



STATE OF NEW JERSEY
Board of Public Utilities
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www.nj.gov/bpu/

CLEAN ENERGY

)	AMENDED ORDER
)	
IN THE MATTER OF THE IMPLEMENTATION OF <u>L.</u>)	DOCKET NOS.
2012, <u>C.</u> 24, THE SOLAR ACT OF 2012;)	EO12090832V
)	
)	
IN THE MATTER OF THE IMPLEMENTATION OF <u>L.</u>)	
2012, <u>C.</u> 24, THE SOLAR ACT OF 2012, <u>N.J.S.A.</u> 48:3-)	
87(Q)(R) AND (S) – PROCEEDINGS TO ESTABLISH)	
THE PROCESSES FOR DESIGNATING CERTAIN)	
GRID-SUPPLY PROJECTS AS CONNECTED TO THE)	EO12090880V
DISTRIBUTION SYSTEM; AND)	
)	
)	
IN THE MATTER OF THE IMPLEMENTATION OF)	
<u>N.J.S.A.</u> 48:3-87(R), DESIGNATING GRID-SUPPLY)	
PROJECTS AS CONNECTED TO THE DISTRIBUTION)	
SYSTEM)	QO16020130

Party of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

In this Order, the Board of Public Utilities (“Board”) amends and extends the interim implementation process for N.J.S.A. 48:3-87(r) (“Subsection r”) which it authorized on May 25, 2016.

BACKGROUND

On July 23, 2012, L. 2012, C. 24 (“Solar Act”) was signed into law by Governor Chris Christie. The Solar Act amends certain aspects of the statute governing generation, interconnection, and financing of renewable energy. Among other actions, the Solar Act requires the Board to conduct proceedings to establish new standards and to develop new programs to implement its directives. By Order on October 10, 2012, the Board directed Board staff (“Staff”) to initiate

proceedings and convene a public stakeholder process to fulfill the directives of the Solar Act including those under N.J.S.A. 48:3-87(r) (Docket. No. EO12090832V, et al.) ("October 10, 2012 Order").

Subsection r of the Solar Act provides that:

r. (1) For all proposed solar electric power generation facility projects except for those solar electric power generation facility projects approved pursuant to subsection q. of this section and for all projects proposed in each energy year following energy year 2016, a proposed solar electric power generation facility, may be considered "connected to the distribution system" only upon designation as such by the board, after notice to the public and opportunity for public comment or hearing. A proposed solar power electric generation facility seeking board designation as "connected to the distribution system" shall submit an application to the board that includes for the proposed facility: the nameplate capacity; the estimated energy and number of SRECs to be produced and sold per year; the estimated annual rate impact on ratepayers; the estimated capacity of the generator as defined by PJM for sale in the PJM capacity market; the point of interconnection; the total project acreage and location; the current land use designation of the property; the type of solar technology to be used; and such other information as the board shall require.

(2) The board shall approve the designation of the proposed solar power electric generation facility as "connected to the distribution system" if the board determines that:

(a) the SRECs forecasted to be produced by the facility do not have a detrimental impact on the SREC market or on the appropriate development of solar power in the State;

(b) the approval of the designation of the proposed facility would not significantly impact the preservation of open space in this State;

(c) the impact of the designation on electric rates and economic development is beneficial; and

(d) there will be no impingement on the ability of an electric public utility to maintain its property and equipment in such a condition as to enable it to provide safe, adequate, and proper service to each of its customers.

(3) The board shall act within 90 days of its receipt of a completed application for designation of a solar power electric generation facility as "connected to the distribution system," to either approve, conditionally approve, or disapprove the application. If the proposed solar electric power generation facility does not commence commercial operations within two years following the date of the designation by the board pursuant to this subsection, the designation of the facility as "connected to the distribution system" shall be deemed to be null and void, and the facility shall thereafter be considered not "connected to the distribution system."

[N.J.S.A. 48:3-87(r).]

The Board approved a rule proposal to implement the criteria set forth in the statute at its January 27, 2016 agenda meeting under Docket No. QX15091096.¹ The proposal was published in the New Jersey Register on March 7, 2016, and the Board accepted comments on the rules for a period of 60 days as required by the Administrative Procedures Act. By order dated May 25, 2016, the Board recognized that the rules would not take effect prior to the start of EY17 – June 1, 2016 – and established an interim process to “implement Subsection r from June 1, 2016 until such time as a final rule is promulgated an application window can be opened.”² (May 25 Order at p. 4.)

In part, the interim process allowed interested parties seeking approval of projects in EY17 to submit Expressions of Interest (“EOI”). Regarding an application window, the May 25 Order prohibited Staff from accepting applications prior to the effective date of the rules. Staff, however, may accept applications according to the schedule set forth in the rule, following the effective date of the rule.

The Board has considered responses to the request for comments and has approved adoption of the rule proposal. Accordingly, the rules are anticipated to take effect in late March 2017 upon publication in the New Jersey Register. Following the schedule set forth in the rule, the first application window may open on June 1, 2017 and quarterly thereafter. The schedule allows for an application window at the start of EY18, but will not accommodate applications in EY17.

STAFF RECOMMENDATION

Subsection r mandates that the Board evaluate all proposed projects for which applications are submitted on or after June 1, 2016 according to the four criteria quoted above. See N.J.S.A. 48:3-87(r). In anticipation that entities will seek to submit applications for approval in EY18, Staff recommends an administrative process to implement Subsection r until such time as the first application window opens. Staff believes that the implementation of a structured process now will best position the Board, Staff, and the stakeholders for a fair and efficient process for grid supply applications submitted pursuant to Subsection r.

To facilitate the implementation of the rule, Staff proposes the following process:

1. Instruct all entities that are considering filing an application in the coming energy year to file an EOI, using the EOI form that will be posted on the NJCEP webpage. The webpage for the EOI should include:
 - a. A deadline of April 1, 2017, by which an EOI must be filed with the Board.
2. EOIs that were submitted for EY17 between June 1, 2016 and July 15, 2016 are valid for EY18 and do not need to be refiled. However, an EOI for EY18 is required if any of the following apply:

¹ I/M/O the Renewable Energy and Energy Efficiency Rules - N.J.A.C. 14:8 Amendments to Subchapter 8 – Rule Proposal, Dkt. No. QX15091096

² I/M/O the Implementation of N.J.S.A. 48:3-87(r), Designating Grid-Supply Projects as connected to the Distribution System, Dkt. No. QO16020130 (May 25, 2016) (“May 25 Order”).

- a. The EY17 EOI was rejected;
 - b. The EY17 EOI did not contain a PJM interconnection queue number; or
 - c. The EY17 EOI is no longer accurate because there have been changes to the project.
3. A notice that only grid supply applications for which an EOI was timely submitted be considered for designation as "connected to the distribution system" in EY18.
 4. Initiate a public stakeholder process as soon as practicable to request comments on the optimal number of megawatts that the Board should not exceed for grid supply projects in EY18.
 5. Following the close of the comment submittal period, and prior to opening the first application window for EY17, Staff recommends that the Board announce a specific number of megawatts as the upper limit for which the Board may approve for designation as "connected to the distribution system" in EY18.
 6. Staff shall not accept applications prior to the effective date of the rule. Following the effective date of the rule, Staff may accept applications according to the schedule set forth in the rule.

This process is designed to supersede the procedure set forth in the May 25, 2016 Order.

For EY18, Staff recommends that the Board direct Staff to issue a Straw Proposal stating the maximum number of megawatts dc that Staff believes the Board should conditionally approve. Staff proposes that the Board order that public comments upon the Straw Proposal may be submitted through April 1, 2017.

DISCUSSION AND FINDINGS

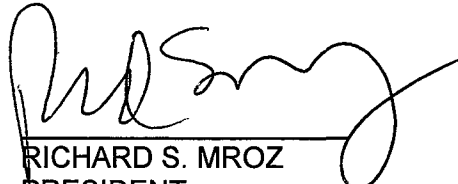
The Board **FINDS** that the modified interim process described herein is reasonable and follows the rule adoption currently before the Board as closely as possible given the date the rule is anticipated to take effect. In addition, the Board **FINDS** that it is reasonable to limit the acceptance of EOIs to those which have PJM interconnection queue numbers. The administrative steps laid out above, namely accepting new or amended EOIs and initiating a stakeholder process upon the appropriate aggregate megawatt cap for EY18, will facilitate the timely review of applications once the final rule is promulgated. The process also ensures that the Board has sufficient time to consider, and incorporate as appropriate, the comments received in response to the rule proposal.

Therefore, the Board **HEREBY APPROVES** the process recommended by Staff. Specifically, the Board **HEREBY DIRECTS** Staff to accept new or amended EOIs for EY18 through April 1, 2017, which is the same date set forth in the rule proposal. The Board **FURTHER DIRECTS** Staff to issue a Straw Proposal with Staff's recommended megawatt cap for EY18 and to accept comments through April 1, 2017. The process set forth herein shall supersede the May 25, 2016 Order.

The effective date of this Order is February 22, 2017.

DATED: 2/22/17

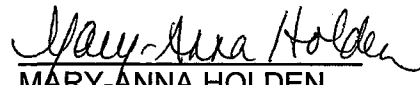
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BY:



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PRESIDENT




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COMMISSIONER



MARY-ANNA HOLDEN
COMMISSIONER

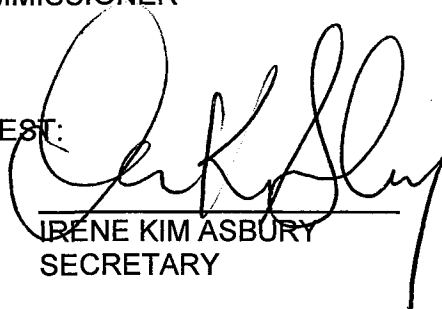


DIANNE SOLOMON
COMMISSIONER



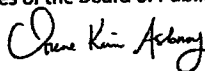
UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:



IRENE KIM ASBURY
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities



DOCKET NO. EO12090832V – IN THE MATTER OF THE IMPLEMENTATION OF L. 2012, C. 24, THE SOLAR ACT OF 2012;

DOCKET NO. EO12090880V – IN THE MATTER OF THE IMPLEMENTATION OF L. 2012, C. 24, N.J.S.A. 48:3-87(Q)(R)(S) – PROCEEDINGS TO ESTABLISH THE PROCESSES FOR DESIGNATING CERTAIN GRID-SUPPLY PROJECTS AS CONNECTED TO THE DISTRIBUTION SYSTEM; AND

DOCKET NO. QO16020130 – IN THE MATTER OF THE IMPLEMENTATION OF N.J.S.A. 48:3-87(R) – DESIGNATING GRID-SUPPLY PROJECTS AS CONNECTED TO THE DISTRIBUTION SYSTEM

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