



**Comments of Holocene Clean Energy
New Jersey Solar Transition Staff Straw Proposal
January 18, 2019.**

Pursuant to the Board of Public Utilities letter dated December 26, 2018, Holocene Clean Energy respectfully submits comments in the above referenced matter.

Holocene commends the Board staff for its comprehensive development of the “SREC Transition Principles” that will guide the Board in the further development of policies and rulemaking to assist the Murphy administration in the achievement of its visionary renewable energy goals:

SREC Transition Principles

Staff will 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 New Jersey Clean Energy Program (“NJCEP”) SREC Registration Program (“SRP”) Solar Activity Reports.”

While we all embrace the need to provide maximum benefit to ratepayers at the lowest cost while continuing to grow the solar industry in New Jersey, we are particularly heartened by the stated principle that the transition program will comply fully with the Clean Energy Act. As the Board is aware, all active subsection (r.) projects seeking Board approval were suspended on September 22, 2017 pending the review of existing solar policies. Since that time 14 subsection (r.) projects were withdrawn from the PJM queue, leaving only 4 active projects remaining in the PJM queue and eligible for subsection (r.) approval action under the current statutory mandate:

“r. (1) For all proposed solar electric power generation facility projects except for those solar electric power generation facility projects approved pursuant to subsection q. of this section, and for all projects proposed in

energy year 2019 and energy year 2020, the board may approve projects for up to 50 megawatts annually in auctioned capacity in two auctions per year as long as the board is accepting applications.”

Inasmuch as the total capacity of projects that remain “active PJM queue eligible” for energy year 2019 approval are less than 50 MW, it seems clear that Board staff could quickly recommend approval of these active projects in complete fulfillment of the statutory mandate without the need for any additional process considerations. This action would also send a clear message to the solar industry and SREC markets that the SREC Transition Principles will be guiding future policy and rulemaking decisions at the Board.

Over the course of the past 15 months that the subsection (r.) program has been suspended, our firm has made, in good faith, considerable investments in these projects, and, we have and will continue to meet all the requirements set forward by the Board of Public Utilities for maintaining subsection (r.) compliance, including our required statement of an “expression of interest,” tendered in 2016. In fairness, therefore, we would urge the Board to open the subsection (r.) application process limited to those still active in the PJM queue for expeditious approval to completely close out the active PJM queue.

All three projects have received required local approvals, have been approved through the PJM process and can be considered “shovel ready.”

We have also received strong interest from a number of New Jersey businesses interested in purchasing the output of these renewable resources under long-term contracts. We have found that New Jersey businesses are anxious to procure green New Jersey generated renewable energy in further support of the Governor’s renewable energy vision.

These projects will primarily be installed on rooftops of large industrial buildings, and all will be located in industrial zones. None of the projects utilizes farmland and each project will have little or no visibility outside of the parcel where located. Their outputs will avoid 17,500 tons of annual CO₂ emissions and will generate enough electricity to power 10,000 homes. Construction can begin within a few months, providing employment to 60 workers. We have received full and wholehearted support for these projects from local political officials.

We are also pleased at the stated third transition principle of “**ensuring that prior investments retain value.**” Clearly, as worded, this applies to good faith investments made by those that have continued to meet the full requirements set forth by the Board during this extended period of subsection (r.) suspension while maintaining full eligibility. This statement sends a clear and compelling signal to all renewable energy investors that New Jersey honors its commitments in achieving its renewable energy goals.

The SREC transition principles taken together provide clear guidance and make the greatest sense for all stakeholders. We welcome the opportunity to support these principles and complement Board staff on their foresight.

There are a number of more detailed questions that have been provided and our firm has participated with the New Jersey Solar Energy Coalition in the development of those written responses. In the interest of time we will simply state our support for those

responses and thank the Board staff for their hard work in resolving these significant issues.

Sincerely,

A handwritten signature in blue ink that reads "Stan Allison". The signature is written in a cursive style with a small mark at the end.

Stanford H. Allison
Partner
Holocene Clean Energy