



New Jersey's Community Solar Energy Program Stakeholder meeting – One-year checkup



December 3, 2024

Welcome

This is the public stakeholder meeting for

[Docket No. QO22030153](#)

In the Matter of the
Community Solar Energy Program

This meeting will focus on the one-year checkup of the Community Solar Energy Program (CSEP)

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.

Webinar Instruction Page

- All attendees will be automatically muted.
- Questions? Please use the Q&A function in Zoom.
- We will address clarifying questions at the end of each section. These will be collected as FAQ and posted on our website as relevant.
- 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 BPU website:

<https://www.nj.gov/bpu/newsroom/public/>

Written Stakeholder Comment Guidelines

- The deadline for comments on the CSEP one-year checkup is 5:00 p.m. ET on Monday, December 16, 2024
- Please submit comments directly to **Docket No. QO22030153**, 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:
Sherri L. Golden, 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

NJCleanEnergy.com/COMMUNITYSOLAR

1. Community solar market segment performance
2. Modeling approach
3. Variable adjustments
4. Program considerations
5. Q&A
6. Public comment



*Tri-County Landfill Solar Farm, Delanco
– Soltage/AC Power*

Community solar market segment performance

EDC Territory	Capacity Blocks EY 2024	Capacity Subscribed MWdc	Capacity Available MWdc
Jersey Central Power & Light (JCP&L)	65 MW	65.14	CLOSED
Public Service Electric & Gas (PSE&G)	129 MW	131	CLOSED
Atlantic City Electric (ACE)	27 MW	31.4	CLOSED
Rockland & Orange (RECO)	4 MW	4	CLOSED

EDC Territory	Capacity Blocks EY 2025	Capacity Subscribed MWdc	Capacity Available MWdc
Jersey Central Power & Light (JCP&L)	144 MW	145.41	CLOSED
Public Service Electric & Gas (PSE&G)	287 MW	288.28	CLOSED
Atlantic City Electric (ACE)	60 MW	60.48	CLOSED
Rockland & Orange (RECO)	9 MW	4.20	4.8

Modeling approach

- In 2021, ADI incentive values were set by use of modeled performance-based incentives required for specific project return requirements.
- In 2023, BPU conducted a one-year review of the ADI Program. This process used the base modeling methods with updated economic inputs.
 - Capital and operating expenditures
 - Interest rates
 - Tax credits in the Inflation Reduction Act
- Community solar was not addressed in the 2023 refresh
 - CSEP incentive remained at \$90/MWh for community solar projects serving at least 51% low- to moderate-income subscribers
 - \$70/MWh incentive for non-LMI projects was discontinued for CSEP

Modeling approach

- The 2021 Solar Successor Program Final Capstone Report modeled three cases for community solar, based on awards made in PY1 of the Community Solar Energy Pilot Program

		Capacity (kW)		
SAM Case		Median (50th Percentile)	Average	Modeled Project Capacity
CS_Ground	[2]	3,150	3,457	3,500
CS_Roof_lg	[2]	1,907	2,061	2,000
CS_Roof_med	[2]	640	628	650

- 2024 update will remodel project variants representative of Community Solar Energy Program registrants

System Advisor Model

- SAM is a techno-economic model developed by the National Renewable Energy Laboratory (NREL) to facilitate decision-making
- PVWatts performance model estimates project energy production
- Estimates project financials through cost and revenue inputs
- Identifies performance-based incentive necessary to meet developer-required return (internal rate of return or payback year)



Sunwealth/Citrine/Pfister

Variable adjustments – Capex

- The 2021 Solar Successor Program Final Capstone Report modeled capital expenditures:

		Installed Costs 2020 (\$/W)			Modeled Cost 2020 (\$/W)	Modeled Cost 2021 (\$/W) [6]
SAM Case		Straight Average	Weighted Average	Median (50th Percentile)		
CS_Ground	[2][3]	n/a	n/a	n/a	\$ 2.05	\$ 1.98
CS_Roof_lg	[2][3]	n/a	n/a	n/a	\$ 1.85	\$ 1.79
CS_Roof_med	[2][3]	n/a	n/a	n/a	\$ 2.25	\$ 2.17

- 2024 update will use actual and pipeline costs to determine representative capex
 - Average of all projects: \$2.05/W

Variable adjustments – Opex

- The 2021 Solar Successor Program Final Capstone Report modeled operating expenditures:

SAM Case Information			Operating Expenditures (\$/Year)				
SAM Case	Capacity Tier	Modeled Capacity (kW)	Project Mgt. Costs [1]	Property Tax/PILOT [2]	Site Lease [3]	Total (2020)	Total (2021) [4]
CS_Ground	n/a	3,500	\$ 5,000	\$ 17,500	\$ 55,000	\$ 77,500	\$ 74,539
CS_Roof_lg	1 MW and greater	2,000	\$ 5,000	exempt	\$ 55,000	\$ 60,000	\$ 57,708
CS_Roof_med	100 kW up to 1 MW	650	\$ 3,000	exempt	\$ 20,000	\$ 23,000	\$ 22,070

O&M Fee (\$/kW-yr) [1]			
SAM Case	2020	2021 [2]	Insurance [3]
CS_Ground	\$ 37.00	\$ 35.59	0.45%
CS_Roof_lg	\$ 37.00	\$ 35.59	0.45%
CS_Roof_med	\$ 37.00	\$ 35.50	0.45%

- 2024 update: Inflation factor may be applied to historical costs

Variable adjustments – Bill credits

- The 2021 Solar Successor Program Final Capstone Report modeled weighted community solar credits for each utility
- Summer and winter rates were weighted 60%/40%
- Subscribers were assumed to be 60% residential, 40% commercial
 - ACE: \$0.1439/kWh
 - JCP&L: \$0.101004
 - PSE&G: \$0.119271
 - RECO: \$0.128443
- 2024 update will reflect current bill credit calculations
 - Actual subscriber breakdown is predominantly residential

Variable adjustments – Other

- The 2023 ADI refresh updated interest rates from 6.0% to 9.0%
- The 2023 ADI refresh updated the federal Investment Tax Credit from 22% to 30%
 - Assumed bonus ITC adders are not included
- 2024 update will take a similar approach
 - Community solar projects may qualify for ITC adders
 - 10% for projects located in energy communities
 - 10% for projects using domestic content
 - 20% for qualifying projects serving low-income communities

Program considerations

- Interconnection processes
- Community Engagement and Subscriber Acquisition Plan
- Project completion deadlines
- Other issues



Mount Laurel – Solar Landscape



South Brunswick – Nexamp

Q&A – Clarifying questions

Please add your questions to the meeting Q&A

PUBLIC COMMENT

- Speaking time per person is limited to 5 minutes
- Please be respectful of other commenters
- The speaker order is posted in the chat. We will call on speakers in order. Please raise your hand if your name is not showing (phone number)
- At the conclusion of our pre-registered speaker list, we will invite additional speakers to raise their hands

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Thank You



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