



Dual-Use Solar Energy Pilot Program Informational Session

IN THE MATTER OF A RULEMAKING PROCEEDING TO ESTABLISH THE DUAL-USE SOLAR ENERGY PILOT PROGRAM PURSUANT TO P.L. 2021, c. 170

[Docket No. QX24080597](#)

December 17, 2024
Question and Answers

Below are the questions and answers discussed during the informational session. Some have been edited for clarity.

The New Jersey Board of Public Utilities (NJBPUB or Board) Staff (Staff) encouraged attendees to submit written comments on their questions per the directions in the Notice of Proposal (Rule Proposal) as published in the New Jersey Register on December 2, 2024 at [56 N.J.R. 2271 \(a\)](#). Staff instructed the attendees that they could not make any definitive statements about the Rule Proposal in advance of the close of the comment period and subsequent Board approval of the rule adoption.

Program Structure

Question: Why isn't community solar eligible for the Dual-Use Solar Energy Pilot Program (Pilot Program)? Most farms don't have the load to support the size agrivoltaic system that will pencil commercially.

Answer: The Community Solar Energy Program (CSEP), although a subset of the Administratively Determined Incentive (ADI) Program, does not provide incentives for ground-mounted solar projects, including projects located on farmland or open space. This restriction means that CSEP does not incentivize any type of land currently envisioned as a suitable location for agrivoltaic projects. The Rule Proposal does not amend the preferred site types in CSEP. Thus, a Pilot Program project will not be allowed to participate in the CSEP.

Question: Did I understand correctly that the program MW capacity established in the law was based on previous year(s) MW capacity installed on farmland? Slide 10. Regardless, please explain how/if the MW capacity in the program was or was not based on some previous capacity.

Answer: Slide 9 is the correct reference for this question: The Solar Act of 2012 gave BPU discretion to approve some solar projects on farmland. As a result, 200 MW of solar was installed, and the farmland for these projects was taken out of production. The maximum capacity limit of 200 MW_{DC} for the first three years of the Pilot Program was

determined by the New Jersey Legislature. As far as Staff is aware, the capacity limit was adopted without reference to the amount of capacity installed on farmland in previous year(s).

Question: The posted rules indicate that Remote Net Metering (RNM) will be added at a later date as that program is still under development. Is there a projected timeline for this program to be added? Additionally, the proposed siting restrictions on the remote net metering program would prevent quality projects from participating. For example, some current Rutgers Agrivoltaics projects would not be permitted under the current RNM siting restrictions. Will there be an exception or petition process to allow for these types of projects? Additionally, providing more pathways for dual-use projects is an important consideration given that they may be at a disadvantage in terms of timeline and costs for interconnecting.

Answer: As of the date of the informational session, the revisions to the RNM Program remained under consideration by the Board. On December 18, 2024, the Board issued an order, available [here](#), approving revisions to the RNM Program. The Rule Proposal discusses this topic. It indicates that the Board is required to modify the RNM Program and that the RNM Program could be a potential pathway for Pilot Program projects. Note that the agrivoltaics projects operated by Rutgers University are not part of the Pilot Program and have been approved under the regulations in place when these projects were installed.

Question: The community solar question was answered, but the fact that the farms don't often have the BTM [behind the meter] load was not addressed. If the remote net metering is not in place, BTM for agrivoltaics is not viable in many cases. What does the BPU have in mind for the power generated in these dual-use locations? What type of interconnection is available?

Answer: The Rule Proposal discusses interconnection. It requires that Dual-Use projects must be connected to the distribution or transmission system owned or operated by a New Jersey electric public utility or local government unit. The Rule Proposal sets forth a structure for applying for a Pilot Program award based on the existing Solar Successor Incentive (SuSI) Program, i.e., the ADI Program and Competitive Solar Incentive (CSI) Program. The CSI Program includes grid supply projects, which is defined at N.J.A.C. 14:8-1.2 as "a solar electric power generating facility that is directly connected to the distribution system in the state that sells the electricity it generates at wholesale rates through PJM Interconnection or under wholesale bilateral contracts, but is not owned or operated by an electric utility and approved by the Board pursuant to N.J.S.A. 48:3-98.1." Wholesale bilateral contracts may include Public Utility Regulatory Policies Act (PURPA) of 1978/Qualifying Facility interconnections. Please also see the response to the previous question.

Question/Comment: This is very well thought out and put together. Thank you, BPU for addressing land use issues with solar development in the state. To improve this, I suggest community solar policy be amended to include agrivoltaics. It's kind of

counterintuitive. Ground-mount projects were taken out of the policy because of the impact on farmland. Agrivoltaics alleviates that concern.

Answer: Typically, ground-mount projects only allow for very limited agricultural or horticultural use of the land. Further analysis of how agrivoltaics can address this issue is needed, and written comments on this topic are welcome by January 31, 2025 in accordance with the requirements of the Rule Proposal.

Project Application & Evaluation

Question: In the scoring rubric, what do “bonus points” mean for “Maintaining the Affected Land”? Are they bonus points additional to the 100% possible?

Answer: The Rule Proposal does not include this information. The informational session covers the Rule Proposal only and does not address the Board order approving the Pilot Program. Please refer to the [October 23, 2024 Order](#) for the context of the scoring rubric.

Question: How will the application be different from the Expression of Interest (EOI)? How comprehensive are the questions in the EOI compared to the full application?

Answer: The Rule Proposal discusses the solicitation process. It describes the EOI as a proposal submitted for prequalification, meeting proposed minimum eligibility requirements, whereas the application would elicit additional details about the project and may have additional eligibility criteria set by the Board.

Question: How binding is the EOI to the full application? Can costs be updated in between submitting the EOI and the full application? Some costs are out of the control of developers and flexibility in this area to justify changes in cost estimates would be appreciated.

Answer: An approval of the EOI is required before an application can be submitted. A potential applicant’s submission of an EOI to Staff will not bind or commit that applicant’s project to participate in the full application process. A proposed project may be modified after an EOI has been approved.

Question: Will a project entering under the CSI program be required to have a fully executed ISA [Interconnection Service Agreement] in the EOI stage or full application stage?

Answer: Project maturity requirements for interconnection are based on the requirements and regulations applicable to the SuSI Program through which the pilot project is receiving its baseline incentive, i.e., the ADI Program or the CSI Program. The Rule Proposal discusses the evaluation of interconnection planning status for the purposes of project evaluation.

Question: Is it explicitly required that a lease between landowner, farmer and developer exist? Would a lease with landowner and a separate legal contract with a tenant farmer be sufficient?

Answer: The Rule Proposal outlines the submission requirements for the EOI and application regarding the lease agreement, including attachment of the lease agreement to the EOI. The Rule Proposal indicates that the EOI must include a written lease agreement between the landowner, solar developer, solar operator and the farmer as applicable. Written comments are welcomed on this question by January 31, 2025 in accordance with the requirements of the Rule Proposal.

Question: How will the level of incentive sought be balanced against the promotion of diverse types of agrivoltaic arrays? Encouraging only the least expensive projects contradicts the stated aim to fund innovative projects that are representative of New Jersey agriculture.

Answer: The incentive level proposed by an applicant is among the project evaluation criteria developed by the Board in consultation with the New Jersey Department of Agriculture. These proposed evaluation criteria are discussed in the Rule Proposal. The Pilot Program is intended to approve a diverse set of projects so as to gain insights from a variety of agrivoltaic applications, while also promoting investment in new solar facilities at the least cost to ratepayers.

Question: When will the Notice of Incentive Availability (NOIA) be released and what will the NOIA process be. Are EOIs reviewed on a first-come, first-serve basis or upon merit?

Answer: The intent of the review process is to evaluate projects based on their merits. More detail cannot be provided in advance of the Board's approval of the notice of adoption for publication in the New Jersey Register. Written comments are welcomed on this topic by January 31, 2025 in accordance with the requirements of the Rule Proposal. The Rule Proposal describes the solicitation process.

Question: Do we have an idea of the general timeline for when the first wave of submissions will be accepted in the application process?

Answer: Timelines for application process are subject to Board approval and are not yet available. The Rule Proposal describes Program Year 1 (PY1) and sets the beginning of PY1 on the date these rules take effect.

Question: Please confirm that the baseline incentive level for the 2025 program year is \$95/MWh per the September 17, 2024 CSI Stakeholder Session slide deck.

Answer: The baseline incentive level for Dual-Use projects proceeding through the CSI Program is the project's CSI award, if it has received one, or, as specified in the Rule Proposal, the highest awarded bid approved by the Board for the Basic Grid Supply market tranche. On April 17, 2024, the Board issued an order approving awards in the

second solicitation of the CSI Program. The Board order is available [here](#); however, confirmation of the incentive value for the Pilot Program cannot be provided at this time. The Rule Proposal has not yet been adopted. Moreover, it is not known at this time whether the second CSI Solicitation will continue to be the most recent solicitation upon adoption of the Pilot Program Rules.

Question/Comment: For financial underwriting of projects, applicants would need, and appreciate, more detail on this process. Clarity is needed on additional information requested on all of these items.

Answer: Staff cannot make any interpretive statements about the Rule Proposal in advance of the close of the comment period and subsequent Board approval of the rule adoption. The intent of the informational session was to address questions on the Rule Proposal only not other Board actions.

Costs and Incentives

Question: Must the incentive ('adder') be equal to the identified incremental costs outlined in the response to the NOIA attributable to the agriculture aspects of the project? (i.e., if baseline project costs are greater than base SREC-II values)

Answer: The Rule Proposal addresses the topic of costs pertaining to determining an incentive ('adder'). The Rule Proposal provides that individual projects with costs that can be demonstrated to be higher than those experienced by similarly sized and sited photovoltaic projects may submit a proposed Pilot Program incentive ('adder') request with their application. For the purposes of implementation, applicants will receive direction on how to calculate and report their Dual-Use incentive ('adder') requests.

Question: Is there a maximum incentive and/or a minimum incentive? Is the incentive level "normalized" to an acreage or to a MW size for usage in ranking, i.e., \$ per acre and/or \$ per MW?

Answer: The Rule Proposal does not outline a maximum or minimum incentive level for Pilot Projects, nor does it establish procedures for ranking them. The Rule Proposal outlines an explanation of the baseline incentives for the ADI and CSI Programs and describes the approach for determining an incentive ('adder') under the Pilot Program. Applicants will be required to submit their desired incentive ('adder') level on a dollar per produced megawatt hour (\$/MWh) of solar energy and will also be instructed on how to calculate and report their requested incentive ('adder').

Monitoring and Research Requirements

Question: How long are research requirements/control area in place? Three (3) years of the program? Or, 15 years (the length of the COMPR [Construction, Operations, Monitoring, and Project Research Plan])? The timeline is important for planning purposes with respect to the project area and control area.

Answer: The Pilot Program is allowed to be in place for three (3) to five (5) years and the monitoring and research requirements as proposed would be required for the duration of the Pilot Program. The terms and conditions for selected projects will be set by the Board. These terms and conditions would be part of the COMPR, which would continue to be the responsibility of a selected project after completion of the Pilot Program.

Question: What are the expectations of Rutgers' participation in research? When will we know more about how Rutgers will conduct research and work with farmers?

Answer: The Board has not yet adopted the Rule Proposal. However, additional clarification is forthcoming in a separate proceeding. In addition to the Rutgers Agrivoltaics Program, the Board may also contract with other New Jersey institutions of higher education to conduct the research.

Question: Are fences/control areas allowed in the buffer/setback areas of a parcel?

Answer: The Board has not yet adopted the Rule Proposal, so clarification cannot be provided at this time. Written comments on this topic are welcome by January 31, 2025 in accordance with the requirements of the Rule Proposal. Note: Selected projects are required to adhere to all applicable Federal, State, or local laws, rules, regulations, or ordinances.

Question: Can we place the control plot on a separate, nearby parcel with the same soil conditions if needed?

Answer: The Rule Proposal speaks to the requirements for the research control area whereby the land within the research control area must be farmed by the same farmer using the same agricultural or horticultural practices as those employed in the area under, and adjacent, to the solar array. Written comments on the requirements set out in the Rule Proposal are welcome by January 31, 2025 in accordance with the requirements of the Rule Proposal.

Other

Question: With an understanding that the COMPR and other information from projects may be published, such as annual reports, how will lessons learned be shared? Will the information be limited to "non-propriety" only? What about keeping project information confidential? Convergence of lessons learned from the Board's Pilot Program and the research from Rutgers' agrivoltaics projects is encouraged.

Answer: All comments are considered "government records" for purposes of the State's Open Public Records Act. Commenters may identify information that they seek to keep confidential by submitting it in accordance with the confidentiality procedures set forth at N.J.A.C. 14:1-12.3. Further details regarding confidentiality of information submitted in the Pilot Program may be provided during a future solicitation process.

The Rule Proposal provides that educational materials, resources, and other information are planned to be shared publicly to assist in the implementation of the Pilot Program. Note that one of the goals of the Pilot program is to gain information about agrivoltaics and use that information to develop a permanent agrivoltaics program. Therefore, lessons learned are intended to be shared publicly through, for example, presentations and publications.

Question: Where and when do we submit comments?

Answer: The deadline for comments on the Rule Proposal is 5:00 P.M. Eastern Time on January 31, 2025. Please submit comments directly by using the Board's Public Document Search tool, search for docket number QX24080597, and post by utilizing the "Post Comments" button.

Written comments may also be submitted, as a Word or pdf document. Please include the subject matter 'Dual-Use Solar Energy Pilot Program Rule Proposal Comments' and the docket number 'QX24080597' and submit by January 31, 2025, to:

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