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August 10, 2023

RE: Clarification of the Successor Solar Incentive Program rules regarding co-location

To all interested parties:

The Board's rules prohibit co-location in the Administratively Determined Incentive (ADI) Program: "Co-location is not permitted in the ADI Program, unless the Board grants a waiver in response to a petition." N.J.A.C. 14:8-11.4(f). Co-location is defined as "siting two or more SuSI-eligible solar facilities on the same property or on contiguous properties, such that the individual facilities are eligible for a higher incentive value than they would be if they were combined into one single facility." An exception is made for certain net metering projects: "In the case of net metered projects, SuSI-Eligible solar facilities shall not be deemed co-located if they serve separate net metering customers as defined at N.J.A.C. 14:8-4." N.J.A.C. 14:8-11.2. A single customer with facilities connected to multiple utility accounts on one property would be considered co-located.

Staff believes the intent of this provision is to ensure the "fair and consistent application of the ADI Program rules" by preventing the provision of higher incentives to a project or projects that would otherwise qualify for a lower incentive. In re a Solar Successor Incentive Program Pursuant to P.L. 2018, C. 17, 2021 N.J. PUC LEXIS 300, BPU No. QO19010068 (July 28, 2021) ("SuSI Program Order") at 27. Staff notes that the prohibition on co-location operates to prevent the use of the ADI market segments to obtain a higher incentive level than that for which a project is eligible. One example would be projects with portions sited on both the ground and on a rooftop, carport, or canopy. Another would be the artificial division of a project larger than 1 MWdc into smaller, co-located projects that are less than 1 MWdc. A third would be division of a project larger than 5 MWdc that should participate in the Competitive Solar Incentive Program into smaller ADI-eligible projects.

The Board Order that initially established the Successor Solar Incentive Program provides some guidance as to the appropriate treatment of the above examples. Staff notes that the Board ordered that "An ADI-eligible facility that, in its entirety, could be eligible for two or more market segments shall be assigned to the market segment with the lower incentive value." SuSI

Program Order at 50. In both the first and second cases discussed above, Staff believes the intent of the Board's rule is to prevent the registration of co-located projects that seek the higher incentive values but to permit the registration of projects that accept the lower incentive value for all projects on a property or contiguous properties. The third case, which addresses the co-location of projects otherwise too large to be eligible for the ADI Program, is not permitted: The combined size of co-located projects may be no greater than 5 MW, as larger projects should seek incentives through the Competitive Solar Incentive (CSI) Program. In the event a net metering customer seeks to add capacity greater than 5 MW to an existing facility participating in the ADI or CSI programs, the project with additional capacity must enter the CSI Program.

Staff asks that the SuSI Program registration manager accept registrations from facilities located on the same property or contiguous properties if the registrant commits to abiding by the intent of the co-location rule as discussed above. Such a registrant should provide an affidavit, the form of which is posted on the NJCEP website, stating that all projects will accept the lowest incentive value available to any the projects as if registered either individually or aggregated. The affidavit should identify the ADI market segment the project is applying for and be signed by the SREC-II owner. If a project includes multiple land use types, it should also be submitted as multiple registrations for each type. Facilities are also subject to the Prevailing Wage Act if aggregating to 1 MW or greater.

Sincerely,

*Sherri L Golden*

Sherri L. Golden  
Secretary of the Board

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