

STATE OF NEW JERSEY

Board of Public Utilities 44 South Clinton Avenue, 1st Floor Trenton, New Jersey 08625-0350 www.nj.gov/bpu/

		CLEAN ENERGY
IN THE MATTER OF THE VERIFIED PETITION OF GEOSCAPE SOLAR LLC FOR APPROVAL OF A WAIVER AND EXTENSION OF SOLAR TRANSITION INCENTIVE PROGRAM COMMERCIAL OPERATION DEADLINE FOR THE FILLO FACTORY SOLAR PROJECT - NJSTRE1547462653))))	ORDER DOCKET NO. QW23080630

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel Murray E. Bevan, Esq., Bevan, Mosca & Guiditta, P.C., on behalf of Geoscape Solar, LLC

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board" or "BPU") considers a petition submitted by Geoscape Solar LLC ("Petitioner" or "Geoscape") on August 30, 2023, seeking an extension of time to achieve commercial operation, for a registration within the Transition Incentive ("TI") Program for a solar project in Northvale, New Jersey with TI Application Number NJSTRE1547462653 ("Project"). In the alternative, Petitioner requested that the Board allow it to certify a portion of the project for eligibility in the TI Program and register a portion in the Administratively Determined Incentive ("ADI") Program.

BACKGROUND

On May 23, 2018, Governor Murphy signed the Clean Energy Act of 2018 ("CEA" or "Act"), <u>L.</u> 2018, <u>c.</u> 17 (N.J.S.A. 48:3-87.8 *et al.*), into law. In pertinent part, the CEA directed the Board to adopt rules and regulations closing the Solar Renewable Energy Certificate Registration Program ("SRP") to new applications once the Board determines that 5.1 percent of the kilowatt-hours of electricity sold in the State of New Jersey ("State") by Third Party Suppliers and Basic Generation Service providers is generated by solar electric power generators connected to the distribution system ("5.1% Milestone"). N.J.S.A. 48:3-87(d)(3).

On December 6, 2019, the Board established the TI Program as a bridge between the legacy SRP and the to-be-developed Successor Solar Incentive ("SuSI") program.¹ The TI Program Rules, N.J.A.C. 14:8-10.1 *et seq.* ("TI Rules"), permit eligible projects to receive Transition

¹ In re a New Jersey Solar Transition Pursuant to P.L. 2018, c. 17, BPU Docket No. QO19010068, Order dated December 6, 2019.

Renewable Energy Certificates for each megawatt-hour of electricity produced through solar generation. The TI Program portal opened to new applications on May 1, 2020, and, pursuant to Board Order dated January 8, 2020, remained open to new registrations until the establishment of the SuSI Program.² The TI Program rules do not provide for automatic or administrative extensions to the projects' conditional registration expiration dates.³

By Order dated July 29, 2020, the Board granted projects registered in the TI Program on or before October 30, 2020 a one (1)-year extension of time in which to reach commercial operation, signified by receipt of permission to operate ("PTO"), extending the deadline through October 30, 2021.⁴ In the July 2020 Order, the Board found that the solar industry was, at that time, adjusting to significant changes from both the COVID-19 pandemic and changes in solar incentive programs. Under those circumstances, the Board found that waiving the Board's rules to permit additional time for project completion appropriately balanced the needs of the solar industry with the cost to ratepayers.

By Order dated June 24, 2021, the Board found that the solar industry required further time to adjust to the requirements of the CEA and the impacts of the COVID-19 Pandemic and granted projects registered in the TI Program on or before the effective date of the June 2021 Order a six (6)-month extension to the deadline established by N.J.A.C. 14:8-10.4.⁵

On July 9, 2021, Governor Murphy signed <u>L.</u> 2021, <u>c.</u> 169 into law, directing the Board to immediately initiate a proceeding to develop and launch the successor program to the TI Program, among other requirements. By Order dated July 28, 2021, the Board announced the closure of the TI Program on August 27, 2021 in anticipation of the SuSI Program launch.⁶ By Order dated July 28, 2021, the Board opened the SuSI Program on August 28, 2021.⁷

By Order dated January 26, 2022, the Board waived N.J.A.C. 14:8-11.4(b) which requires receipt of conditional registration in the Administratively Determined Incentive ("ADI") Program prior to beginning construction on a solar facility. The Board addressed projects possessing a valid TI Program registration on the date of the Order and allows them to apply for registration in the ADI Program if construction had commenced prior to receipt of a conditional registration.⁸ In the January 2022 Order, the Board directed Board Staff ("Staff") to propose amendments to the SuSI

² In re a New Jersey Solar Transition Pursuant to P.L. 2018, c. 17, BPU Docket No. QO19010068, Order dated January 8, 2020.

³ The conditional registration "expiration dates" are also referred to as the registration deadline.

⁴ <u>In re a New Jersey Solar Transition Pursuant to P.L. 2018, c. 17 – Order Providing Extensions to Solar Transition Projects, BPU Docket Nos. QO19010068 & QO20070484, Order dated July 29, 2020 ("July 2020 Order").</u>

⁵ In re a New Jersey Solar Transition Pursuant to P.L. 2018, c. 17 – Order Addressing Requests for Extension for Projects in the Solar Transition Incentive Program, BPU Docket Nos. QO19010068 & QO21060883, Order dated June 24, 2021 ("June 2021 Order").

⁶ In re a New Jersey Solar Transition Pursuant to P.L. 2018, c. 17, BPU Docket No. QO19010068, Order dated July 28, 2021.

⁷ In re a Solar Successor Incentive Program Pursuant to P.L. 2018, c. 17, BPU Docket No. QO20020184, Order dated July 28, 2021.

⁸ In re a Solar Successor Incentive Program Pursuant to P.L. 2018, c.17, Order Modifying ADI Program Eligibility Conditions, BPU Docket No. QO20020184, Order dated January 26, 2022 ("January 2022 Order").

Program Rules to address this issue. Subsequently, these amendments to N.J.A.C. 14:8-11.4 were adopted on December 18, 2023.9

By Order dated June 8, 2022, the Board granted a conditional extension in the TI Program to ESNJ-KEY-GIBBSTOWN, LLC, subject to a showing that certain specified conditions applied. ¹⁰ In the Gibbstown Order, the Board found good cause to grant a conditional extension to the petitioner's project because the project was electrically and mechanically complete, secured all necessary permits, and was prevented from meeting its TI Program deadline by a unilateral change to the timeline for interconnection upgrades, made by the electric distribution company ("EDC") and outside of the control of the TI Program registrant. In the same Order, the Board further established a process by which petitioners similarly situated may apply for extensions to their TI Program registration, subject to their making a similar showing.

A significant number of TI registrants have petitioned the Board for extensions. On August 17, 2022, the Board issued an Order denying fifteen (15) petitioners' requests to extend the deadlines for the projects as unsupported by the record and inconsistent with the interim nature of the TI Program. Petitioners were encouraged to withdraw their TI registration and submit a registration in the ADI Program if the petitioners found that they could not complete the projects by the existing TI Program deadlines. Finally, if the petitioners did so, the Board waived the ADI Program rule enumerated at N.J.A.C. 14:8-11.4(b) for these projects that prohibits projects from commencing construction without first obtaining a notice of conditional registration in the program.

On November 9, 2022, the Board issued a second Order denying twenty-eight (28) petitions for extension in the TI Program. The Board found that, while the projects were at varying stages of development, they all shared a failure to satisfy the completion milestones of the TI Program. ¹⁴ As in the August 2022 Order, petitioners were encouraged to withdraw their TI registration and submit a registration in the ADI Program if the petitioners found that they could not complete the projects by the existing TI Program deadlines. ¹⁵ Accordingly, the Board waived for these projects the ADI Program rule enumerated at N.J.A.C. 14:8-11.4(b) that prohibits projects from commencing construction without first obtaining a notice of conditional registration in the program. ¹⁶

On September 18, 2023, the Board issued a third Order denying seventeen (17) petitions and

⁹ 55 N.J.R. 2555(a).

¹⁰ In re a New Jersey Solar Transition Pursuant to P.L. 2018, c. 17 – In re Request for an Extension of Time to Complete NJSTRE1545046932 in Transition Incentive Program – 480 South Democrat Road, Gibbstown, NJ ESNJ-KEY-GIBBSTOWN, LLC, BPU Docket Nos. QO19010068 & QO22030156, Order dated June 8, 2022 ("Gibbstown Order").

¹¹ In re a New Jersey Solar Transition Pursuant to P.L. 2018, c.17, BPU Docket Nos. QO19010068 et al., Order dated August 17, 2022 ("August 2022 Order").

¹² <u>Id.</u> at 12.

¹³ Ibid.

¹⁴ In re New Jersey Solar Transition Pursuant to P.L. 2018, c.17, BPU Docket No. QO19010068, Order dated November 9, 2022 ("November 2022 Order").

¹⁵ Id. at 45.

¹⁶ Ibid.

approving one (1) petition in part for extension in the TI Program. The Board's findings and rulings were similar to those contained within the November 2022 Order.

PETITION

On August 30, 2023, Geoscape filed a petition with the Board to extend the TI Program completion deadline for its rooftop solar project on the Fillo Factory, located at 10 Fairway Court in Northvale, New Jersey, by approximately three (3) months, to December 2, 2022. According to the petition, the Project was accepted into the TI Program on September 1, 2021 with a completion deadline of September 1, 2022 for a solar system size of 960.08 kW DC. Petitioner averred that the Project had received a conditional PTO from Rockland Electric Company ("RECO") on August 29, 2022, allowing a limited export of 499 kW alternating current ("AC") and that on December 2, 2022, RECO provided PTO for the full capacity of the Project, sized at 916.2 kW direct current ("DC"). Petitioner submitted the post-construction certification package to TRC, the SuSI/TI Program Administrator, on August 30, 2022 and filed the petition on August 30, 2023.¹⁷ In keeping with the three (3)-month delay in receipt of a full PTO, in its petition Geoscape requested an extension of three (3) months from the expiration date provided in its registration acceptance letter. Geoscape alleged unforeseen interconnection delays that it asserted constituted circumstances analogous to those described in the Gibbstown Order; it also referenced negotiations over the upgrade costs. The Petitioner stated that an interconnection application had been filed with RECO on January 4, 2021 and that RECO had given it repeated assurances that the necessary upgrades to RECO's distribution system would be completed in time for Petitioner to meet its TI Program expiration date before informing it that the upgrades would not be completed. Accordingly, Petitioner claims that the Project "satisfies all three of the Gibbstown factors,", and that Petitioner is eligible to receive an extension pursuant to the Gibbstown Order. Petition at 11.

If the Board does not approve the extension request for the full capacity of the Project, the Petitioner requested alternative relief: that the Board allow the portion of the Project that received conditional PTO from RECO prior to the expiration date to be certified as eligible for TRECs in the TI Program and allow the remaining portion of the Project to register in the ADI Program, subject to separate metering to track production for the two parts of the Project in separate incentive programs.

STAFF RECOMMENDATION

Pursuant to the TI Program rules, the Petitioner must have commenced commercial operations on its projects and submitted a post-construction certification package prior to the expiration of its conditional registration to be eligible for incentives under the TI Program. N.J.A.C. 14:8-10.4. Pursuant to N.J.A.C. 14:8-10.4(f), the Petitioner's project received a twelve (12) -month registration expiration, with no provision for automatic or administrative extensions to the deadlines. ¹⁸

The Gibbstown Order waived the requirement that projects registered in the TI Program commence commercial operations on or before their existing deadline in order to permit a single

¹⁷ The petition made two (2) separate statements about when the post-construction certification paperwork was submitted, i.e., 2022 versus 2023, but the documentation attached to the petition supports the 2022 submission date.

¹⁸ The conditional registration expiration dates vary based on the type of project, with Community Solar and Subsection (t) projects having different timelines, as well as when the project registered in the TI Program. <u>See generally</u> N.J.A.C. 14:8-10.4.

six (6)-month extension to "similarly situated" projects. ¹⁹ Petitioner alleged the Project is "similarly situated." The petition delineates facts indicating that the Project was electrically and mechanically complete prior to its TI Program expiration date; that it had received and satisfied all necessary permits from all authorities having jurisdiction over the project prior to its TI Program expiration date; and that Project construction was proceeding based on a representation from the EDC that any necessary interconnection upgrades would be completed prior to the project's TI Program expiration date, that Petitioner had fully funded these upgrades, and that the estimated upgrade completion date was unilaterally extended by the EDC.

However, the petition also demonstrates that the expiration date for Petitioner's conditional project registration was September 1, 2022 and that this date predates both the submittal of the post-construction certification package and the filing of the instant petition, each dated August 30, 2023, by one (1) year. Additionally, based on the records of the SuSI/TI Program Administrator, was an extension request filed before the Project's expiration date.

The above record demonstrates that the Project is not "similarly situated" to that granted an extension in the Gibbstown Order. The Gibbstown Order specifies that "similarly situated" projects must have active registrations. Gibbstown Order at 7. The long-standing practice in the Board's solar incentive programs has been that to preserve an expired registration, the party seeking relief must have filed either an extension request with the relevant program administrator or a petition with the prior to the expiration date. The Gibbstown petitioner had filed its petition prior to the expiration of its registration. Geoscape had not timely filed neither a petition nor an extension request. Accordingly, its registration is no longer active and the project is not "similarly situated" to the one addressed in the Gibbstown Order.

The post-construction certification package filed by Geoscape prior to the project's September 1, 2022 expiration date was incomplete as a result of a conditional rather than a full PTO. Staff recommends that the Board enforce the deadline at N.J.A.C. 14:8-10.4(f)(4)(iii), and clarify, as eligible for TRECs, the portion of the project able to supply the post-construction certification package with a conditional PTO submitted before the deadline. Staff notes that the petition was filed after the project's TI registration expiration date, as noted above per the Board's practices. Furthermore, this project was registered in the final days of the TI Program. Staff recommends that the Board deny the request for an extension of the Project's TI registration.

Turning to Petitioner's alternative request for relief, Staff recommends that the Board allow the SuSI/TI Program Administrator to process the final-as-built paperwork for the 499 kW AC portion of the system that has received conditional PTO from RECO and allow the Petitioner to register the remaining capacity as a separate project in the ADI Program. Staff notes that the portion of the Project registered in the ADI Program would require installation of a separate revenue grade meter, so as to ensure accurate accounting of production for the two (2) different incentive programs. Staff also notes that Petitioner would not require a waiver of the prohibition on having commenced operation prior to registration in the ADI Program codified at N.J.A.C. 14:8-11.4(b), since Petitioner had registered the project in the TI Program. See N.J.A.C. 14:8-11.4(b).

DISCUSSION AND FINDINGS

The Board has long supported New Jersey's solar industry. It endeavors, at all times, to support the industry's continued growth while at the same time minimizing the costs to ratepayers to the

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¹⁹ N.J.A.C. 14:8-10.4(e) or (f).

greatest extent possible. In furtherance of these twin goals, the TI Rules and the timelines contained therein were designed to provide a smooth transition to the SuSI Program. As such, the TI Program was designed to be a limited bridge between the SRP and the SuSI Program. N.J.A.C. 14:8-10.1.

Petitioner requested that the Board waive the TI Program rules, which established clear and unambiguous deadlines, to extend the TI Program deadlines for their projects. The Board's rules state that "[i]n special cases and for good cause shown, the Board may...relax or permit deviations from these rules." N.J.A.C. 14:1-1.2(b). The rules go on to explain that "[t]he Board shall, in accordance with the general purposes and intent of its rules, waive section(s) of its rules if full compliance with the rule(s) would adversely affect the ratepayers of a utility or other regulated entity, the ability of said utility or other regulated entity to continue to render safe, adequate and proper service, or the interests of the general public." N.J.A.C. 14:1-.2(b)(1).

Thus, when faced with a petition seeking a waiver of the TI Program Rules and their timelines, the Board carefully reviews the facts and circumstances of each such petition to determine whether waiving the Board's rules is in the public interest. The Board must balance petitioners' interests as solar developers with the public's interest in timely completion of projects, the ratepayers' interest in controlling the cost of solar subsidies, and the State's interest in ensuring that incentive levels appropriately reflect the time period during which a project reaches commercial operation.

Following careful review of the record, including the petition, attached documentation, and Staff's recommendations, the Board <u>HEREBY ADOPTS</u> Staff's recommendations. The Board <u>FINDS</u> that the Petitioner was on notice of time limitations in the TI Rules at the time of their registration and was on notice that the TI Rules did not provide for extensions. Further, as noted by Staff, this project registered in the final days of the TI Program. Thus, Geoscape appear to have had access to all of the information necessary to make an informed decision about whether to invest in this market understanding of the constraint of a one (1)-year TI Program registration expiration.

The Petitioner argued that extensions should be granted because the project had a fact pattern analogous to that described in the Gibbstown Order. As it has in the past, the Board <u>FINDS</u> that ongoing interconnection negotiation necessarily relates to project maturity. The Board finds this particularly so in the context of the TI Program and its rules that purposefully limit the time in which a project must reach commercial operation and receive its PTO to twelve (12) months. By virtue of the operation of the expiration dates established by rule at N.J.A.C. 14:8-10.4, TI Program eligibility was always intended to be limited to those projects mature enough to complete in twelve (12) months. The Board <u>FINDS</u> that the project described in the petition did not comply with program requirements and deadlines.

The Board is mindful of the investment made by the developer of the proposed project. However, interest in achieving the State's continued solar development goals must be weighed against the public's interest in timely completion of projects, the ratepayers' interest in controlling the cost of solar subsidies, and the State's interests in ensuring a smooth transition between solar programs. Balancing the State's goals outweighs any single project developer's reliance on the TI Program as the sole means to develop and finance a project, particularly in light of the availability of the ADI Program as of August 28, 2021. Furthermore, the incentive values in the TI Program were designed for projects that had first registered in the SRP and expected to construct in 2019 and 2020.

The Board FINDS that full compliance with the rules in these cases furthers the interests of the

State and the general public in maintaining an orderly transition from the legacy SRP to the Successor Solar Incentive Program and in reducing the cost of achieving the State's solar energy goals. Failing to find sufficient good cause to justify deviation, and cognizant of the legislative policies enumerated in the Clean Energy Act and the Solar Act of 2021, the Board **DECLINES** to waive the applicability of N.J.A.C. 14:8-10.4 for the Petitioner. Accordingly, the Board **HEREBY DENIES** the above petition insofar as it requests an extension in the TI Program.

Petitioner has asked in the alternative that the Board allow it to certify in the TI Program the 499 kW AC that received a conditional PTO prior to the expiration of Petitioner's registration. The Board **FINDS** that Petitioner timely received PTO and submitted its post-construction certification package for this portion of the Project. In accordance with Staff's recommendation regarding alternative relief the Board GRANTS the Petition in part with respect to the 499 kW AC portion of the system that received conditional PTO from RECO prior to the Project's expiration date of September 1, 2022. The Board ORDERS that the 499 kW AC portion of the Project shall qualify to participate in the TI Program, with the remainder of the Project eligible to register in the ADI Program, notwithstanding the prohibition on beginning construction prior to registration found at N.J.A.C. 14:8-11.4(b). The Board FINDS that Petitioner had registered the Project in the TI Program and that by operation of N.J.A.C. 14:8-11.4(b) as amended, compliance with N.J.A.C. 14:8-11.4(b) is waived for the Project. The Board **FURTHER FINDS** that registration of portions of the Project in two (2) different incentive programs requires the installation of two (2) separate revenue grade meters to ensure accurate measurement of the production of both parts of the system. The Board CONDITIONS this relief on the installation of separate revenue grade meters for the portion of the project registered in the TI Program and the portion registered in the ADI Program.

Therefore, having considered the petition and Staff's recommendations, the Board **GRANTS** the Petition in part and **DENIES** it in part. The Board **FURTHER ORDERS** that the Project, which had an active TI registration on January 26, 2022, shall not be ineligible for the ADI Program by reason of having received PTO prior ADI registration. The waiver of N.J.A.C.14:8-11.4(b) does not guarantee entry into the ADI Program for the remaining balance of the Project, as it must satisfy all other eligibility requirements, program rules and regulations, including the limitations on available capacity.

The effective date of this Order is July 31, 2024.

DATED: July 24, 2024

BOARD OF PUBLIC UTILITIES

BY:

CHRISTINE GUHL-SADOVY

PRESIDENT

DR. ZENON CHRISTODOLOU COMMISSIONER

MARIAN ABDOU COMMISSIONER

MICHAEL BANGE COMMISSIONER

ATTEST:

SHERRI L. GOLDEN

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 VERIFIED PETITION OF GEOSCAPE SOLAR LLC FOR APPROVAL OF A WAIVER AND EXTENSION OF SOLAR TRANSITION INCENTIVE PROGRAM COMMERCIAL OPERATION DEADLINE FOR THE FILLO FACTORY SOLAR PROJECT - NJSTRE1547462653

DOCKET NO. QW23080630

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