

## REQUEST FOR COMMENTS

### Subsection r Capacity and Other Factors for Consideration in Energy Year 2020

Issued February 11, 2019

On January 17, 2019, the New Jersey Board of Public Utilities (“Board”) closed the Generic Solar Proceeding opened by the Board in September 2017. The Order initiating the proceeding also suspended the rules at N.J.A.C. 14:8-2.4(g), which implements Subsection r of the Solar Act of 2012 (“Subsection r”). In addition to closing the Generic Solar Proceeding, the Board directed Staff to seek comment on the further steps to be taken with respect to the suspended Subsection r rules and the Expressions of Interest (“EOI”) received pursuant to those rules prior to their suspension.

#### Background

On February 22, 2017, the Board approved the adoption of amendments to the Renewable Portfolio Standard (“RPS”) rules which include, at N.J.A.C. 14:8-2.4(g), application criteria and processes designed to facilitate implementation of Subsection r of the Solar Act of 2012.

On the same date, the Board issued an Order designed to implement Subsection r, in a modified form, while the rule adoption was pending at the Office of Administrative Law. I/M/O the Implementation of N.J.S.A. 48:3-87(r), Designating Grid-Supply Projects as connected to the Distribution System, Dkt. No. QO16020130 (“February Order”).

In part, the February Order states that applicants seeking approval in Energy Year 2018 (“EY18”) must submit EOI by April 1, 2017 if an applicant had not already submitted an EOI during a previous acceptance window in 2016. Specifically:

EOIs that were submitted for EY17 between June 1, 2016 and July 15, 2016 are valid for EY18 and do not need to be refiled. However, an EOI for EY18 is required if any of the following apply: a) the EY17 EOI was rejected; b) the EY17 EOI did not contain a PJM interconnection queue number; or c) the EY17 EOI is no longer accurate because there have been changes to the project.

[February Order at pg. 3-4.]

The February Order also directed Staff to seek public comment on the maximum number of megawatts dc the Board should conditionally approve in EY18.

On April 17, 2017, the RPS rules became effective upon publication in the NJ Register. On April 21, 2017, the Board waived certain provisions of the rule related to Subsection r implementation due to the late effective date of the rules in relation to the annual Subsection r process set out in those rules (“April Order”).<sup>1</sup> Among other directives, the

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<sup>1</sup> I/M/O the Implementation of N.J.S.A. 48:3-87(r), Designating Grid-Supply Projects as connected to the Distribution System, Dkt. No. QO16020130, February 22, 2017.

April Order waives the rule provision which would have opened an application window on June 1, 2017 such that the first Subsection r window would open on September 1, 2017. The April Order further directed Staff to seek comment from stakeholders on the ability of the solar renewable energy certificates (“SREC”) market to absorb additional capacity from Subsection r projects.

The comments filed in response to the February Order and the April Order were received almost two years ago. In light of the time lapse, as well as changes made to the solar market by the Clean Energy Act of 2018, Staff now seeks input on the questions and initial positions listed below. When EOIs were submitted in 2017, only 19 out of over 200 EOIs filed were found to be complete. To facilitate responses to the questions posed below, Staff has attached a list of the 19 complete EOIs to this Request for Comment.

Questions:

**1) Aggregate Subsection r capacity:**

- a) What maximum amount of aggregate capacity should the Board make available via Subsection r in EY20?
- b) Can the current SREC market accommodate additional capacity?

Please support your recommendations.

**2) Individual System SREC Eligibility:**

The Solar Act limited the project size of applications approved pursuant to Subsection q to 10 MWdc. During EY17, some developers submitted EOIs for facilities as large as 29 MWdc. One applicant submitted EOIs for two projects which sum to 24 MWdc if facilities on adjacent properties are considered one project.

- a) If the Board makes capacity available under this subsection in EY20, should there be a maximum size? What should the maximum system size be?
- b) If the Board were to make capacity available for Subsection r projects in EY20, should individual project SREC eligibility approval be based solely on a project’s proposed capacity if all other criteria have been met?

The 2014 report on Mitigating Solar Development Volatility presented by the Board to the Legislature found that projects greater than 2 megawatts contributed most significantly to solar market volatility. Based on this finding, if projects in aggregate seek more capacity than the Board has determined the market can bear, Staff proposes that individual projects, if compliant with all other criteria, be rank ordered by size with the smallest projects approved first until all capacity is allocated. No projects proposed to share an interconnection point or property boundary with a Subsection q project should be approved for SREC eligibility via Subsection r.

- c) Should SREC approval to Subsection r applicants be conditioned upon a project commencing commercial operations prior to the State's attainment of 5.1% of retail sales from solar electric generation facilities?
  - d) How should projects be treated which commence commercial operations after the State's attainment of 5.1% of retail sales from solar electric generation facilities?
- 3) **Other factors:** N.J.A.C. 14:8-2.4(g)(1)1 to -17 sets forth the minimum requirements for an application under Subsection r. The rule describes 16 categories of information and allows Staff to request additional information. Staff seeks stakeholder comment on the following:
- a) The rule currently requires a PJM interconnection queue number or equivalent documentation from an electric distribution company ("EDC") demonstrating status of interconnection planning and demarcation of an established interconnection point. What if any additional information should be required to support a determination that no adverse impact on the EDC distribution system would accrue from an individual solar electric generation facility receiving a Subsection r approval?
  - b) In addition to a PJM interconnection queue number, what if any additional information should be required to demonstrate a reasonable likelihood that a project might satisfy the requirement to commence commercial operations within two years of the Board-approved designation date?
  - c) Should additional documentation be required to demonstrate that a project will not be built on farmland or have an adverse impact on open space preservation in the State? What should this additional documentation be?

### **Process for Submitting Comments**

Comments should be submitted to: [OCE@bpu.nj.gov](mailto:OCE@bpu.nj.gov) by 5pm on February 22, 2019 under the heading "EY20 Subsection R Comments."

Attachment: Complete EOIs submitted in response to May 2016 and Feb. 2017 Orders

Subsection (r) Complete Expressions of Interest received in response to Board's May 2016 & Feb 2017 Orders

Complete EOI List No.	Date Submitted	Submitted by	Developer	Contact Address	Phone	Docket Number	Project/ Designation Address	Block & Lot	County	PJM Queue or Alternative	Array Size (MWdc)	EDC
1	6/1/2016	Kevin Cassell/ Yann Brandt	CONERGY Development Corp.	1801 NE 123 St Suite 421 North Miami, FL 33181	(305) 521-9787	Q016060505	190 Strykers Road Phillipsburg, NJ 08865	Block 15, Lot 2	Warren	AC1-018	1.76328	PSE&G
2	6/2/2016	Kevin Cassell/ Yann Brandt	CONERGY Development Corp.	1802 NE 123 St Suite 421 North Miami, FL 33181	(305) 521-9787	Q016060506	251 Circle Drive Piscataway, NJ 08854	Block 4302, Lot 11.01	Middlesex	AC1-019	1.16033	PSE&G
3	6/3/2016	Kevin Cassell/ Yann Brandt	CONERGY Development Corp.	1803 NE 123 St Suite 421 North Miami, FL 33181	(305) 521-9787	Q016060507	1900 River Road Burlington, NJ 08016	Block 154, Lot 1	Burlington	AC1-016	11.08498	PSE&G
4	6/4/2016	Kevin Cassell/ Yann Brandt	CONERGY Development Corp.	1804 NE 123 St Suite 421 North Miami, FL 33181	(305) 521-9787	Q016060508	6 Campus Drive Burlington, NJ 08016	Block 99, Lot 2	Burlington	AC1-017	4.78206	PSE&G
5	6/7/2016	Jamie Fordyce	Lakehurst Solar, LLC	20 Park Plaza, Suite 320 Boston, MA 02116	(617) 904-3100 x148	Q016060509	County Route 547 Lakehurst, NJ 08733	Block 70, Lot 18	Ocean	AB1-138	13.075	JCP&L
6	6/13/2016	Eric Millard	Ben Moreell Solar Farms, LLC	2045 Lincoln Highway Edison, NJ 08817	(732) 520-5055	Q016060523	NWS Earle Tinton Falls, NJ 07712	Block 121.03, Lot 1	Monmouth	AA2-184	28.56	JCP&L
7	6/14/2016	Annika Colston	PVN Management, LLC.	34 Avenue A, Suite 3 New York, NY 10009	(646) 370-4588	Q016060539	760 Old Indian Mills Rd Tabernacle, NJ 08088	Block 1401, Lot 3	Burlington	AB1-165	3.6	ACE
8	6/14/2016	Annika Colston	PVN Management, LLC.	34 Avenue A, Suite 3 New York, NY 10009	(646) 370-4588	Q016060540	221 Hendricks Ave., Winslow, NJ 08095	Block 3804, Lot 1, 2, 3, & 5	Camden	AB1-145	3.6	ACE
9	7/11/2016	Shadaan Javan	SNNJ10, LLC	C/O Suntuity Network 2137 Route 35 Holmdel, NJ 07733	201 745-3729	Q016070637	1845 Delsea Drive Depford, NJ 08096	Block 233, Lot 32	Gloucester	X1-021	5	PSE&G
10	7/11/2016	Gregg Garragozzo	Cape Atlantic Energy, LLC	7 Arthurs Court North Cape May, NJ 082041	609 374-4239	Q016070638	45 Mimosa Drive Rio Grande, NJ 08204	Block 410.01, Lot 83& 87.01	Cape May	X1-110	2	ACE
11	7/12/2016	Kevin Skudera	The Brick Yard, LLC	566A State Hwy 35 Red Bank, NJ 07701	733 933-7680	Q016070642	80 Birdsall Rd Howell, NJ 07727	Block 224, Lot 10 & 17	Monmouth	AC1-015	0.442	JCP&L
12	7/12/2016	Kevin Skudera	The Brick Yard, LLC	566A State Hwy 35 Red Bank, NJ 07701	732 933-7680	Q016070641	176 Birdsall Rd Howell, NJ 07727	Block 224, Lot 30, 31 & 32	Monmouth	AC1-014	5.08	JCP&L
13	7/12/2016	Tony Psomas	Village at Manalapan Properties, LLC	516 Route 33 West, Building 2, Suite 1	732 792-2212 X-141	Q016070644	Millhurst Rd Manalapan, NJ 07726	Block 66.01, Lot 8.01	Monmouth	AB2-110	11.9165	JCP&L
14	7/12/2016	James Spano	Millhurst, LLC	33 Pierson Drive Hillsborough, NJ 08844	908 947-8170	Q016070643	Millhurst Rd Manalapan, NJ 07726	Block 66.01, Lot 8.01	Monmouth	AB2-111	11.9165	JCP&L
15	7/14/2016	Justin Sallusto	CEP Old Bridge, LLC	20 A Beers Street Holmdel, NJ 07733	732 355-5587	Q016070671	Clay Pitts, Old Bridge, NJ 08857	Block 2.11, Lot 1051	Monmouth	W4-060	8	JCPL
16	7/15/2016	Lyle Rawlings	Advance Solar Products PV1, LLC	270 South Main Street, Suite 203 Flemington, NJ 08822	908 751-5818	Q016080731	Stickles Pond Rd Newton, NJ 07860	Block 151, Lot 21; Block 151, Lot 21 Q0028	Sussex	AC1-020	14.9985	JCP&L
17	7/15/2016	Scott Lewis	Green Energy Partner, LLC	31 Fairview Hill Rd Newton, NJ 07860	973 271-2322	Q016080740	Brighton Rd Andover Twp, NJ 07821	Block 161, Lot 3 & Block 163, Lot 2	Sussex	X3-083	12.2	JCP&L
18	3/28/2017	David Yen	H and Y Associates	490 Easton Ave. Somerset, NJ 08873	732-491-5358	Q017050527	71 Station Road Cranbury, NJ 08512	Block 8, Lot 5.01	Middlesex	AC2-143	3.4355	JCP&L
19	3/31/2017	Kevin Purdy	G & S Solar	211 E. 43rd St. 25th Fl. NY, NY 10017	531-624-4198	Q017060597	1150 Commerce Blvd. Logan Township, NJ 08085	Block 2803, Lot 1	Gloucester	AC2-169	5.1	ACE