



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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CLEAN ENERGY

IN THE MATTER OF THE IMPLEMENTATION OF P.L.  
2012, C. 24, THE SOLAR ACT OF 2012;

DOCKET NO. EO12090832V

IN THE MATTER OF THE IMPLEMENTATION OF P.L.  
2012, C. 24, THE SOLAR ACT OF 2012, N.J.S.A. 48:3-  
87(Q)(R) AND (S) – PROCEEDINGS TO ESTABLISH  
THE PROCESSES FOR DESIGNATING CERTAIN  
GRID-SUPPLY PROJECTS AS CONNECTED TO THE  
DISTRIBUTION SYSTEM; AND

DOCKET NO. EO12090880V

IN THE MATTER OF THE IMPLEMENTATION OF  
N.J.S.A. 48:3-87(R), DESIGNATING GRID-SUPPLY  
PROJECTS AS CONNECTED TO THE DISTRIBUTION  
SYSTEM - ORDER CONDITIONALLY APPROVING  
APPLICATIONS PURSUANT TO N.J.A.C. 14:8-2.4(G)

DOCKET NO. QO16020130

HCE Strykers Road Solar LLC, AC1-018

DOCKET NO. QO19030341

HCE River Road Solar LLC, AC1-016

DOCKET NO. QO19030342

HCE Campus Drive Solar LLC, AC1-017

DOCKET NO. QO19030343

Lakehurst Solar LLC, AB1-138

DOCKET NO. QO19030344

Ben Moreell Solar Farm LLC, AA2-184

DOCKET NO. QO19030345

**Party of Record:**

**Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel**  
**Eric Millard, Ben Moreell Solar Farm LLC**  
**Jamie Fordyce, Lakehurst Solar LLC**  
**Stanford Allison, Holocene Clean Energy**

**BY THE BOARD:**

In this Order, the Board of Public Utilities ("Board") considers the recommendations of Board staff ("Staff") on the applications for five proposed solar electric generation facilities seeking

designation as "connected to the distribution system" pursuant to N.J.A.C. 14:8-2.4(g). N.J.A.C. 14:8-2.4(g) establishes the process and eligibility criteria for certain grid supply projects to become eligible for Solar Renewable Energy Certificates ("SREC") that can be used to satisfy the New Jersey Renewable Portfolio Standards ("RPS").

## **BACKGROUND**

N.J.A.C. 14:8-2.4(g) must be understood in its statutory and administrative context. The Board promulgated this rule to implement Subsection r of P.L. 2012, c. 24 (the "Solar Act"), which was signed into law by Governor Christie on July 23, 2012. The Solar Act amended certain aspects of the statute governing the generation, interconnection, and financing of renewable energy. Among other actions, the Solar Act requires the Board to conduct proceedings to establish new standards and to develop new programs to implement its directives. Specifically, with respect to future grid supply solar generation projects, Subsection r of the Solar Act provides that:

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, 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.

(2) The board shall approve the designation of the proposed solar power electric generation facility as "connected to the distribution system" if the board determines that:

(a) the SRECs forecasted to be produced by the facility do not have a detrimental impact on the SREC market or on the appropriate development of solar power in the State;

(b) the approval of the designation of the proposed facility would not significantly impact the preservation of open space in this State;

(c) the impact of the designation on electric rates and economic development is beneficial; and

(d) there will be no impingement on the ability of an electric public utility to maintain its property and equipment in such a condition as to enable it to provide safe, adequate, and proper service to each of its customers.

(3) The board shall act within 90 days of its receipt of a completed application for designation of a solar power electric generation facility as "connected to the distribution system," to either approve, conditionally approve,

or disapprove the application. If the proposed solar electric power generation facility does not commence commercial operations within two years following the date of the designation by the board pursuant to this subsection, the designation of the facility as "connected to the distribution system" shall be deemed to be null and void, and the facility shall thereafter be considered not "connected to the distribution system."

[N.J.S.A. 48:3-87(r).]<sup>1</sup>

On January 27, 2016, the Board approved a Rule Proposal to implement the criteria set forth in the statute.<sup>2</sup> On March 7, 2016, the proposal was published in the New Jersey Register and the Board accepted comments on the Rules for a period of 60 days.

As noted above, Subsection r directs the Board to evaluate all proposed projects for which applications are submitted on or after June 1, 2016, the first day of EY17. On May 25, 2016, the Board recognized that the Rules would not take effect prior to the start of EY17 and established an interim process to "implement Subsection r from June 1, 2016 until such time as a final rule is promulgated and an application window can be opened."<sup>3</sup> May 25 Order at p. 4. Among other matters, the interim process allowed interested parties seeking approval of projects in EY17 to submit Expressions of Interest ("EOI"). While allowing for these submittals, the May 25 Order prohibited Staff from accepting applications prior to the effective date of the Rules.

On February 22, 2017, the Board issued an Order modifying the May 25 Order by approving an extended and amended administrative process to implement Subsection r until such time as the first application window opened.<sup>4</sup> The February 22 Order instructed all entities that were considering filing an application in the coming energy year to file an EOI, using the EOI-form to be posted on the New Jersey Clean Energy Program ("NJCEP") webpage, by April 1, 2017. Applicants who had previously submitted an EOI pursuant to the May 25 Order were not required to resubmit unless the earlier EOI had been rejected; did not contain a PJM interconnection queue number; or was no longer accurate because of changes to the project. February 22 Order at p. 4. In addition, the Board ordered that a public stakeholder process be initiated as soon as practicable to request comments on the optimal number of megawatts that the Board should not exceed for grid supply projects in EY18. Ibid. Finally, the Board stated that it would approve a specific number of megawatts as the upper limit which it might approve for designation as "connected to the distribution system" in EY18. Ibid.

The Board approved adoption of the Rule Proposal at the same February 22, 2017 agenda meeting. Since the Rules took effect without sufficient time to implement the necessary provisions prior to the opening of an application window, the Board's Order dated April 21, 2017 modified the administrative process approved in the February 22 Order.<sup>5</sup> To allow adequate time to consider public stakeholder input on the maximum amount of capacity to make available

<sup>1</sup> "Energy year" or "EY" as defined at N.J.A.C. 14:8-2.2 means the 12-month period from June 1st through May 31st and shall be numbered according to the calendar year in which it ends.

<sup>2</sup> I/M/O the Renewable Energy and Energy Efficiency Rules - N.J.A.C. 14:8 Amendments to Subchapter 8 - Rule Proposal, BPU Dkt. No. QX15091096, (January 27, 2016).

<sup>3</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, BPU Dkt. No. QO16020130 (May 25, 2016) ("May 25 Order").

<sup>4</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, BPU Dkt. No. QO16020130 (February 22, 2017) ("February 22 Order").

<sup>5</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 - Order Modifying February 22, 2017 Order and Waiving Certain Provisions of N.J.A.C. 14:8-2.4 (G), BPU Dkt. No. QO16020130 (April 21, 2017) ("April 21 Order").

pursuant to Subsection r for EY18 and to best achieve a fair and efficient process for addressing potential grid supply applicants that have submitted EOI, the Board took the following steps in the April 21 Order:

1. Deferred the opening of the first application window from June 1, 2017 to September 1, 2017.
2. Directed Staff to initiate a public process to accept comment on the capacity that the Board make available for designation as "connected to the distribution system" in EY18.
3. Announced its intention to establish a capacity cap following the close of the comment submittal period, and no less than 30 days prior to opening the first application window for EY18 on September 1, 2017.

Pursuant to the April 21 Order, on June 15, 2017, Staff issued a Request for Comments on Subsection r with a deadline for submission by close of business on June 29, 2017. The Request for Comments was distributed via the RE Stakeholder email distribution list and posted to the NJCleanenergy.com website. Nine entities submitted comments in response to Staff's Request. Five entities suggested that no capacity should be made available in Subsection r due to the current state of the SREC market and potential for adverse impacts from an approval of any Subsection r capacity. Two commenters recommended 100 MWs or more; and one commenter recommended no limit on the capacity available for designation. These positions cannot be easily reconciled.

On July 26, 2017, in response to the comments received, the Board found it reasonable to undertake additional analysis so that the impact of differing possibilities might be weighed. Specifically, the Board directed Staff to analyze whether the capacity caps proposed by the commenters will have an adverse impact on the SREC market. The impact of new capacity under Subsection r was to be considered in combination with forecasted installation growth based on historic trends.

The July 26 Order directed a process that superseded the procedure set forth in the April 21 Order.<sup>6</sup> The Board took the following steps:

1. Deferred the opening of the first application window from September 1, 2017 to December 1, 2017.
2. Directed Staff to conduct analysis concerning the market potential for new solar capacity.
3. Advised that a specific number of megawatts would be announced as an upper limit which the Board may approve for designation as "connected to the distribution system" in EY18, based upon the market research, no less than 30 days prior to opening the first application window for EY18 on December 1, 2017.
4. Directed Staff not to accept applications prior to December 1, 2017. Following that date, Staff might accept applications according to the schedule set forth in the Rules.

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<sup>6</sup> I/M/O the Implementation of Designating Grid-Supply Projects as connected to the Distribution System – Order Implementing Certain Provisions of N.J.A.C. 14:8-2.4 (g) for Energy Year 2018, BPU Dkt. No. QO16020130 (July 26, 2017) ("July 26 Order").

By Order dated September 22, 2017,<sup>7</sup> the Board initiated the Generic Solar Proceeding to “review the development of the New Jersey solar market.” September 22 Order at 1. This Order also suspended N.J.A.C. 14:8-2.4(g) and by doing so suspended the implementation of Subsection r. Id. at 3.

On May 23, 2018, Governor Murphy signed P.L. 2018, c. 17 (the “Clean Energy Act” or “2018 Act”), which mandated significant changes to policies underlying the state’s solar market. As a result, the solar market in existence when the Generic Solar Proceeding began has changed significantly and the findings from that stakeholder process are now outdated. Among many other changes, the 2018 Act amends the statutory provisions for Subsection r eligibility by making additional capacity available to this market segment in Energy Year 2019 (“EY19”) and Energy Year 2020 (“EY20”). “The Board may approve projects for up to 50 MW annually ... as long as the Board is accepting applications.” N.J.S.A. 48:3-87(r).

In other relevant provisions, the new law requires the Board to close the SREC Registration Program (“SRP”) once the Board has determined that 5.1% of the total kilowatt-hours sold in New Jersey have been generated by SREC-eligible solar generation installations (“5.1% Milestone”). In addition, the Board must modify or replace the existing SRP. The 2018 Act also modified the solar RPS schedule of percentage obligations, effectively increasing SREC demand for EY19 by an estimated 750,000 MWh. As a result, the solar market became able to accommodate an estimated additional 620 MWdc of solar generation capacity. The 2018 Act also capped the annual cost to ratepayers of the New Jersey Class I RPS, including the solar RPS, at nine percent of retail electricity costs in EY19, EY20, and EY21 and at seven percent thereafter.

On December 26, 2018, Staff issued a straw proposal and request for comments on the New Jersey Solar Transition, SREC Transition Principles, and certain Program Assumptions (“Straw Proposal”). The Straw Proposal also announced a stakeholder process for implementing an SREC Transition in compliance with statutory requirements. Since issuance of the Straw Proposal, and as part of promoting a smooth transition process, Staff has edited SREC registration materials to reflect the new legal requirements, as well as instructional and educational materials on the New Jersey Clean Energy Program website.

The first Solar Transition stakeholder meeting was held on Friday, January 18, 2019 in New Brunswick. The second stakeholder meeting took place on Friday, February 22, 2019 in Newark. The deadline for written comments was March 1, 2019.

On January 17, 2019, in light of the above developments, the Board issued an Order closing the Generic Solar Proceeding.<sup>8</sup> In addition to closing the Generic Solar Proceeding, the January 17 Order directed staff to “seek comment from all interested parties on the further steps to be taken with respect to the suspended Subsection r Rules and the Expressions of Interest received pursuant to those rules prior to their suspension.” Staff posted a Request for Comments on Subsection r Capacity on February 11, 2019. Comments were due on February 22, 2019.

Comments were received from representatives of ten entities including solar developers, electric distribution companies, and solar trade associations. On February 27, 2019, the Board

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<sup>7</sup> I/M/O the Board’s Establishment a Generic Proceeding to Review the State of the Solar Market, Dkt. No. QX17090949 (September 22, 2017) (“September 22 Order”).

<sup>8</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 – Order Implementing Certain Provisions of N.J.A.C. 14:8-2.4 (g), BPU Dkt. No. QO16020130 (January 17, 2019) (“January 17 Order”).

considered these comments in authorizing staff to open an application window for certain qualifying proposed solar electric generation facilities pursuant to Subsection r. The Board found that allowing Subsection r projects possessing valid EOIs to submit applications is consistent with the policies underlying the Solar Act and the 2018 Act.

The Board found that making a maximum of 100 MW of capacity available in EY20 for the conditional approval of Subsection r projects possessing active EOIs is consistent with the legislative intent behind the 2018 Act. In addition, the Board reaffirmed its earlier finding that it is reasonable to limit the acceptance of EOIs to those which have PJM interconnection queue numbers previously submitted for EY17 between June 1, 2016 and July 15, 2016 and for EY18 by April 1, 2017. The Board further found that Subsection r applicants conditionally designated by the Board as having demonstrated meeting all other statutory and regulatory criteria for SREC eligibility must also commence commercial operations prior to the Board's determination of the state's attainment of 5.1% of kilowatt hours sold by solar electric generation facilities to be eligible for SRECs.

The Board approved the application and application process recommended by Staff and directed Staff to take applications from Subsection r projects with valid EOIs until March 14, 2019.

### **SUBSECTION R APPLICATION PROCESS**

On March 1, 2019, Board Staff distributed the Subsection r application and escrow agreement via email to the parties responding to Staff's request for public comments on the Subsection r issued February 11, 2019, and posted the application form on its webpage and on the webpage of the New Jersey Clean Energy Program. Any company applying for eligibility for SRECs under N.J.S.A. 48:3-87(r) with a valid EOI submitted in 2016 or 2017 was required to submit a completed application package by March 14, 2019.

Applicants were required to submit a completed application providing information in response to data requirements established in the Solar Act and, where relevant, the attachment of twelve appendices, all designed specifically to address the criteria for designation pursuant to Subsection r and aid Staff in making a recommendation to the Board as to which proposed projects should be approved, conditionally approved or denied.

The required information for each proposed solar electric generation facility included the following: 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 other information designed to glean the status of project development.

Additional information for each application, if deemed relevant to the project, was required to be submitted as appendices to illicit further insight to criteria such as whether the approval of the designation of the proposed facility would significantly impact the preservation of open space or impinge on the ability of an electric public utility to maintain its property and equipment in such a condition as to enable it to provide safe, adequate, and proper service to each of its customers. Consistent with the requirements established by rule at N.J.A.C. 14:8-2.4(g), each applicant was also to submit a project decommissioning plan for the proposed solar electric generation facility.

A total of five (5) Subsection r applications were received before the 5:00 p.m. March 14, 2019 deadline. The applications were date stamped by the Board's mailroom staff and verified as received by the deadline. The applications were reviewed by Staff for administrative completeness and found to be complete. N.J.S.A. 48:3-87(r)(1) declares: "A proposed solar electric power 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." On March 15, 2019, Staff issued public notice of the opportunity to comment on the five applications for designation received by the deadline and posted to the New Jersey Clean Energy Program website. Comments were due on March 22, 2019, but no comments were received.

### **PROJECT DESCRIPTIONS**

Below are brief descriptions of the five projects seeking approval as "connected to the distribution system" under Subsection r that were received before the March 14, 2019 deadline and subsequently made available for public review and comment. Each applicant supplied the project information required by statute for the Board's determination that the above referenced criteria were met. Each application included sufficient data on project size, anticipated energy and SREC creation, location, maps with proximity to relevant agricultural and open space resources, decommissioning plans, PJM interconnection status, the EOI filing, and escrow agreement to enable the Board's consideration and decision.

#### **HCE Strykers Road Solar LLC, AC1-018 - Dkt. No. QO19030341**

On March 14, 2019, applicant HCE Strykers Road Solar LLC ("Strykers Road") submitted an application under Subsection r for designation as connected to the distribution system so that the project would be eligible to generate SRECs. Applicant's 1.76 MWdc, 1.38 MWac project is located in Lopatcong Township, New Jersey.

On its application, Strykers Road represented that the facility would produce 2,183 MWh and 2,183 SRECs per year. The applicant claims no rate impact on ratepayers as the "SRECs (will be) sold to EDCs to meet RPS obligations, energy sold in the wholesale market." The point of interconnection is identified as the "southwestern border of property via overhead poles to connect to JCP&L 3 phase distribution." The total project acreage is described as "4.99 roof area site acres." The location of the proposed solar facility is 190 Strykers Road, Block 99, Lot 99 in Lopatcong Township, NJ 08865. The current land use designation of the property is listed as "ROM – Research, Office and Manufacturing." The solar technology proposed is "photovoltaic."

The applicant indicated that project has been designed but that no further development, site clearing, construction, or materials delivery has occurred. Construction is anticipated to be initiated and materials delivered onsite on July 1, 2019. Strykers Road represented that it had secured the PJM Interconnection Services Agreement ("ISA") and attached as Appendix 10 a copy of the "Combined Feasibility Study/System Impact Study Report and ISA and Construction Services Agreement." The system interconnection is anticipated to be completed December 31, 2019. Project financing is reported to be "in process" with no SREC offtake contract executed to date. Additionally, the applicant demonstrated that an application has not been submitted to safe harbor a Treasury Federal Investment Tax as it is "not required for 2019 COD."

Staff confirmed via the PJM Interconnection LLC New Services Queue that the project's feasibility study, system impact study, interconnection services, construction services, and wholesale power marketing agreement have all been secured. The estimated capacity of the

generator as defined by PJM in the PJM capacity market is identified in the System Impact Study as 0.5 MW. Additionally, Staff confirmed with the escrow agent at a qualifying institution that sufficient funds have been deposited in an escrow account using the standardized form approved by the Board.

Staff's review of the attached maps for the proposed Stryker Road project, Appendices 4 and 5, indicates that the site for the rooftop solar installation is over one mile from the nearest farmland preservation area. At least ten other solar sites, with various footprints measured in acres, are located within a five mile radius.

#### **HCE River Road Solar LLC, AC1-016 - Dkt. No. QO19030342**

On March 14, 2019, applicant HCE River Road Solar LLC ("River Road") submitted an application under Subsection r for designation as connected to the distribution system so that the project would be eligible to generate SRECs. Applicant's 11.085 MWdc, 8.79 MWac project is located in Burlington Township, New Jersey.

On its application, River Road represented that the facility would produce 14,679 MWh and 14,679 SRECs per year. The applicant claims no rate impact on ratepayers as the "SRECs (will be) sold to EDCs to meet RPS obligations, energy sold in the wholesale market." The point of interconnection is identified as the "western border of property via overhead poles to connect to PSE&G 3 phase distribution." The total project acreage is described as "23.88 roof area and 7.83 ground area site acres." The location of the proposed solar facility is 1900 River Road, Block 154, Lot 1, Burlington Township, NJ 08016. The current land use designation of the property is listed as "I2 -Industrial." The solar technology proposed is "photovoltaic."

The applicant indicated that project has been designed but no further development, site clearing, construction or materials delivery has occurred. Construction is anticipated to be initiated and materials delivered onsite on July 1, 2019. River Road represented that it had secured the ISA and attached as Appendix 10 a copy of the "Wholesale Power Market Agreement." The system interconnection is anticipated to be completed December 31, 2019. Project financing is reported to be "in process" with no SREC offtake contract executed to date. Additionally, the applicant demonstrated that an application has not been submitted to safe harbor a Treasury Federal Investment Tax as it is "not required for 2019 COD."

Staff confirmed via the PJM Interconnection LLC New Services Queue that the project's feasibility study, system impact study, interconnection services, and wholesale power marketing agreement have all been secured. The estimated capacity of the generator as defined by PJM in the PJM capacity market is identified in the Combined Feasibility/System Impact Study as 3.34 MW. Additionally, Staff confirmed with the escrow agent at a qualifying institution that sufficient funds have been deposited in an escrow account using the standardized form approved by the Board.

Staff's review of the attached maps for the River Road project, Appendices 4 and 5, show that the proposed site for the predominantly rooftop solar installation is approximately 3 miles from the nearest farmland preservation area. At least seven other solar sites, including the proposed Campus Drive Subsection r application (discussed below), with various footprints measured in acres, are located within a five mile radius.



**HCE Campus Drive Solar LLC, AC1-017 - Dkt. No. QO19030343**

On March 14, 2019, applicant HCE Campus Drive Solar LLC ("Campus Drive") submitted an application under Subsection r for designation as connected to the distribution system so that the project would be eligible to generate SRECs. Applicant's 4.78 MWdc, 3.72 MWac project is located in Burlington Township, New Jersey.

On its application, Campus Drive represented that the facility would produce 6,209 MWh and 6,209 SRECs per year. The applicant claims no rate impact on ratepayers as the "SRECs (will be) sold to EDCs to meet RPS obligations, energy sold in the wholesale market." The point of interconnection is identified as the "western border of property via overhead poles to connect to PSE&G 3 phase distribution." The total project acreage is described as "11.55 roof area site acres." The location of the proposed solar facility is 6 Campus Drive, Block 99, Lots 2.04 and 2.05 in Burlington Township, NJ 08016. The current land use designation of the property is listed as "I2 - Industrial." The solar technology proposed is "photovoltaic."

The applicant indicated that project has been designed but no further development, site clearing, construction or materials delivery has occurred. Construction is anticipated to be initiated and materials delivered onsite on July 1, 2019. Campus Drive represented that it had secured the ISA and attached as Appendix 10 a copy of the "Combined Feasibility Study/System Impact Study Report and ISA and Construction Services Agreement." The system interconnection is anticipated to be completed December 31, 2019. Project financing is reported to be "in process" with no SREC offtake contract executed to date. Additionally, the applicant demonstrated that an application has not been submitted to safe harbor a Treasury Federal Investment Tax as it is "not required for 2019 COD."

Staff confirmed via the PJM Interconnection LLC New Services Queue that the project's feasibility study, system impact study, interconnection services, and wholesale power marketing agreement have all been secured. The estimated capacity of the generator as defined by PJM in the PJM capacity market is identified in the Combined Feasibility/System Impact Study as 1.4 MW. Additionally, Staff confirmed with the escrow agent at a qualifying institution that sufficient funds have been deposited in an escrow account using the standardized form approved by the Board.

Staff's review of the attached maps for the Campus Drive project, Appendices 4 and 5, show that the proposed site for the rooftop solar installation is over 4.5 miles from the nearest farmland preservation area. At least twelve other solar sites, including the proposed River Road Subsection r application (discussed above), with various footprints measured in acres, are located within a five mile radius.

**Lakehurst Solar LLC, AB1-138 - Dkt. No. QO19030344**

On March 14, 2019, applicant Lakehurst Solar Farm LLC ("Lakehurst") submitted an application under Subsection r for designation as connected to the distribution system so that the project would be eligible to generate SRECs. Applicant's 14.99 MWdc, 9.6 MWac project is located in Manchester, New Jersey.

On its application, Lakehurst represented that the facility would produce 21,000 MWh and 21,000 SRECs per year. The applicant claims "the project will have the same or less impact as other SREC projects because the project does not receive a net metering incentive." The estimated "interim" capacity of the generator as defined by PJM in the ISA is 3.6 MW. The point of interconnection is identified as the "Lakehurst – Navy (N140) 34.5 kV line." The total project

acreage is described as 68.24 site acres. The location of the proposed solar facility is Joint Base McGuire-Dix-Lakehurst (Lakehurst Area), Manchester, NJ. The current land use designation of the property is listed as "Military Installation." The solar technology proposed is "photovoltaic."

The applicant indicated that project has been designed and the site cleared, but no equipment purchased and no solar construction started. The applicant also declared that construction will begin on October 1, 2019. While the applicant reported no materials onsite, it advised that materials are to be delivered onsite on October 1, 2019. Lakehurst also represented that it had secured the PJM Construction Services Agreement and ISA and attached as Appendix 10 a copy of the ISA. The applicant indicated an estimated commissioning date of March 1, 2020. The applicant reports no project financing has been secured and no SREC offtake contract executed to date. Additionally, the applicant demonstrated that an application has not been submitted to safe harbor a Treasury Federal Investment Tax.

Staff confirmed via the PJM Interconnection LLC New Services Queue that the project's feasibility study, system impact study, interconnection services, construction services agreement and wholesale power marketing agreement have all been secured. The estimated capacity of the generator as defined by PJM in the PJM capacity market is identified in the System Impact Study as 3.6 MW. Additionally, Staff confirmed with the escrow agent at a qualifying institution that sufficient funds have been deposited in an escrow account using the standardized form approved by the Board.

Staff's review of the attached maps for the Lakehurst project, Appendices 4 and 5, show that there are no farm parcels or preserved open space within 0.5 miles of the 68 acre solar facility proposed to be located on the military installation. At least two other large solar sites, each one a Subsection t applicant, with footprints measured in megawatts, are proposed to be installed within a five mile radius.

#### **Ben Moreell Solar Farm LLC, AA2-184 - Dkt. No. QO19030345**

On March 14, 2019, applicant Ben Moreell Solar Farm LLC ("Ben Moreell") submitted an application under Subsection r for designation as connected to the distribution system so that the project would be eligible to generate SRECs. Applicant's 28.56 MWdc, 20 MWac project is located in Tinton Falls, New Jersey.

On its application, Ben Moreell represented that the facility would produce 38,556 MWh and 38.556 SRECs per year. The applicant claims "the project will have the same or less impact as other SREC projects because the project does not receive a net metering incentive." The maximum facility output of the generator as defined by PJM in the ISA is 20 MW. The point of interconnection is identified on the application as "on Shaffo Road, Tinton Falls." The total project acreage is described as 170 site acres. The location of the proposed solar facility is NWS Earle, Tinton Falls, NJ 07701. The current land use designation of the property is listed as "GU – Government Use." The solar technology proposed is "photovoltaic, fixed tilt."

The applicant indicated that project has been designed and the site cleared, but no equipment purchased and no solar construction started. The applicant also declared that construction will begin on May 1, 2019. And while the applicant reported no materials onsite, it advised that materials are to be delivered onsite on May 1, 2019. Ben Moreell represented that it had secured the PJM Construction Services Agreement and ISA and attached as Appendix 10 a copy of the ISA. The system interconnection is anticipated to be completed December 5, 2019. The applicant reports project financing has been secured, but an SREC offtake contract has not

been secured. Additionally, the applicant demonstrated that an application has not been submitted to safe harbor a Treasury Federal Investment Tax.

Staff confirmed via the PJM Interconnection LLC New Services Queue that the project's feasibility study, system impact study, interconnection services, construction services agreement and wholesale power marketing agreement have all been secured. The estimated capacity of the generator as defined by PJM in the PJM capacity market is identified in the System Impact Study as 0 MW. Additionally, Staff confirmed with the escrow agent at a qualifying institution that sufficient funds have been deposited in an escrow account using the standardized form approved by the Board.

Staff's review of the attached maps for the Ben Moreell project, Appendices 4 and 5, show that there are no farm parcels within 0.5 miles of the 170 acre solar facility proposed to be located on the military installation. The nearest NJ Farmland Preservation Program ("NJFPP") site is 0.51 miles from the proposed project site. The NJFPP map also shows a 2012 farm parcel within 0.5 miles of the Ben Moreell site that the applicant has documented as Block 105, Lot 5.01 under residential development. The nearest agricultural development area is located within 0.28 miles from the project site and is separated by dense forest. At least one other large solar site, a Subsection t applicant, with footprints measured in megawatts, is proposed to be installed within a five mile radius.

#### **STAFF REVIEW AND RECOMMENDATIONS**

Staff has reviewed the applications individually in light of the statutory and regulatory requirements for Board approval. With respect to potential impact on the SREC market, Staff advises the Board's consideration of the requirement of the Clean Energy Act to close the SRP to new registrations upon attainment of 5.1%. Staff have summed the capacity proposed and energy forecast to be produced by the five applicants. The five projects, if built to the full capacity proposed, would equal 61.175 MWdc. The amount of capacity joining the SREC market annually has averaged 360 MWdc per year over the most recent three years and is expected to rise with projects attempting to take advantage of the scheduled reduction in the Federal Investment Tax Credit. If each of the projects were built prior to the state's attainment of the 5.1% milestone, the five projects would likely be less than 15% of the total market.

The applicants supplied anticipated generation amounts that sum to 82,637 MWh per year. Each applicant utilized a different productivity factor, ranging from 1240 MWh per MW to 1400 MWh per MW, to arrive at anticipated generation. When the NJCEP productivity factor of 1200 MWh per MW is applied to the proposed aggregate of 61.175 MWdc, the anticipated generation is 73,410 MWh per year. If 5.1% milestone is achieved in EY20, the first full year of production from the five projects would be in EY21 when the solar RPS percentage requirement is 5.1% of retail electricity sales. If retail sales are as low in EY21 as EY18's 73,679,000 MWh, then the SRECs required for retirement in the RPS will be 3.75 million MWh. The aggregate production anticipated from the five applications is less than 2.5% of a conservative estimate of the EY21 SREC demand. Staff foresees no adverse impact on the SREC market from the conditional approval of the five applications.

With respect to the potential impact from a Subsection r application on the preservation of open space, Staff points to the fact that three of the five projects are either entirely or predominantly located on rooftops. The other two project applications propose solar electric generation facilities on military installations. Staff foresees no adverse impact on the preservation of open space from a conditional approval of the five applications.

Subsection r requires the Board to consider the impact on electric rates and economic development from each project's approval. Applicants each claimed that if ratepayers feel any impact from their installations, the impact would be positive. The negligible size of each project individually and the fact that the projects will not be net metered but rather selling power in the wholesale electricity market were cited as reasons for no or positive impacts to ratepayers. Given statutorily defined requirements for electricity suppliers and providers to comply with the RPS by procuring an increased amount of SRECs or Solar Alternative Compliance Payments that greatly exceeds the amount of solar that could be produced by the five subject projects, Staff foresees no adverse impact from a conditional approval of the five applications on ratepayers or economic development.

And finally Subsection r requires no infringement from an applicant's solar electric generation facility on an electric distribution company's maintenance of its property or provision of safe, adequate, and proper service to its customers. Each application provided sufficient documentation of participation in the interconnection process required of merchant wholesale generators at PJM Interconnect. Staff has confirmed that each project has fulfilled its obligations at PJM toward interconnecting the proposed facility in accordance with standard utility interconnection processes.

In consideration of the above summarized review of the five Subsection r applications, Staff recommends that the Board conditionally approve each application. Staff recommends that the Board condition an application's eligibility for SRECs upon the applicant's demonstration of commencement of commercial operations before the Board's determination that 5.1% of the state's retail electricity sales were supplied with solar kilowatt hours. Staff further recommends that should a conditionally approved project not commence commercial operations prior to the Board's determination that the 5.1% milestone has been achieved, the Board find that the project may not be eligible for an SREC, but for an alternative incentive to be determined by the Board in an upcoming proceeding.

### **DISCUSSION AND FINDINGS**

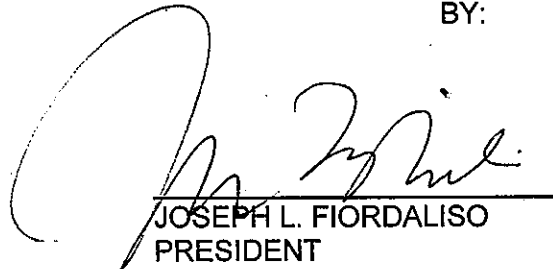
After consideration of the record and of Staff's recommendation, the Board **HEREBY APPROVES** the designation of the five aforementioned applications subject to the conditions established in the application process approved on February 27, 2019. Specifically, the Board **HEREBY GRANTS** conditional approval for the five solar electric generation facilities and **DIRECTS** each individual applicant to register its facility in the SREC Registration Program within fourteen (14) days of this Board Order.

For these five projects, the Board **HEREBY DIRECTS** Staff to certify a solar electric generation facility for SREC eligibility for a 10-year qualification life, if the facility demonstrates commencement of commercial operations before the Board's determination that 5.1% of the state's retail electricity sales were supplied with solar kilowatt hours. Additionally, the Clean Energy Act mandates that if an approved solar electric generation facility does not commence commercial operations within two years of the Board Order conditionally approving that facility's designation as connected to the distribution system, the facility must forfeit its escrow.

The effective date of this Order is March 29, 2019.

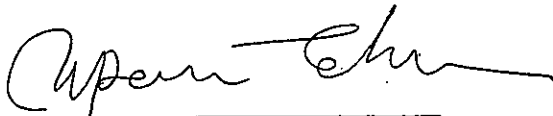
DATED: 3/29/19

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BY:

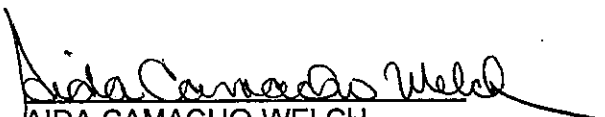
  
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ATTEST:   
AIDA CAMACHO-WELCH  
SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
in the files of the Board of Public Utilities.

IN THE MATTER OF THE IMPLEMENTATION OF N.J.S.A. 48:3-87(R), DESIGNATING GRID-SUPPLY PROJECTS AS CONNECTED TO THE DISTRIBUTION SYSTEM - ORDER IMPLEMENTING CERTAIN PROVISIONS OF N.J.A.C. 14:8-2.4(G) FOR ENERGY YEAR 2020

DOCKET NO. QO16020130

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