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NOTICE¹

New Jersey Solar Transition

Staff Stakeholder Notice (“Stakeholder Notice”)

Pursuant to the “Open Public Meetings Act”, N.J.S.A. 10:4-6 et seq., the New Jersey Board of Public Utilities (“BPU”) hereby gives notice of a Public Meeting to discuss the New Jersey Solar Transition.

On December 26, 2018, Staff of the BPU released a New Jersey Solar Transition Staff Straw Proposal (“Straw Proposal”) which included a schedule for the development of the Solar Transition and a request for stakeholder comments. Stakeholder meetings were held on January 18, 2019 in New Brunswick and February 22, 2019 in Newark. Stakeholder written comments were received by March 1, 2019. The BPU thanks all stakeholders that have already taken part in this process for their participation and comments.

The Staff of the BPU is hereby announcing the next phase of stakeholder engagement and development of the Solar Transition, to be conducted in collaboration with the BPU’s Consulting Team (Cadmus and Sustainable Energy Advantage). This process will build upon the comments and input received previously, and the experience of the State and of other jurisdictions. Likewise, this approach is intended to be completed by the statutory deadline, and to provide stakeholders the certainty necessary for continued success in the solar market.

Solar Transition Assumptions and Overview

BPU Staff reiterates the “Solar Transition Principles” identified in the December 26, 2018 Straw Proposal:

1. Provide maximum benefit to ratepayers at the lowest cost;
2. Support the continued growth of the solar industry;
3. Ensure that prior investments retain value;
4. Meet the Governor’s commitment of 50% Class I Renewable Energy Certificates (“RECs”) by 2030 and 100% clean energy by 2050;
5. Provide insight and information to stakeholders through a transparent process for developing the Solar Transition and Successor Program;
6. Comply fully with the statute, including the implications of the cost cap; and

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7. Provide disclosure and notification to developers that certain projects may not be guaranteed participation in the current SREC program, and continue updates on market conditions via the New Jersey Clean Energy Program (“NJCEP”) SREC Registration Program (“SRP”) Solar Activity Reports.

Furthermore, the Clean Energy Act defines the transition point as “the attainment of 5.1 percent of the kilowatt-hours sold in the State by each electric power supplier and each basic generation provider from solar electric power generators connected to the distribution system.” For purposes of this Stakeholder Notice, “attainment” means that 5.1% of the actual kilowatt-hours sold in the state are being generated by solar electric power generators.

In response to stakeholder comments received during the two stakeholder meetings and in writing by March 1, 2019, BPU Staff proposes an amended timeline and process for development of the Solar Transition. Furthermore, Staff proposes that the Solar Transition be organized based on the following:

- **Legacy SRECs:** Staff is considering recommending that projects that have filed an SRP Registration and entered into operation prior to the attainment of the 5.1% transition point would receive SRECs under the current SREC program.
- **Transition Incentive:** Staff is considering a recommendation that projects that have filed an SRP Registration but have not entered into commercial operation prior to the attainment of the 5.1% transition point would receive a Transition Incentive, the value and conditions of which would be developed through the Solar Transition process, based on the proposed timeline identified below. Allocation of the Transition Incentive could be extended if the Successor Program is not effective at the attainment of the 5.1% transition point.
- **Successor Program:** Staff is considering a proposal that projects that have not filed an SRP Registration prior to the attainment of the 5.1% transition point would receive an incentive (i.e. Successor Incentive) via the Successor Program, the value and conditions of which would be developed through the Solar Transition process based on the proposed timeline identified below.

In this proposal, the Solar Transition is defined as the Board’s determination of the attainment of the 5.1% transition point pursuant to the Clean Energy Act; the treatment of Legacy SRECs; the value and conditions of the Transition Incentive; and the value and conditions of the Successor Incentive.

Stakeholder Engagement Process

In response to stakeholder comments received during the two stakeholder meetings and in writing by March 1, 2019, the Staff of the New Jersey Board of Public Utilities proposes an amended timeline for development of the Solar Transition:

Dec 2018:	Staff releases Solar Transition Straw Proposal
Jan – Feb 2019:	Stakeholder meetings on the Straw Proposal
April 2019:	Staff releases Solar Transition Stakeholder Notice
May – Dec 2019:	Workshops conducted on specific elements of the Solar Transition (<i>see below</i>)
Aug – Sept 2019:	Order on Transition Incentive presented to Board
Jan – Feb 2020:	Rule Proposal on Successor Program presented to Board
Feb – April 2020:	Public comments on Successor Program rule proposal
April – May 2020:	Final Rule on Successor Program presented to Board

The workshops will be organized in collaboration with the Consulting Team, with an anticipated structure as follows:

Workshop #1

- Assessment of current SREC program
- Draft model results of cost cap for Solar Transition
- Overview of the elements and dimensions comprising future policy paths
- Decision making criteria and modeling assumptions

Workshop #2

- Potential policy pathway elements and dimensions
- Potential incentive mechanisms and policies
- Cost and technical potential modeling assumptions
- Potential MW targets and incentive caps for Transition Incentive
- Experience of other states

Workshop #3

- Modeling assumptions for the Successor Program
 - Potential MW targets and incentive caps for Successor Program
 - Potential policy pathways for the Successor Program
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Surveys, technical interviews, and focus groups may be used to supplement the workshops.

Workshop #1 will be held:

Date: Thursday, May 2, 2019

Location: Cook Student Center Multipurpose Room
59 Biel Road, New Brunswick, NJ 08901

Time: 10:00 a.m.

Workshop #2 will be held:

Date: Friday, June 14, 2019

Location: New Jersey Institute of Technology
150 Bleeker Street, Newark, NJ 07102
The Atrium, first floor of Campus Center

Time: 10:00 a.m.

Workshop #3 **TBA:**

Stakeholders interested in attending the Workshops and/or participating in the Solar Transition stakeholder process should sign up via the following link:

https://www.surveymonkey.com/r/Stakholder_Process_Notice_Collector.



Aida Camacho-Welch
Board Secretary

Dated: April 8, 2019