



Solar Act Rulemaking Update

Subsection r : Concepts toward Development of a Straw

April 16, 2015
Renewable Energy Meeting
Trenton, NJ



Solar Act Subsection r – To Obtain Board Approval

r. (1) For all proposed solar electric power generation facility projects **except** for those solar electric power generation facility projects approved pursuant to **subsection q.** of this section, and for all projects proposed in each energy year **following energy year 2016**, a proposed solar electric power generation facility that is neither net metered nor an on-site generation facility, may be considered "connected to the distribution system" only upon designation as such by the board, after notice to the public and **opportunity for public comment or hearing**. A proposed solar power electric generation facility seeking board designation as "connected to the distribution system" **shall submit an application to the board** that includes for the proposed facility: *the nameplate capacity; the estimated energy and number of SRECs to be produced and sold per year; the estimated annual rate impact on ratepayers; the estimated capacity of the generator as defined by PJM for sale in the PJM capacity market; the point of interconnection; the total project acreage and location; the current land use designation of the property; the type of solar technology to be used; and such other information as the board shall require.*



Solar Act Subsection r – Prescribed Application Requirements

- the nameplate capacity;
- the estimated energy and number of SRECs to be produced and sold per year;
- the estimated annual rate impact on ratepayers;
- the estimated capacity of the generator as defined by PJM for sale in the PJM capacity market;
- the point of interconnection;
- the total project acreage and location;
- the current land use designation of the property;
- the type of solar technology to be used



Solar Act Subsection r – Criteria for Board Approval

- a) No detrimental impact on SREC market
- b) No significant impact on open space preservation
- c) Beneficial impact on electric rates and economic development, and
- d) No impairment on the ability of an electric public utility to maintain service to each customer



Criteria a) No Detrimental Impact on SREC Market

Relevant Prescribed Application Data

- the nameplate capacity;
- the estimated energy and number of SRECs to be produced and sold per year;

Any "...Other Such Information Required..."?

- How do we require applicants estimate energy and SRECs?
- Do we standardize, use the 1200 kWh per kW protocol and require demonstration of deviations?
- How do we measure detrimental impact by individual projects?



Criteria a) No Detrimental Impact on SREC Market

Potential References

- a) Definition of “Solar Development Volatility” used in the Board’s report to the Legislature on proceeding investigating approaches to mitigate solar development volatility detailing findings and recommendations, per Solar Act d. 3. (b) – July 23, 2014
- b) Subsection q – grid supply projects in EY14, EY15, EY16 limited to 10 MW each, 80 MW per year, 240 MW total, 2 year construction requirement
- c) Board Orders on Subsection s dated May 10, 2013 & October 31, 2014



Criteria a) No Detrimental Impact on SREC Market

- a) Solar Development Volatility = “significant and rapid changes in the rate of market capacity additions over time”... The average quarter-over-quarter change (either positive or negative) in market capacity additions in New Jersey between Q2 2009 and Q1 2014 was 39 percent (Report to Legislature, pg. 11. 7/23/14)
- c) “the Board **THEREBY FINDS** that the deferred Subsection s projects shall be evaluated using the following criteria: the impact of the SRECs forecasted to be created by a facility upon the SREC market and upon solar development in the State...1. Expected commissioning date with description of remaining milestones in construction process; 2. Documentation of current interconnection status and all federal, state, and local approvals as of the effective date of this Order; 3. Forecast of annual MWh of facility production based on facility capacity and commencement date; (Order, 10/31/14)



Criteria b) No significant impact on open space preservation

Relevant Prescribed Application Data

- the total project acreage and location;
- the current land use designation of the property;
- the type of solar technology to be used

Any "...Other Such Information Required..."?

- How is Open Space Defined?
- Is current zoning and current uses of property relevant?
- How is impact measured?



Criteria b) No Significant Impact on Open Space Preservation

"Accordingly, the Board **THEREBY FINDS** that the deferred Subsection s projects shall be evaluated using the following criteria: ...the impact upon the preservation of open space, with special attention to the State's farmland preservation programs..."

4. Demonstration of location and associated impacts including identification of farm parcel location within an Agricultural Development Area or Farmland Preservation Program 'project area;' proximity to the nearest preserved farmland; and concentration of solar capacity in megawatts within the nearest ADA;
 5. The current zoning designation(s) for the proposed host site and the date of the most recent change in zoning designation;
 6. Evidence of community support, including but not limited to current support by the local authority(ies) having jurisdiction over farmland preservation in the municipality(ies) containing the location of the proposed solar facility and any local historic preservation body;
 7. Project decommissioning plans for the end of the useful life of the facility;..."
- (Order, I/M/O Subsection s – Additional Application Criteria, pg. 18 &19 10/31/14.)



Criteria c) Beneficial impact on electric rates and economic development

Relevant Prescribed Application Data

- the estimated annual rate impact on ratepayers;
- the estimated capacity of the generator as defined by PJM for sale in the PJM capacity market;

Any “...Other Such Information Required...”?

- How would a grid supply project impact electric rates,
- Is local LMP relevant, wholesale rates vs. regulated retail rates?
- Can impact measurement be standardized, easily modeled?



Criteria d) No impairment on electric public utility service to customers

Relevant Prescribed Application Data

- the estimated capacity of the generator as defined by PJM for sale in the PJM capacity market;
- the point of interconnection;

Any “...Other Such Information Required...”?

- How could a grid supply project impinge service?
- Does PJM interconnection process ensure no impairment?
- When should applications be received; in relation to interconnection studies? In relation to Subsection r completion requirements?



Subsection r : Straw for Comment on Concepts for Use in Developing a Rule Proposal

Next Steps:

- 1. Stakeholders submit initial comments to NJREINFO@njcleanenergy.com by April 30, 2015**
- 2. Staff issues Straw Proposal for Subsection r**
- 3. Discussion of straw and comments at the May RE Stakeholder meeting**
- 4. Rule proposal to the Board by June/July 2015**