



Agenda Date: 8/7/19  
Agenda Item: 8B

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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CLEAN ENERGY

IN THE MATTER OF THE MODIFICATION OF THE )  
SOLAR RENEWABLE PORTFOLIO STANDARD )  
SOLAR ALTERNATIVE COMPLIANCE PAYMENT )  
SCHEDULE AND THE REDUCTION OF THE )  
QUALIFICATION LIFE FOR SOLAR RENEWABLE )  
ENERGY CERTIFICATES FOR SOLAR FACILITIES – )  
MOTION FOR RECONSIDERATION )

ORDER ON MOTION FOR  
RECONSIDERATION

DOCKET NO. QO18070698

**Parties of Record:**

**Stefanie A. Brand, Esq., Director**, New Jersey Division of Rate Counsel  
**R. William Potter, Esq., Counsel**, for Mid-Atlantic Solar & Storage Industries Association

**BY THE BOARD:**

The Mid-Atlantic Solar & Storage Industries Association (“MSSIA”)<sup>1</sup> filed a motion for reconsideration with the New Jersey Board of Public Utilities (“Board”) seeking reconsideration of the Board’s February 27, 2019 Order<sup>2</sup> in the above docket, effective March 9, 2019. For the reasons explained below, the Board denies MSSIA’s motion for reconsideration.

**BACKGROUND AND PROCEDURAL HISTORY**

On May 23, 2018, Governor Murphy signed P.L. 2018, c. 17, codified at N.J.S.A. 48:3-51-87 into law (“Clean Energy Act” or “CEA” or “Act”), effective immediately. The CEA effected many changes to the legal and regulatory framework for solar development; among these the law required the Board to modify the State’s Solar Renewable Portfolio Standard (“RPS”), close the Solar Renewable Energy Certificate (“SREC”) program, reduce the SREC term and impose a cap on the cost to ratepayers of certain Class I renewable energy requirements. The law also required the Board to take any steps necessary to prevent the exceedance of the cost cap.

<sup>1</sup> Formerly known as Mid-Atlantic Solar Energy Industries Association (“MSEIA”).

<sup>2</sup> I/M/O the Modification of the Solar Renewable Portfolio Standard and Solar Alternative Compliance Payment Schedules and the Reduction of the Qualification Life for Solar Renewable Energy Certificates for Solar Facilities, BPU Docket No. QO18070698 (February 27, 2019) (“February Order”).

As a result of the CEA's requirements, on June 22, 2018, the Board approved a rule proposal to amend the RPS rules governing the SREC Registration Program ("SRP") at N.J.A.C. 14:8-2.4 by adding that no new SRP submittal shall be accepted following a determination by the Board that 5.1 percent of the kilowatt-hours sold in the State from solar electric power generators has been attained.<sup>3</sup>

On August 6, 2018, the Board's proposed rules were published in the New Jersey Register with a sixty-day public comment period with comments due by October 5, 2018.<sup>4</sup> Seven entities responded to the rule proposal and three entities jointly filed comments. Rate Counsel supported the rule proposal as consistent with and properly implementing the CEA. MSSIA provided comment on the rule proposal. MSSIA questioned the definition of "attainment" in the law and suggested several possible definitions. Recognizing the challenge in properly closing the SREC program, MSSIA also proposed an interim SREC program as a solution. The other three sets of comments recommended alternative approaches to determining attainment of the 5.1% milestone and sought more detail on the sources of data and the analytic methods used to calculate 5.1% of kilowatt hours sold.

On October 29, 2018, the Board issued an Order addressing the requirement of the Act to reduce the SREC term of eligibility for solar electric power generators.<sup>5</sup> This Order provided that projects that register after October 29, 2018 have an SREC term or Qualification Life ("QL") of ten years. Following the agenda meeting, Board Staff issued a public notice of the Board's action on implementation of the change in SREC term via email distribution and posting on the NJCEP website. The registration submission requirements to establish SREC eligibility for a fifteen-year term were described in the notice.

On November 5, 2018, the Board approved the engagement of a consultant to complete the study evaluating how to modify or replace the SREC program as required by the act.<sup>6</sup> The consultant was issued a contract on January 15, 2019, participated in a kick-off meeting on January 18, 2019 and has made significant progress on its scope of work to date including engagement of stakeholders through interviews and surveys and leading open, public stakeholder meetings on May 2, 2019 and June 14, 2019.

On November 28, 2018, Staff announced a public meeting and invited comments on the changes mandated by the CEA with respect to the RPS, the increased Class I and solar obligations, and how the exemptions for Basic Generation Service ("BGS") supply could be implemented. The public notice announced the intention to seek input for purposes of implementing the BGS Auction for the period beginning June 1, 2019 as well as for purposes of initiating rulemaking. Staff invited comments on a proposed schedule of RPS percentage

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<sup>3</sup> I/M/O Rulemaking to Implement Certain Sections of P.L. 2018, c. 17, Regarding Closing the SREC Program to New Registrations Following the Attainment of 5.1% Total Kilowatt-hours Sold in the State from Solar Electric Power Generators Connected to the State's Electric Distribution System, BPU Docket No. QO18060647 (June 22, 2018).

<sup>4</sup> 50 N.J.R. 1708(a).

<sup>5</sup> I/M/O the Modification of the Solar Renewable Portfolio Standard and Solar Alternative Compliance Payment Schedules and the Reduction of the Qualification Life for Solar Renewable Energy Certificates for Solar Facilities, BPU Docket No. QO18070698, Order dated October 29, 2018 ("October Order").

<sup>6</sup> I/M/O the Award of Contract in Furtherance of the Redesign of Solar Renewable Energy Certificate Program (Executive Session), BPU Docket No. QO18101198, Minutes dated November 5, 2018.

requirements to amend the rules to be consistent with the Act and took comments on making the solar obligation a true carve out of New Jersey Class I requirements.

On December 8, 2018, Staff held the public meeting and thirteen sets of public comment were received. Most of the comments addressed the increased obligations and allocation of the increase avoided by exempt BGS supply. In regards to the proposal to make the solar obligation a carve-out of the New Jersey Class I requirements as a means to reduce compliance costs, Rate Counsel and the Retail Electric Supply Association ("RESA") supported the proposal. Representatives for out-of-state developers, including the Mid-Atlantic Renewable Energy Coalition ("MAREC"), Community Energy Inc., and Carbon Solutions Group, submitted comments opposing the proposal claiming it would harm owners of New Jersey Class I RECs most of which are produced by out-of-state facilities.

On December 18, 2018, the Board addressed three agenda items, all of which impacted the SREC market. Specifically, the Board addressed how the increased solar obligations and exemptions mandated by the CEA were to be implemented in the BGS Auction.<sup>7</sup> The second item the Board approved was the adoption of the rule amendments proposed in August 2018 to close the SREC market to new applications upon attainment of 5.1% of solar kilowatt hours sold. Finally, the Board proposed rules, consistent with the directives found in agenda Item 2J,<sup>8</sup> amending the RPS schedule of percentage requirements to make it consistent with the CEA and to make the solar obligations for non-exempt electricity supply a carve-out or inclusive within the NJ Class I requirements.<sup>9</sup>

As a follow up to the Board actions taken on December 18, 2018, Staff issued a Straw Proposal on the New Jersey Solar Transition. The Straw described SREC Transition Principles, Program Assumptions and Overview, a timeline for a Stakeholder Process, as well as issued a Request for Comments. Staff proposed to be guided by the following SREC Transition Principles:

1. Provide maximum benefit to ratepayers at the lowest cost;
2. Support the continued growth of the solar industry;
3. Ensure that prior investments retain value;
4. Meet the Governor's commitment of 50% Class I Renewable Energy Certificates ("RECs") by 2030 and 100% clean energy by 2050;
5. Provide insight and information to stakeholders through a transparent process for developing the Solar Transition and Successor Program;
6. Comply fully with the statute, including the implications of the cost cap; and
7. Provide disclosure and notification to developers that certain projects may not be guaranteed participation in the current SREC program, and continue updates on market conditions via the NJCEP SRP Solar Activity Reports.

<sup>7</sup> I/M/O Rulemaking to Implement Certain sections of P.L. 2018, Chapter 17, Regarding Closing the SREC Program to New Registrations Following the Attainment of 5.1 Percent of Total Kilowatt-hours Sold in the State from Solar Electric Power Generators Connected to the State's Electric Distribution System, BPU Docket No. QO18060647 (December 18, 2018).

<sup>8</sup> Docket No. ER18040356 – In the Matter of the Provision of Basic Generation Service ("BGS") for the Period Beginning June 1, 2019; and Docket No. EO18111250 – In the Matter of the Provision of Basic Generation Service ("BGS") – Renewable Portfolio ("RPS") Allocation, BPU Docket Nos. ER18040356 and EO18111250 (December 18, 2018).

<sup>9</sup> I/M/O Rulemaking Proceeding to Amend the Renewable Portfolio Standards Pursuant to P.L. 2018, c. 17, BPU Docket No. EX18111244 (December 18, 2018).

The Staff Straw proposal requested public comment on thirteen questions based upon the Statute and the program assumptions and overview described. Comments were due on February 22, 2019. Thirty one responses to the Staff Straw proposal were received, including comments from MSSIA.

On January 18, 2019, the Board held the first Solar Transition Stakeholder meeting at Rutgers University Student Center. A second meeting addressing the same topics was held at New Jersey Institute of Technology in Newark on February 22, 2019. Participants in the meetings included Rate Counsel, solar developers that are active in the residential, commercial and industrial segments, industry trade associations, utility representatives, and environmental groups. Speakers commended the Straw Proposal and establishment of transition principles demonstrating that the state seeks to continue solar growth in New Jersey. The concerns raised included access to incentives, fairness to market participants, uncertainty confronting developers and potential investors, and timing of the transition process.

On January 22, 2019, the Board's adoption of the RPS rules governing SREC Registration closing was published in the New Jersey Register.<sup>10</sup> In response to comments recommending alternative approaches to determining attainment of the 5.1% milestone and request for more details on the sources of data and the analytic methods used to calculate 5.1% of kilowatt hours sold, the Board advised interested parties to work with Staff in the stakeholder process to develop a recommended approach for the Board's consideration.

On February 27, 2019, the Board issued the February Order addressing the requirement to close the SREC market to new registrants upon the state's attainment of 5.1% of kilowatt hours sold being sourced from solar electric power generators. The purpose of the February Order was in keeping with SREC Transition Principle number 7 referenced above: "Provide disclosure and notification to developers that certain projects may not be guaranteed participation in the current SREC program, and continue updates on market conditions via the NJCEP SRP Solar Activity Reports."

Additionally, the February Order clarified that projects registered after October 29, 2018 which do not commence commercial operations prior to the state's attainment of the 5.1% milestone may not be eligible to participate in the SREC market. Included in the February Order was an analysis which described the variables and potential data sources that will influence when the milestone is determined to be attained.

On March 26, 2019, the Board received MSSIA's Motion for Reconsideration of the Board's February Order. The Motion seeks to "grandfather" an indeterminate number of solar projects 'in the SRP pipeline' that had submitted complete SREC registration applications prior to or by February 27, and all projects that submitted applications between October 29, 2018 and February 27, 2019."

MSSIA argues that "in the main, the provisions in the Order would result in proper closure of the SREC market and an orderly transition to a new and lower - cost solar incentive program." However, MSSIA claims that there are certain provisions in the February Order that will cause undue harm. MSSIA advises that their members with projects that have received acceptance letters from the SRP program may have their eligibility rescinded at a later time.

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<sup>10</sup> 51 N.J.R. 138.

MSSIA filed Supplemental Certifications on March 25, 2019, March 28, 2019, May 6, 2019, and June 8, 2019 seeking expedited clarification on the method by which the Board will determine that the 5.1% milestone has been attained. MSSIA formed two interpretations of the February Order's background section titled "Attainment of the 5.1% Milestone"; a "retrospective" approach would determine attainment has been achieved when 5.1% of sales have been generated and a "prospective" approach would determine attainment based upon the productive capability of a certain amount of installed capacity. In addition to arguing for their preferred approach in determining when 5.1% is attained, MSSIA also presented recommendations for a transition incentive program.

In the June 8, 2019 Supplemental Certification, MSSIA also proposes a new calculation, the Legacy Cost Reduction Proposal, which according to MSSIA achieves the reduction of cost through two strategies. The first is to virtually eliminate the unreliability of the SREC revenue for participating projects by offering legacy projects the voluntary opportunity to accept a fixed SREC price for the remaining SREC generation life of the project. The second strategy entails amortizing the remaining cost of SREC payments across a 20-year period. The funding mechanism for this strategy would involve the creation of a Special Purpose Entity.

On May 8, 2019, the Board approved the issuance of a Secretary's Letter which acknowledged receipt of MSSIA's motion for reconsideration and extended the 60-day period for the Board's issuance of a final decision pursuant to N.J.A.C. 14:1-8.7(c).

On May 28, 2019, MSSIA filed an emergent motion with the Board seeking an order for the immediate impaneling of a settlement conference between the parties to resolve the critical issues MSSIA raised in their March 26, 2019 Motion for Reconsideration.

### **STAFF RECOMMENDATION**

MSSIA argues that projects registered between October 30, 2018 and February 27, 2019 and commence commercial operations after the Board determines that 5.1% milestone for SRP closure should be grandfathered into the SREC market. MSSIA also submitted a Supplemental Certification that requests the Board adopt its methodology for determining when the 5.1% milestone for closure of the SREC registration program should occur. The issues are interrelated in that when the SREC market is closed will determine how many projects that entered the SRP pipeline during this period will be affected. Staff recommends that the Board address each argument in response to MSSIA's Motion for Reconsideration.

With respect to MSSIA's request to revisit the February Order's treatment of SRP project registrations received between October 30, 2018 and February 27, 2019, Staff first advises that the SREC Registration process entails the issuance of an SRP Acceptance Letter that serves as a conditional approval. The acceptance letter acknowledges that the project application is complete and the project characteristics meet the conditions for SREC eligibility that exist at that time. The project must comply with all federal, state, and local laws in order to satisfy the conditions for SREC eligibility including by reference the Clean Energy Act of 2018.

Staff recommends the Board view the issue of SREC eligibility in the light of the intent behind closure of the SRP and the mandate for RPS cost caps. In addition to the closure of the SRP, the CEA mandated several modifications to the solar RPS, solar alternative compliance payment schedule, and the reduction of the QL for SRECs for solar facilities designed to lower ratepayer exposure to high program costs. The CEA directed the Board to take any steps necessary to

prevent the exceedance of the cap on solar and Class I RPS costs including but not limited to adjusting the Class I renewable energy requirement.

The Board's directives to Staff to initiate rulemaking to implement the CEA are being advanced through a robust public stakeholder process. Stakeholders have been engaged to vet transition objectives and criteria, modeling assumptions, and alternative incentive approaches toward developing a report and recommendation for the Board's consideration that satisfies the CEA mandates.

The relative importance of project eligibility in the SRP pipeline from October 30, 2018 through February 27, 2019 to the cost cap mandate depends upon variables such as assumed SREC prices over time, the quantity of projects which leave the pipeline through cancellation or expiration, and the quantity of projects which construct prior to attainment of 5.1%. Each of these variables will be determined by when the Board closes the SREC Registration Program and the treatment of projects in the pipeline at that time.

As of May 31, 2019, there were slightly more than 3,100 projects in the SRP pipeline that submitted complete registrations from October 30, 2018 through February 27, 2019. These projects range from 12 MWdc to 1 kWdc, total over 158 MWdc, and include commercial, industrial, government, school, non-profit and residential projects. Depending upon when the Board determines that the 5.1% milestone has been attained, some fraction of these projects will have left the SRP pipeline to become a Legacy SREC project.

Each month projects from this cohort leave the SRP pipeline due to cancellation, expiration, or achievement of commercial operations. Smaller residential and commercial projects can complete construction in as little as one week while larger and more complex projects like commercial or school projects can take over one year to complete.

The Board's consultant developed four scenarios to assess funding availability, referred to as "headroom under the cap," for transition and successor programs. A preliminary assessment of the implications of the CEA cost cap found that under the worst case scenario, with high NJ Class I REC prices, high SREC prices due to premature closure of the SREC Registration Program, and relatively low retail electricity costs, no funds would be available for transition incentives from Energy Year 2022 to Energy Year 2025. The difficulty arises when the cap on the cost of SRECs and NJ Class I RECs falls from 9% of retail electricity costs to 7% starting in EY22. The consultant's presentation to stakeholders on May 2, 2019 can be found at [www.njcleanenergy.com/renewable-energy/program-updates-and-background-information/solar-proceedings](http://www.njcleanenergy.com/renewable-energy/program-updates-and-background-information/solar-proceedings).

Under a low headroom case, funding is anticipated to be available for transition incentives. However, an assumption of relatively low NJ Class I REC prices is used in this scenario. Staff is also concerned about assumptions of the responsiveness of SREC prices to market supply and demand based upon the price history since the Solar Act of 2012 expanded the useful life of an SREC to five years. SREC prices since May 2012 have been higher than \$150, higher than necessary to motivate solar investments and higher than \$200 since 2017 in the face of SREC oversupply. In short, the assumptions in the worst case scenarios may understate the risk of exceeding the cost cap which would reduce the available budget for transition and successor programs.

The CEA mandates the Board close the SREC program to new applications upon the attainment of 5.1% of the kilowatt-hours sold in the State from solar electric power generators connected to the distribution system. While there is some ambiguity in this directive when parsing phrases out of context, Staff believes the law clearly requires solar electricity to be generated in sufficient proportion to retail electricity sold before the SREC registration program is closed.

Staff does not find MSSIA's argument to close the SREC registration program when the State's installed solar fleet reaches the capability of producing 5.1% of the state's electricity to be compelling. Leaving aside the relevant language in the statute which requires the kilowatt hours to be sold, Staff views a method that divides the trailing twelve months of solar electricity generated by the trailing twelve months of retail electricity sold as most closely addressing the statutory requirement for SRP closure.

The determination of the current ratio of solar electricity production to retail electricity sales is made difficult by the lack of current data regardless of the methodology employed. Meter readings for solar electricity production are required for SREC creation in the Generation Attribute Tracking System ("GATS") used for RPS compliance, but there is no time limit for owners to submit the production data after the electricity has been generated. Many solar owners wait until the RPS true-up period at the end of each Energy Year to submit their meter readings. And some owners of eligible solar electric power generators fail to report meter readings in the same energy year in which the solar was produced while others have failed to pursue participation in the SREC market altogether.

Similarly, current monthly retail electricity sales data available through the United States Department of Energy's Energy Information Agency ("EIA") is not available until two and half months after the end of the month in which the electricity is sold. EIA data also includes electricity sales that are not subject to the NJ RPS. PJM Interconnect LLC., manager of the regional wholesale electricity market, provides load served data to its unregulated affiliate PJM-EIS. The manager of GATS makes available to state RPS administrators on a regular and more timely basis load served data that can be easily differentiated between entities obligated to comply with the RPS.

Either method used to determine 5.1% attainment, described as prospective or retrospective, requires the development of a methodology for estimation. Any approach that requires a timely determination requires the use of forecasts. Both the numerator and the denominator in the calculation of the proportion of solar electricity produced in the state in relation to the amount of retail sales involves the application of assumptions and variables such as weather. The prospective method must rely upon a forecast of retail sales and solar productivity likely to occur over the subsequent twelve months. The retrospective method enables the forecast inputs to be refined on a monthly basis as the milestone approaches. As the milestone approaches, the underlying values for historic solar productivity and retail sales in the retrospective method become more reliable.

Staff has developed a methodology for determining the attainment of the 5.1% milestone that will be recommended to the Board be inserted into the RPS rules governing SREC Registration. An estimation of solar electric generation is proposed based upon installed solar capacity as reported on a monthly basis from the SRP through New Jersey's Clean Energy Program. Since the amount of installed capacity grows each month and the amount of solar irradiance is different each month, a schedule of twelve months of solar output factors must be applied to the amount of installed solar capacity to accurately estimate the amount of electricity produced by the fleet of statewide installed solar.

As stated earlier, MSSIA submitted a Motion for Reconsideration of the Board's treatment of SRP registrations when the Board determines 5.1% milestone has been achieved and the SRP program shall be closed and in subsequent filing proposed an alternative method for determining milestone attainment. The two requests are interrelated. Prematurely closing the SRP, or closing it prospectively, will result in more projects from the pipeline registered between October 30, 2018 and February 27, 2019 that have yet to achieve commercial operations. Grandfathering these projects as SREC eligible would likely result in costs from the legacy SREC market resulting in violation of the cost caps established by the law. Staff recommends that the Board deny MSSIA's Motion for Reconsideration and reaffirm the directives from the February and October Orders with respect to SREC registrations and applications for designation and the conditions for SREC eligibility of those received after October 29, 2018. Staff also recommends the Board reject the requests filed by MSSIA on March 30 by rejecting the proposals laid out by MSSIA for determining when the 5.1% milestone is attained and how much incentive the projects not eligible for SRECs are provided

The MSSIA recommendation to employ their prospective approach results in closure in November 2019 as they specify, more projects from the October to February cohort would remain in the SRP pipeline than if the retrospective approach is used. Early SRP closure would also result in less capacity joining the SREC market which will make SREC prices higher than would otherwise result under the retrospective approach.

Additionally, Staff views MSSIA's late proposal as more appropriately addressed in the stakeholder preceding that is currently ongoing, either in the context of the Transition Incentive Program development or the Successor Program development process. Subsequent to the development of the Transition Incentive, Staff and the consulting team will reengage with stakeholders on the Successor Program options and policy choices toward developing a final report prior to attainment of the 5.1% Milestone and by the statutory deadline of May 23, 2020.

### **DISCUSSION AND FINDINGS**

Upon thorough consideration of MSSIA's motion, the supplemental certification, the documents submitted therewith, and the entire record in this case as a whole, the Board **FINDS** that nothing in MSSIA's request requires the Board to modify or otherwise reconsider its decision.

N.J.S.A. 48:2-40 expressly provides that the Board at any time may revoke or modify an order made by it. Twp. Of Deptford v. Woodbury Terrace Sewerage Corp., 54 N.J. 418, 428 (1969); see also, N.J.A.C. 14:1-8.6(b). N.J.A.C. 14:1-8.6 requires that a request for rehearing or reconsideration be done by a motion that enumerates the alleged "errors of law or fact" that the Board relied on in rendering its decision. Additionally, here an opportunity is sought to introduce additional evidence, that evidence shall be stated briefly with the reasons for failing to provide it previously.

Generally, a party should not seek reconsideration merely based upon dissatisfaction with a decision. D'Atria v. D'Atria, 242 N.J. Super. 392, 401 (Ch. Div. 1990). Rather, reconsideration is reserved for those cases where (1) the decision is based upon a "palpably incorrect or irrational basis" or (2) it is obvious that the finder of fact did not consider, or failed to appreciate, the significance of probative, competent evidence. Ibid. See, Cummings v. Bahr, 295 N.J. Super. 374, 384 (App. Div. 1996). The moving party must show that the action was arbitrary, capricious, or unreasonable. D'Atria, 242 N.J. Super. at 401. The Board "will not modify an

Order in the absence of a showing that the Board's action constituted an injustice or that the Board failed to take notice of a significant element of fact or law." In the Matter of the Implementation of L. 2012, c.24. The Solar Act of 2012, Docket No. E012090832 at 5 (July 19, 2013); In the Matter of Michael Manis and Manis Lighting, LLC - New Jersey Clean Energy Program Renewable Energy Incentive Program, Docket No. QS14040316 (April 15, 2015).

Additionally, MSSIA seeks leave to introduce new additional evidence regarding the Legacy Cost Reduction Proposal pursuant to N.J.A.C. 14:1-8.6(a)(2). This rule provides: "[w]here opportunity is also sought to introduce additional evidence, the evidence to be adduced shall be stated briefly together with reasons for failure to previously adduce said evidence." In its June 8, 2019 Supplemental Certification, MSSIA requested that the Board consider a new cost reduction strategy. MSSIA does not provide a reason as to why the information had not been presented prior, nor do they offer any reasoning as to why it is being presented now. Nevertheless, the Board is not persuaded. MSSIA had ample opportunity to provide this information previously through its Motion, and the other supplemental certifications submitted.

The Board **FINDS** that Staff have initiated a stakeholder process to engage the public in the development of rulemaking to fulfill the requirements of the Clean Energy Act. Amendments to the RPS rules have been properly adopted to close the SREC registration program upon attainment of 5.1% of retail electricity sales from solar electric generation as well as to bring the RPS percentage requirements and other criteria into compliance with the Act. The Board **FINDS** that where additional stakeholder input was judged necessary in this rulemaking, it has been sought and as a result further refinement of the RPS rules have been proposed.

The Board **FINDS** that the Clean Energy Act requires the Board's adherence to limits on the cost to ratepayers of compliance with the solar and non-offshore wind NJ Class I requirements of the RPS to 9% in Energy Years 2019, 2020 and 2021 and 7% thereafter. The Board is mandated to take all steps necessary to avoid exceedance of the caps which include costs in the legacy SREC program as well as any successor programs. How and when the Board closes the SRP to new applicants will have implications for the cost cap.

The Board **HEREBY REAFFIRMS** the directives from the October and February Orders with respect to SREC registrations and applications for designation and the conditions for SREC eligibility of those received after October 29, 2018.

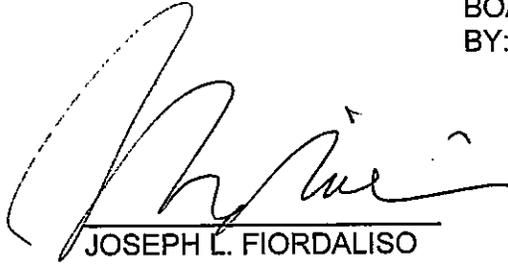
The Board **FINDS** that a consultant has been retained to fulfill the Act's requirement to complete a study to evaluate how to modify or replace the SREC program in an efficient and orderly manner. Under the oversight of Board Staff, the consultant has engaged stakeholders in a public process to gain insight to inform policy recommendations for the Board's consideration. The Board **FINDS** MSSIA's supplemental certifications and proposals to be premature and lacking the benefit of insight from broader input and a fuller review. The Board **HEREBY REJECTS** the requests filed by MSSIA on March 30, 2019 by rejecting the proposals laid out by MSSIA for determining when the 5.1% milestone is attained and how much incentive the projects not eligible for SRECs should be provided.

For the reasons stated herein, the Board **HEREBY DENIES** MSSIA's Motion for Reconsideration of its February Order including all subsequent filings and supplemental certifications attached by MSSIA.

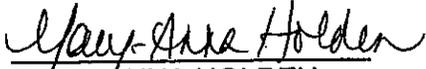
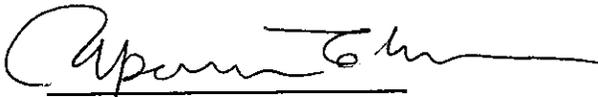
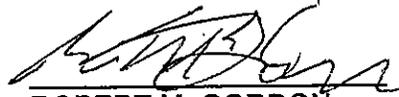
This Order shall be effective on July 20, 2019.

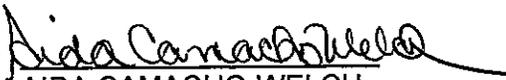
DATED: 8/7/19

BOARD OF PUBLIC UTILITIES  
BY:



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ROBERT M. GORDON  
COMMISSIONER

ATTEST:   
AIDA CAMACHO-WELCH  
SECRETARY

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

**IN THE MATTER OF THE MODIFICATION OF THE SOLAR RENEWABLE PORTFOLIO  
STANDARD SOLAR ALTERNATIVE COMPLIANCE PAYMENT SCHEDULE AND THE  
REDUCTION OF THE QUALIFICATION LIFE FOR SOLAR RENEWABLE ENERGY  
CERTIFICATES FOR SOLAR FACILITIES – MOTION FOR RECONSIDERATION**

**ORDER ON MOTION FOR RECONSIDERATION**

**BPU DOCKET NO. QO18070698**

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