



Competitive Solar Incentive (CSI) Program Design Stakeholder Meeting

November 30, 2021



Welcome

This is the first public stakeholder meeting for

[Docket # QO21101186](#)

Competitive Solar Incentive (“CSI”) Program pursuant to P.L. 2021, C.169

At this meeting, NJBPU’s consultant, Daymark Energy Advisors (“Daymark”), will provide a brief presentation on plans for development of the CSI Program and choices to be made in defining the goals of the procurement, the products to be procured, and any financial deposits needed for prequalification and/or participation in the program. Daymark will then request stakeholder input on these issues.

Webinar Instruction Page

- All attendees will be automatically muted
- Questions? Comments? Please use the “Q & A” function in Zoom
- Please note that the “Chat” function in Zoom is not available for this meeting
- This meeting is being recorded. A copy of the recording and slides will be made available on the NJ Clean Energy Program website: <https://njcleanenergy.com/renewable-energy/program-updates-and-background-information/solar-proceedings>

Disclaimer

This presentation is provided for informational purposes only and should not be taken to represent the views of the New Jersey Board of Public Utilities, its Commissioners, or the State of New Jersey. Please be aware that any information presented is subject to change if there are changes to New Jersey statutes, rules, or policies.

All viewers are responsible for ensuring that they rely only on current legal authority regarding the matters covered in the presentation.

Written Stakeholder Comment Guidelines

- The deadline for comments is 5:00 p.m. ET on Tuesday, December 14, 2021
- Please submit comments directly to Docket No. QO21101186, using the “Post Comments” button on the Board’s Public Document Search tool.
- Comments are considered “public documents” for purposes of the State’s Open Public Records Act and any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3.
- Written comments may also be submitted to:
 - Aida Camacho-Welch
 - Secretary of the Board
 - 44 South Clinton Avenue, 1st Floor
 - Post Office Box 350
 - Trenton, NJ 08625-0350
 - Phone: 609-292-1599
 - Email: board.secretary@bpu.nj.gov



Agenda

- Introductions
- Review background and next steps
- Current project: Competitive Solar Incentive (CSI) Program design
- Project Schedule
- Review of next steps and ways to provide stakeholder input
- Discussion of today's focus areas:
 - Input to help Staff further define what is being purchased
 - Pre-qualification and participation requirements
 - Subsidy mechanism
- Stakeholder Comment Guidelines
- Stakeholder Comment Session

Background

Legacy SREC Registration Program (SRP)

The Clean Energy Act of 2018, P.L. 2018, c. 17, directed the New Jersey Board of Public Utilities (NJBPU) to adopt regulations to close the SRP to new registrations once 5.1% of the kilowatt-hours sold in the State were generated by solar electric power connected to the distribution system (known as the 5.1% Milestone). N.J.S.A. 48:3- 87(d)(3).

On April 6, 2020, the Board determined that the 5.1% Milestone would be attained before May 1, 2020, and therefore, directed to close the SRP to new registrations on April 30, 2020.

Solar Transition Incentive Program (TI)

By Order dated December 6, 2019, NJBPU established the TI Program to provide a bridge between the Legacy SRP and the soon-to-be-established Successor Program. The TI Program portal was open to new applications on May 1, 2020.

Solar Act of 2021 and Successor Solar Incentive (SuSI) Program

The Solar Act of 2021, P.L. 2021, c.169, signed by Governor Murphy on July 9, 2021, directs the NJBPU to establish a comprehensive program to provide incentives for the development of at least 3,750 megawatts of new solar power generation by 2026. The SuSI Program will serve as the new permanent solar program for providing solar incentives to qualified solar electric generation facilities.



Successor Solar Incentive Program

The Solar Act of 2021 prescribes two solar incentive programs:

1. **The Competitive Solar Incentive (“CSI”) program**, covering

- All grid supply solar installations
- Net metered commercial solar installations greater than 5 MWdc

➤ Design of the CSI program is the subject of today’s stakeholder meeting

2. **The Small Solar Facilities program**, covering

a. The Administratively Determined Incentive (“ADI”) program

- All net metered residential solar installations
- Net metered commercial solar installations of 5 MWdc or smaller
- A temporary program for grid supply solar installations previously covered under “Subsection (t)”

➤ The ADI program has been operational since August 28, 2021

b. The Community Solar program

➤ Design of the permanent Community Solar program is subject of another proceeding

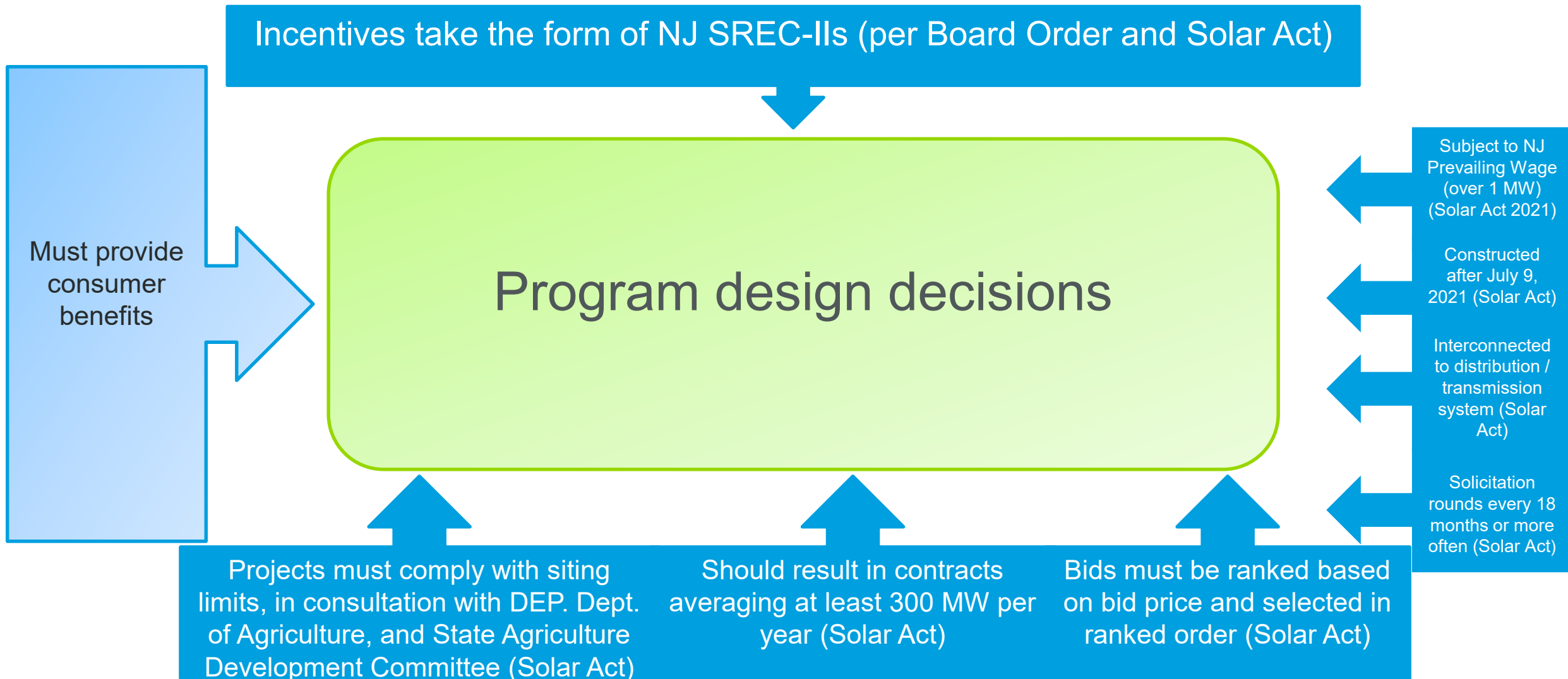


Competitive Solar Procurement Stakeholder Session #1 November 30, 2021

PREPARED BY: DAYMARK ENERGY ADVISORS
PREPARED FOR: NJ BPU
DATE: NOVEMBER 30, 2021



Competitive SREC program design boundaries



Stakeholder Poll #1



Competitive SREC program goals

50% electricity from renewables by 2030 with least cost and greatest benefit to consumers
(Clean Energy Act of 2018, Solar Act of 2021)

PROGRAM
DESIGN
PRINCIPLES

Maximum benefits
to ratepayers at
lowest cost

Support a thriving
solar industry

Meet capacity goal
of 300 MW/yr

Transparent process

What we know/Input requested

What we know

- Preference for
 - Contaminated sites and landfills
 - Built environment
- Must comply with siting limitations developed in a separate proceeding, pursuant to the Solar Act of 2021
- Include net metered projects > 5 MW
- Product procured = SREC-II (production-based incentive delivered in \$/MWh)
- Program should
 - Encourage competition
 - Support a thriving solar industry in New Jersey

Where we are looking for input

- Preferred locations beyond those specified
- Priorities related to storage
- Special considerations related to public entities
- Special considerations related to net metered projects

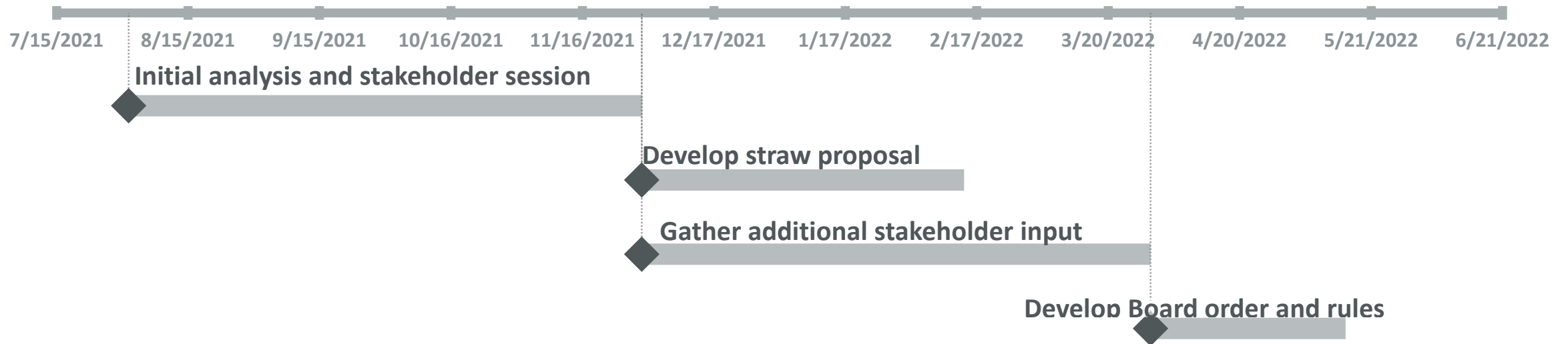
Initial Project Schedule (subject to change)

Already Complete:

- 7/9: Solar Act of 2021
- 7/28: Board Established SuSI Program
- 11/30 (Today): First Stakeholder meeting

Upcoming Dates:

- 12/14: Deadline for written stakeholder comments related to this session



How to provide stakeholder input

Drafting Straw Proposal

- Participate in this session
- Submit written comments by Dec. 14

Revising Straw Proposal

- Additional stakeholder sessions January - March
- Written comments due two weeks after final stakeholder session

Goals of today's discussion

1. Gather input to help further define the solicitations
 - Siting considerations
 - Special considerations related to net metered projects
 - Special considerations related to public entity projects
2. Gather input on pre-qualification and participation requirements
 - Project maturity requirements
 - Bid participation fees
3. Discuss subsidy mechanism
 - Administrative rule vs. contracts
 - Subsidy term

Siting considerations: Development on contaminated land and landfills

Background:

- Mandatory compliance with siting limits that will be developed in a separate proceeding, pursuant to the Solar Act of 2021.
- Environmental benefits related to remediating sites for solar development is a potential consideration

For discussion:

- Development timeline?
- Additional costs?
- Value benchmarks—developing a ceiling for additional costs

Siting considerations: Development on the built environment

Background:

- Built environment development may be preferred to greenfield or other land-based development

For discussion:

- Development timeline?
- Additional costs?
- Other kinds of sites that should be preferred over open space development?

Stakeholder Poll #2



Participation of Large net metered non-residential

Background:

- Commercial net metered projects greater than 5 MW seeking incentives are required to participate in the CSI program

For discussion:

- How can the benefit provided by net metered status translate into lower-cost bids?
- What kind of project maturity requirements would be appropriate for net metered projects?

Participation by Public Entities

Background:

- It is Staff's intention to propose a CSI Program design that enables public entities' participation

For discussion:

- Are there special barriers public entities might face in participating in competitive SREC solicitations?
- If so, what are they?
- Are there ways NJBPU could help eliminate barriers?

Prequalification and participation requirements

Background:

- Ensure awards go to projects that get developed within a reasonable timeframe

For discussion:

- Require completion of a Facilities Study or a draft System Impact Study?
Other PJM queue requirements?
- When would an SREC-II award provide the most value in terms of ensuring projects get built?
- Impact of other maturity measures? Site control? Right-Of-Way control, etc.?
- Bid participation fees

Stakeholder Polls #3 and #4



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Stakeholder Comments

- Speaking time per person is limited to 5 minutes—please be respectful of other speakers.
- The next five speakers are posted in the chat. We will call on speakers in order. If your name is not showing (only a phone number), please raise your hand when it is your turn to speak.
- Phone controls for participants
 - The following commands can be entered via DTMF tones using your phone's dial pad while in a Zoom meeting:
 - *6 - Toggle mute/unmute
 - *9 - Raise hand
- At the conclusion of our pre-registered speakers list, we will invite additional speakers to raise their hands to speak.
- We will take a 15-minute break at 1 pm.

Thank you

Let's continue the conversation

Carrie Gilbert
Louisa Lund

DAYMARK ENERGY ADVISORS

Our team brings deep knowledge and an integrated view of energy infrastructure, regulation, and markets to help our clients make well-informed business, capital investment, and policy decisions in the face of transformative change to achieve decarbonization.

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A close-up view of a modern building's facade, featuring large glass windows and a concrete overhang. The glass reflects the surrounding environment, and the interior lights are visible through the panes.

THANK YOU – Let's continue the conversation

veronique.oomen@bpu.nj.gov

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