Written Comments for Community Solar Pilot Program

Docket No. QO18060646

7/19/2018

Pine Gate Renewables, LLC (“PGR”) Hereby submits our written comments in response to the Board’s request for written comments

I. Siting and Project Size

1) What should the annual Pilot Program capacity limit be? Please justify your answer both qualitatively and quantitatively.
    - To encourage a diverse, competitive project environment, we recommend a program size cap of 350 MW. This program size cap will allow for a minimum of 70 market entrants under a 5 MW size cap, reducing the likelihood of program monopolization.

2) How should the annual Pilot Program capacity be allocated between Electric Distribution Companies ("EDCs")? How should excess annual capacity be reallocated if not used?
    - Capacity should be allocated based upon each EDC's percentage of the total state load served. First, excess annual capacity should permitted for use in the other EDCs. Then, excess capacity should be rolled over into the next program year.

3) How should the Pilot Program annual capacity limit be divided among different project categories? What should those categories be (e.g., "small," "brownfield, landfill, historic fill," and "LMI" project types)? Please propose a breakdown of categories, with respective percentages of the annual capacity limit.
    - The Pilot Program annual capacity limits should not be divided among different categories. Rather, the program should use adders for landfills, brownfields, and low to moderate income serving projects. The use of adders rather than annual capacity limits ensures that customers have low rates and incentivizes nontraditional land use for solar development.
    - Should the Board decide to divide capacity among different project categories, the board should also include categories for pollinator friendly solar and mixed agriculture solar use for projects sited on agricultural land which employs strategies such as solar apiaries or solar grazing.

4) Should co-location of solar projects be allowed? What conditions or limits should apply?
    - Co-location should be allowed with no conditions or limits. Co-location is likely necessary to develop brownfield and urban parcel sites into community solar projects, as their inherent small parcel sizes reduce the ability for developers to utilize economies of scale.
        - The EPA's Re-powering America's Land Program shows that 283 of 418 (67.7%) brownfield or renewable energy re-development sites within New Jersey are 10 acres or smaller, with 133 of 418 (31.8%) sites sized at less than 1 acre.

5) What should the geographic limitations for community solar pilot projects and subscribers

be (i.e., how far from the project can subscribers reside)? Please justify how your proposal maintains the community link between project and subscribers, without compromising the feasibility of community solar pilot projects.

- Any resident of New Jersey should be eligible to participate in any community solar project in the state of New Jersey. As LMI communities are concentrated in urban areas, solar project sites serving those communities face inherent restrictions on size, shading, and zoning. By allowing residents to participate in the program outside their immediate area, LMI participates would likely be better served. The link between subscribers and projects will be preserved by limiting projects to within the state of New Jersey.

6) What land use restrictions and limitations, if any, should apply to siting community solar pilot projects? Should siting of community solar pilot projects be restricted to certain areas? Your answer should include a specific discussion of community solar on farmland and open space. Land use restrictions will be consistent with current New Jersey statutes and regulations.

- There should be no land use restrictions on community solar pilot projects. However, a financial adder should be used for projects sited on certain areas such as landfills, brownfields, or areas of historic fill to create an incentive for development on these cost prohibitive sites. Development on agricultural or greenfield land should be allowed given that developers implement pollinator friendly solar initiatives or engage in mixed use agricultural and solar production such as apiary solar and/or solar grazing.

7) Provide recommendations on alternative siting and creative land use in sites other than "brownfields, landfills, areas designated in need of redevelopment, in underserved communities, or on commercial rooftops." For instance, are parking lots, road rights-of-way, multifamily buildings, or schools appropriate locations for community solar? Please provide both qualitative and quantitative responses, including what specific policies may be required to facilitate development of these types of projects.

- This community solar program should offer financial incentives such as land use adders to encourage development on cost and risk prohibitive sites.
- The program should address the current rules for on-site load and community solar for schools, multifamily buildings, and commercial rooftops to ensure that the host location may participate as an off-taker for the project.
- Additional creative land use solutions include floating panels over submerged land and solar agriculture through on-site apiaries or food growth.

8) What liability, provisions, and exemptions should apply to community solar developers and subscribers for projects located on landfills and/or contaminated land?

- As previous parties on the land were responsible for the ongoing liability,

developers should be free from any environmental liability for their attempts to build on contaminated or alternative use land.

- In addition, the permitting process for contaminated land development should be simple and standardized, to facilitate developer participation.

II. Low- and Moderate-Income Access

9) Provide recommendations on the definition of LMI community solar pilot projects, with appropriate justification.

- To achieve LMI community solar status and be eligible for an LMI adder, individual projects should require a proportion of subscribers to be certified LMI.

10) Provide recommendations on what LMI eligibility criteria should be accepted to qualify a subscriber and/or a project as LMI. Include consideration of how many times or how often LMI subscribers should be required to submit proof of eligibility.

- Developers should use HEAP eligibility as proof of LMI status. To satisfy HEAP, a household's gross income must be at or below 175% of the Federal Poverty Level and that household must spend more than 3% of its annual income for electricity or, if such household uses electric for its heating system, it must spend more than 6% of its annual income on electricity.

11) The BPU is considering a number of different approaches to encourage development of LMI community solar pilot projects, including, but not limited to:

1. Dedicated capacity: e.g., reserve a percentage of overall capacity for the Pilot Program for LMI projects.
2. Procedural: e.g., apply preferential status to LMI projects in the solar interconnection queue.
3. Financial: e.g., provide incentives to LMI community solar pilot projects, such as adder to the bill credit.

Which approach, or combination of approaches, should the BPU implement in order to most effectively support LMI access to community solar pilot projects, in conformance with the Clean Energy Act? Please be specific in recommending qualitative and quantitative incentives, and proposals for implementation.

- We support option 3, a financial adder for LMI projects. However, a 4th option is to establish a streamlined permitting and zoning process for projects designed to serve Environmental Justice Communities.

III. Value of the Credit

12) Please define the following terms: “value of solar," retail rate," and “avoided cost of wholesale power." Please discuss applicability and impacts on the Pilot Program.
    1. “Value of solar” is a financial output derived from the totality of values of solar energy such as environmental and climate benefits in addition to its intrinsic value as energy. It should be defined using publicly available, transparent variables which are calculable without the use of proprietary information or knowledge.
    2. Retail rate should be the floor value for residential customers with LMI, land use, or other adders on top.
    3. Avoided cost is the marginal cost for a public utility to produce one more unit of power.

13) How should the community bill credit be administered? Should an annualized period mechanism be used for community solar? If yes, should the annualized period be set once per Pilot Project, or once for each individual community solar subscriber?

- The community solar bill credit must be compatible with budget billing to ensure LMI status customers have access to projects.

14) What should happen to excess credits on a subscriber's bill at the end of a year?

- Excess credits should roll over to the next year’s bill.

15) Should unsubscribed energy be purchased by the EDCs at avoided cost or area locational marginal pricing ("LMP")? Or should the community solar pilot project bear the loss of unsubscribed energy?

- Unsubscribed energy should be purchased at the LMP. Projects should not bear the loss of unsubscribed energy.

16) Should Pilot Projects be eligible for solar renewable energy certificates ("SRECs")? If yes, should the SREC be given to the subscriber or to the community solar project owners?

- Yes, Pilot Project should be eligible for SRECs, which should be given to the community solar project owners.

IV. Applications and Interconnection

17) Please provide specific comments on how the Pilot Program application process should be organized, including: 1) what items should be included in the application, and 2) what specific criteria should the BPU use to rank applications.
- Project size
- Site Control

- Independent Power Producers
- Diversity of applicants

18) What specific measures should be implemented to ensure an effective and streamlined interconnection process for community solar pilot projects?
    1. Developers should have access to distribution grid line information and substation hosting capacities.
    2. Utilities should be required to identify lines which, in their belief, would receive the greatest grid benefit from the addition of renewable energy resources.
    3. Utilities should be required to provide a pre-application process outside of PJM
    4. For studies, utilities should be required to provide specific timelines, costs, and deadlines.
    5. When upgrade costs are required by a utility, developers should have a fair and efficient appeals process.
    6. For studies, utilities should charge fair fees, with transparency into their pricing methodology.
    7. Pricing methodologies should be standardized across all EDCs.
    8. The program should establish a separate interconnection queue for community solar projects.

19) What measures can be implemented to minimize negative impacts and maximize grid benefits to the distribution system of an EDC?

    - Utilities and solar farms should be required to share information during solar farm operation. Existing, off-the-shelf inverter technology already provides a vehicle for transparent information flow; thus, the program should ensure that solar farms and utilities have no information asymmetry while managing the grid.

20) Should existing solar projects be allowed to reclassify as community solar pilot projects?

    - Existing solar projects should be prohibited from reclassifying as community solar pilot projects, as it would hinder new solar growth and overall developer diversity.

21) What information regarding community solar pilot projects should be made available on the BPU website? Should website publication be automatic upon approval of the project by the Board, or only upon request from community solar project owners?

    - Website publication should be automatic upon approval from the Board

22) What specific elements should the BPU consider to ensure a smooth transition from the Pilot Program to a full-scale Community Solar Program?
    - Introduce a second stakeholder process to analyze the pros and cons of the pilot program implementation to make further changes if any are necessary to the full-scale community solar program.

V. Customer Subscriptions. Customer Protection

23) Should there be a minimum number of subscribers per community solar pilot project? If so, what should it be? Please provide specific support for this number.

- There should be no minimum number of subscribers per pilot project.

24) What should be the maximum subscription size for each subscriber? Should specific limits be placed on residential versus commercial subscribers?

- There should be no maximum subscription size. Maximum subscription sizes could unfairly exclude certain community members, such as universities. In addition, there should be no limits placed on residential vs commercial subscribers because different organizations have different preferred offtake strategies and structures, avoiding restrictions on subscriber make-up for the program will allow for unique project structures to serve a wider range of customers.

25) Should subscriptions be portable? If yes, under what conditions?

- Yes, subscribers should be allowed to move anywhere within the state of New Jersey and retain their subscription. If such subscriber should move outside the state of New Jersey, that subscriber's allocation should be given a monetary value which would allow their contract to be bought out.