

NJBPU Issues Proposal for Permanent Community Solar Program

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After two successful pilot years of its nascent community solar program, the New Jersey Board of Public Utilities has released a straw proposal and proposed regulations for a permanent community solar program. As the final program will likely match many of the aspects of the straw proposal, below are some preliminary details on what project developers, investors, financiers, and others can expect:

- Projects will be required to be placed on rooftops, carports, and canopies over impervious surfaces, contaminated sites and landfills, and man-made bodies of water that have little-to-no established floral and fauna.
- Rather than the competitive application process used during the pilots, applications will be accepted on a first-come, first-served basis until the annual capacity is reached, provided that if the entire capacity is subscribed within the first ten days of the registration period, a tiebreaker will be used.
- Program capacity will be set at 225 MW for EY24 and EY 25 and at least 150 in EY26 and beyond.
- Applications will be subject to enhanced project maturity requirements, as only 44% of projects in pilot year 1 reached commercial operation by the expiration date of their conditional approval, and limited extensions of registration expiration dates will be provided.
- All projects will be required to serve a minimum of 51% low- and moderate-income subscribers.
- Consolidated billing will be implemented for pilot and future projects through a working group, and utilities will be authorized to charge a fee in connection with the consolidated billing.
- Co-location of community solar projects will not be allowed with other solar projects by related entities if the total capacity would exceed 5MW. However, the Board will allow co-location of unrelated projects as well as community solar and net-metered projects and will entertain petitions in other co-location circumstances.
- Incentive values will be maintained at \$90/MWh for all community solar projects.
- Additional consumer protection measures will be implemented, including a minimum 10 percent guaranteed bill credit, prohibition on termination fees with appropriate notice, and certain marketing disclosures.
- Automatic enrollment will be an option for a municipality that owns and operates a community solar project, but only once consolidated billing is implemented.
- Geographic distances will not be considered as long as the subscribers are in the same utility territory as the community solar project.
- Dual-use solar projects on farmland will not be allowed to participate in the community solar program.

The straw proposal contains many questions for stakeholders and will go through a variety of stakeholder discussions. The NJBPU will be holding an initial stakeholder meeting on April 24, 2023, and comments on the straw proposal are due by May 15, 2023.

Interested parties can review the [notice](#) for information on the stakeholder meetings (including registration) as well as the complete proposed regulations. Consult with counsel regarding the impact of the proposal on future projects, as well as existing projects that have not reached commercial operation.