



Agenda Date: 12/15/21
Agenda Item: 8D

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE COMMUNITY SOLAR)
ENERGY PILOT PROGRAM)
)
) DOCKET NO. QO18060646

Party of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

In this Order the New Jersey Board of Public Utilities ("Board" or "BPU") extends project completion deadlines for projects conditionally approved to participate in Program Year 1 ("PY1") of the Community Solar Energy Pilot Program ("Pilot Program"), codified at N.J.A.C. 14:8-9 et seq., to correspond with the applicable Transition Incentive ("TI") Program eligibility deadline.

BACKGROUND

The Pilot Program was established by the Board pursuant to the Clean Energy Act of 2018 (L. 2018, c. 17) ("Act" or "CEA") through rules adopted on January 17, 2019 and published in the New Jersey Register on February 19, 2019.¹ The Pilot Program enables New Jersey electric 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. Community solar therefore enables access to clean energy generation for utility customers currently unable to place solar 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 compromising the preservation of open space or protected lands in New Jersey. The Pilot Program is designed to provide the necessary experience to lay the groundwork for the development and implementation of a full-scale Community Solar Energy Program within 36 months of the implementation of the Pilot Program.

Community solar projects are selected by the Board for participation in the Pilot Program via a competitive solicitation process, as directed by N.J.A.C. 14:8-9.3(c). The Board received 252 applications for participation in the first Program Year ("PY1") solicitation. On December 20, 2019, the Board granted conditional approval to 45 applications, representing approximately 78

¹ 51 N.J.R. 232(a) (February 19, 2019).

megawatts (“MW”).² The 45 approved applications were directed to submit an initial SREC Registration Program (“SRP”) registration package within 14 days of the effective date of the Order.³

PY1 completion deadline

In July 2020, the Board conducted a stakeholder process regarding lessons learned from PY1 and possible improvements to the Pilot Program. Following public comment, the Board proposed two (2) rule amendments to the Pilot Program, published in the New Jersey Register on November 16, 2020, with comments received no later than January 15, 2021. The first rule amendment proposed to change some administrative requirements and to facilitate LMI verification.⁴ It was approved by the Board on October 28, 2021, and became effective upon publication in the New Jersey Register on December 6, 2021. This rule amendment included a change to the Pilot Program project completion deadlines at N.J.A.C. 14:8-9.3(c)(8). Previously, approved projects were required to become fully operational within 12 months of their approval by the Board; however, BPU Staff (“Staff”) could grant an unlimited number of six-month extensions based on a review of the specific circumstances of each project. Under the amended rule, projects have a deadline to reach commercial operation of 18 months, and may request one (1) six-month extension from Staff. Further extensions must be requested by filing a petition with the Board. As a consequence, PY1 projects have a completion deadline of December 30, 2021 (18 months plus a six month extension granted by Staff from the effective date of the Board Order granting them conditional approval, i.e. from December 30, 2019).

TI Program eligibility deadline

The CEA also directed the Board to make several changes to the solar incentive programs. Specifically, the CEA directed the Board to adopt rules and regulations to close the SRP to new applications once the Board determined that 5.1 percent of the kilowatt-hours sold in the State by third party electric suppliers and Basic Generation Service providers (“TPS/BGS providers”) had been generated by solar electric power generators connected to the distribution system (“5.1 % Milestone”). On April 6, 2020, the Board found that the 5.1% Milestone would be attained before May 1, 2020, and therefore ordered Staff to close the SRP to new registrations on April 30, 2020. Projects in the SRP pipeline that had not received Permission to Operate (“PTO”) by April 30, 2020 were deemed eligible for the TI Program that had been established by the Board on December 9, 2019.⁵

No PY1 conditionally approved project had reached PTO by April 30, 2020. Their registrations were therefore transferred over to the TI Program. These projects have benefited from several Board actions taken to extend the registration deadline for projects in the TI Program. The most recent action, taken on June 24, 2021, granted an automatic and immediate six-month TI extension to all projects registered in the TI Program on or before June 24, 2021.⁶ In this Order,

² The Board’s December 20, 2019 Order was effective on December 30, 2019.

³ In re the Community Solar Energy Pilot Program, BPU Docket. No. QO18060646, Order dated December 20, 2019 (“December 2019 Order”).

⁴ 52 N.J.R. 2039(a) (November 16, 2020).

⁵ In re Closure of the SREC Registration Program Pursuant To P.L. 2018, c. 17, BPU Docket. No. QO18070698, Order dated April 6, 2020 (“April 2020 Order”).

⁶ In re The New Jersey Solar Transition Pursuant to P.L. 2018, c.17 – Order Addressing Requests for

the Board specifically discussed the community solar Pilot Program, stating that “the PY1 community solar projects have found themselves in extraordinary circumstances, being the first ‘cohort’ of community solar projects while in the midst of a global pandemic.” (p. 7) The Order went on to state that “to the extent that any Order implementing the Pilot Program requires conditionally approved projects in the Pilot Program to comply with time limitations that do not comport with this extension, the Board modifies such orders to permit extensions of time to PY1 projects in the Pilot Program.” (p. 7) As a consequence of this TI eligibility extension, PY1 community solar projects have a TI deadline of April 30, 2022, but the projects also remain subject to the earlier PY1 completion deadline of December 30, 2021.

STAFF RECOMMENDATIONS

In light of the conflicting deadlines, Staff notes that the community solar deadline to become fully operational and the TI Program deadline are distinct. The community solar program governs the project’s conditional award, i.e. whether the project is allowed to proceed as a community solar project. The TI Program deadline relates to projects’ incentive eligibility. However, the two (2) deadlines are linked, as it is the earlier of the two (2) deadlines that sets the *de facto* deadline for project completion. In this instance, the Board had previously granted an extension to the PY1 projects’ TI deadline to April 30, 2022. The amendment to the Pilot Program rules approved on October 28, 2021 was intended to simplify program administration, not to create a change in policy regarding deadlines for PY1 projects. Staff therefore recommends that the Board grant an immediate extension to the PY1 community solar deadline to become fully operational to April 30, 2022, in order to sync up and match the two distinct deadlines, i.e. the PY1 project and TI deadlines.

FINDINGS AND DISCUSSION

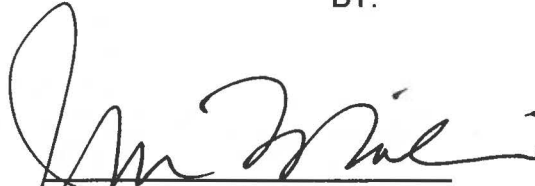
The Board reviewed the circumstances and Staff’s recommendation. PY1 community solar projects had been previously granted an extension to their TI eligibility deadline to April 30, 2022. The amendments to the Pilot Program rules approved on October 28, 2021 were not intended to create a change in policy regarding project completion deadlines for PY1 projects. Therefore, as permitted by N.J.A.C. 14:8-9.3(c)(8), the Board hereby **GRANTS** an extension of the project completion deadline to all PY1 projects to April 30, 2022.

Extension For Projects in the Solar Transition Incentive Program, BPU Docket Nos. QO19010068, QO21060883, Order dated June 24, 2021.

The effective date of this Order is December 22, 2021.

DATED: December 15, 2021

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 

AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE COMMUNITY SOLAR ENERGY PILOT
PROGRAM

DOCKET NO. QO18060646

SERVICE LIST

<p><u>Division of Rate Counsel</u> Division of Rate Counsel 140 East Front Street, 4th Floor Trenton, NJ 08625-0003</p> <p>Brian O. Lipman, Esq., Director blipman@rpa.nj.gov</p> <p><u>Division of Law</u> Richard J. Hughes Justice Complex Public Utilities Section 25 Market Street, P.O. Box 112 Trenton, NJ 08625</p> <p>Darren Eppley darren.eppley@law.njoag.gov</p> <p>Pamela Owen pamela.owen@law.njoag.gov</p> <p>Michael Beck michael.beck@law.njoag.gov</p>	<p><u>Board of Public Utilities</u> 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Aida Camacho-Welch, Secretary Board.secretary@bpu.nj.gov</p> <p><u>General Counsel's Office</u> Abe Silverman, General Counsel abe.silverman@bpu.nj.gov</p> <p>Carol Artale, Deputy General Counsel carole.artale@bpu.nj.gov</p> <p>Suzanne Patnaude, Senior Counsel suzanne.patnaude@bpu.nj.gov</p> <p><u>Office of the Chief of Staff</u> Taryn Boland, Chief of Staff taryn.boland@bpu.nj.gov</p> <p><u>Executive Director's Office</u> Bob Brabston, Esq., Executive Director robert.brabston@bpu.nj.gov</p> <p>Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov</p> <p><u>Division of Clean Energy</u> Kelly Mooij, Director kelly.mooij@bpu.nj.gov</p> <p>Ariane Benrey, Solar Manager ariane.benrey@bpu.nj.gov</p>
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