From: William O"Sullivan
To: comments, EMP

Subject: [EXTERNAL] Comment on Community Solar and EMP

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I submit these comments as a private citizen interested in the EMP. These comments focus on community solar, which I believe is a worthwhile effort.

- 1. Enabling low income households to participate in Community Solar is appropriate.
- 2. There should be a fair sharing of the financial benefit of Community Solar program between those taking the risk of building a project and the subscribers to that project. The cost to ratepayers should also be reasonable.
- 3. Since the State of NJ will provide a subsidy in some way for Community Solar, the BPU should make the financial details of each project publically available, especially with the pilot program. Summary information should include the itemized costs of the project (both soft and hard costs), the revenue expected and actually realized, the amount of profit, and the reduction in electric cost for low income households.
- 4. I recommend that the sharing of the difference between cost and revenue be split evenly between profit for the project developer and electric reduction cost for low income households.
- 5. Also, the amount of subsidy should be reasonable. Compared to the EIA estimates of the cost of solar projects, the current SREC costs are unreasonably high for larger than residential home projects. Therefore, the SREC costs should not be the precedent for the Community Solar subsidy.
- 6. The amount of subsidy for Community solar should balance the cost to ratepayers, the profit for the developer, and the reduced electric costs for the low income subscriber.
- 7. If the subsidy is fixed for a specified length of time, the risk to the developer is greatly reduced, and the return on investment should reflect that reduced risk. For the pilot project, the BPU could test a rate of return based on the MWhr of electricity produced, similar to the design of the OREC program.

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