



State of New Jersey  
DIVISION OF RATE COUNSEL  
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PHIL MURPHY  
*Governor*

SHEILA OLIVER  
*Lt. Governor*

STEFANIE A. BRAND  
*Director*

June 29, 2021

Members of the New Jersey Senate  
P.O. Box 068  
Trenton, NJ 08625-0068

**RE: S2605 (Establishes successor program to solar renewable energy certification program in BPU, including solicitation process for certain solar power generation facilities.)**

Members of the New Jersey Senate:

I write on behalf of the Division of Rate Counsel regarding S2605 (utility-scale solar) which is being voted on Wednesday June 30, 2021. This bill eliminates a very important consumer protection that was included in the Clean Energy Act only a few years ago and was designed to rein in the excessive subsidies New Jersey customers have been paying to solar developers for many years. In the Clean Energy Act, this Legislature wisely required the Board of Public Utilities to redesign our solar program to reduce the high costs of that program, requiring competition and placing a cap on the costs ratepayers would be asked to pay for renewable energy credits – which is only one of the subsidies we pay for solar. That cap was quite generous, translating to approximately \$750 million per year in costs that would appear on customer bills. This legislation redefines and effectively eliminates that cap. By our estimate it could cost your constituents approximately \$1.2 billion each year for what is a relatively small portion of our clean energy load. The Clean Energy Act also requires solar developers to compete for SRECs. This bill eliminates that requirement for about 60% of solar projects. We believe that if we are going to achieve our clean energy goals, we have to be smart consumers and not overpay for any single portion of our clean energy economy. The best way to do that is to retain the cost cap and continue to keep the requirement for solar developers to compete for SRECs.

We previously sent our written comments to the sponsors and the Energy and Environment Committee. They are attached to this letter and I hope you will consider them. As we emerge from the economic impacts of the pandemic and figure out how to achieve our long and short term climate goals, we cannot lose sight of the need to assure that all customers and businesses in this State have access to affordable and reliable electricity. We urge you not to support this bill but to continue to require that affordability be part of this State's goals as the Legislature mandated when it instituted the cost cap in the Clean Energy Act.

If you have any questions concerning this bill or its impact on customers, please feel free to contact our office.

Sincerely,

*Stefanie A. Brand*

Stefanie A. Brand

Director, Division of Rate Counsel

Cc:

Linda Metzger, Secretary of the New Jersey Senate

Assemblyman Karabinchak

Assemblyman John Burzichelli

Assemblyman Eric Houghtaling

Assemblyman Andrew Zwicker

Assemblyman Roy Frieman

Assemblywoman Valerie Vainieri Huttle

Kevil Duhon, Deputy Executive Director Senate Democratic Office

Roseann Brown, Chief of Staff, Senator Bateman

Christine Mosier, Chief of Staff, Senator Smith

Matthew Peterson, Deputy General Counsel, Senate Democratic Office

John Gorman, Republican Aide

Jessica Murray, Chief of Staff, Senator Greenstein

Erin Dareff, Chief of Staff, Senator Corrado

Erin Rice, Chief of Staff, Senator Codey

Rebecca Panitch, Republican Aide, Senate Environment and Energy Committee

Michelle Coryell, Chief of Staff for Senator Sweeney

Eric Hansen/Christina Denney, OLS aides, Senate Environment & Energy Committee

Sarah Steindel, attorney, Rate Counsel

Maura Caroselli, attorney, Rate Counsel

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