

**New Jersey Community Solar Pilot Program
Docket Number: QO18060646
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Written Comments of

Food & Water Watch and the New Jersey Off Fossil Fuels Coalition:

350NJ; Branchburg Indivisible Activists; Bus for Progress; Cape May County Indivisible; Center for Biological Diversity; Center for Environmental Transformation; Center for Sustainability at Ramapo College of New Jersey; Central Jersey Progressive Democrats; Central Jersey Safe Energy Coalition; Citizens United for Renewable Energy; ClimateMama; Coalition for Peace Action; Coalition to Ban Unsafe Oil Trains; Cooper River Indivisible; Cosecha NJ; CWA Local 1033; CWA Local 1081; Don't Gas the Pinelands Coalition; Environmental Justice Committee of the Unitarian Society; Essex Greens Renewable Energy Campaign; Ethical Culture Society of Bergen County; Food & Water Watch; Franciscan Response to Fracking; Gloucester County Food & Water Watch; Green Party of New Jersey; Indivisible Cranbury; Indivisible Lambertville/New Hope; Indivisible NJ 3rd District; Indivisible NJ 4th District; Indivisible West Jersey; Lawrence Brook Watershed Partnership; Lower Raritan Watershed Partnership; Monmouth County Progressive Democrats; NAACP - Atlantic City Chapter; New Jersey PACE; New Jersey Sustainable Business Council; New Jersey Tenants Organization; New Labor; NJ 3rd Congressional District Action Group; NJ State Industrial Union Council; Northern NJ Chapter, National Organization for Women; Our Revolution Bergen County; Our Revolution: South Jersey; People Over Pipelines; People's Organization for Progress; Pinelands Preservation Alliance; Raices Cultural Center; Rainforest Action Network; Ramapough Lenape Nation; South Jersey Democratic Socialists of America; South Jersey Food & Water Watch; South Jersey Women for Progressive Change; Surfrider Foundation; Surfrider Foundation, Jersey Shore Chapter; Sustainable Cherry Hill; Sustainable Jersey City; The Climate Mobilization Hoboken Chapter; The Wei & Tierra Madres; United Messengers of Peace; UU Faith Action NJ; WATERSPIRIT; Wind of the Spirit Immigrant Resource Center; Women for Progress

Via electronic submission to rule.comments@bpu.nj.gov

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The New Jersey Off Fossil Fuels Coalition includes over 50 faith, labor, environmental, community, business, and political organizations committed to addressing the urgency of climate change. The coalition is convened by Food & Water Watch, a national non-profit that champions healthy food and clean water. We stand up to corporations that put profits over people and advocate for a democracy that improves peoples' lives and protects the

environment. Climate scientists warn that we only have about 20 years to dramatically cut our greenhouse gas emissions before we hit major climate tipping points. We must transition to 100% renewable energy as soon as possible, and a robust and distributed community solar program with meaningful low- and moderate- income access will help ensure a swift, just and equitable transition to 100% renewable energy. We appreciate the opportunity to comment on the New Jersey Community Solar Energy Pilot program. We would like to expand upon the verbal comments we offered during the July 24, 2018 stakeholder meeting.

According to the Department of Energy, less than one-third of American rooftop space is suitable for solar installation. Further, half of all households cannot install a solar system because of issues ranging from ownership, shade, to lack of adequate roof space. Community solar is a way that households that cannot install their own rooftop solar can get the benefits of distributed solar. It allows households to buy a share of the solar electricity generated at a larger-scale solar garden built in their community. The participants receive a share of utility bill credits, tax incentives, and production incentives. When implemented in a way that ensures low-income household participation, community solar programs can spread the benefits of renewables into communities that may not otherwise be able to afford distributed renewable energy.

I. Siting and Project Size

1. What should the annual Pilot Program capacity Limit be? Please justify your answer both qualitatively and quantitatively.

The program should be robust enough to ensure a variety of scenarios are considered for all low-income housing types. Efforts should be made to develop community solar programs that serve multi-unit apartment buildings, multifamily homes, and single family homes. When serving multi-unit apartment buildings, the community solar pilot program should also seek to serve those in buildings that are run by housing authorities, privately owned buildings and cooperatively owned buildings.

The programs should also be developed in conjunction with institutions that have ties to the community where community solar projects are to be sited. This may include community development corporations, nonprofit organizations, and/or a municipal or county government.

2. How should annual Pilot Program capacity be allocated between Electric Distribution Companies? How should excess annual capacity be allocated if not used?

Excess annual capacity should be utilized to generate electricity, and electricity generated by the project should be sold into the grid and credited at the retail rate. The proceeds from these sales should be placed into a fund administered by the BPU to support the development of clean energy programs in low-income communities.

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.

Community solar projects should be located primarily in urban areas and be placed in underserved areas. The projects should include incentives for projects to be developed in Environmental Justice Communities. Preference should be given to projects sited in environmental justice communities, indigenous communities, and immigrant communities.

The BPU should work in conjunction with the NJDEP to reinstall the cumulative impacts tool to help identify environmental justice communities and prioritize community solar projects in NJDEP defined environmental justice communities - typically a census block group where 30% or more of the population consists of low income persons who are not institutionalized. Furthermore, and more importantly, because it is crucial that New Jersey's community solar pilot program captures as many low-income people of people Of Color, we recommend that the community solar pilot program include a ruling to create a stakeholder group to advise the BPU on the complicated issue of defining LMI communities.

ii. LMI Access

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

A LMI Community Solar Project must serve majority low-and moderate income individuals to ensure that the benefits of solar energy are realized at a rate that is at least equivalent to the development in non-LMI communities.

Low and moderate income communities have significant barriers to obtaining solar electricity through distributed generation. These include lack of access to capital and technical issues such as having properties that are not well suited for solar panels.

Due to these barriers, LMI individuals are unable to access credits and benefits that are available to those with access to capital and have housing that is appropriate for the installation of solar panels.

In a LMI community Solar pilot project, at least 20% of the subscribers should be LMI households.

There should also be a requirement that 5% of a developer's total subscribers be LMI households.

LMI projects should also be encouraged to provide jobs in construction and installation to LMI workers. Training should also be available leading to certification through organizations with experience in job training programs, and trainees would also work on the project in some capacity as part of the 20% of workers.

Preference should be given to minority-owned community solar projects.

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.

Proof of enrollment or eligibility for enrollment in other low-income programs should be enough to qualify someone as a low-income subscriber, and the BPU should facilitate automatic enrollment from these programs into any benefits that are provided to support enrollment of LMI individuals into a community solar projects. Once enrolled, the individual should be allowed to remain in the program until they move or voluntarily leave the program.

At a minimum, low-income and moderate income should be based on area median income, using the HUD definition of 80% of area median income to be considered low-income and 120% of the area median income to be considered moderate income. This is preferable to using federal poverty guidelines, as median income standards are more reflective of relative income in a given county, rather than the national federal poverty line. But the definition should also be broad enough to capture as many communities of color as possible.

The percentage of low-income and moderate income people served by a community solar project should at a minimum be proportionate to the number of low-income and moderate income people in a given service area, and that service area for purposes of this project should be a given area of a county served by a utility. The project should be initially developed in municipalities that have a higher percentage of low-income people relative to other communities in that county.

Targeting outreach to multi-unit apartment buildings can quickly and easily result in a community solar program serving low-income residents. However, the benefits of the community solar program should be passed on to residents, and landlords should be required to document how these benefits are passed on to residents.

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

1. Dedicated capacity: e.g., a certain percentage of overall capacity for the pilot project would be reserved for LMI projects.

Dedicate at least 15% of the program capacity to low- and moderate-income customers, for the development of low-income projects, as defined above. This program's minimum target should not preclude incentives or mechanisms to encourage robust low and moderate income participation outside of the low-income program. There should be no limits on the percentage of overall capacity that can be devoted to LMI community solar projects.

2. Procedural: e.g., LMI projects would receive preference in the solar interconnection queue.

Moving LMI projects up in the solar interconnection queue would ensure that these projects come on line as quickly as possible. An LMI project could move up in the interconnection queue, ahead of all projects with fewer LMI workers and with fewer LMI households. Such a program should set the minimum percentage to move up in the queue at 20% LMI subscribers. Jobs with LMI workers should have the highest priority.

3. Financial: e.g., incentives would be provided to the LMI community solar pilot project, potentially as an addition to the bill credit.

Financial incentives are important to ensuring LMI participation in community solar projects. Utilizing a bill credit could be one such incentive, as would a reduction or elimination of subscription costs to LMI subscribers. Resources should also go to offset capital costs for projects supporting LMI communities, as well as technical assistance and training for community organizations that are developing LMI community solar projects.

Anyone applying for LIHEAP would be automatically enrolled and given priority for enrollment in a community solar project if such subscription is available.

It is essential that low-income programs have dedicated, long-term sources of funding to ensure program goals are achieved and benefits for low-income customers and Environmental Justice communities are maximized. Low-income customers pay into solar incentive pools as ratepayers and taxpayers, but are typically barred from accessing these funds due to additional financing barriers.

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 project.

Value of solar programs seek to quantify the value that solar energy provides to the energy system to ensure solar is being built as efficiently and effectively as possible. The idea is that a solar project built in one area might be more valuable than a project elsewhere, so the owner of the project that is more valuable would receive more compensation for their project than a less valuable project.

When this valuation of renewable energy was implemented in New York to replace net metering, renewable development came to a screeching halt. This policy created uncertainty and confusion in the solar industry and amongst consumers, resulting in projects in over 100 communities being cancelled, representing over 600 MW. Implementing such a policy in New Jersey would likely be just as disastrous for solar development. A more effective policy would be to extend net metering benefits to community solar projects.

Furthermore, New Jersey could consider equitable net metering where ratepayers are credited at the retail rate for up to 120% of their annual electricity generation, receiving bill credits with the option for annual payments for excess generation up to the 120% cap. If solar owners generation exceeds 120% of their usage, the utility that serves them should be required to credit a BPU administered fund to support the development of LMI community solar projects, at the retail rate for the excess electricity put into the grid.

The bill credit is the means by which customers realize the value of their subscription. Similar to rooftop solar, bill credits offset the customer's bill creating net savings after paying subscription. This bill credit should be a full retail-rate that parallels the net metering framework. The above-avoided-cost of the bill credit can be recovered by the electric distribution utilities (EDCs) through a non-bypassable charge.

The bill crediting process is critical. A clear and timely bill crediting process is essential to ensuring customers are credited properly and in a timely fashion. In Massachusetts, for example, customers have been receiving credits on their utility bills months after those credits were generated, or sometimes credits are misallocated to the wrong utility customers' bills. We recommend a monthly bill crediting process where community solar providers (subscriber organizations), submit electronic reports to EDCs on subscriber's and generation attributable to each subscriber's subscription. These forms should be updated to reflect customer's joining or leaving the program. Then, the EDCs apply bill credits to the accounts of subscriber's based on the proportional output of the community solar facility attributable to that subscriber. Any amount of the bill credit that exceeds the subscriber's monthly bill shall be carried over and applied to the next month's bill in perpetuity.

16. What should happen to excess credits on a subscribers bill at the end of a year?

Subscribers should have the option of rolling over their credits at the end of the year, or receiving a check from the utility.

19. Should Pilot projects be eligible for solar renewable energy certificates? If yes, should the SREC be given to the subscriber or to the community solar project owners?

Unbundled SRECS should not be sold to utilities to meet renewable electricity generation standards, or sold to electricity consumers as a way to offset their fossil fuel usage, and claim renewable energy benefits while actually utilizing fossil fuels or other sources for electricity. These credits are used to offset fossil fuel burning elsewhere, and there is no guarantee that SRECs will result in more solar energy being built.

Rather than relying on solar renewable energy certificates, community solar projects should be eligible for net metering, crediting members for the portion of electricity they generate, up to 120% of their usage. If a solar owner's generation exceeds 120% of their usage, the utility that serves them should be required to credit a BPU administered fund to support the development of LMI community solar projects, at the retail rate for the excess electricity put into the grid.

However, if unbundled SRECs are used in the state, they should be available to community solar projects and credited to subscribers for the portion of energy available in their subscription, up to 120% of their electricity usage. Revenue generated from unbundled RECs beyond 120% of their electricity usage should be credited to a BPU administered fund to support development of low-income solar projects.

IV. Applications and Interconnections:

27. What specific measures, if any, should apply to multifamily buildings?

The benefits of the community solar program should be passed on to residents and landlords should be required to document how these benefits are passed on to residents.

28. What specific measures, if any should apply to master metered buildings in terms of eligibility for a pilot project? Please discuss specifically how to ensure that benefits of a community solar subscription project pass through to tenants.

Benefits should be passed on to residents through rent reduction or rebates issued by the landlord to the tenant.

29. 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 the community solar project owners?

Website publication should be automatic on approval of the project. The BPU can serve as a way for people to find community solar projects by allowing people to locate community solar project in their community.

V. Customer Subscription, Customer Protection

35. Please identify what specific limits, if any should be placed on the transferability of subscriptions, in accordance with applicable statutes, rules and regulations. If the BPU were to determine that transactions are fully transferable, (i.e., able to be brokered and sold), what consumer protections should be established? Please include consideration of, among other things, necessary approvals and certificates, to ensure that if a community solar subscription market, including through third parties, were to develop, that said market is fair and transparent.

The BPU should not establish a community solar subscription market. This will open the program up to speculation and other risky financial mechanisms that could drive up cost for consumers and limit access to community solar programs, and divert benefits of renewable electricity generation to those who are not served by the system.

Other recommendations:

The BPU should develop electricity storage standards for community solar projects to help increase stability and reliability of service, while minimizing strain on the electric grid and the need to build new transmission lines.

The BPU should provide a mechanism for municipal ownership of community solar projects.

Community solar projects should not be exempt from any environmental regulations.