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PUBLIC UTILITIES

BOARD OF PUBLIC UTILITIES

Renewable Energy and Energy Efficiency

Proposed Amendments: N.J.A.C. 14:8-2.4

Authorized By: The New Jersey Board of Public Utilities, Joseph L. Fiordaliso, President, Mary-Anna Holden, Dianne Solomon, Upendra J. Chivukula, and Robert M. Gordon, Commissioners.

Authority: N.J.S.A. 48:2-1 et seq., in particular 48:2-13, 48:3-51, and 48:3-87.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

BPU Docket Number: QX19060720

Proposal Number:

Comments may be submitted through _____, by e-mail in **Microsoft Word format**, or in a format that can be easily converted to Word, to: rule.comments@bpu.nj.gov, or on paper to:

Aida Camacho-Welch, Secretary

New Jersey Board of Public Utilities

ATTN: BPU Docket Number: QX19060720

44 S. Clinton Ave., 3rd Floor, Suite 314

PO Box 350

Trenton, NJ 08625-0350

Please take notice, that the Board recognizes that there may be market implications incident to the proposed 5.1% calculation methodology contained herein. The Board is committed to providing an open and transparent public dialogue, prior to the termination of the Solar

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Renewable Energy Certificate (“SREC”) registration program, on whether Board action is necessary to ensure that the solar market in New Jersey continues to remain healthy.

The agency proposal is as follows:

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 2. RENEWABLE PORTFOLIO STANDARDS

14:8-2.4

(a) No Change

(b) 1-5 No Change

6. No new SREC registration shall be accepted following a determination by the Board that 5.1 percent of the kilowatt-hours sold in the State by each electric power supplier and each basic generation provider comes from solar electric power generators connected to the State's electric distribution system has been attained. The Board shall announce the State's attainment of the 5.1% milestone when the installed solar capacity reported through New Jersey's Clean Energy Program (“NJCEP”) is estimated to have produced 5.1% of the retail electricity sales estimated to have been sold over the previous twelve months. Starting in March 2020, the Board shall report no later than the last business day of each month the estimated solar electricity generated over the previous twelve months. The trailing twelve months of solar electricity generated shall be estimated by multiplying the latest NJCEP-supplied figure on cumulative installed solar capacity for the previous twelve months by a corresponding solar output factor for each month. The solar output factor is an estimate of solar MWh output

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from one MW dc of capacity. Board Staff shall produce, based upon stakeholder input, an estimate of solar electricity in MWh expected energy output from one MWdc of installed solar capacity representative of the fleet of NJ solar installations. An estimate of retail electricity sold in the previous twelve months shall be calculated from data supplied by PJM-EIS GATS for load served adjusted for distribution line losses via a factor based upon stakeholder input. The Board’s monthly report on estimated solar electricity generated as a percent of estimated retail sales shall include the variables and methodology used for calculation which will include:

- i. An estimate of the trailing twelve months of solar electricity generated; based upon
 - a. the monthly cumulative installed solar capacity reported to the SREC Registration program;**
 - b. the solar output factors for each of the previous twelve months and how they were derived;****
- ii. an estimate of retail electricity sold and how it was calculated from PJM EIS GATS load served including the distribution line loss factor and its derivation; and**
- iii. the resulting equation and the figure it produces.**

[i. Termination of SREC registration program shall occur no later than June 1, 2021.]

7. Following a report that 5.1% of retail sales were attained from solar electric generation or that attainment of 5.1% of retail sales from solar electric generation is imminent within the next month, the Board shall authorize:

- i. Solar facilities registered in the SRP pipeline described in (p) below to be eligible for SRECs if:**

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- a. a solar facility commenced commercial operations prior to the 5.1 percent milestone attainment and had submitted a complete registration or application for designation or conditional certification on or before October 29, 2018. Such a facility shall be eligible for the 15-year SREC qualification life; or,
 - b. a solar facility commenced commercial operations prior to the 5.1 percent milestone attainment and had submitted a complete registration or application for designation or conditional certification after October 29, 2018. Such a facility shall be eligible for the 10-year SREC qualification life.
- ii. Solar facilities registered in the SRP pipeline described in (p) below that have not commenced commercial operations prior to the 5.1 percent milestone attainment to have their eligibility determined as follows:
 - a. Such a solar facility, if it submitted a complete registration or application for designation or conditional certification on or before October 29, 2018, may be eligible for a 15 year SREC qualification life subject to its maintaining all other eligibility requirements.
 - b. Such a solar facility, if it submitted a complete registration or application for designation or conditional certification after October 29, 2018, shall not be eligible for SRECs.
- iii. The commencement of commercial operations shall be determined by the date on which the Electric Distribution Company grants the facility permission to

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operate as referenced in N.J.A.C. 14:8-5 or the date the facility is granted permission to operate through PJM Interconnection LLC.

iv. Termination of the SREC registration program shall occur no later than June 1, 2021.

(c) No Change

(d) No Change

(e) No Change

(f) (Reserved)

(g) No Change

(h) 1-3 No Change

4. If the solar facility as described in the initial registration package meets SREC eligibility requirements, Board staff shall issue notice to the registrant of a conditional registration for the facility. The notice of the conditional registration shall:

i. State that, if the solar facility is constructed as described in the initial registration package, Board staff will issue a New Jersey State Certification Number for the solar facility upon construction completion and inspection **subject to conditions referenced in N.J.A.C 14:8-2.4(b)7; and**

ii. Include an expiration date 12 months after the date of the notice for facilities that are net metered, provide on-site generation, or provide power for a qualified customer engaged in aggregated net metering [or]. **Subject to the date of the Board’s determination on the State’s attainment of the 5.1% Milestone, facilities that are registered after August 7, 2019 may**

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**not be granted a full 12 month registration length and may not be eligible for an extension;
and**

[or an expiration date 24 months after the effective date of Board approval, designation, or conditional Board certification where Board approval, designation, or conditional certification is required; and]

iii. Include an expiration date 24 months after the effective date of Board approval, designation, or conditional certification for solar electric generation facilities where Board approval, designation, or conditional certification is required. Subject to the Board’s determination on the state’s attainment of the 5.1% Milestone, projects which applied to the Board for approval, conditional approval or conditional certification after October 29, 2018 may not be granted a full 24 month registration length and may not be offered an extension.

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

(i) Construction of the solar electric generating facility shall be **subject to the qualifications at N.J.A.C. 14:8-2.4 (b)7 and shall be** completed prior to expiration of the conditional registration.

The registrant for facilities that are net metered, provide on-site generation, or provide power for a qualified customer engaged in aggregated net metering, **and which received conditional registration before December 31, 2018**, may request one extension prior to the expiration of the conditional registration, and shall include an updated schedule for completion. Except for registrations submitted for projects approved or conditionally approved for designation as "connected to the distribution system" under (g) above, Board staff may authorize one extension

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of the project's registration on a case-by-case basis, based on the likelihood of timely and successful completion of the solar facility. An extension shall provide a new expiration date, six months from the expiration of the original conditional registration. **A project that is provided conditional registration after December 31, 2018, such that it has an expiration date falling after December 31, 2019, may not be granted the full six month extension. The conditional registration of such a project may end when the Board has determined that the 5.1 percent Milestone has been attained.**

If the conditional registration, or extension, expires before construction is complete, the registrant shall begin the entire registration process again by submitting an initial registration package. Board staff shall treat the new registration package as if it were a first-time submittal, with no reference to the previous registration process. Facilities that require approval or certification by the Board, other than those requiring approval of designation under (g) above, must seek extensions of the conditional registration expiration date directly by application to the Board, unless otherwise directed by the Board. Registrants who file after failure to complete during the initial 18 or 24 month registration period shall not be subject to the penalty set out at (e) above if the Board finds that the failure to complete within time was reasonable.

If these projects were provided conditional certification after October 29, 2018, they may not be granted a full 24 month to complete the project and may not be offered an extension.

(j) No Change

(k) No Change

(l) No Change.

(m) No Change

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(n) No Change

(o) No Change.

(p) No Change

(q) No Change

(r) The Board shall approve, conditionally approve, or disapprove any application for designation as connected to the distribution system of a solar electric power generation facility filed with the Board no more than 90 days after receipt by the Board of a completed application. For any such application for a project greater than 25 kilowatts, the Board shall require the applicant to post a notice escrow with the Board in an amount of \$40.00 per kilowatt of DC nameplate capacity of the facility, not to exceed \$40,000. The notice escrow amount shall be reimbursed to the applicant in full upon either denial of the application by the Board or upon commencement of commercial operation of the solar electric power generation facility. The escrow amount shall be forfeited to the State if the facility is designated as connected to the distribution system pursuant to this subsection but does not commence commercial operation within two years following the date of the designation by the Board. **This escrow requirement only applies to the class of grid supply projects required to file an application for designation.**

(s) [The SREC term shall be 10 years for all applications for designation as connected to the distribution system of a solar electric power generation facility filed with the Board after May 23, 2018, the date of enactment of P.L. 2018, c. 17 (N.J.S.A. 48:3-87.8 et seq.).]

The qualification life shall be 10 years for all solar generation projects for which the Board receives a complete registration or application for designation as connected to the

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distribution system or conditional certification after October 29, 2018, which achieves commercial operation prior to attainment of the 5.1 percent Milestone, and which is otherwise eligible for conditional registration.