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Board of Public Utilities



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NOTICE¹

IN THE MATTER OF A RULEMAKING PROCEEDING TO AMEND THE SUCCESSOR SOLAR INCENTIVE RULES AND THE RENEWABLE PORTFOLIO STANDARD

[Docket No. QX25060355](#)

Staff of the New Jersey Board of Public Utilities ("NJBP" or "Board") invites all interested parties and members of the public to provide written comments on Staff's proposed amendments for the Board's Successor Solar Incentive ("SuSI") Program ("SuSI Straw Proposal"). Attached to this Notice is the SuSI Straw Proposal, i.e., draft rules, reflecting the outcome of petitions submitted for the Administratively Determined Incentive ("ADI") Program and incorporating stakeholder input from the ADI Program Triennial Review meeting on July 11, 2025.

The draft rules also contain proposed revisions to the percentage of electricity sold from Class I renewable energy sources toward the Renewable Portfolio Standard for the years leading up to the statutory goal of 50% by EY 2030. For EY 2026, the requirement was reduced from 38% to 35%. For EY 2027 through EY 2031, Staff seeks public comment on the values in the draft rules attached and will conduct a stakeholder proceeding to examine the increases per year and determine how the cost to the ratepayer may best be mitigated in the achievement of the statutory goal.

Staff also proposes to codify the general procedures and four-level contractor designations outlined in the 2017 Board Order Contractor Remediation Procedures ("CRP")². The drafted language establishes a requirement for Program Administrators and Board Staff to exercise proper enforcement of program requirements by adhering to Board-established procedures for contractor violations, including consistent or repeated violations of program requirements, to maintain the integrity of the New Jersey Clean Energy Programs.

In addition, Staff proposes to codify the process by which the Solar Alternative Compliance Payments received by the Board will be returned to New Jersey ratepayers.

BACKGROUND AND PROCEDURAL HISTORY

The Solar Act of 2021 ("Solar Act") directed the Board to establish a program to develop and provide incentives for at least 3,750 megawatts ("MW") of new solar by 2026. To achieve this goal, the Board established the SuSI Program on July 28, 2021, which consists of the ADI Program and the Competitive Solar Incentive ("CSI") Program. The ADI Program opened on August 28, 2021 to residential projects, net metered non-residential projects equal to or less than 5 MW,

¹ Not a paid legal advertisement.

² In the Matter of the Clean Energy Programs and Budget for Fiscal Year 2017: Contractor Remediation Procedures. BPU Docket No. QO16040353, Order dated January 25, 2017. ("2017 Board Order").

community solar projects, and projects previously eligible to seek conditional certification from the Board under the subsection (t) program for an interim period that has since ended. Upon the opening of the ADI Program, the Board closed the Transition Incentive (“TI”) Program to new entrants, which had been opened as a bridge between the legacy Solar Renewable Energy Certificate (“SREC”) Registration Program and the SuSI Program. Incentives are provided through the mechanism of Solar Renewable Energy Certificates II (“SREC-IIs”), which represent the value of the environmental attributes produced by the solar electric power generation facility.

On January 26, 2022, the Board adopted rules for the ADI and CSI Programs, N.J.A.C. 14:8-11.1 to -11.9 (“SuSI Rules”), which became effective on February 22, 2022. Amendments to the SuSI Rules and new rules for the CSI Program took effect on December 18, 2023, and further amendments took effect on March 17, 2025.

In the coming months, the Board will conduct a rulemaking to amend the rules for the SuSI Program. Prior to issuing a formal rule proposal, and in accordance with the State’s rulemaking procedures established at N.J.A.C. 1:30-5.3(a), Staff is informally seeking input from stakeholders on the proposed rule amendments. These draft rules reflect stakeholder comments and the outcome of petitions received by the Board. After receipt and review of public comments on the draft rule changes proposed herein, Staff will initiate a formal rulemaking process.

Staff seeks input on the following proposed rule amendments:

- New subsections (c)-(f) in N.J.A.C. 14:8-1.3 with proposed language for the Contractor Remediation Procedures currently outlined in the 2017 Board Order.
- Renewable Portfolio Standard values for the percentage of energy supplied that was generated in the form of Class I Renewable Energy Certificates (“RECs”), in N.J.A.C. 14:8-2.3.
- Codification of the process by which the EDCs are to issue refunds of SACP money to ratepayers, in N.J.A.C. 14:8-2.10.
- A clarification on the three percent discount rate used to calculate the social cost of carbon in N.J.A.C. 14:8-2.12.
- A series of minor modifications to the rules applicable primarily to ADI facilities, with some changes pertaining to CSI facilities in N.J.A.C. 14:8-11.

Staff also seeks input on the following questions:

- In light of asset transfers and servicing changes resulting from bankruptcies in the solar industry, should the Board consider establishing a requirement of standardized monthly generation data being provided to SREC owners? If so, what entity should bear responsibility for the reporting? What operational, legal or cost considerations should the Board evaluate before implementing such a requirement?
- For projects requesting an administrative extension beyond those allowed by the Program Rules, what are the pros, cons, and potential impacts of reducing the project’s SREC-II qualification life by the amount of extension required?
- What are the pros and cons of capping SREC-II incentive awards at some percentage of total project revenues?
- Please comment on the relative advantages and disadvantages of indexed SREC-II versus fixed SREC-II in the current market environment. Have any developments in the last few years, including increased experience with indexed REC programs deployed in other jurisdictions, changed how these advantages and disadvantages might be viewed since the establishment of the CSI Program?

- Please comment on the balance of risk between ratepayers and project developers for indexed RECs related to a) longer term price volatility in the energy and capacity markets; b) project financing costs; c) total ratepayer costs.
- Please comment on the impact that fixed vs. indexed SREC-IIs may have on financing and project viability for solar development projects.
- What types of project information (e.g. project cost, revenue, other financial information) that can help support the calculation of benchmark fixed or indexed SREC-II bids would be unreasonable to require of bidders? Is there business information that is considered particularly sensitive, the required disclosure of which might cause hesitation to participate in the CSI or ADI Programs? Explain why, and any measures that the Board might be able to take to mitigate such concerns. Is there information that a project developer would disclose to a prospective lender or other financial partner that the developer would not be willing to disclose in an SREC-II bid? Why or why not?
- Should electricity generated by out-of-state solar facilities qualify as Class I renewable energy for the purpose of the renewable portfolio standard? How might the competition impact the value of Class I RECs and the continued growth of in-state solar? Please see Docket No. QX25080469.
- Facilities seeking eligibility in either the CSI or ADI Program that were not previously registered in the TI or ADI Program are required to receive a notice of conditional registration prior to beginning construction on the facility. How should the Board define "start of construction" (e.g., in terms of percent complete, or specific on-site or off-site work performed, etc.) to enable project developers to mature their project and/or initiate work necessary to obtain available tax credits, while also ensuring that only facilities in need of an incentive participate in the SuSI Program? What financial information should the Board require from applicants to demonstrate how construction costs are contemplated in the incentive bid?

The deadline for comments on this matter is 5 p.m. on April 20, 2026. Please submit comments directly to the docket QX25060355 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. In addition to hard copy submissions, confidential information may also be filed electronically via the Board's e-filing system or by email to the Secretary of the Board. Please include "Confidential Information" in the subject line of any email. Instructions for confidential e-filing are found on the Board's webpage, <https://www.nj.gov/bpu/agenda/efiling>.

Emailed and/or written comments may also be submitted to:

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Dated: March 20, 2026

Sherri L. Lewis

Sherri L. Lewis
Board Secretary

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RENEWABLE ENERGY GENERAL PROVISIONS AND DEFINITIONS
DRAFT RULE AMENDMENTS
N.J.A.C. 14:8-1.2

§ 14:8-1.2 Definitions

“Program Administrator” means a contractor hired by the Board that manages one or more of the programs in the New Jersey Clean Energy Program (NJCEP) including but not limited to energy efficiency and renewable energy programs.

“Contractor” means the contractor or vendor, including developer or installer, providing goods and/or services directly to NJCEP or to a customer or another contractor for a project or other item directly or indirectly related to NJCEP (for the avoidance of doubt, including, without limit, its SREC Registration Program).

“Contractor Remediation Procedures” or “CRP” means the processes through which the Board addresses customer complaints and issues observed by the Program Administrator and includes classifications of such issues, actions to be taken, and consequences for a contractor who is found to merit consequences.

“Debarment” means the Contractor is prohibited from directly or indirectly participating in NJCEP, including (1) involvement in any applications to NJCEP, (2) receipt of any funds from NJCEP, (3) use of NJCEP forms, NJCEP logos and/or NJCEP-authorized software. If there are NJCEP applications pending at the time of Debarment, Board Staff shall inform the relevant applicants/customers that the Contractor has been Debarred and that therefore their applications will not be further reviewed or approved unless and until the applications are resubmitted in a way that no longer involves the Contractor.

“Suspension” means the Contractor is prohibited from (1) submitting any new applications to any NJCEP program or participating in any new customer applications to NJCEP or projects covered by any such applications, (2) using NJCEP forms, logos, online applications, and/or software, (3) receiving NJCEP funding or co-op advertisement incentives. If an application involving the Contractor is nonetheless submitted, Board Staff shall notify the customer and Contractor that the application will not be further reviewed unless and until the Contractor is allowed to re-enter the Program.

“Third Party Owner” or “TPO” means an entity that owns a solar system but not the host property on which that system is located.

“Quality Assurance/Quality Control” or “QA/QC” where Quality Assurance (QA) means the proactive establishing of systematic processes, standards, and training to ensure

programs are designed and implemented effectively. Quality Control (QC) means the reactive process that focuses on the identification and correction of program guideline nonconformances through inspections, verifications, and file reviews.

§ 14:8-1.3 Enforcement

(a-b) (No change in text.)

(c) The applicable levels of Contractor violations, the related remedial actions, and general procedures are set forth below. The levels and titles are defined in (d) below, with the associated remedial actions in (e), and respective processes in (g).

- 1. The Program Administrator will track all actual or alleged issues including but not limited to:
 - i. Copies of all documents related to the issue(s) and its remediation.**
 - ii. The date the issue is first brought to the attention of the Program Administrator or Board Staff.**
 - iii. The relevant application number(s), if any.**
 - iv. The date upon which the Program Administrator deems the issue closed and a brief description of the resolution of the matter.****
- 2. The Program Administrator or Board Staff, as applicable, shall use email and/or mail to notify the Contractor of the ultimate resolution of any issue within fifteen business days after such ultimate resolution. If a customer or Contractor presents a complaint that results in an investigation, the Program Administrator shall promptly inform the customer of the ultimate resolution of the matter.**
- 3. Board Staff will make available to the public a list of all Suspended or Debarred Contractors by posting same on the New Jersey Clean Energy Program (NJCEP) website. A Contractor shall be placed on such list as soon as practicable after its Suspension or Debarment becomes effective, with its name removed from this list as soon as practicable after the Suspension expires or is terminated or after the Contractor is reinstated following a Debarment.**
- 4. The Program Administrator and Board Staff may conduct any reasonable investigations, whether formal or informal, including communicating with any of the Contractor's customers who may be affected by the issue, that is permitted by applicable law.**
- 5. An extension of 30, 60, or 90 days for the applicable level of CRP may be provided by the Program Administrator. Written notice shall be provided to the Contractor and any other parties in the same manner that the Contractor was notified of the issue.**

6. In the event any party desires to challenge the resolution of any issue arising out of or related to Levels 1 or 2 of these CRPs, the party may avail itself of the dispute resolution procedures set forth at NJCEP website.

7. Within 20 business days following the end of each fiscal quarter, the Program Administrator shall submit a report to Board Staff identifying each Contractor subject to CRP, the applicable CRP level, the remedial actions taken with corresponding dates and the remediation expiration date.

(d) Contractor levels and titles are defined below.

1. Level 1 Coaching: The Contractor's work is deficient or fails to meet technical standards outlined in program documents, but the issue is not significant and does not rise to Levels 2-4. The Contractor's behavior is not malicious or fraudulent and does not pose a significant risk to human health or safety.

Examples of Level 1 issues include, without limit:

- i. Unintentionally incorrect or incomplete data submittals; or**
- iii. Evidence, which may include customer complaints, of deficient service or equipment, misleading sales or commercial practices, or extreme, repetitive verbal abuse of customers, Program Administrator, or Board Staff.**

2. Level 2 Probation: The Contractor's work is deficient or fails to meet technical standards outlined in NJCEP program documents to a degree or at a frequency higher than Level 1, but the issue does not rise to Levels 3-4. Examples of Level 2 issues include, without limit:

- i. At the conclusion of Level 1 remedial action, the Contractor has failed to demonstrate that its issue or problem has been satisfactorily resolved; or**
- ii. The Program Administrator determines that the type or frequency of the Contractor's deficiencies is too great for Level 1 but have not reached Level 3 or 4.**

3. Level 3 Suspension: The Contractor's work is deficient or fails to meet technical standards outlined in NJCEP program documents to a degree or at a frequency greater than Level 1 and 2, but the issue or problem does not rise to Level 4.

Examples of Level 3 issues include, without limit:

- i. At the conclusion of Level 2, the Contractor has failed to demonstrate that its issue or problem has been satisfactorily resolved; or**
- ii. At the conclusion of Level 1, the Contractor has failed to demonstrate that its issue or problem has been satisfactorily resolved and the Program Administrator has determined that Level 2 is unlikely to resolve the Contractor's issue or problem; or**
- iii. Deficient service or equipment that poses a risk to human health or safety that does not rise to Level 4.**

4. Level 4 Debarment: The Contractor:

- i. Has engaged in the use or employment of dishonesty, fraud, deception, misrepresentation, false promise or false pretense; or**
- ii. Has engaged in gross negligence that posed a significant risk to human health or safety; or**
- iii. Has engaged in repeated acts of negligence, submissions of incorrect or incomplete data, significantly deficient service, unethical misleading, or illegal sales, or commercial practices, or other failures to meet standards, in each case on projects related to NJCEP and which either have not been satisfactorily resolved in Levels 1-3 or are too serious to be assigned to one of those levels; or**
- iv. Has been convicted of, or engaged in acts constituting, any crime or offense involving moral turpitude or related adversely to the Contractor's business. For the purpose of this subsection, a judgment of conviction or a plea of guilty, non vult, nolo contendere or any other such disposition of alleged criminal activity shall be deemed a conviction. The Contractor shall immediately report any such act or conviction; or**
- v. Is presently engaged in any activity that is likely to impair the Contractor's ability to conduct its business with reasonable skill and safety, as evidenced by an investigation. Evidence of such impairments includes but is not limited to one or more credible customer complaints, observation of impaired performance during an inspection, or the Program Administrator's learning of poor performance for any reason, including substance abuse. A conviction for substance abuse indicating an impaired ability to conduct business would also constitute evidence of impairment.**

(e) Remedial actions for each Contractor level are below. If the remedial actions from more than one level are applicable to a Contractor, the Program Administrator shall apply the more severe remedial action.

1. Level 1 Coaching: The Program Administrator shall coach and more closely supervise the Contractor for between 30 and 60 days, with the specific actions and number of days to be determined by the Program Administrator. Examples of appropriate remedial actions for this issue or problem include, but are not limited to, the following:

- i. Oral and/or written guidance;**
- ii. More frequent Quality Assurance and Quality Control (QA/QC) of Contractor's applications to the program and/or inspections of the Contractor's fieldwork;**
- iii. Additional training or re-training;**
- iv. Such other coaching or supervisory remedial actions as the Program Administrator may impose, provided however, that if the Contractor is only**

at Level 1 such remedial actions shall not include those provided for Levels 2 - 4 below.

2. Level 2 Probation: If the Contractor has not improved performance in response to the Level 1 remedial actions, the Program Administrator shall institute the following remedial actions. These actions shall be instituted for between 60 and 90 days (Probationary Period), with the number of days to be determined by the Program Administrator:

- i. For each project pending at any time during the Probationary Period, inspect the Contractor's work before issuing payment from the NJCEP program; and
- ii. Closely monitor all of the Contractor's applications pending at any time during the Probationary Period and approve such applications only with the written approval of Program Administrator.
- iii. Notwithstanding the foregoing, if the Contractor is a Site Remediation Professional (SRP) Contractor or otherwise has such a high volume of projects that it would be impracticable or harmful to the NJCEP program or the public to inspect all of them, the Program Administrator shall have the discretion to inspect a reasonable sample of the Contractor's projects.

3. Level 3 Suspension: In addition to Level 1 and 2 remedial actions, the Program Administrator shall also take one or more of the following remedial actions for between 90 and 180 days (Suspension Period). The Program Administrator shall determine the exact number of days within the prescribed 90- to 180-day Suspension Period and shall determine which of the below actions shall be taken:

- i. Prohibit the Contractor from submitting any new applications to any NJCEP program or participating in any new customer applications to NJCEP or projects covered by any such applications. If an application involving the Contractor is nonetheless submitted, the Program Administrator will notify the customer and Contractor that the Contractor is Suspended and that the application will not be further reviewed unless and until the Contractor is allowed to re-enter the NJCEP program (or the application is re-submitted identifying a Contractor other than the one Suspended).
- ii. Other than as necessary for the processing of applications that were deemed complete prior to the beginning of the Suspension Period, preclude the Contractor from using NJCEP forms, receiving NJCEP funding of co-op advertisement incentives, and/or using NJCEP logos, online applications, online forms, and/or software.

(f) Level 4 Debarment: The Contractor may be debarred from the NJCEP program.

(g) Processes for each Contractor level are below.

1. Level 1 Coaching:

described above. This notice will delineate the start date of the Suspension, unless rescinded.

vi. The party filing or serving any notice, request, determination, or other document related to this Level 3 process shall simultaneously serve a copy of the document upon Board Staff and the Program Administrator. The party filing or serving any notice, request, determination, or other document need not send a copy to itself.

viii. If the Contractor desires to challenge a final determination, issued pursuant to the above processes, the Contractor may, pursuant to the Formal Hearing Rules, file a request for a formal hearing with the Board.

4. Level 4 Debarment: The Program Administrator may recommend to Board Staff that a Contractor be Debarred. If Board Staff determines to seek Debarment:

i. Board Staff shall notify the Contractor that the Contractor will be Debarred effective 45 days after the notification unless the Contractor pursues the process set out at (g)4ii below.

A. The Contractor shall be the subject of Level 3 remedial actions (i.e., shall be Suspended) from the 10th business day following its receipt of the notice described in (g)4i above.

B. A Contractor wishing to challenge such imposition of Level 3 remedial actions shall follow the procedures set forth in (g)3viii, processes for Level 3.

ii. If the Contractor wishes to dispute the Debarment, the Contractor must submit a written answer to Board Staff within 10 business days disputing the grounds for Debarment.

ii. The notice identified in (g)4i shall include a summary of the issue or problem justifying the Debarment and shall also notify the Contractor that any answer it files must include a summary of the reason(s) the Contractor challenges the proposed Debarment.

iii. If the Contractor submits an answer, Board Staff may in its discretion: meet with the Contractor and the Program Administrator in an attempt to settle the matter in manner acceptable to both parties; or deem the matter to be contested to be handled in accordance with the Formal Hearing Rules. Board Staff shall use email and/or mail to notify the Contractor of its determination in this regard within 15 business days from the submission of the answer.

The notice, order, or other document imposing the Debarment (each, a Debarment Order) may set forth the amount of time that must pass before the Contractor's eligibility to participate in NJCEP can be reinstated, which amount of time shall be

no less than two years and shall be deemed to be two years if the Debarment Order does not set forth the amount of time that must pass.

(h) Board Staff or the Program Administrator may initiate an investigation if they receive complaints from customers of solar generation systems whose SRECs are owned by a Third Party Owner that does not participate in the NJCEP programs. These complaints may include but are not limited to complaints of consistent solar generation system deficiencies and non-responsiveness from the Third Party Owner.

1. In the process of instigating and conducting this investigation, the relevant Program Administrator will track all actual or alleged issues including but not limited to:

- i. Copies of all documents related to the issue(s) and any remediation.**
- ii. The date the issue is first brought to the attention of the Program Administrator or Board Staff.**
- iii. The relevant application number(s), if any**
- iv. The date upon which the issue is deemed closed and a brief description of the resolution of the matter.**

2. If the investigation reveals that consistent or repeated violations of solar generation system deficiencies and or non-responsiveness from the Third Party Owner, remedial action for a Third Party Owner may consist of Suspension of SREC payments. Remedial action shall continue until the Program Administrator or Board Staff has determined that the violations have been remedied.

3. Prior to imposing remedial action, the Program Administrator shall notify the Third Party Owner that the TPO will be subject to remedial action, with a brief description of the issues that led to the imposition of remedial action.

- i. The Program Administrator shall notify the TPO at least 10 business days prior to the commencement of the Suspension of SRECs.**
- ii. The Program Administrator shall provide in the notice that the TPO may, in a written statement delivered to the Program Administrator, request a meeting with the Program Administrator to dispute or otherwise discuss the imposition of the remedial action. The TPO's request must identify the relief sought and the reasons for granting it.**
- iii. If there is a written request for relief, the Program Administrator shall use email and/or mail to schedule the requested meeting for a date within 10 business days of the Program Administrator's receipt of the written request for same, and notify the TPO of the time and place of the meeting at least 3 business days prior to the meeting.**

iv. Following the meeting described above, the Program Administrator shall either rescind the Suspension of SRECs, modify the Suspension's length, or affirm the Suspension.

v. The Program Administrator shall notify the TPO of its determination, using email and/or mail to do so within 10 business days of the meeting described above. This notice will delineate the start date of the SREC Suspension, unless rescinded.

vi. The party filing or serving any notice, request, determination, or other document related to this SREC Suspension process shall simultaneously serve a copy of the document upon Board Staff and the Program Administrator. The party filing or serving any notice, request, determination, or other document need not send a copy to itself.

vii. Request to stay a Suspension of SRECs: The TPO may at any time request in writing that the Program Administrator stay all or part of the Suspension. A stay request shall be granted or denied within 10 business days of its submission. The TPO may seek further review of a determination regarding a stay request pursuant to the Formal Hearing Rules, including without limit N.J.A.C. 1:1-12.6 and 14:1-8.7(d).

viii. If the TPO desires to challenge a final determination, issued pursuant to the above processes, the TPO may, pursuant to the Formal Hearing Rule), file a request for a formal hearing with the Board.

4. The Program Administrator or Board Staff, as applicable, shall use email and/or mail to notify the Third Party Owner of the ultimate resolution of any issue within fifteen business days after such ultimate resolution. If a customer presents a complaint that results in an investigation, the Program Administrator shall promptly inform the customer of the ultimate resolution of the matter.

In the event any party desires to challenge the resolution of any issue arising out of or related to the investigation of the Third Party Owner, the party may avail itself of the dispute resolution procedures set forth at NJCEP website.

**RENEWABLE PORTFOLIO STANDARDS
DRAFT RULE AMENDMENTS
N.J.A.C. 14:8-2.3, 2.10, 2.12**

§ 14:8-2.3 Amount of renewable energy required

(a) Each supplier/provider, as defined at N.J.A.C. 14:8-1.2, that sells electricity to retail customers in New Jersey, shall ensure that the electricity it sells each energy year in New Jersey includes at least the minimum amount of qualified renewable energy required for that energy year, as specified in this section. Requirements for class I, class II, SRECs, TRECs, and SREC-IIs are set forth at Table A below:

Table A (No change for Energy Years starting June 1, 2018 and ending May 31, 2025)

What Percentage of Energy Supplied Must Be SREC-IIs, TRECs, SRECs, Class I, or Class II Renewable Energy

Energy Year	SREC-IIs	TRECs	SRECs	Class I	Class II	Total
June 1, 2025 - May 31, 2026	Based on retail sales	Based on retail sales	4.50%	[38.0%] 35.0%	2.50%	[40.50%] 37.50%
June 1, 2026 - May 31, 2027	Based on retail sales	Based on retail sales	4.35%	[41.0%] 35.0%	2.50%	[43.50%] 37.50%
June 1, 2027 - May 31, 2028	Based on retail sales	Based on retail sales	3.74%	[44.0%] 40.0%	2.50%	[46.50%] 42.50%
June 1, 2028 - May 31, 2029	Based on retail sales	Based on retail sales	3.07%	[47.0%] 45.0%	2.50%	[49.50%] 47.50%
June 1, 2029 - May 31, 2030	Based on retail sales	Based on retail sales	2.21%	50.0%	2.50%	52.50%
June 1, 2030 - May 31, 2031	Based on retail sales	Based on retail sales	1.58%	50.0%	2.50%	52.50%
June 1, 2031 - May 31, 2032	Based on retail sales	Based on retail sales	1.40%	50.0%	2.50%	52.50%

June 1, 2032 - May 31, 2033	Based on retail sales	Based on retail sales	1.10%	50.0%	2.50%	52.50%
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(b-t) (No changes.)

§ 14:8-2.10 Alternative compliance payments (ACPs and SACPs)

(a-d) (No changes.)

(e) To comply with this subchapter using ACPs or SACPs, a supplier/provider shall submit the following to the Board, as applicable:

1. One ACP for each megawatt-hour of class I or class II renewable energy required; or
2. One SACP for each megawatt-hour of solar electric generation required.

Therefore, each TPS/BGS Provider will multiply the number of SACP required by the SACP price.

(f-h) (No changes.)

(i) The Board will issue an Order annually stating the monetary amounts to be refunded by each EDC. At the Board’s discretion the refund shall be implemented pursuant to subsection (a) or (b) below.

a. All available SACP moneys may be allocated to a ratepayer credit that shall be distributed by the EDCs to all residential households with an existing electric account with one of the four investor-owned EDCs.

- i. Each EDC shall inform Staff of the number of eligible accounts it serves**
- ii. Staff shall use the information provided to distribute to each EDC funding for a credit in an amount to be determined by the Board to each eligible residential account.**
- iii. Staff shall distribute the SACP funds to each eligible account identified by the relevant EDC.**
- iv. The Board may, at its discretion, waive N.J.A.C. 14:8-2.10(g) to provide bill credits specifically to residential customers in high usage months.**

b. The Board will issue an Order annually stating the monetary amounts to be refunded by each EDC and directing each EDC to net the SACP refund amounts against the “EE/RE” component of the SBC charge as a credit against the EE/RE component of the SBC charge. This refund shall occur in the same month that the refund monies are received.

c. Upon receipt of SACP monies from Treasury, the EDCs shall apply the SACP monies as an offset to the EE/RE component within each utility's SBC charge to residential ratepayers in the month that the EDC receives these funds from Treasury.

d. The Board will annually publish the SACP credits and the calculations through which they were derived on its website.

e. Any information technology/billing system costs claimed to have been incurred by an EDC shall be deferred and recovery sought in the EDC's next base rate case.

§ 14:8-2.12 Class I RPS Cost Cap

(a) To calculate the Cost Cap established by statute at N.J.S.A. 48:3-87.d(2), Board staff shall calculate the annual cost of the Class I renewable energy requirement (excluding ORECs and SREC-IIs created through the CSI Program) as a percentage of the total paid for electricity by all customers in the State, using a methodology as follows:

1. The annual cost as a percentage shall be calculated by dividing the cost to customers of the Class I renewable energy requirement (excluding the cost of ORECs and SREC-IIs created through the CSI Program) (that is, the numerator) by the total paid for electricity by all customers in the State (that is, the denominator), and multiplying by 100.

2. The cost to New Jersey customers of the Class I renewable energy requirement (the numerator) shall be equal to the annual cost of the Cost Cap-Applicable Programs as defined at (a)2i below, reduced by the dollar value of any energy and environmental savings attributable to the Cost Cap-Applicable Programs, as described at (a)2ii and iii below.

i. The Cost Cap-Applicable Programs shall be the Solar Renewable Energy Certificate (SREC) Program; the Transition Incentive (TI) Program, which provides incentives through the Transition Renewable Energy Certificates (TREC)s; the Administratively Determined Incentive (ADI) Program established pursuant to P.L. 2021, c. 169, which provides incentives through Solar Renewable Energy Certificate-IIs (SREC-IIs); the Class I Renewable Energy Portfolio (RPS), which provides incentives through the Class I Renewable Energy Certificates (Class I REC)s; and any future Class I program created as part of the RPS. The annual cost of SRECs, TREC)s, eligible SREC-IIs, Class I REC)s, and any future Class I program shall be found in the annual Renewable Portfolio Standard compliance reports produced by Board staff. In calculating the annual cost of SREC-IIs, the Board shall include only the cost the SREC-IIs created and retired through the ADI Program. SREC-IIs created and retired through the CSI Program established pursuant to P.L. 2021, c. 169 shall not be considered eligible SREC-IIs for

purposes of the Cost Cap calculation and shall not be included in the calculation of the cost of the Class I renewable energy requirement.

ii. Energy savings attributable to the Cost Cap-Applicable Programs shall be determined annually by Board staff, and shall equal the sum of the reduction in prices in the PJM wholesale markets for energy that results from the reduction in demand or increases in low cost supply associated with the Cost Cap-Applicable Programs; and the reduction in prices in the PJM wholesale markets for capacity that results from the reduction in demand or the increases in low cost supply associated with the Cost Cap-Applicable Programs. Board staff shall conduct an analysis, using data on electric energy and capacity prices available from PJM and other sources, to determine the impacts caused by Cost Cap-Applicable Programs resources on electric energy and capacity costs for New Jersey ratepayers.

iii. The environmental savings attributable to the Cost Cap-Applicable Programs shall be equal to the tons of carbon dioxide not emitted by electric generators located in the PJM region as a result of the Cost Cap-Applicable Programs multiplied by the social cost of carbon value. To calculate the tons of carbon dioxide not emitted, staff shall, on an annual basis, multiply the average historical electric carbon dioxide emissions rate as most recently published by PJM Interconnection by the number of megawatt-hours of zero-carbon electricity generated by resources participating in the Cost Cap-Applicable Programs. The social cost of carbon value **[shall] was** initially **[be]** set equal to the midpoint of social cost of carbon in the most recently published United States Government Interagency Working Group on Social Cost of Greenhouse Gases, which **[is currently set at the]** **incorporated a** three percent discount rate. The Board may elect, through a Board order, to adjust the social cost of carbon value used based on society's evolving understanding of the costs imposed on society by global climate change, after a notice and comment proceeding, provided that the Board shall not select a scenario that results in a social cost of carbon **value** less than the **value published by the United States Government Interagency Working Group on Social Cost of Greenhouse Gases incorporating a** three percent discount rate. The Board may consider, through a Board order, additional environmental savings associated with reduced particulate matter and other harmful emissions from fossil fuel power plants after a notice and comment proceeding. Any changes to the metrics for calculating the social cost of carbon or the addition of additional environmental savings shall be made only after publication of the proposed changes on the Board's website and a public comment period **of a length to be determined by the Board [of at least 30 days]**.

3. The total paid for electricity shall be reported by Board staff on an annual basis based on its estimate of the electricity costs paid by all customers in the State (the denominator).

To determine the denominator, Board staff shall report the sum of the following:

i. The energy costs, as reported by the Energy Information Administration (EIA);
and

ii. The capital costs of electric generating facilities not otherwise covered in the EIA data amortized over their expected life, including, but not limited to, host-owned behind-the-meter solar projects.

4. Board staff shall calculate the annual cost percentage pursuant to (a) above based on data available at the time, including projections where actual data is not available.

(b)-(e) (No change.)

**SUCCESSOR SOLAR INCENTIVE PROGRAM
DRAFT RULE AMENDMENTS
N.J.A.C. 14:8-11**

§ 14:8-11.1 Purpose and scope

This subchapter sets forth the rules for the establishment of a new solar incentive program, the Successor Solar Incentive Program (SuSI Program). The SuSI Program is comprised of two subprograms: the Administratively Determined Incentive Program (ADI Program) and the Competitive Solar Incentive Program (CSI Program). The ADI Program is designed to provide an incentive for net metered residential facilities, net metered non-residential facilities five megawatts or less (measured as the sum of the nameplate capacity in DC rating of all photovoltaic panels comprising the facility), **remote net metered facilities**, and community solar facilities. The CSI Program is designed to provide an incentive for qualifying grid supply facilities, net metered non-residential facilities greater than five megawatts, and certain electricity storage facilities that are combined with grid supply solar installations.

§ 14:8-11.2 Definitions

For the purposes of this subchapter, the following words and terms shall have the following meanings, unless the context clearly indicates otherwise:

"Associated disturbed areas" means areas[,] that may themselves not have been contaminated, but after considering tax and property records, as well as historical land use, are, or were, the site of an accessory use to contaminated areas or landfills. Examples include access roads, lay-down areas, and former building sites that were previously part of an industrial or landfill complex.

"Associated solar facility" means the solar facility linked to a storage facility by the bid into the CSI Program.

“Behind the meter facility” means a customer-generator facility located on the customer’s side of a utility meter that is a distributed energy resource as defined in N.J.A.C. 14:8-5.1 and may or may not export electricity to the grid.

"Co-location" means siting two or more SuSI-eligible solar facilities on the same property or on contiguous properties.

"Commencing commercial operation" means having obtained permission to operate (PTO) from the relevant electric distribution company.

"Contaminated site or landfill" means the same as that term is defined pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-51.

“Distressed Customers” means the customer of a Contractor that has been debarred as defined in N.J.A.C. 14:8-1.2 or has become unresponsive to its customers and the NJCEP Program Administrator.

"Municipal electric utility" means a municipal, county, or other governmental entity[,] or a regional cooperative [, which] **that** owns and/or operates an electric distribution system in New Jersey.

"New Jersey SREC-II Qualification Life" means the period of time during which a SuSI-eligible facility may create NJ SREC-IIs.

"Normalized storage bid" means the bid into the CSI Program, calculated in dollars per megawatt hour, that corresponds to an incentive for a storage facility capable of discharging the equivalent of four hours of the nominal electricity generation capacity of the associated solar facility, where both the solar generation capacity and the Storage discharge capacity are measured in direct current (DC).

"PJM Environmental Information Services" or "PJM-EIS" means the unregulated affiliate of PJM Interconnection LLC that operates the Generation Attribute Tracking System (GATS).

"Public entity" means a customer that is a State entity, school district, county, county agency, county authority, municipality, municipal agency, municipal authority, New Jersey public college, or New Jersey public university.

"Site plan" means a development plan of one or more lots on which is shown: (1) the existing and proposed conditions of the lot, including, but not limited to, topography, vegetation, drainage, flood plains, marshes and waterways, and any contaminated sites or landfills; (2) the location of all existing and proposed buildings, drives, parking spaces, walkways, means of ingress and egress, drainage facilities, utility services, landscaping, structures, signs, lighting, and screening devices; and (3) any other information that may be reasonably required in order to make an informed determination on the requirements of this subchapter.

"Storage facility" means a device that is capable of absorbing energy from the grid or from a Distributed Energy Resource, storing it for a period of time using mechanical, chemical, or thermal processes, and thereafter discharging the energy back to the grid or directly to an energy-using system to reduce the use of power from the grid.

["SuSI Program registration manager" means the agent of the Board contracted to administer the registration process for SuSI-eligible facilities.]

§ 14:8-11.3 Successor Solar Incentive Program structure (No change.)

§ 14:8-11.4 Successor Solar Incentive Program eligibility

(a) The Administratively Determined Incentive Program shall be open to new net metered residential solar generation facilities, net metered non-residential solar generation facilities five megawatts and less (measured as the sum of the nameplate capacity in DC rating of all photovoltaic panels comprising the facility), **remote net metered facilities**, and community solar facilities that submit a complete ADI Program registration pursuant to N.J.A.C. 14:8-11.5. Community solar facilities must also be qualified pursuant to the rules and regulations of the [Community Solar Energy Pilot Program or] Community Solar Energy Program[, as relevant, prior to] **when** registering in the ADI Program. **Net metered facilities shall include behind-the-meter facilities.**

(b) The ADI Program shall only be open to new facilities that have not **received Permission to Operate (PTO) from the EDC** [commenced commercial operation] prior to the opening of the ADI Program registration portal by the Board. The ADI Program shall also be open to facilities that were registered in the TI Program but failed to commence commercial operations and/or submit the post-construction certification package by the applicable expiration dates.

(c) **A project's qualification life will begin at PTO, but projects that fail to receive conditional acceptance prior to receiving PTO will not be eligible to receive SREC-IIs for generation prior to receipt of a certification number.** [The Board may waive strict compliance with the requirement of not having commenced commercial operation, in response to a petition filed in accordance with the requirements at N.J.A.C. 14:1-1.2(b).] If construction is commenced on a facility prior to receipt of conditional registration, such construction shall be undertaken at the risk of the party(ies) involved. Additionally, facilities seeking eligibility in the ADI Program that were not previously registered in the TI Program[,] must submit a registration and receive a notice of conditional registration pursuant to N.J.A.C. 14:8-11.5(g) prior to beginning construction on the facility[, unless the Board grants a waiver in response to a petition].

(d) [(c)] The equipment, **including panels, inverter, racking, and foundation, or balance of system** used in an ADI-eligible facility must be new; that is, none of the equipment may have been used prior to the installation of the ADI-eligible facility **unless the Board specifies a market segment for facilities that include reused equipment.**

1. If the Board specifies a market segment for reused equipment, facilities that reuse equipment shall receive a modified incentive that reflects differing costs associated with reusing that equipment.

(e) [(d)] The ADI Program shall remain open to new registrations, so long as there is sufficient capacity available in a given market segment, as described at N.J.A.C. 14:8-11.7, Market segment megawatt blocks.

(f) [(e)] Facilities seeking eligibility to participate in the ADI Program must be connected to the distribution or transmission system owned or operated by a New Jersey electric distribution company. Solar facilities connected to the grid owned or operated by a New Jersey municipal electric utility are also eligible to participate in the ADI Program.

(g) [(f)] The following restrictions on co-location in the ADI Program apply:

1. Co-located net metered facilities that serve the same net metering customer as defined at N.J.A.C. 14:8-4 may sum to a capacity of no more than five MW in the ADI Program.
2. Co-located community solar and/or remote net metered facilities may sum to a capacity of no more than five MW unless sited on:
 - i. Rooftops of separate buildings on different properties; or
 - ii. A landfill that is owned by a public entity and is not properly closed at the time of registration, in which case, the total capacity of all the co-located community solar and/or remote net metered facilities may sum to no more than 10 MW; and
3. Co-located net metered facilities shall receive the lowest incentive value available to any of the facilities as if registered either individually or aggregated. The registration packages of such co-located facilities shall include an affidavit accepting the lowest incentive.

(h) [(g)] The Competitive Solar Incentive Program shall be open to:

1. New net metered non-residential solar generation facilities greater than five megawatts (measured as the sum of the nameplate capacity in DC rating of all photovoltaic panels comprising the facility and any co-located facilities);
2. Qualifying grid supply solar generation facilities; and
3. Grid supply solar generation facilities paired with storage, for which the discharge capacity of the storage facility shall be measured as the nameplate capacity in megawatt-hours[,] and shall be equal to or less than four times the nameplate capacity, measured in megawatts, DC rating, of the associated solar facility.

(i) [(h)] CSI-eligible facilities will only be allowed to register for SREC-IIs upon award of a bid, pursuant to N.J.A.C. 14:8-11.10.

(j) [(i)] The CSI Program shall only be open to new facilities that have not commenced commercial operation, unless the Board grants a waiver in response to a petition filed in accordance with the requirements at N.J.A.C. 14:1-1.2(b), and to facilities that were registered in [either] the TI [or ADI] Program, but failed to commence commercial operations and/or submit the post-construction certification package by the applicable expiration dates. If construction is commenced on a facility prior to receipt of conditional registration, such construction shall be undertaken at the risk of the party(ies) involved. Additionally, facilities seeking eligibility in the CSI Program that were not

previously registered in the TI or ADI Program[,] must submit a registration and receive a notice of conditional registration, pursuant to N.J.A.C. 14:8-11.5(g), prior to beginning construction on the facility.

(k) [(j)] The equipment **including panels, inverter, racking, and foundation, or balance of system** used in a CSI-eligible facility must be new; that is, none of the equipment may have been used prior to the installation of the CSI-eligible facility, **unless the Board specifies a competitive tranche for facilities that include reused equipment.**

(l) [(k)] Facilities seeking eligibility to participate in the CSI Program must plan to be interconnected to a distribution or transmission system operated by a New Jersey electric public utility or local government unit.

(m) [(l)] Dual-Use Solar Energy Projects approved by the Board for ADI Program incentives as described at N.J.A.C. 14:8-13 shall be eligible for an ADI Program incentive in the relevant market segment if not directed to participate in the CSI Program. A Dual-Use Solar Energy Project may be awarded a Pilot Program incentive adder.

(n) [(m)] Dual-Use Solar Energy Projects approved by the Board for CSI Program incentives may be awarded a Pilot Program incentive adder. **See 56 N.J.R. 2271(a).**

§ 14:8-11.5 Successor Solar Incentive Program registration process

(a) The SuSI Program registration process shall be developed by Board staff and the **[SuSI Program registration manager] Program Administrator** in compliance with Board rules and orders. All forms and instructions regarding the SuSI Program registration process shall be found on the Board's New Jersey Clean Energy Program website at **[www.njcleanenergy.com] www.cleanenergy.nj.gov.**

(b) For any facility seeking eligibility for the SuSI Program, the registrant shall submit a complete registration package to the Board or its designee, in accordance with Board rules and orders and the instructions posted on the NJ Clean Energy Program website.

(c) The Board may require the registration package to be accompanied by a registration fee, the value of which shall be determined by the Board through a Board Order, and available on the Board's website.

(d) The registrant shall meet minimum facility maturity standards according to the ADI or CSI Program conditions and provide all required documentation as part of its initial registration package, **which shall include, in addition to the specified documentation, any additional information the Board, or its designee, may deem necessary to confirm eligibility for the program. The registrant shall submit project costs and financing information as required in the registration package.**

1. For net metered projects in the ADI Program, the registrant shall supply the following[, **and any other information the Board, or its designee, may deem necessary to confirm eligibility for the program**]:

i. **A contract between the primary installer or the third-party owner, as applicable, and the customer of record;**

ii. **For facilities sized 100 kW or greater, a site plan certified by a licensed professional engineer, or for smaller facilities, a site map;**

iii. **A disclosure statement signed by the customer, the installer, and the third-party SREC-II owner, if applicable, available on the New Jersey Clean Energy Program website;**

iv. [i.] A utility bill showing the site host's name, address, and electric tariff, if applicable;

v. [ii.] For facilities sized 25 kW or greater, electrical and building permits or documentation that applications for electrical and building permits have been submitted to the relevant municipality;

vi. [iii.] For facilities sized 25 kW [or greater, up] to one MW, evidence of having submitted to the relevant EDC an [Attachment A to an] Interconnection Application and Agreement signed by the customer-generator and the installer;

vii. [iv.] For facilities sized one MW or greater, [written authorization from the EDC providing conditional approval to construct] a **Part 1 Interconnection Application signed by the EDC and the installer, indicating completion of the application and any system impact or facilities studies deemed necessary by the respective EDC pursuant to N.J.A.C. 14:8-5**, and a Milestone Reporting Form; and

viii. [v.] For public entities seeking eligibility for the ADI public entity adder, if such an adder is established by the Board pursuant to N.J.A.C. 14:8-11.6(g), a letter on official stationery of the public agency under signature of a bona fide officer, elected official, or employee of the public entity attesting to the status of the public entity.

2. For the CSI Program, the registrant shall supply the following [and any other information the Board, or its designee, may deem necessary to confirm eligibility for the program]:

i. **For net-metered facilities, a [A] contract between the primary installer or the third-party owner, as applicable, and the bidder or customer of record, submitted within one year of the date of conditional registration;**

ii. A site plan certified by a licensed professional engineer;

iii. For net metered facilities, a utility bill showing the site host's name, address, and electric tariff;

iv. Evidence of filed applications or approvals for all discretionary land use approvals and entitlements applicable to the project, such as municipal zoning permit or municipal site plan approval, county site plan approval, soil conservation district approval, and Pinelands Commission or Highlands Commission approval, with a list of all land use permits to be applied for;

- v. For net metered facilities, written authorization from the EDC providing conditional approval to construct;
 - vi. A Milestone Reporting Form;
 - vii. Evidence of the project's accepted bid into the CSI Program; and
 - viii. For projects to be located on a contaminated **[sites] site or landfill [landfills only]**, conditional certification of Tranche 3 eligibility from the Board, which the developer shall apply for using the form located on the Board's New Jersey Clean Energy Program website at **[www.njcleanenergy.com] www.cleanenergy.nj.gov**.
3. For community solar projects in the ADI Program and CSEP, the registrant shall supply the following**[, and any other information the Board, or its designee, may deem necessary to confirm eligibility for the Program]**:
- i. A site plan certified by a licensed professional engineer;
 - ii. Written authorization from the EDC providing conditional approval to construct, **indicating completion of the application and any system impact or facilities studies deemed necessary by the respective EDC pursuant to N.J.A.C. 14:8-5; [and a]**
 - iii. **A Milestone Reporting Form;**
 - [iii.] iv.** Evidence of applications for all discretionary land use approvals and entitlements applicable to the project, such as municipal zoning permit or municipal site plan approval, county site plan approval, soil conservation district approval, and Pinelands Commission or Highlands Commission approval, with a signed list of all permits to be applied for;
 - [iv.] v.** A community engagement and subscriber acquisition plan;
 - [v.] vi.** A guaranteed bill credit discount to be offered to subscribers, given as a percentage to two decimal places; and
 - [vi.] vii.** For projects on a contaminated site or landfill, an estimated size of the area designated as a "contaminated site" or "properly closed sanitary landfill," a completed New Jersey Department of Environmental Protection permit readiness checklist, and a completed Contaminated Sites and Landfills Eligibility Verification Form.
4. **For remote net metered projects in the ADI Program, the registrant shall supply the following:**
- i. **A completed Remote Net Metering Registration Certification Form;**
 - ii. **A site plan certified by a licensed professional engineer;**
 - iii. **A copy of the executed Remote Net Metering Application that was submitted to the utility and NJBPU Staff;**
 - iv. **A Public Entity Certification Letter;**
 - v. **Part 1 Interconnection Application and written authorization from the EDC providing conditional approval to install;**

vi. A Letter of Intent that provides reasonable assurance that the solar facility will be constructed;

vii. For facilities sized one MW or greater, a Milestone Reporting Form; and

viii. For projects on a contaminated site or landfill, a completed New Jersey Department of Environmental Protection Permit Readiness Checklist and a completed Contaminated Site and Landfill Eligibility Verification Form.

(e) Registration packages submitted to the ADI Program shall be reviewed by the [SuSI Program registration manager] Program Administrator on a first-come, first-served basis.

(f) Board staff or the [SuSI Program registration manager] Program Administrator shall notify registrants whether the facility is eligible to participate in the program, and whether the initial registration package is complete, incomplete, or deficient. Registrations that are deemed incomplete due to a minor deficiency, as set forth at (f)1 below, will be notified of the deficiency by the [SuSI Program registration manager] Program Administrator and granted seven business days to cure the deficiency. Registrations that are deemed ineligible, incomplete, have a major deficiency, as set forth at (f)2 below, or fail to correct minor deficiencies within the time allowed, will be rejected, and the registration will be cancelled. If the registration is cancelled, the registrant may submit a new completed registration to the ADI Program only if the relevant capacity block established pursuant to N.J.A.C. 14:8-11.7 remains open, or in a future capacity block.

1. Minor deficiencies include such items as an inconsistency between the signatures on different sections of the SuSI certification form; failure to complete one or more sections on the SuSI certification form; failure to label technologies or to indicate panels on the site map; a missing or incorrect premise address or missing installer information on the site map; submittal of an incorrect page of the utility bill; failure to enter complete equipment information in the online portal; an incomplete section or sections on the Milestone Reporting Form or disclosure form; or other similar clerical error.

2. Major deficiencies include such items as failure to upload the SuSI registration certification form to the SuSI portal or failure to include all signatures on that form; failure to upload the certified site plan, site map or utility bill, if relevant, to the SuSI portal; failure to upload the Milestone Reporting Form to the SuSI portal or to include all signatures; failure to upload the disclosure form to the SuSI portal or to include all signatures; for CSI projects, failure to provide evidence of an accepted bid; and for net metered projects one megawatt[s] or larger, failure to upload a fully executed Part I of the Interconnection Approval from the relevant EDC with the application.

(g) Registrants that submit a completed registration package or that cured all minor deficiencies in the time allowed, and that meet the eligibility and qualification requirements for a SuSI market segment pursuant to this section, will be issued a notice of conditional registration by Board staff or the [SuSI Program registration manager] Program Administrator. The notice of the conditional registration shall:

1. Indicate for which program and which market segment the facility is eligible;

2. State that, if the solar facility is constructed as described in the initial registration package, Board staff or the **[SuSI Program registration manager] Program Administrator** will issue a New Jersey State Certification Number for the facility upon receiving a complete post-construction certification package, and if no waiver is granted, an inspection will be required necessary in accordance with the provisions at (j) below;

3. Include an expiration date occurring on:

- i. The one-year anniversary of the registrant's notice of conditional registration for residential net metered facilities and non-residential net metered facilities five megawatts or less that are eligible for receiving incentives under the ADI Program;
- ii. The 18-month anniversary of a registrant's notice of conditional registration for community solar facilities **and remote net metered facilities** other than those located on contaminated sites or landfills; or
- iii. The **[36]48**-month anniversary of a registrant's notice of conditional registration for projects granted conditional certification by the Board as part of the CSI Program; or
- iv. The 24-month anniversary of a registrant's verification of eligibility by NJDEP for community solar facilities **and remote net metered facilities** located on contaminated sites or landfills.

4. Include notice that the facility must receive permission to operate from the relevant EDC or regional transmission organization and submit a post-construction certification packet as set forth at (j) below prior to the expiration date indicated in the notice of the conditional registration;

5. After issuance of the notice of conditional certification by the Board, construction of the solar facility as described in the initial registration package may begin; and

6. For CSI-eligible facilities, include a reference to the applicable Board Order that confirms the facility's eligibility and the value of the incentive.

(h) All registered facilities one MW or greater will be required to submit quarterly milestone reporting forms, on a standard form to be developed by the **Program Administrator [SuSI Program registration manager]** in coordination with Board staff. Timely submission of milestone reporting forms will be considered in cases of extension requests pursuant to (i) below.

(i) SuSI-eligible facilities that received a SuSI Program notice of conditional registration may request one six-month extension to their registration expiration date. Extension requests must be submitted to the **[SuSI Program registration manager] Program Administrator** on or before the expiration date noted in the notice of conditional registration. Any extension request shall be reviewed by the **[SuSI Program registration manager] Program Administrator**, in consultation with Board staff, on a case-by-case basis, based on consideration of extenuating circumstances for the delay in completing the facility, evidence that the facility has made progress towards completion, and the likelihood of timely and successful completion of the solar facility. For facilities one MW or greater, the **[SuSI Program registration manager] Program Administrator** shall also

consider whether the registrant has submitted timely quarterly milestone reporting forms. If the extension is granted, the [SuSI Program registration manager] **Program Administrator** shall provide a new conditional registration expiration date, six months from the expiration of the original conditional registration.

(j) Following commencement of commercial operations, and prior to the expiration date provided in the notice of conditional registration, the registrant shall submit a post-construction certification package, through the Board's New Jersey Clean Energy Program website at [www.njcleanenergy.com] **www.cleanenergy.nj.gov**. If the post-construction certification package demonstrates that all program requirements have been met, and the facility either passes an inspection or receives an inspection waiver, Board staff shall assign a New Jersey State Certification Number to the solar facility for use in obtaining SREC-IIs from PJM-EIS GATS.

1. For ADI-eligible facilities, the Certification Number will identify the facility's market segment, and associated incentive level, based on the completed facility size information certified in the post-construction certification package.

2. For landfills participating in the CSI Program, if proper closure has been identified as a condition of certification, documentation of proper closure of the sanitary landfill facility issued by the NJDEP shall be included in the post-construction certification package.

(k) [If, after] **After** submittal of an initial registration package[.]:

1. An ADI-eligible solar electric generating facility's capacity may be increased by [an increase of up to] the greater of [20] 10 percent or [25] 10 kWdc[, whichever is smaller, in the solar electric generating facility's generating capacity is planned, the registrant shall notify Board staff following the instructions provided on the New Jersey Clean Energy Program website. Facilities shall not be permitted to increase their generating capacity by more than 20 percent or 25 kWdc, whichever is smaller]. A project that increases in size by more than the greater of 10 percent or 10 kWdc must submit a new registration at the incentive level available. Notwithstanding a permissible increase pursuant to this subsection, no ADI-eligible facility will be permitted an increase in generating capacity that would expand the project beyond five MWdc.

2. A CSI-eligible solar electric generating facility's capacity may be increased by up to 3% or 250 kWdc, whichever is smaller, as long as the project does not exceed its covered agricultural land limit.

(l) Solar electric generation facilities that have received a notice of conditional registration for SREC-IIs pursuant to (g) above shall retain eligibility to remain in the SuSI Program until the expiration or cancelation of the facility's SuSI registration. Any facility that does not commence commercial operation[.] within the time provided in its SuSI registration (that is, by the registration expiration date), or that commences commercial operation, but does not submit a post-construction certification package within the time provided in its SuSI registration (that is, by the registration expiration date), will no longer be eligible for the SuSI Program and its registration shall be canceled. **If its registration is so canceled, and if capacity remains in the relevant megawatt capacity block as established at N.J.A.C. 14:8-11.7, a [A] registrant may submit a**

new registration to the ADI Program if capacity remains in the relevant megawatt capacity block as established at N.J.A.C. 14:8-11.7. Board staff and the [SuSI Program registration manager] **Program Administrator** shall treat the new registration package as follows:

1. For SuSI registrations that have expired due solely to the passage of time, the new registration will be treated as if it were a first-time submittal, with no reference to the previous registration process.

2. For ADI registrations that are associated with a Distressed Customer as defined in N.J.A.C. 14:8-11.2, whether or not expired,

i. the Distressed Customer will have the option of submitting either (A) the fully executed contract and a disclosure form (in each case, signed by either its defaulting contractor or its replacement contractor), or (B) a certification in lieu of these two documents. A certification shall attest to the existence of a fully executed contract and the customer's inability to obtain it at this time, as well as to the existence of a disclosure form if one was executed. If the defunct installer has performed work on the solar generation facility, the certification shall also attest to the fact that the customer did not personally install the system and is relying on the work of the defaulting contractor.

ii. If the Distressed customer satisfies the requirements in (i), the Program Administrator shall accept the customer's signature in place of the Contractor on the registration forms referenced in N.J.A.C. 14:8-11.5(b) and on the post-certification construction package referenced at N.J.A.C. 14:8-11.5(j).

(m) In the case of resubmittal of a registration **that has passed its expiration date, SuSI** registrants will be exempt from the requirement at N.J.A.C. 14:8-11.4(b) prohibiting construction on the facility prior to submission of the registration and receipt of a notice of conditional registration.

§ 14:8-11.6 New Jersey SREC-II value

(a) A SuSI-eligible facility shall be eligible to generate NJ SREC-IIs for 15 years following the date of commencement of commercial operation. This 15-year period is defined as the New Jersey SREC-II qualification life at N.J.A.C. 14:8-11.2.

(b) SuSI-eligible facilities shall be eligible to create New Jersey Class I RECs at the conclusion of the 15-year NJ SREC-II qualification life.

(c) NJ SREC-IIs shall be valued on a dollar per megawatt hour (\$/MW-hour) basis for solar electricity generated by a SuSI-eligible facility during each year of the facility's 15-year NJ SREC-II qualification life.

(d) The NJ SREC-IIs produced by each facility registered in the ADI Program shall be assigned a specific incentive level, which shall vary based on which market segment the project is eligible to participate in, as identified at N.J.A.C. 14:8-11.7(b), or as defined through a Board order.

(e) If additional capacity is added to an existing project registered in the ADI Program, such capacity shall be interconnected through a new revenue grade meter. If the registrant opts not to add a new revenue grade meter, the entire solar generation facility shall receive the lowest applicable incentive level and shall have the qualification life of the original project. The registration packages of such facilities shall include an affidavit accepting the lowest incentive and original qualification life.

[(e)] (f) The ADI Program incentive values shall be reset through a Board order no less than once every three years, at least six months prior to the end of the third year, after public notice and comment. Factors considered in this proceeding will include, but not be limited to, existing modeling, major policy changes, market performance, and stakeholder input. The incentive values may be reset prior to the end of a three-year period if deemed necessary by the Board. If the Board does not initiate a triennial review and proceeding to affirmatively maintain or reset the incentives, incentives will automatically decrease by 10 percent for the following three-year period, and every subsequent three-year period, until such time as the Board takes action.

[(f)] (g) An incentive reset in the ADI Program will not affect facilities with an existing ADI Program conditional registration or facilities already receiving NJ SREC-IIs at the time that the Board enacts the incentive value reset. Reset incentives will apply prospectively to pending applications that have not received conditional registration, as well as new applications to the ADI Program, until the next incentive value reset.

[(g)] (h) The Board may, in its discretion, create an adder for ADI-eligible net metered facilities serving public entities. Factors considered in this decision will include, but not be limited to, costs specific to these types of facilities, the ability of public entities to benefit from Federal tax incentives, and the societal benefits of solar on public buildings. If applied, the value of this adder shall be determined by order and shall increase the value of each SREC-II produced by the facility by the amount of the adder for the qualified life of the facility. Projects seeking eligibility for the public entity adder may be required to provide supporting documentation in their SuSI Program registration pursuant to N.J.A.C. 14:8-11.5.

[(h)] (i) An ADI-eligible facility that, in its entirety, could be eligible for two or more market segments shall be assigned to the market segment with the lower incentive value.

[(i)] (j) The NJ SREC-IIs produced by each solar facility registered in the CSI Program shall be assigned a specific incentive level[, which] **that** shall be equal to the accepted bid into the CSI solicitation pursuant to solicitation rules and may be modified, pursuant to **[(j)] (k)** below.

[(j)] (k) Storage facilities accepted into the CSI Program shall be eligible for an adder to the NJ SREC-II, to be calculated in dollars/MWh and to be applied to the incentive for the associated solar facility. The value of the adder will be determined by taking the value of the installed storage facility discharge capacity, measured in megawatt-hours, dividing this by the value of the installed associated solar facility capacity, measured in megawatts, dividing the resulting number by four, and multiplying this with the normalized storage bid.

~~[(k)]~~ (l) The Board, or its designee, may request evidence of continued availability and operation of storage facilities, as a prerequisite for continued qualification for the adder specified at ~~[(j)]~~ (k) above. Board staff is authorized to amend the SREC-II value for the associated solar facility to compensate for overpayment of any SREC-II adders that were paid while a storage facility was not in operation.

(m) Following PTO, solar facilities registered in the CSI Program and CSEP shall annually submit cost and revenue information for the lifetime of the project.

(n) If renewable energy tax credits are enacted, at the state or federal level, such that projects in the CSI Program or CSEP are eligible to qualify for tax relief upon reaching PTO, the project(s) shall notify the Board of its intention to seek such relief. Board Staff may initiate a project incentive true-up for such projects. Should the Board determine that a return of incentive overpayment to ratepayers and/or adjusting SREC-II incentive payments for the remaining project lifetime is warranted, the Board shall act to implement such return and/or adjustment. Upon initiation of the incentive true up, the Board may request the following additional cost information from eligible facilities:

1. Projected revenue;
2. Projected cost breakdown for all qualified capital expenditures;
3. Indication that the facility plans to qualify for a tax credit, the amount the facility expects to receive, and the expected timeline for receipt;
4. Actual cost of tax credit-eligible expenditures following construction, including but not limited to:
 - i. Equipment, including panels, inverter, racking, and foundation, or balance of system, sales and use taxes on equipment;
 - ii. installation costs and indirect costs such as labor for design, installation, permitting and inspection, electrical upgrades directly related to the solar installation, sales tax on equipment and installation, and ongoing performance monitoring, geotechnical reports, site preparation, grading;
 - iii. step-up transformers, circuit breakers and surge arrestors
 - iv. energy storage systems
5. Actual revenues for tax credit verification;
6. Confirmation of tax credit payment(s) received following (state or) IRS review.

§ 14:8-11.7 Market segment megawatt blocks for the ADI Program

(a) The Board shall set, through a Board order, an annual ~~[budget]~~ **capacity** allocation for each of the market segments described at (b) below. The annual ~~[budget]~~ **capacity** allocations shall ensure that total program spending remains in accordance with the cost cap established pursuant to P.L. 2018, c. 17, codified at N.J.S.A. 48:3-87(d)(2), and promote project diversity ~~[after considering the historic market share of each market segment]~~. The Board may **aggregate multiple market segments for capacity allocation purposes**~~[set annual budget allocations that are aggregated for multiple market segments]~~.

(b) The Board shall allocate **annual capacity** megawatt blocks to the following ~~[initial]~~ market segments in the ADI Program:

1. Net Metered Residential (all sizes);

2. Net Metered Non-Residential smaller than one MW, located on a rooftop, carport, canopy, or floating solar;
3. Net Metered Non-Residential one MW to five MW, located on a rooftop, carport, canopy, or floating solar;
4. Net Metered Non-Residential smaller than one MW, all ground mounted facilities;
5. Net Metered Non-Residential one MW to five MW, all ground mounted facilities;
6. Community Solar, as defined in the Community Solar Energy Program[, as relevant]. The Community Solar market segment may be divided into megawatt blocks for each EDC area; and
7. [On an interim basis, contaminated sites, which is a market segment open only to facilities previously eligible for conditional certification pursuant to N.J.S.A. 48:3-87(t).]

Remote net metering.

(c) The Board may adjust the market segments or create new market segments through a Board order to reflect changes in the solar market. In considering an adjustment, the Board shall include consideration of whether increased or decreased differentiation between market segments is necessary in light of the costs and revenues of different project types, administrative complexity, or the emergence of new technologies. **A remote net metered project that participates in the Dual-Use Pilot Program shall have its capacity allocated toward the Dual-Use Pilot Program.**

(d) [Based on the annual budget allocation for each market segment established by the Board pursuant to (a) above, divided by a forecast of the estimated cost of NJ SREC-IIs from that market segment, the Board will establish, by Board Order, an annual capacity megawatt block or quarterly capacity megawatt blocks for market segments in the ADI Program. If the Board establishes quarterly megawatt blocks, unused capacity within a block will roll over from quarter to quarter within each given energy year. The Board may set capacity targets that are aggregated for multiple market segments.

(e) The [SuSI Program registration manager] **Program Administrator** shall accept new registration packages for a given market segment until the capacity block for that market segment is fully subscribed. When the capacity block for a given market segment is reached, the [SuSI Program registration manager] **Program Administrator** shall close the registration portal and stop accepting new registrations until the next capacity block is opened. A capacity block will be defined as being fully subscribed when the last registration received in the registration portal causes the total capacity of all registrations in that block to exceed the capacity allocation for said block.

§ 14:8-11.8 Mechanism for creation of NJ SREC-IIs

(a) NJ SREC-IIs shall be created based upon metered generation supplied to GATS by the owners of eligible facilities or their agents. Each SuSI-eligible facility must have been issued a New Jersey State Certification Number pursuant to N.J.A.C. 14:8-11.5(g), be registered in GATS,

and **transfer** all SuSI-eligible generation **[must be transferred]** to the NJ SREC-II Administrator through an irrevocable standing order, pursuant to (b) below.

(b) Irrevocable standing orders shall be treated as follows:

1. An irrevocable standing order, defined in the GATS Operating Rule as "A reoccurring automatic transfer of certificates for a given generating unit from the account holder's active subaccount to the active subaccount held by different account holders," shall be created in GATS for each SuSI-eligible facility. The irrevocable standing order will cause the automatic transfer of NJ SREC-IIs created by an eligible solar facility to a GATS account jointly held by the four EDCs (the EDC Joint GATS Account).

i. The irrevocable standing order, upon execution, shall require for that generator that, following the creation of the irrevocable standing order, 100 percent of the certificates created from each meter reading be automatically transferred to the EDC Joint GATS Account.

ii. An irrevocable standing order is not activated until the transferor confirms, and the NJ SREC-II Administrator accepts, the irrevocable standing order transfer.

iii. Prior to the execution of the irrevocable standing order, NJ SREC-IIs may be transferred manually from the account of a SuSI-eligible facility to the EDC Joint GATS Account. Following a grace period of one month subsequent to the establishment of a GATS Account for a SuSI-eligible facility, the NJ SREC-II Administrator may cease accepting manual NJ SREC-II transfers from a SuSI-eligible facility pending the execution of an irrevocable standing order.

2. Solar aggregators, brokers, and installers acting on behalf of solar facility owners may perform the role of transferor, register on behalf of the facility owner, and create an irrevocable standing order for each eligible facility for which it is reporting generation into GATS.

3. The NJ SREC-II Administrator will confirm that:

i. Each account holder created an irrevocable standing order;

ii. Each irrevocable standing order is complete, identifies the transferor, and represents 100 percent of all NJ SREC-IIs for that generator;

iii. The solar aggregator, broker, installer, or other account holder has the authority to create the irrevocable standing order; and

iv. The automatic transfer of NJ SREC-IIs has occurred.

4. Irrevocable standing orders authorizing transfers can only be terminated with the written consent of both parties.

(c) One NJ SREC-II shall be created for each megawatt-hour (MWh) of eligible electricity produced from a SuSI-eligible facility. A NJ SREC-II created for eligible electricity shall not be used for a purpose other than satisfying the SuSI Program carve-out to the NJ Class I requirements of the RPS.

(d) All solar electricity must be metered using an ANSI c-12 certified meter in conformance with N.J.A.C. 14:8-2.9(c).

(e) A NJ SREC-II may be redeemed in GATS in the energy year in which the electricity was produced or in the following energy year.

(f) Electricity generated by a SuSI-eligible facility that is not redeemed **as an SREC-II** in GATS in the energy year in which the electricity was produced[,] or in the following year[,] shall not be eligible for a NJ SREC-II, but shall be eligible to create a New Jersey Class I REC.

§ 14:8-11.9 Prevailing wage requirement

NJ SREC-IIs are deemed Board of Public Utilities financial assistance subject to prevailing wage rates pursuant to section 1 of P.L. 2009, c. 89 (N.J.S.A. 48:2-29.47) for all SuSI-eligible facilities **and co-located SuSI-eligible facilities sized in total one MWdc or greater.**

§ 14:8-11.10 Competitive solar incentive solicitation design

(a) The Board shall conduct one CSI solicitation per year. The timing of the solicitation shall be subject to review and revision at the discretion of the Board.

(b) The Board shall allocate megawatt blocks for targeted procurement capacity to the following market tranches for solar projects in the CSI Program.

1. Tranche 1: Basic Grid Supply[~~--~~] – grid supply projects that do not qualify for Tranche 2 or 3 and are connected to the distribution or transmission system owned or operated by a New Jersey public utility or local government unit.

2. Tranche 2: Grid Supply on the Built Environment[~~--~~] – grid supply projects for which all solar panels are installed on rooftops, raised carports over parking lots or decks, or similar installations on the built environment, and are connected to the distribution or transmission system owned or operated by a New Jersey public utility or local government unit.

3. Tranche 3: Grid Supply on Contaminated Sites and Landfills[~~--~~] – grid supply projects for which the solar panels are fully installed on contaminated sites or landfills, where the associated disturbed areas constitute a maximum of 10 percent of the total area dedicated to solar development. Projects proposed on land in agricultural use are excluded from participation in Tranche 3.

4. Tranche 4: Net Metered Non-Residential Projects Above Five Megawatts[~~--~~] – these net metered projects must meet the requirements of their New Jersey utility to qualify as net metered projects serving non-residential customers.

5. Tranche 5: Storage Paired with Grid Supply Solar[~~--~~] – a storage facility that is planned to be located contiguous to, and to be electrically connected to, associated solar facilities: grid supply solar bidding into Tranche 1, 2, or 3.

6. Additional tranches as the Board may find necessary to support a competitive solicitation.

(c) To participate in the solicitation, projects shall meet the following requirements:

1. If, subject to the PJM interconnection process, a published PJM feasibility study, a PJM Phase I study, or such equivalent successor PJM study, as the Board shall identify through Board Order, for one or more queue positions that will allow for generation interconnection of the proposed solar and/or storage facility(ies);
2. If not subject to the PJM Interconnection process, written authorization from the EDC providing conditional approval to construct; and
3. Payment of a non-refundable bid fee, the value of which shall be established by the Board, for solar projects bidding into Tranche 1, 2, 3, or 4. Projects serving public entities shall be exempt from the bid fee.

(d) For pre-qualification to participate in a solicitation, a project shall submit to the Board, or its designee, the following information:

1. Designation of tranche into which the project intends to bid;
2. Solar project capacity in megawatts or storage facility capacity in megawatt-hours;
3. A site plan certified by a licensed professional engineer;
4. Evidence of qualification for the tranche for which the project is intending to bid, including, but not limited to: GIS coordinates, address, project address, and number of acres proposed for development; and
5. Evidence of compliance with relevant Board-approved siting criteria.
 - i. Link(s) to one or more PJM feasibility studies, PJM Phase I studies, equivalent successor PJM studies, or written authorization from the EDC providing conditional approval to construct;
 - ii. For projects with a proposed installation density greater than 300 kW per acre, a statement from a licensed professional engineer confirming feasibility of the installation density based on proposed design parameters, such as module quantity, size and efficiency, tilt, azimuth, and interrow spacing;
 - iii. For projects on contaminated sites and landfills, estimated size of the area designated as "contaminated site" or "properly closed sanitary landfill" and an NJDEP permit readiness checklist; and
 - iv. For storage paired with grid supply solar, description of the storage facility technology, and reference to the associated solar facility.

6. Such other documentation as the Board or its designee may deem necessary.

(e) Projects shall bid a proposed price per SREC-II for evaluation as follows:

1. Solar shall be bid as a price in dollars per megawatt-hour of solar production.
2. Storage facilities shall be bid as a normalized storage bid, which represents the adder to the SREC-II, expressed in dollars per megawatt-hour of electricity generated by the associated solar facility, for a storage facility with a discharge capacity in megawatt-hours equal to four times the capacity in megawatts of the associated solar facility.

(f) Eligibility to participate in the Tranche 5 solicitation for the storage incentive shall be restricted to storage facilities with associated solar facilities that have received an SREC-II award in Tranche 1, Tranche 2, or Tranche 3 in the same solicitation.

(g) Eligibility for a storage incentive is limited to a storage facility's discharge capacity in megawatt-hours equal to or less than four times the total electricity generation capacity in megawatts of the associated solar facility.

(h) Winning bids will be determined by ranking the offers on proposed price per SREC-II for Tranches 1, 2, 3, and 4, and on normalized storage bids for Tranche 5, and selecting the lowest-priced offers.

1. If a project has a pending petition for an exemption or exception with the Board, the applicant may submit a bid to the solicitation and the Board will address the petition as a part of the award process.

(i) Subject to (j) below, awards will continue through the last project that does not exceed the procurement target for a given tranche.

1. If the total combined acreage of proposed solar development exceeds any of the limits for solar on certain agricultural land specified at N.J.S.A. 48:3-119.d(1) and f, awards will continue, but no project that would cause a limit to be exceeded will be awarded. Instead, the next lowest priced project that would not cause any limit for solar on agricultural land to be exceeded will be selected.

2. If two projects are bid with the same price and either can be awarded without exceeding the procurement target but awarding both would exceed the procurement target, the Board shall exercise its discretion in making the award.

3. If a final award cannot be made that will exactly meet a procurement target, the Board shall exercise its discretion in deciding whether to exceed the target if, in the Board's judgment, the incremental project or projects will benefit New Jersey.

(j) The Board may establish, by Board Order, confidential, pre-determined price caps based on assessments of market conditions for any, or all, tranches prior to the solicitation. If the Board establishes confidential price caps, the Board may:

1. Revise confidential price caps by Board Order, based on an updated assessment of relevant parameters, including cost of capital, revenue expectations, and net installation and operational costs as specified in the Board Order establishing the caps;
2. Elect to award bids that do not exceed the price caps by more than 10 percent;
3. Adjust the number of megawatts awarded in a tranche, if bid prices are above or below any confidential price caps established for the solicitation; and/or
4. Reject bids above the confidential price cap, where the Board determines that the bid prices are not competitive and/or are not fiscally responsible, regardless of whether the targeted number of megawatts in that tranche or tranches have been met.

(k) All projects in Tranches 1, 2, and 3 shall compete against each other initially. Those projects that are eligible for Tranche 2 and Tranche 3 and which are not selected initially shall then

compete in Tranches 2 and 3. Tranche 5 shall be evaluated after projects have been selected in Tranches 1, 2, and 3.

(l) The Board may adjust the tranches or create new tranches through a Board Order to reflect changes in the solar market. In considering an adjustment, the Board shall include consideration of whether increased or decreased differentiation between tranches is necessary in light of the costs and revenues of different project types, administrative complexity, or the emergence of new technologies.