



STATE OF NEW JERSEY
Board of Public Utilities
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CLEAN ENERGY

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IN THE MATTER OF THE COMMUNITY SOLAR ENERGY PILOT PROGRAM)	DOCKET NO. QO18060646
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IN THE MATTER OF COMMUNITY SOLAR ENERGY PILOT PROGRAM APPLICATION FORM - CITRINE POWER, LLC BLOCK: 47 LOT: 9)	DOCKET NO. QO19091124
)	
IN THE MATTER OF THE VERIFIED PETITION OF CITRINE POWER LLC SEEKING BOARD AUTHORIZATION TO INCREASE SOLAR ENERGY PROJECT SIZE FOR A BOARD APPROVED SOLAR ENERGY PROJECT IN THE COMMUNITY SOLAR ENERGY PILOT PROGRAM)	DOCKET NO. QO20050361

Parties of Record:

Howard O. Thompson, Esq., Russo Tumulty Nester Thompson and Kelly, LLC on behalf of Citrine Power LLC
Lauren Lepkoski, Esq., on behalf of Jersey Central Power and Light Company

BY THE BOARD:

On May 18, 2020, Citrine Power LLC (“Citrine” or “Petitioner”) filed a petition to the Board requesting an increase in size of the community solar energy project granted conditional approval by the Board on December 20, 2019 under Docket Number QO19091124. The petition also requests a five-month extension from the date of the Board’s December 20, 2019 Order (“December Order”) for the 6-month and 12-month deadlines required in the Community Solar Energy Pilot Program (“Pilot Program”) rules.

BACKGROUND

On May 23, 2018, the Clean Energy Act, P.L. 2018, c. 17, was signed into law, directing the Board of Public Utilities (“Board” or “BPU”) to adopt rules and regulations within 210 days establishing a Community Solar Energy Pilot Program (“Pilot Program”). The Pilot Program enables New Jersey

electric utility customers to participate in a solar energy project that may be remotely located from their properties and receive a credit on their utility bills. Community solar therefore enables access to clean energy generation for utility customers currently unable to place solar generation directly on their own properties. The Pilot Program is designed to provide the necessary experience and to lay the groundwork for the development and implementation of a full-scale Community Solar Energy Program within 36 months of the adoption of the Pilot Program rules and regulations. The Board adopted the Pilot Program rules on January 17, 2019 following stakeholder engagement. The adopted rules were filed with the Office of Administrative Law and published in the New Jersey Register on February 19, 2019.

On March 29, 2019, the Board approved and released the Community Solar Energy Pilot Program, Program Year 1 Application Form ("PY1 Application Form"). The Application Period opened on April 9, 2019 at 9:00 a.m. and closed on September 9, 2019 at 5:00 p.m. The Board received 252 Applications by the deadline. On December 20, 2020, the Board granted conditional approval to 45 community solar applications¹; a revised Order was issued on February 25, 2020 to correct a typographical error.

FACTUAL AND PROCEDURAL HISTORY

On September 9, 2019, Citrine submitted an application for a 1.16 MWdc / 850 kWac system to participate in Program Year 1 ("PY1") of the Pilot Program.² The proposed project ("Project") is a parking canopy located at the Blue Army Shrine in Franklin Township, in Jersey Central Power and Light ("JCP&L") service territory. The Project is a Low- and Moderate-Income ("LMI") project as defined in the Pilot Program rules at N.J.A.C. 14:8-9.8. The Project was received by the Board and assigned Docket Number QO19091124. On December 20, 2019, this Project was one of 45 projects granted conditional approval to participate in PY1 of the Pilot Program.

SUMMARY OF PETITION

On May 18, 2020, Citrine filed a petition to the Board requesting an increase of the Project's size, from 1.16 MWdc to 2 MWdc. The petition contends the following: Citrine's original application to the Board was sized at 1.6 MWdc / 850 MWac based on JCP&L's hosting capacity map, which indicated that the interconnection point closest to the project's location (the Washington 24571 circuit) could accommodate 862 kWac capacity. The cost estimates provided to the Board in the original application estimated interconnection costs of \$0.10 per watt, or \$116,450. On January 17, 2020, Citrine submitted a Level 2 Interconnection Application to JCP&L. In February 2020, JCP&L provided to Citrine its Solar Generation Interconnection Combined Feasibility/System Impact Study, which found that the Washington 24571 circuit could only accommodate a maximum system size of 450 kWac, at an estimated cost of interconnection of \$25,000. JCP&L's February study also suggested that an alternative interconnection point (Broadway 27635) could accommodate a larger system size, but had a total estimated interconnection cost of \$615,000.

¹ In re the Community Solar Energy Pilot Program, BPU Docket No. QO18060646, Order dated December 20, 2019.

² Staff notes that the Petition identifies the project as a 1.159 MWdc project. The electronic version of the Application submitted to the Board on September 9, 2019 is for a 1.16 MWdc project; the December Order granted conditional approval to the project as a 1.16 MWdc project. Staff therefore uses 1.16 MWdc as the current system size throughout.

Staff further notes that the petition states that Citrine's application was submitted on September 6, 2019. Staff's records indicate that the electronic version of the application was submitted via email on September 9, 2019.

The February study also included a third option, interconnection with a nearby transmission circuit, for an estimated cost of \$2,078,000. On April 10, 2020, JCP&L provided a revised Solar Generation Interconnection Combined Feasibility/System Impact Study, which found that the original interconnection point at Washington 24571 cannot currently accommodate any new capacity and that, in order to interconnect at that point, the system size would need to be reduced to 450 kWac and the total estimated interconnection cost would be \$149,000.³ The alternative option of interconnection at the Broadway 27635 circuit remained viable, at a total estimated cost of \$615,000. The third option of interconnection with a nearby transmission circuit for an estimated cost of \$2,078,000 was also included in the April study.

In light of JCP&L April study, the Petition contends that the Project will be economically feasible, and be able to bear the higher interconnection cost of interconnecting at Broadway 27635, if the Board were to grant an increase in project size from 1.16 MWdc to 2 MWdc.

Citrine supports its request with the following observations: 1) that the Project sized in Citrine's original application was determined based on JCP&L's capacity hosting map, which was inaccurate and misleading; 2) that subsequent dialogue with the utility after the Project was granted conditional approval by the Board confirmed that it is possible to interconnect a larger solar system on the Broadway 27635 circuit; 3) that the Petition includes a letter of support from the site host, Blue Army Shrine, for the expanded project size; 4) that authorizing the increase in size for this Project is in line with the Energy Master Plan's commitment to 100% clean energy by 2050; 5) that it is unlikely that all conditionally approved PY1 community solar projects will be built, and therefore that the requested increase in size for Citrine's project should not have a material impact on the overall size of the Pilot Program; 6) that the increase in system size would have no impact on the solar market inasmuch as the size increase is minimal in the New Jersey solar marketplace; and 7) that, if the increase in size is not granted, the project will either not proceed, or proceed at a smaller size and higher interconnection cost, thereby reducing the savings that can be passed on to the Project's subscribers.

The Petition also requests a five-month extension from the date of the Board's December 20, 2019 Order for the 6-month deadline to begin construction and the 12-month deadline for project completion required in the Pilot Program rules. The Petition contends that the five-months between January and May 2020 during which Citrine has worked with JCP&L to determine interconnection options is a sufficient reason to grant a five-month extension for both deadlines.

SUMMARY OF JCP&L RESPONSE

JCP&L filed a response to Citrine's Petition on July 6, 2020. JCP&L opposes Citrine's requested increase in the proposed system size from 1.16 MWdc to 2 MWdc. JCP&L believes that, based on the interconnection review, Citrine has two primary options for interconnecting the system: 1) interconnecting a 450 kWac system to the Washington 24571 circuit at a cost of \$147,000, or 2) interconnecting the proposed 1.16 MWdc / 850 kWac system to the Broadway 27635 circuit at a cost of approximately \$615,000. Alternatively, JCP&L states that Citrine could explore other options for a proposed project and apply to participate in Program Year 2 of the Pilot Program.

³ Staff notes that the April study was provided as an attachment to the Petition, and estimates the cost of Option 1, reducing the system size to 450 kWac and remain on Washington 24571 would have a total cost estimated at \$179,000. JCP&L's response indicated that this option was estimated to have a total cost of \$147,000.

JCP&L states that Citrine did not reach out to JCP&L prior to filing the Petition to discuss the feasibility of interconnecting an increased system size of 2 MWdc / 1.47 MWac to the Broadway 27635 circuit. Based on preliminary review, JCP&L believes that the increased size would be possible, as the Broadway 27635 circuit has a potential hosting capacity of approximately 2.7 kW; however, JCP&L notes that increasing the system size would require installing a relay protection upgrade. This relay protection upgrade would add to the original cost estimate (as noted above, the interconnection cost estimate for a 1.16 MWdc / 850 kWac system at Broadway 27635 is \$615,000). JCP&L therefore notes that a new feasibility study would be required to fully understand the upgrades and costs associated with a larger system size.

JCP&L further opposes the Petition's request for an increase in system size because JCP&L believes it is contrary to the Board's regulations that establish an annual capacity limitation by utility and the Board Order dated December 20, 2019, which established a PY1 capacity for JCP&L of 21.67314 MWdc. In particular, JCP&L states the following:

- 1) A waiver of the Board's regulations is not justified in this case, as there would be no adverse impact to JCP&L's customers if the Petition is denied.
- 2) Citrine has neither demonstrated that it has customers subscribed for this project nor that it will meet its goal of 51% of the project being subscribed by LMI customers, and therefore there is no reason to believe an increased system size will make Citrine's subscription goals more likely.
- 3) Community solar developers are well aware that their proposed projects will undergo interconnection study by utilities, and may require significant interconnection and distribution-related costs; private developers are responsible if those costs are larger than anticipated.
- 4) If the Board were to grant this Petition, it would be inundated with requests from community solar developers seeking to waive the Pilot Program rules and regulations in an effort to modify their proposed projects in a manner than increases the profit for developers.
- 5) JCP&L's hosting capacity maps include disclaimers regarding the applicability of the maps, and that developers must submit an interconnection application to determine the actual hosting capacity for a particular location. Citrine had the option of submitting an interconnection application for its proposed system prior to completing its PY1 application to the Board, but chose not to do so.

Regarding Citrine's request for a five-month extension on project completion, JCP&L does not oppose the requested extension, particularly in light of the permitting issues articulated by Citrine, which JCP&L believes are likely exacerbated by the COVID-19 pandemic. However, JCP&L disagrees with Citrine's characterization of the timeliness of JCP&L's interconnection review process, which JCP&L states was performed in a prompt and reasonable manner.

STAFF RECOMMENDATION

With respect to the Petition's request for an increase in the system size, Staff recommends that the Board grant the request. Citrine's case is specific to the nature of the PY1 Pilot Program application process, in which projects were able to submit applications to the Board prior to receiving a full interconnection feasibility study from the relevant electric distribution company ("EDC"), instead relying on the hosting capacity maps published by each EDC. Staff believes that it would be in the best interest of the Pilot Program as a whole for the project to proceed, in order to support the early years of community solar development in New Jersey. Staff also notes that there is currently no penalty for projects to decrease their project size from what was granted

conditional approval from the Board: denying this Petition could risk encouraging applicants in PY2 and PY3 intentionally overestimating the size of their projects in their applications, therefore leading to higher amounts of capacity drop-off compared to the amount of capacity granted conditional approval by the Board. The recommended increase in size for Citrine's project would, like the project size originally granted conditional approval by the Board in December 2019, be contingent on the project undergoing JCP&L's interconnection application and study process in accordance with all applicable rules and regulation.

Staff believes that:

- 1) Denial of the petition would have an adverse impact on JCP&L's customers because it would likely lead to the downscaling or cancellation of the project, and potentially a lower level of savings provided to the project's subscribers;
- 2) JCP&L's argument that Citrine may be unable to meet its subscriber goals is entirely irrelevant to the Board's consideration of this petition. The program design is such that a project is unlikely to begin subscribing customers until its development is sufficiently advanced. Citrine will be held to its 51% LMI requirement regardless of the size of the system.
- 3) Contrary to JCP&L's statement, Staff does not believe that, if the Board were to grant this Petition, it would be inundated with requests from community solar developers seeking to waive the Pilot Program rules and regulations in an effort to modify their proposed projects in a manner that increases the profit for developers. This Petition is tied to a narrow set of circumstances, dictated in large part by the application process for PY1 of the Pilot Program. If similar petitions were to be submitted to the Board, they would be considered on a case-by-case basis, like Citrine's.
- 4) While Citrine had the option of submitting an interconnection application for its proposed system prior to submitting an application to the Board, it was not required to do so, and the timing of the Pilot Program Year 1 schedule would likely have made such a requirement infeasible. The Pilot Program Year 1 Application Form required only that the hosting capacity maps indicate that hosting capacity is available at the proposed project's location.
- 5) Staff disagrees with JCP&L's argument that allotting extra capacity to JCP&L is inconsistent with the Board's prior orders. The Board initially allotted JCP&L 20.625 MWdc, but increased that amount to 21.67314 MWdc in its December 20, 2019 Order, awarding a total of 77.98548 MWdc. Thus, the Board has already demonstrated flexibility, particularly given that some projects are likely to not reach fruition. Of specific relevance to this petition, thus far two projects have formally withdrawn from PY1 of the Pilot Program, one of which is a 1.8625 MWdc project in JCP&L service territory. In light of this withdrawal, increasing Citrine's project by 0.84 MWdc would not exceed the limit of 21.67314 MWdc set by the Board's December 20, 2019 Order.

With respect to the Petition's request for a five-month extension, Staff recommends that the Board deny the request without prejudice. Pursuant to the Pilot Program rules at 14:8-9.3(c)7, staff has established a mechanism for requesting extensions to the 6-month deadline to begin construction. Pursuant to this process, and subsequent to the submittal of the Petition, Citrine submitted and was granted a request for two extensions to the deadline to begin construction. Citrine will be able to continue to do so in accordance with the Pilot Program rules. A similar process will be established for PY1 projects to submit extension requests to the completion deadline, pursuant to N.J.A.C. 14:8-9.3(c)8.

DISCUSSION AND FINDINGS

Community solar is an important new program to increase access to solar energy for all ratepayers in the State, particularly low- and moderate-income residents. Having considered the information provided in the Petition, JCP&L's response, and Staff's recommendation, the Board **FINDS** that the specific circumstances of the Project represent good cause to increase the system size. The Board disagrees with JCP&L's assertions that consumers would somehow be harmed by an increase in project size. The Board strongly believes that this is untrue, given the enormous advantages that community solar provides, particularly to disadvantaged communities, which have too often been denied the environmental and economic benefits of New Jersey's solar programs. The Board has also taken into consideration the fact that not all projects granted conditional approval as part of PY1 will be completed. Specifically, the Board notes that one of the two projects that have officially withdrawn to date is in JCP&L service territory, and had been granted a system size of 1.8625 MWdc. In light of the withdrawal of this project, granting Citrine's requested system size increase (an increase of 0.84 MWdc) would still keep JCP&L's awarded capacity below the 21.67314 MWdc limit set by the Board in the December 20, 2019 Order. The Board therefore **GRANTS** the Petition's request for an increase in system size from 1.16 MWdc to 2 MWdc, contingent on Citrine Power submitting a complete interconnection application for the increased size, and working with JCP&L to determine the technical feasibility of said increase in system size. The Board **ALSO FINDS** that the Project must maintain compliance in all other characteristics of the Project as it was described in the original application granted conditional approval by the Board on December 20, 2019; this includes, but is not limited to, the fact that the increased capacity must be built as a carport, at least 51% of the newly adjusted total capacity must be allocated to LMI subscribers, and at least 51% of the newly adjusted capacity must be allocated to residential subscribers.


With respect to the Petition's request for a five-month extension, the Board **FINDS** that the Pilot Program rules at N.J.A.C. 14:8-9.3(c)7 and N.J.A.C. 14:8-9.3(c)8 already establish a mechanism for requesting extensions to the 6-month deadline to begin construction and to the 12-month deadline for completion. The Board **HEREBY DENIES** without prejudice the Petition's request for a 5-month extension and **FINDS** that extension requests are to be submitted in accordance to the Pilot Program rules and following the instructions provided by staff.

Finally, the Board does wish to acknowledge the benefits to project developers of working with their EDC to better understand the technical and economic feasibility of each project. Indeed, it is the nature of such pilot projects to identify precisely this type of problem and to provide guidance to future projects as the program scales up. However, the Board cautions that the waiver granted in today's order is specific to the facts of this particular project, the multiple changes in interconnection costs and timelines, and the fact that the Program Year 1 Pilot Program took place on a compressed timeline. Future waiver requests will be treated on a project-by-project basis.

The effective date of this order is September 19, 2020.

DATED: September 9, 2020

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AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE VERIFIED PETITION OF CITRINE POWER LLC SEEKING BOARD
AUTHORIZATION TO INCREASE SOLAR ENERGY PROJECT SIZE FOR A BOARD
APPROVED SOLAR ENERGY PROJECT IN THE COMMUNITY SOLAR ENERGY PILOT
PROGRAM

DOCKET QO18060646, DOCKET QO19091124, and DOCKET QO20050361

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