



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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**MINUTES OF THE SPECIAL MEETING OF THE  
BOARD OF PUBLIC UTILITIES**

A special Board meeting of the Board of Public Utilities was held on July 28, 2021, via Teleconference: 1 312 626 6799 – Webinar ID: 918 5692 9304 or view online @ <https://youtu.be/ZD7x0R9E2FA>

Public notice was given pursuant to N.J.S.A. 10:4-18 by posting notice of the meeting at the Board's Trenton Office, on the Board's website, filing notice of the meeting with the New Jersey Department of State and the following newspapers circulated in the State of New Jersey:

Asbury Park Press  
Atlantic City Press  
Burlington County Times  
Courier Post (Camden)  
Home News Tribune (New Brunswick)  
North Jersey Herald and News (Passaic)  
The Record (Hackensack)  
The Star Ledger (Newark)  
The Trenton Times

The following members of the Board of Public Utilities were present:

Joseph L. Fiordaliso, President  
Mary-Anna Holden, Commissioner  
Dianne Solomon, Commissioner  
Upendra J. Chivukula, Commissioner  
Robert M. Gordon, Commissioner

President Fiordaliso presided at the meeting and Carmen D. Diaz, Assistant Secretary, carried out the duties of the Secretary.

It was also announced that the next regular Board Meeting would be held on August 18, 2021 at 10:00 a.m. via teleconference with details to follow.

**8. CLEAN ENERGY**

**A. Docket No. QO20020184 – In the Matter of Solar Successor Incentive Program Pursuant to P.L. 2018, c.17.**

**Scott Hunter, Manager and Ariane Benrey, Program Administrator, Division of Clean Energy**, presented this matter.

**BACKGROUND AND DISCUSSION:** This matter involved the opening of the New Successor Solar Incentive program (SuSI) program. The Board approved a rule proposal for the SuSI program framework at the July 14, 2021 Board meeting.

The Board's commitments in developing a commercially viable market for solar photovoltaics began with the Electric Discount and Energy Competition Act in 1999 (ACT). The Act gave the Board a very basic framework to build a solar market, including an outline of the renewable portfolio standard, a limited directive about net metering and interconnection, and the establishment of the Societal Benefits Charge.

Through continuous improvements of the policy tools at its disposal, the Board has established New Jersey as a perennial leader among the states in solar capacity installed and net meter solar installed, solar run schools, solar run landfills and brown fields and solar jobs. New Jersey is currently seventh in the nation for solar installed capacity and first in the nation for solar installed per square mile.

New Jersey's Solar Renewable Energy Certificate (SREC) program established in 2004 was the earliest function in the SREC market and the largest solar certificate market in the country. This incentive model was proven effective at enabling the State to transition away from the rebates for solar installations starting in 2007. SRECs enabled the solar market to grow beyond its initial goals of two percent to reach today's penetration exceeding five percent of the retail electricity market. The Board is aiming to double that percentage.

The Clean Energy Act of 2018 required the Board to close the SREC program to new registrants when the State's solar generation reached 5.1 percent of retail electricity sales and studied how to replace the program toward continuing solar development in a more cost effective manner. The recently enacted Solar Act of 2021 provides additional guidance on how to design and implement the new solar incentive programs.

The Board initiated a Solar Transition stakeholder process in 2018, selected a consultant to assist with this study shortly thereafter, and established a Transition Incentive program to bridge the gap between the SREC program and a Successor Incentive program. Over the course of the past three years and in partnership with the Board's consultant, Staff has held over a dozen stakeholder meetings, issued multiple straw proposals, surveys and requests for comments and held open public office hours.

The Transition Incentive program was established in December 2019 and the 5.1 percent milestone for SREC registrations to cease was achieved on April 30, 2020. The Transition Incentive (TI) program was open to new registrants on May 1, 2020. The consultant's report on the alternative incentive models was released to the public in January 2021. On April 26, 2021, Staff released its straw proposal for the Solar Successor program. In addition to details on the Successor Program design, the straw contains staff's proposal for closing the TI program for new registrants.

On June 30, 2021, approximately 322 megawatts of solar capacity was installed under the TI program. With about an additional 744 megawatts in the pipeline, the TI program has motivated development of approximately 1 gigawatt, 66 megawatts DC of solar resources since its inception in May 2020. As of June 30, 2021, New Jersey has almost 3,655 megawatts of installed solar and an additional 770 megawatts in the pipeline.

The Solar Transition process seeks to balance several key objectives. In particular, the Board's longstanding commitment to the continued health and growth of the State solar industry, as a key pillar to the Governor's commitment to reaching 100 percent clean energy by 2050. The Board has also made an equally longstanding commitment to customer affordability and to ensuring that each ratepayer dollar of solar incentives provides the maximum benefits to the State.

Staff recommended that the Board establish the new Successor Incentive Solar program, which would be divided into two components, the administratively determined incentive (ADI) program, and the Competitive Solar Incentive (CSI). Solar incentives in both the ADI and the CSI program would be delivered by creation of New Jersey Solar Renewable Energy Certificate-II (NJ SREC-II) being created for each megawatt hour of eligible generation.

Staff also recommended that the ADI program be opened to registrations from projects that qualify as eligible for Subsection (t) under the previous SREC and TI programs. Until such time as the Board determines via order to close eligibility or until the 75 megawatt block assigned to us in our program is full, whichever occurs first.

The ADI program would only be open to new solar facilities that will be connected to the distribution system of a new New Jersey electric distribution companies (EDCs) or local government unit that has not commenced commercial operations prior to the opening of the ADI program, unless otherwise granted special dispensation by the Board. The Board would set on an annual basis megawatt capacity blocks and eligible projects would be permitted to register in the ADI program until the passing for that market segment is reached.

Staff further recommended that for Energy Year 2022 the Board approves capacity limits of 150 megawatts for net metered residential projects, 150 megawatts for net metered nonresidential projects up to 5 megawatts, 150 megawatts for community solar projects and on an interim basis 75 megawatts for subsection (t) projects.

In addition, Staff recommended that the incentives provided under the ADI program be set administratively using a combination of modeling, stakeholder feedback and more policy preferences to tailor incentives to project needs. Staff recommended that incentives set for a three-year period, so as to balance stability for the industry with the need to adjust incentives based on evolving project costs. Projects in the ADI Program would be eligible to receive incentives for 15 years from their date of commencement of commercial operation.

As for incentive levels, Staff recommended the following:

- Net metered residential projects, \$90.00 per megawatt hour;
- Small net metered nonresidential, rooftop, carport, canopy and floating solar projects smaller than 1 megawatt, \$100.00 per megawatt hour;
- Large net metered nonresidential, rooftop, carport, canopy and floating solar, 1 megawatt to 5 megawatt, \$90.00 per megawatt hour;
- Small ground mount net metered nonresidential projects smaller than 1 megawatt, \$85.00 per megawatt hour;
- Large ground mount net metered nonresidential projects, 1 megawatt to 5 megawatt, \$80.00 per megawatt hour;
- Community solar non-LMI projects, \$70.00 per megawatt hour;
- Community solar LMI projects, \$90.00 per megawatt hour; and
- Projects participating in the interim subsection (t) program, \$100.00 per megawatt hour.

Staff recommended the ADI program provide additional compensation for solar facilities installed at public facilities at \$20.00 per megawatt hour above the otherwise applicable SREC-II incentive.

Staff also recommended that the Board conduct a one-year check-in of the overall health of the ADI program, including a review of the market segments and incentive levels.

Staff recommended that the Board direct Staff to work with the ADI program registration manager to establish a registration process for the ADI program, including all necessary forms, documents and web resources. The ADI program registration process will be modeled off of the process used in the SREC and TI programs, with projects being required to file a registration package and receive a notice of conditional registration prior to beginning construction on the facility.

The notice of conditional registration would indicate for which market segment the project is eligible and set an expiration date for the project's conditional registration based on the ADI program deadlines as follows:

- 12 months from the date of issuance of the notice of conditional registration for all net metered projects;
- 18 months from the date of issuance of the notice of conditional registration for all community solar projects; and
- 24 months from the date of issuance of the conditional registration for all projects granted conditional approval by the Board as part of the interim subsection (t) market segment.

The ADI program would be open to new registrations immediately upon the close of the TI program and that is recommended to be at 12 a.m. on Saturday, August 28.

Staff recommended that the Board direct the EDCs to work with Staff to jointly procure an SREC-II administrator or to expand the scope of the existing Transition Renewable Energy Certificate administrator to include SREC-IIs. The EDC's SREC-II's administrator would use the Generation Attribute Tracking System to purchase all SREC-IIs produced each year by eligible projects for both the ADI and CSI programs and retire and allocate NJ SREC-IIs as a carve out of the NJ Class I RPS obligation similar to the treatment afforded to Transition Renewable Energy Certificate.

The Competitive Solar Incentive program will be open to grid supply solar projects, i.e., those selling into the wholesale markets, and net metered nonresidential projects above 5 megawatts in size. Staff recommended the Board direct Staff to conduct further stakeholder engagement on the design of the CSI Program and report back to the Board with final recommendations, with a goal of conducting the first competitive solicitation in the first part of 2022.

Staff further recommended that the Board approve Staff's proposed methodology for calculating the Class I Renewable Portfolio Standards Cost Cap. Pursuant to the Solar Act of 2021, this methodology includes a process for quantifying both the costs and the energy and environmental benefits of Class I resources.

Finally, Staff recommended that the Board find that the Cost Cap would not exceeded in Energy Year '19 or Energy Year '20 and order Staff to publish revised Cost Cap calculations on an annual basis and report back to the Board regarding the status of the implementation of the Cost Cap as appropriate.

**DECISION:** After discussion, the Board adopted the recommendations of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

**B. Docket No. QO19010068 – In the Matter of a New Jersey Solar Transition Pursuant to P.L. 2018, c. 17 – Closure of Program to New Registrants.**

**Scott Hunter, Manager, Division of Clean Energy**, presented this matter.

**BACKGROUND AND DISCUSSION:** This matter involved Staff's recommendation to close the Transition Incentive (TI) program.

The TI program was designed to ensure the availability of incentives to continue solar market development following closure of the Solar Renewable Energy Certificate (SREC) registration program (SRP), until a new solar successor incentive program is developed.

The Board established the TI program via Board orders in December of 2019 and in January of 2020 and subsequently TI program was opened to projects registered in the SRP that did not meet the project completion deadlines in the SRP and opened to new registrations starting on May 1, 2020.

On April 26, 2021, Staff released its straw proposal for the Solar Successor program. In addition to details on the Successor Program design, the straw contained staff's proposal for closing the TI program to new registrants.

As of June 30, 2021, approximately 322 megawatts of solar capacity was installed under the TI program. With an additional 744 megawatts in the pipeline, the TI program has motivated development of approximately 1,066 megawatts of solar since May 2020. With the directive by the Board to open the New Successor Solar Incentive (SuSI) program and the evidence of continued solar development since the closure of the SRP program, Staff found that the TI program has fulfilled its intent and made a number of recommendations as follow:

- Close the TI program to new registrations 30 days after the date of issuance of the Board order, August 27, 2021 at 11:59:59 p.m.;
- Allow all projects that have submitted a complete registration project for the TI program on or before the final day that the TI program is open to new registrations to remain in the TI program pipeline so long as they remain in compliance with the rules and regulations of the TI program;
- Allow applications selected to participate in Program Year 2 of the Community Solar Energy Pilot program to register for the TI program regardless of when these applications are selected by the Board;
- Accept applications submitted pursuant to subsection (t) until the close of the TI Program;
- Allow 30 days for registrants to complete the registration process of TI registrations for those projects that were transferred from the SRP in mid-2020 where no action has occurred before terminating them at the end of the day on August 27, 2021; and
- Any complete Subsection (t) application that is received by the Board within 30 days of the date of this order would continue to be reviewed following the normal subsection (t) process; a timely subsection (t) application granting additional certification by the Board should be allowed to register in the TI program.

**DECISION:** After discussion, the Board adopted the recommendations of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

**C. Docket No. QO21030667 – In the Matter of the Release of the Solar Successor Competitive Administrator Request for Quotation (RFQ) – Executive Session.**

**Veronique Oomen, Project Manager Renewable Energy, Division of Clean Energy,** presented this matter.

**BACKGROUND AND DISCUSSION:** This matter was initially discussed in executive session and it involved the administratively determined incentive program which represents only the first implementation step of the Solar Successor program. The Board will undertake an effort to develop a program to award solar incentives to large scale solar facilities based on competitive solicitation. This new Competitive Solar Incentive Program (CSI) program will follow the legislative framework provided by the Solar Act of 2021.

To facilitate the design and administration of the CSI program, the Board approved release of a Request for Quotation (RFQ) to engage a consultant on May 7, 2021. A RFQ was issued and six bids were received, which were evaluated by an evaluation committee. Based on price and other factors, the committee came to a unanimous recommendation for the contract award.

Staff recommended the Board approve the committee's recommendation for a consultant to assist in the design and implementation of the CSI program.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

**D. Docket No. QX21060944 – In the Matter of a Rulemaking Proceeding to Define the Class I Renewable Portfolio Standard Cost Cap Pursuant to P.L. 2018, c. 17.**

**Ariane Benrey, Program Administrator, Division of Clean Energy,** presented this matter.

**BACKGROUND AND DISCUSSION:** This matter involved a rule proposal for the calculation and implementation of the statutory Cost Caps on Class 1 Renewable Energy Resources.

The Clean Energy Act of 2018 set a path on the cost of customers of the Class I renewable energy requirement stating that the costs shall not exceed nine percent of the total paid for electricity by all customers in the State and for Energy Year (EY) 2019, EY 2020 and EY 2021, respectively and shall not exceed seven percent of the total paid for electricity by all customers in the State in any energy year thereafter. The Clean Energy Act further states that the Board shall take any steps necessary to prevent the exceedance of the cap on the cost to customers, including, but not limited to, adjusting the Class I renewable energy requirement.

The Cost Cap was amended twice since the passage of the Clean Energy Act:

- First, on January 21, 2020, Governor Murphy signed into law amendments that provide the Board with more flexibility in implementing the Cost Cap. Specifically, these amendments allow the Board to bank and carry forward excess headroom for Clean EY'19 and EY'24.
- Second, on July 9, 2021, Governor Murphy signed new solar legislation, referred to as the Solar Act of 2021, which added the requirement that the Board quantify and include energy and environmental benefits attributable to Class 1 program in its calculation of the Cost Cap. It also exempted the costs attributed to the newly created new Competitive Solar Incentive (CSI) program from the Cost Cap. The Board directed Staff to initiate a stakeholder meeting on calculation of the Cost Cap on December 6, 2019. Staff issued a request for comments and received stakeholder input in January 2020. Staff issued a more detailed proposal regarding the Cost Cap calculation in May 22, 2021, and received public comments through the end of 23 May.

Staff recommended that the Board issue a proposal for the Cost Cap, which would set the framework for the calculation and implementation of the Cost Cap. The programs counted in the cost to customers are the Solar Renewable Energy Certificate (SREC) program, the transition incentive (TI) program, the administratively determined incentive program newly created as part of the Successor Solar Incentive program and Class I renewable energy certificates, Class I RECs, that are used to meet the Class 1 renewable portfolio standard. The benefits associated with these Class 1 programs are recommended to include the following: Energy savings, which are the reduction in electricity demand at the capacity costs attributable to the Class I Renewable Energy Certificates (REC) program for reduced load and the addition of low cost solar energy with the PJM supply stack. Environmental benefits would be calculated by multiplying the tons of carbon dioxide, that were not emitted as a result of the Class I REC program by the value of each ton of CO2 emission avoided as published by the US Interagency Working Group on Social Costs of Greenhouse Gases.

Staff also recommended that the actual calculation of the Cost Cap be handled annually through orders by a combination of forecasting and true-ups depending on the availability of data. If approved, the rule proposal will be sent to the Office of Administrative Law to be published in the New Jersey Register and be open to stakeholder comments for 60 days. A free publication copy of the rule proposal would also be posted on the New Jersey Clean Energy program website as a courtesy to stakeholders.

Staff recommended the Board approve the publication of the Cost Cap rule proposal.



**DECISION:** After discussion, the Board adopted the recommendations of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

### EXECUTIVE SESSION

After appropriate motion, the following matter, which involved pending litigation attorney-client privilege, and/or contract exceptions to the Open Public Meetings Act was discussed in Executive Session.

#### 8. CLEAN ENERGY

##### **C. Docket No. QO21030667 – In the Matter of the Release of the Solar Successor Competitive Administrator Request for Quotation (RFQ).**

The substance of this discussion shall remain confidential except to the extent that making the discussion public is not inconsistent with law.

After appropriate motion, the Board reconvened to Open Session.

There being no further business before the Board, the meeting was adjourned.



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AIDA CAMACHO-WELCH  
SECRETARY

Date: September 14, 2021