual observed data.

Item 2: Calculation of distribution line losses, which is used to adjust wholesale purchases (as reflected in the data supplied by PJM-GATS) to the amount of load served at retail.

Staff relies on PJM-GATS for reports of electricity load served by Third Party Suppliers and Basic Generation Service Providers ("TPS/BGS") in order to estimate jurisdictional load by the RPS obligated entities. The PJM-GATS data do not reflect line losses, so Staff has historically adjusted load data by an average of 5 percent to reflect retail sales for use in annual RPS compliance processes. Staff is requesting feedback on the appropriate line loss estimate, whether it be the 5 percent average that has been used, or another alternative calculation.

Rate Counsel does not see any reason to alter the current five percent average methodology, given that no any evidence or support presented for an alternative calculation.