

## **Staff Proposed Proceeding Questions for Stakeholder Discussion**

### **INSTRUCTIONS**

To ensure that the 2017 Solar Generic Proceeding generates input that is comprehensive and relevant, New Jersey Board of Public Utilities (“Board” or “BPU”) Staff (“Staff”) is undertaking a Stakeholder Process to develop a set of TOPICS and QUESTIONS for discussion at the Generic Proceeding. The purpose of the Stakeholder Process is to aid Staff in developing a set of questions that will ultimately be the subject of the Generic Proceeding. The Stakeholder Process is not designed to solicit substantive responses to the draft questions. Rather, the Stakeholder Process should develop and refine the draft questions. Following the stakeholder process, and in advance of the first Generic Proceeding hearing date, Staff will release the final questions. The Generic Proceeding is the public’s opportunity to provide substantive responses to the final questions.

Staff anticipates that three hearing dates will be scheduled in the Northern, Central, and Southern regions of the State. A **preliminary** schedule is provided.

- October 27, 2017 – Stakeholder Webinar to refine **draft questions**
- November 9, 2017 – Stakeholder meeting to refine **draft questions** (BPU, 44 S. Clinton Ave., Trenton)
- **Central Jersey** – December 4, 2017, 8:00 am – 10:45 am  
**New Jersey Department of Environmental Protection Agency**  
401 East State Street  
First Floor Public Hearing Room  
Trenton, NJ 08625
- **North Jersey** – December 5, 2017, 9:00 – 11:30 am  
**Hackensack City Hall, Council Chambers**  
65 Central Avenue  
Hackensack, NJ 07601
- **South Jersey** – December 8, 2017, 9:00 – 11:30 am  
**Stockton University**  
Campus Center Board of Trustees Room  
101 Vera King Farris Drive  
Galloway, NJ 08205-9441

## **DRAFT QUESTIONS**

### I. Policy Goals and objectives

- i. Are the goals established by the Board in the “Solar Transition” Proceeding for New Jersey solar market incentives from 2006/07 still relevant (I/M/O Energy Portfolio Standards – Alternative Compliance Payments and Solar Alternative Compliance Payments, BPU Docket No. EOO6100744, Order dated September 19, 2007)?
  - Sustained Orderly Market Development
  - Minimize Ratepayer Impact
  - Minimize Transaction Costs
  - Support other policy goals including environmental and public health, equity to all ratepayer classes, job growth, improved reliability and security.
- ii. Is the most important goal for the State’s solar policy the achievement of the percentage requirements set-aside for Solar Renewable Energy Certificates (“SRECs”) in the Renewable Portfolio Standards (“RPS”)?
- iii. Are other goals more appropriate? Should the Board institute consumer protection safeguards for solar consumers, hosts for third party owned solar projects, or investors in solar projects?

### II. Solar Economics and Incentives

- i. Are the current State/BPU policies including: retail net metering and streamlined interconnection of customer-sited solar, SREC eligibility for solar connected to the distribution system serving NJ, utility-scale grid supply project eligibility in the SREC market, federal, state and local tax incentives, sufficient to meet the State’s solar goals? If not, what changes should be considered?
- ii. If changes to the existing framework of incentives are recommended, please estimate the impact on NJ solar market economics and the cost and benefits to ratepayers.
- iii. Are the financial targets used to inform policy choices in the “Solar Transition” referenced above still relevant (i.e. 12% Internal Rate of Return (“IRR”), < 10 year payback)?

### III. RPS Design Elements & Eligibility Criteria

- i. Should the RPS be restructured to enable each market segment (residential, commercial & industrial (“C&I”) and grid supply connected to NJ distribution) to contribute to the States goals? Can the NJ Class I provisions in the RPS be modified to enable more cost effective achievement of solar and other renewable energy goals. If so, how?

- ii. Should the utility-scale, grid supply solar segment continue to get SRECs since left unfettered this segment with its economies of scale and relatively lower priced SREC requirements can crowd out residential and C&I market segments?
- iii. Are the design concepts developed in the Solar Transition and modified by subsequent statutes still relevant? Should the Board consider changes to any of the following policies: The lack of a size limit on net metered project capacity, net metered “onsite generation” projects eligible for SRECs, 15 year Qualification Life, 15 year Solar Alternative Compliance Payment (“SACP”) schedule, five year SREC vintage/bankability, are the EDC SREC-based Finance programs still necessary, etc.?

#### IV. Net Metering & Interconnection Design Elements & Eligibility Criteria

- i. Should the net metering and interconnection policy goals, objectives, and design be made more consistent with the RPS policy goals, objectives and design, eligibility criteria, etc.?
- ii. Should there be a capacity cap for net metered project sizing in addition to the current limit based on historic electricity consumption? If so, how should it be structured?
- iii. Should larger commercial and industrial sized solar projects be treated differently than residential projects due to their ability to crowd out smaller projects from interconnecting on constrained distribution circuits and their competitive advantage in the SREC market?

#### V. Land Use Implications

- i. How can the State minimize impact of solar development on open space, wooded, and farmlands?
- ii. In an effort to minimize the impact of solar development on open space, where and how should the State encourage solar development?
- iii. What changes to its policies, if any, should the Board consider related to its goal of protecting open space?” Can tools like the NJDEP Solar Siting Analysis be used to inform incentive approval decisions?