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Board of Public Utilities



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REQUEST FOR COMMENTS

IN THE MATTER OF THE COMMUNITY SOLAR ENERGY PROGRAM

Docket No. QO22030153

Staff of the New Jersey Board of Public Utilities (“NJBPU” or “Board”) invites all interested parties and members of the public to provide written responses to questions regarding the design of the permanent Community Solar Energy Program (“Permanent Program”).

On May 23, 2018, the Clean Energy Act of 2018 (P.L. 2018, c.17 or “CEA”) was signed into law, directing the Board to enable the development of community solar projects. Community solar was first implemented as the Community Solar Energy Pilot Program (“Pilot Program”) and formally began on February 19, 2019 with the publication of the Pilot Program rules in the New Jersey Register. Through two solicitations conducted between 2019 and 2021, the Board conditionally approved 150 projects for participation in the Pilot Program, representing approximately 243 megawatts-dc (“MWdc”) of capacity. The Pilot Program was designed to provide necessary experience and lay the groundwork for the continued growth of community solar in the Permanent Program. In this Request for Comments, Staff particularly encourages stakeholders who participated in the Pilot Program to share their experiences and suggestions for the Permanent Program.

Staff is seeking initial stakeholder comments on the design of the Permanent Program and is particularly interested in the responses to the questions below. Following receipt and consideration of these written comments, Staff will draft a Straw Proposal and solicit stakeholder feedback on the Straw Proposal via public stakeholder meetings and written comments.

I. Program Design and Eligibility

- 1) The Solar Act of 2021 states that the new Successor Solar Incentive Program should aim to provide incentives for at least 150 MW of community solar facilities per year. How should the annual Permanent Program capacity limit account for potential project “scrub” (i.e., planned projects that do not reach commercial operation)?
- 2) Should the Permanent Program capacity be divided into separate blocks, and if yes, how? (i.e., By EDC service territory? By project type or size)? Additionally, the Solar Act of 2021 requires the Board to consider “the economic and demographic characteristics of the area served by the facility, including whether it is located in an overburdened community[.]”¹ How should any blocks address this requirement?
- 3) Staff intends to recommend similar qualifications and ownership restrictions for solar developers participating in the Permanent Program as were implemented in the Pilot Program. Please comment.

¹ N.J.S.A. 48:3-116(c)(3).

- 4) What land use restrictions and limitations, if any, should apply to the siting of community solar projects?

While Section 6 of the Solar Act of 2021 does not establish siting standards for Community Solar projects, should the Board adopt comparable standards be extended to also apply to community solar facilities? What should those standards look like?

- 5) The CEA states that the Permanent Program rules and regulations shall "establish standards, fees, and uniform procedures for solar energy projects to be connected to the distribution system of an electric public utility" (Section 5(f)(11)). What changes, if any, should be made to the existing community solar interconnection standards and processes?
- 6) What measures should the Board implement to minimize negative impacts to the distribution system and maximize grid benefits?

II. Project Selection

- 7) How should projects be selected for participation in the Permanent Program? Please provide a detailed description and discussion of the advantages and disadvantages of your proposed method of selection, with an emphasis on establishing criteria that are transparent and easily verifiable.
- 8) Should the Board consider creating a waitlist for non-selected projects? If yes, why would a waitlist support the continued development of community solar projects without increasing program oversubscription? How should this waiting list be implemented to avoid a situation where all capacity is spoken for months or years ahead of a solicitation?
- 9) What minimum maturity requirements should projects be required to meet before applying to participate in the Permanent Program? To what extent should the Community Solar Energy Program maturity requirements be different from, or similar to, the requirements for projects to apply to the Administratively Determined Incentive ("ADI") Program?
- 10) Should the Board consider any changes to the coordination between community solar project awards and the process for registering for the ADI Program?

III. Low- and Moderate-Income Access

- 11) What policies and measures should the Board consider to ensure that the Permanent Program maintains a high level of low- to moderate-income ("LMI") participation? How can the Board support community outreach and education?
- 12) Should the Board modify the Pilot Program's income verification standards (see the Pilot Program rules at N.J.A.C. 14:8-9.8)? If so, how?
- 13) How should the Board consider "the economic and demographic characteristics of the area served by the facility, including whether it is located in an overburdened community, as that term is defined in section 2 of P.L.2020, c.92"?²

² N.J.S.A. 48:3-116(c)(3).

IV. Community Solar Subscribers

- 14) What should the geographic limitations for community solar projects and subscribers be (i.e., How far from the project can subscribers to the project reside)?

For context, the Pilot Program allowed projects to self-select the geographic limits of the project. Projects could choose between three options: municipality and adjacent municipalities, county and adjacent counties, and no limit (EDC-wide).

- 15) The Pilot Program mandated that each community solar project must have a minimum of 10 subscribers, and a maximum of 250 subscribers per MW of installed capacity. Should either of these mandates be changed under the Permanent Program?
- 16) Should the Board make any modifications to the consumer protection measures implemented under the Pilot Program?
- 17) In November 2020, the Board proposed a rule amendment to the Community Solar Energy Pilot Program rules, which would have allowed certain projects owned and operated by public entities to automatically enroll subscribers without first seeking subscribers' affirmative consent to join the project. Subscribers would then have the option to "opt-out" of the project should they not wish to participate. How can the Board best support subscriber education and acquisition? Should the Board revisit its automatic enrollment proposal, and if yes, how can automatic enrollment be implemented consistent with customer data privacy rights?

V. Community Solar Bill Credits

- 18) If applicable, please discuss your experience with subscriber management and the allocation of community solar bill credits. What changes, if any, should be made to communications between community solar subscriber organizations and the EDCs, or to the allocation of bill credits by the EDCs?
- 19) What modifications, if any, should the Board consider making to the value of the community solar bill credits?
- 20) In May 2021, following an opportunity for public comment, the EDCs submitted a [report](#) to the Board with options and recommendations regarding the implementation of consolidated billing for community solar. In summary, the EDCs recommend that, if the Board adopts consolidated billing for community solar projects, this billing process be handled by the EDCs. The EDCs further recommended that the method of reflecting subscription fees on a subscriber's EDC bill be determined by each EDC based on the format that best corresponds to their existing billing practices. The EDCs did not recommend that the Board allow non-EDC billing options. Do you agree with the EDCs' recommendations? If not, why? How do you recommend the Board address payment default by customers?

VI. Other

- 21) Please provide comments on any issues not specifically addressed in the questions above.

Staff anticipates the stakeholder process unfolding as follows, with the caveat that this anticipated schedule is subject to change:

- April 2022: Release of Request for Comments; stakeholders submit written comments.
- May – June 2022: Release of Staff Straw Proposal; stakeholder meetings and written comments.
- Summer 2022: Development of rules and regulations for the establishment of the Permanent Program.
- Fall 2022: Permanent Program opens to new registrations.

The deadline for comments on these questions is 5:00 p.m. on Friday, May 6, 2022. As a reminder, stakeholders will have further opportunity to provide comments following the publication of the Staff Straw Proposal. Please submit comments directly to the specific docket listed above 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:

Secretary of the Board
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08625-0350
Phone: 609-292-1599
Email: board.secretary@bpu.nj.gov

Please direct all questions about this matter to communitysolar@njcleanenergy.com.

Staff looks forward to receiving and reviewing stakeholder comments. Thank you for your interest in New Jersey's community solar program.

Name: Carmen D. Diaz
Title: Acting Secretary of the Board

Dated: April 11, 2022