CLEAN ENERGY



STATE OF NEW JERSEY

Board of Public Utilities 44 South Clinton Avenue, 3rd Floor, Suite 314 Post Office Box 350 Trenton, New Jersey 08625-0350 www.nj.gov/bpu/

IN THE MATTER OF THE PETITION OF GO SOLAR)	ORDER
ELECTRIC, LLC FOR EXTENSIONS OF SOLAR)	
RENEWABLE ENERGY CERTIFICATE (SREC))	
PURCHASE AND SALE AGREEMENTS REGARDING)	
CUMBERLAND COUNTY COMMUNITY CHURCH)	
(SRP-51027 & 51029) BETWEEN ALL SOLAR LLC)	
AND ATLANTIC CITY ELECTRIC COMPANY (ACE))	DOCKET NO. QO17050463

Parties of Record:

Richard Carty, Go Solar Electric LLC
Stefanie A. Brand, Esq., Director, Division of Rate Counsel
Philip Passanante, Esq., on behalf of Atlantic City Electric Company

BY THE BOARD:

In this Order, the New Jersey Board of Public Utilities ("Board") considers the petition of Go Solar Electric, LLC ("Go Solar" or "Petitioner") for an extension of time to complete two solar energy projects ("Projects") under a Solar Renewable Energy Certificate ("SREC") purchase and sale agreement between All Solar, LLC ("All Solar") and Atlantic City Electric Company ("ACE"). Go Solar has developed, on behalf of All Solar, two solar electric generation projects ("Projects") which serve Cumberland County Community Church located in Millville, New Jersey.

On or about June 17, 2016, as a winning bidder in ACE's SREC II financing program, Go Solar entered into an SREC Agreement with ACE for the SRECs from the Projects. The Projects, totaling approximately 69 kilowatts ("kW") of solar energy, are located on Cumberland County Community Church.

By petition dated May 5, 2017 ("Petition"), Go Solar submitted a request for a six-month extension of time to complete construction.² (Petition at ¶ 1.)

¹ Go Solar is the installation company for the Projects and All Solar will be the owner of the solar systems. ² Petitioner has already been granted an extension until July 26, 2017 from the SREC Registration Program. (Petitioner at Exhibit 5.)

BACKGROUND AND PROCEDURAL HISTORY

By Order dated December 18, 2013, In re Petition of Atlantic City Electric Company Concerning a Proposal for an Extended Solar Renewable Energy Certificate (SREC)—based Financing Program, Docket No. EO12090799 ("December 2013 Order"), the Board approved the stipulation of settlement, program design, and attached Purchase and Sale Agreements ("SREC Agreements") constituting the SREC II Financing program of ACE. Similar programs, settlement stipulations and SREC agreements were approved for Jersey Central Power and Light ("JCPL") and Rockland Electric ("RECO").

The programs were developed through a cooperative process involving Staff, the Division of Rate Counsel, solar stakeholders and the Electric Distribution Companies ("EDCs"). The program development process was initiated by Order dated May 23, 2012, In re Review of Utility Supported Programs, Docket No. EO11050311V, where the Board authorized the extension of previously approved utility-run SREC financing programs with certain modifications for a total capacity of 180 MW over three years, to be divided among the EDCs based on retail sales.

The December 2013 Order approving ACE's SREC II program addressed, in detail, the program design elements including: program size, duration, market segments, participant caps, solicitation process, project metering, conditions for SREC use, and the time requirements for project completion. Market Segment 1 includes net metered residential and small commercial solar projects less than or equal to 50 kW. Segment 1 projects are required to complete within six months of the effective date of the SREC agreement and may receive "one automatic three-month extension, provided the Program Participant has filed necessary permits with the local government and provides the appropriate certification to [ACE]."

The December 2013 Order further addresses extensions in discussion of the time requirements for project completion:

The Board shall have the sole authority to grant any additional extensions in any of the three segments. A request for a second extension shall be made prior to the expiration of the first extension. The Parties recommend that a second extension be for one month for projects of 10 kW or less, and for three months for projects over 10 kW. The Parties recommend that second extension only be granted if all criteria for a first extension have been met and, in addition, all modules and other equipment are on site and completion is imminent.

[December 2013 Order at p. 9.]

The December 2013 Order contained, as a referenced attachment, a copy of the stipulation with standard form Purchase and Sale Agreements ("PSAs") for each of the program's three market segments. The SREC Agreements contain General Terms and Conditions labeled as Appendix A and a Certification labeled as Appendix A-1 intended for use in extension requests. Each standard form SREC Agreement requires execution by the SREC "seller" and the SREC "purchaser" with the execution date establishing the agreement's "Effective Date." The standard form SREC Agreement, with reference to the General Terms and Conditions, also defines the "Delivery Period" for the purchase and sale obligation. The Delivery Period begins at the Commencement Date, exactly six months from the effective date of the SREC Agreement and shall terminate ten (10) years, i.e., 120 months following the Commencement Date.

Project Description and Status

Go Solar has installed two distinct solar electric generation systems on the rooftop of Cumberland County Community Church with each project supplying power to a separate ACE electricity account. (Petition at ¶ 1.) Go Solar registered each project with the SREC Registration Program receiving the registration numbers SRP-51027 and SRP-51029. Id. at ¶ 2. Go Solar submitted bids for each project in the third solicitation round of the EDC SREC II program which was held in February 2016. (Id. at ¶ 3.)

By Order dated April 27, 2016, the Board approved Staff's recommendation to award SREC agreements for the projects.³ The SREC Agreements between All Solar and ACE for the two projects were executed June 17, 2016. (Petition at ¶ 5.) Consistent with the program approved by the Board in the December 2013 Order and the SREC Agreements executed for the Projects, the construction deadlines for each Project was December 17, 2016. <u>Ibid.</u>

The Petitioner states that formal copies of the SREC Agreements were received in September 2016 and construction of the projects commenced "on or about" the same time period. (<u>Id.</u> at ¶ 6, 7.) The Petitioner cites equipment delivery delays as motivation for seeking an extension of the SREC Agreement by request to ACE dated November 22, 2016. (<u>Id.</u> at ¶ 8, 9, Exhibit 1.) By letters dated December 8, 2016, ACE granted three-month extensions and established new deadlines of March 17, 2017 for each Project. (<u>Id.</u>, at ¶ 11, Exhibit 2.)

The Petitioner states that the City of Millville performed a code inspection on November 29, 2016. (Id. at ¶ 10.) The Petitioner received the Certificates of Approval dated December 13, 2016, verifying that the installation was constructed in accordance with the New Jersey Uniform Construction Code. (Id. at ¶ 12, Exhibit 3.) The Petitioner requested a second extension of the SREC Agreements deadline from the EDC SREC II solicitation manager and was referred to Board Staff. By letter dated April 18, 2017, Petitioner cited delays in obtaining final interconnection approval with ACE as the reason for not meeting the March 17, 2017 deadline.

Specifically, Petitioner had submitted an interconnection application to ACE for Project SRP-51027 on December 27, 2016. (Petition at Exhibits ACE-1, -21.) However, ACE denied the application as the account number was incorrect. (<u>Id.</u> at Exhibit ACE-2.) On January 4, 2017, Petitioner corrected the account number and resubmitted the interconnection application. (<u>Id.</u> at Exhibit ACE-3.) Petitioner also had to wait to obtain approval from ACE to exchange the meter. (Id. at Exhibit ACE-18.)

For Project SRP-51029, Petitioner submitted an interconnection application on December 27, 2016. <u>Id.</u> at Exhibit ACE-21. On December 30, 2016, ACE denied the application because the system was oversized. <u>Id.</u> at Exhibit ACE-22. On January 4, 2017, Petitioner notified ACE that

³ I/M/O Verified Petition of Atlantic City Electric Company Concerning a Proposal for an Extended Solar Renewable Energy Certificate (SREC)-Based Financing Program Under N.J.S.A. 48:3-98.1 (SREC II), Docket No. EO12090799; I/M/O Verified Petition of Jersey Central Power & Light Company Concerning a Proposal for a SREC-Based Financing Program Under N.J.S.A. 48:3-98.1 (SREC II), Docket No. EO12080750; and I/M/O Verified Petition of Rockland Electric Company Concerning a Proposal Under N.J.S.A. 48:3-98.1 (SREC II), Docket No. EO13020118.

⁴ On May 22, 2017, an email was sent by the Petitioner requesting that this letter be included as part of the Petition, along with an attached May 17, 2017 cover letter sent via Federal Express to the Secretary's Office requesting that the letter be added to supplement their Petition.

the prior usage was greater than the size constructed and the Project was previously approved for a generation size of 32kW, above the constructed size of 26.75 kW. (<u>Id.</u> at Exhibit ACE-23.) On January 12, 2017, ACE accepted the application. (<u>Id.</u> at Exhibit 24.) Petitioner also had to obtain approval from ACE to exchange the meter for this Project. (<u>Id.</u> at Exhibit ACE-38.)

On March 21, 2017, Petitioner received approvals from the ACE Green Power Connection team that each Project was "authorized for operation." (Petition at Exhibit ACE-38.) Thus, Petitioner was not able to exchange the meters until after the March 17, 2017 deadline.

By letter dated April 23, 2017, ACE responded to the Petition and stated that "regarding the extension requested by Go Solar for the two SREC II projects listed above, ACE has reviewed their request and does not oppose the additional extension to complete the two projects."

DISCUSSION AND FINDINGS

In addressing Petitioner's request for an extension of time to complete pursuant to its SREC financing contracts with ACE, the Board looks to its previous rulings under the SREC financing programs. The Board has previously ruled upon requests for an extension made by participants in long-term SREC contracts. In reviewing such requests, the Board has looked first at whether the applicant could document significant progress toward completion of the project, and, second, whether the delay was unavoidable and unforeseeable at the time of the execution of the PSA. See I/M/O Dobco, Inc. – Request Extension for SREC Purchase Sale Agreement with JCP&L and I/M/O Request for Extensions of Project Completion in the SREC Registration Program, REIPNR-06120, REIPNR-06121 REIPNR-06621 REIPNR-06631 REAPNO-06744 REIPNR-06745, Docket Nos. EO11050269V and EO08090840, Order dated July 1, 2011; I/M/O Dykes Lumber Company. – Request Extension for SREC Purchase Sale Agreement with JCP&L and I/M/O Request for Extensions of Project Completion in the SREC Registration Program, Docket No. EO11060350V, Order dated July 14, 2011.

Applying the standard to the matter at hand, the Board looks at the representations made in the Petition and ACE's response providing that:

- The Projects have been completed.
- The City of Millville provided Certificates of Approval for the Projects on December 13, 2016
- ACE approved interconnection on March 21, 2017.

Based on the representations in the Petition and ACE's response, the Board <u>FINDS</u> that Go Solar has documented completion of the Projects. The Board notes that Petitioner should have sought this extension prior to the expiration of the March 17, 2017 deadline; however, the Board notes that the Projects have received a final certificate from the local electrical inspector, and that ACE has installed the SREC meters and authorized the systems to operate on March 21, 2017, a few days after the March 17, 2017 deadline.

In the second prong of the analysis, the Board looks at whether the cause of the delay was unavoidable and unforeseeable at the time of the company's application to the long-term SREC financing program. In the instant matter, Go Solar has certified that unforeseen and unavoidable developments in the final meter exchange process caused the delays. The Board FINDS that the delays caused by the final interconnection process were unavoidable and

unforeseeable at the time the Petitioner entered into its PSAs with ACE as part of the SREC long-term financing program.

After consideration of the above, the Board <u>HEREBY GRANTS</u> the request for an extension of the deadline for completion of the Projects under the SREC Agreements with ACE. The Board <u>FURTHER FINDS</u> that a three-month extension to June 17, 2017 is more appropriate given the completeness of the Projects.

DATED: 5/31/17

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I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities

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IN THE MATTER OF THE PETITION OF GO SOLAR ELECTRIC, LLC FOR EXTENSIONS OF SOLAR RENEWABLE ENERGY CERTIFICATE (SREC) PURCHASE AND SALE AGREEMENTS REGARDING CUMBERLAND COUNTY COMMUNITY CHURCH (SRP-51027 & 51029) BETWEEN ALL SOLAR LLC AND ATLANTIC CITY ELECTRIC COMPANY (ACE) DOCKET NO. QO17050463

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