NJ Comments

Our suggestions for the new program can be categorized under solar policy and grid modernization.

Regarding solar policy, a program allowing for virtual distribution of bill credits opens the market. With virtual offtakers, the benefits of solar can be transferred to a range of demographics who want solar, but might not have the means or ideal location. Low-income communities, urban communities, and large industrials can all benefit from a model that allows for the virtual transfer of bill credits. Incentivizing this model is a low-cost way to reach offtakers without hurting ratepayers.

An inclusive program incentivizes all types of offtakers. Allowing any bankable customer to participate as an offtaker helps move your state closer to your net-zero energy goals. Low income and community projects are commonly incentivized in state programs. Taking this a step further to include commercial and industrial customers brings you even closer to meeting the goals of the program. For example, by implementing a tiered, carbon usage scale, you incentivize high polluters, such as large manufacturing plants, to buy into renewable systems as offtakers.

You can regulate the size and type of solar project you want by implementing land-use criteria. This would prevent developers from building in areas you might want to protect by incentivizing or disincentivizing certain characteristics. There are also many large rooftops with non-bankable tenants that can be utilized.

In Grid Modernization there are two main issues that developers run into. First, is transmission which is at or over capacity. And second, are delays in the application process due to long application queues.

To help with oversubscribed transmission I recommend two solutions:

1) Incentivize energy storage systems built for demand response. Projects that include a storage component could interconnect to the grid under an agreement that economizes how the power is released. This allows for less impacts and “traffic jams” on the transmission system. Since demand response agreements can potentially hurt the revenue of a project, it would need to be incentivized to ensure steady revenue stream for those participating.
2) Transparency in the interconnection process is crucial. Developers need to know about transmission issues early in the process. In many cases, we don’t find out until we are 6 months into the project. Identifying problem areas before, or immediately after, application submission would save the utilities and developers thousands of dollars in studies and civil work. In the long run, this will reduce overall program costs and ratepayer costs.

For long application queues, I suggest evaluating projects as groups, or at the least, take the entire queue of applications on a circuit into consideration during the study period. This means any necessary updates will support future additions. Cost sharing for upgrades in a group, or for those interconnecting and benefiting later, makes economic sense the developer and utility, while keeping overall costs lower.

Strategy 2: Solar Policy

- Use a virtual on-bill credit system to allow offtakers to benefit from projects that aren't located onsite. This opens the market to people that would buy into solar but might not have the means or siting available.
    - Low-Income
    - Community
    - Industrials
- Don't limit offtakers to just low-income or community. Allow any bankable customer the ability to participate
- Land-use criteria can incentivize or disincentivize where you can build
- Implement a carbon usage scale to incentivize high polluters to buy into renewable systems as offtakers
- A lower incentive on bill credits allows participation by a wider variety of offtakers without hurting ratepayers.

Strategy 5: Grid Modernization

3) Incentivize storage built for demand response.
    - Renewables plus Storage systems can interconnect to the grid under an agreement that economizes how the power is released and at what times. This allows for less impacts and "traffic jams" on the transmissions system. As this can potentially hurt the financials of a project, it would need to be incentivized to ensure steady revenue stream for those participating.
4) Transparency in the interconnection process – let developers know where there are transmission issues so that those areas can be avoided. This saves the utilities and developers thousands of dollars in studies.
5) Evaluate transmission based on the entire queue of interconnection applications. This means any necessary updates will support future updates.