

APPENDIX

Senator Bob Smith, Chairman

June 7, 2022

Senate Committee on Environment & Energy

RE: S2522 / Hearing date June 9, 2022

Dear Chairman Smith and Committee members,

Thank you for this opportunity to speak to you about mosquito control in our state. The State Mosquito Control Commission's (SMCC) budget funds just four individuals housed within the Dept. of Environmental Protection but, by statute, coordinates with specialists in the Departments of Health, Agriculture, DEP and Rutgers University. That DEP staff provides technical information and coordinated the State Aid provided through the SMCC. The vast majority of this budget is used to directly support mosquito control work performed by each county. The SMCC provides a pool of rather specialized equipment that is loaned to and shared among the county mosquito control units. The budget provides \$210,000.00 to the Department of Health to test mosquitoes that were collected, identified and prepared by county staff in their efforts to find and keep track of various disease causing organisms. In cooperation with the State Fish Hatchery, the SMCC provides fish that readily eat mosquito larvae when stocked by trained county mosquito control staff. This list's biggest item is the primary funding and coordination of aircraft used to treat for mosquito larvae in large, poorly accessible areas when that need is determined by the staff in some counties.

All of these costs have gone up while our budget has not increased since 2000, except for the one supplemental appropriation in 2021, for which we are most grateful. But these price increases have been happening while more work is required. New species of mosquitoes have spread into and across the state. New disease organisms, which can be spread when a mosquito breaks our skin, have been brought to New Jersey. Now the growing season has increased. The time when adult mosquitoes are flying and biting our wildlife, our commercial livestock, our companion animals and the human residents and visitors to this state has increased by six weeks in less than the last twenty years. Climate change has, so far, brought us three weeks more work and disease activity in the spring and another three weeks in the fall. This additional work must be handled by county mosquito control workers. And the SMCC is a vital part of accomplishing this work, with your funding, through our proven and efficient shared services programs.

Sincerely,

Howard Smyth Emerson, State Mosquito Control Commissioner

5 Saint Martins Ave., Haddon Heights, NJ 08035

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June 9, 2022

RE: Senate Bill 2185

Dear Chairman Smith and Members of the Senate Environment and Energy Committee:

On behalf of the New Jersey Utilities Association (NJUA), the statewide trade association for New Jersey's investor-owned utilities that provide essential water, wastewater, electric, natural gas, and telecommunications services throughout the state, I write to express our concerns regarding Senate Bill No. 2185 (S-2185), that would require the Board of Public Utilities (BPU) to develop a program to incentivize the installation of new energy storage systems.

Throughout BPU's stakeholder engagement process while drafting the Energy Master Plan (EMP), NJUA remained an active partner in providing constructive feedback and comment on a variety of its proposed components. Energy storage was among the key provisions that were included in the final EMP. NJUA supports these goals and looks forward to working with the Legislature and BPU to achieve them. Regarding S-2185, NJUA opposes the bill, as it is currently written, and is seeking amendments.

NJUA concerns stem from the currently open-ended nature of the proposed pilot program that S-2185 establishes and seeks further clarification in the bill further defining its cost, design, and operation. Need for further clarification in the bill include but are not limited to the items below:

- Next steps taken in case all funds allocated for the pilot program are expended and storage goals, outlined in subsection e. of section 3 in the bill, for this program are not met.
- Protections that ensure devices installed under this pilot program do not receive compensation through this program and a Net Energy Metering ("NEM") tariff, which duplicative incentive costs would be passed on to customers.
- Insufficient detail as to the manner in which this program would impact the EDCs' ability to own and/or operate energy storage systems considering the definition of "customer-sited energy storage system" in section 2 of the bill.
- No express provisions to address timely cost recovery for expenditures and incentives paid for by Electric Distribution Companies (EDCs) in the operation of this program. Securing these dollars translates to more jobs created as a result. These jobs are permanent jobs that stay in New Jersey should EDCs conduct ongoing operation of energy storage systems installed under this bill.

Additionally, NJUA seeks assurance in this bill that costs related to the program would be recovered in a timely manner.

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We appreciate the opportunity to provide comments and look forward to working with Chairman Smith on this bill and growing New Jersey's energy storage capacity. If you have any questions or would like to further discuss this matter, please do not hesitate to contact NJUA President Tom Churchelow at (201) 349-2783 and [tchurchelow@njua.com](mailto:tchurchelow@njua.com) or Christina Farrell, Senior Director of Government and Public Affairs at (856) 207-0302 and [cfarrell@njua.com](mailto:cfarrell@njua.com).

Respectfully,



Thomas R. Churchelow, Esq.  
President & CEO

3x



June 8, 2022

RE: Senate Bill 431

Dear Chairman Smith and Members of the Senate Environment and Energy Committee:

On behalf of the New Jersey Utilities Association (NJUA), the statewide trade association for New Jersey's investor-owned utilities that provide essential water, wastewater, electric, natural gas, and telecommunications services throughout the state, I write to express our concerns regarding Senate Bill No. 431 (S-431), that would direct the Board of Public Utilities (BPU) to update the safety and power quality interconnection standards for certain renewable energy systems in the State, and to establish a fixed fee structure for the costs of interconnection of those projects.

We note that there is an ongoing Grid Modernization proceeding at the BPU, Docket No. QO21010085, that includes the Division of the Rate Counsel, all four of the state's electric distribution companies, solar developers, and other interested stakeholders. It is our understanding that the recommendations from the BPU's Grid Modernization proceeding will result in significant investments necessary to accommodate current and projected growth in the distributed energy resource market.

Although we support many aspects of S-431, we do have concerns regarding the proposed legislation in its current language.

First, we agree with the bill's provisions that establish an interconnection cost sharing approach that shares required distribution system upgrade costs across those who benefit, Distributed Energy Resources and distribution customers. In our view, such an arrangement would more fairly allocate upgrade costs and eliminate an existing cost barrier to interconnection.

There is, however, a broad applicability of a fixed fee for Class I renewable energy systems. While we recognize the bill provides flexibility to the BPU to establish tiers for the fees, we have concerns with provisions that would stipulate that, for the first three years the fees are effective, the fee for residential, net metered system of 10 kilowatts or less would be no more than \$50 per kilowatt. We would rather base all fees on actually studied costs before determining cost caps. Similarly, we are also concerned that this bill removes the incentive for larger developers to locate projects in the most cost-effective areas by charging a fixed fee regardless of upgrades needed; the cost of upgrades required can vary significantly based on the interconnection point.

In addition, under FERC Order 2222, utilities would need a methodology to charge fees to projects that are connected to their distribution systems but delivering energy into the wholesale markets.

Finally, we suggest a clear path for cost recovery for costs incurred by utilities for infrastructure upgrades, including administrative tasks or studies carried out by the utility for the safe operation of the renewable

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Page 2

energy system. This clear path necessarily includes greater flexibility for grid modernization expenses that are greater than the caps set by the board. In areas with significant existing Class 1 renewable generation, these upgrades may be significant due to pre-existing renewable generation, and the current legislation does not enable those costs to be passed to developers or recovered.

All of these suggestions are currently being considered within the scope of BPU's Grid Modernization proceeding. Therefore, we respectfully request that S-431 be held until the BPU completes its Grid Modernization proceeding and has released its recommendations. Until then, we look forward to continuing to discuss this issue with Chairman Smith and the Legislature.

If you have any questions or would like to further discuss this matter, please do not hesitate to contact NJUA President Tom Churchelow at (201) 349-2783 and [tchurchelow@njua.com](mailto:tchurchelow@njua.com) or Christina Farrell, Senior Director of Government and Public Affairs at (856) 207-0302 and [cfarrell@njua.com](mailto:cfarrell@njua.com).

Respectfully,



Thomas R. Churchelow, Esq.  
President & CEO

5x

**New Jersey Conservation Foundation**  
**Testimony on S439 before Senate Environment and Energy Committee**  
**June 9, 2022**

My name is Barbara Blumenthal, and I am speaking on behalf of New Jersey Conservation Foundation.

I first want to thank Senator Smith and this committee for your work on NJ's solar programs over the years, for replacing the SREC program with new incentive programs, and now for this final effort to resolve end of program challenges. We are concerned that the bill appears to have a lopsided purpose, which is to protect SREC holders against low SREC prices. It offers no such protection for ratepayers, to protect against SRECs trading at a high prices.

**It is important to state that this bill, in our view, has no impact on the ability of the state to achieve its climate goals.** What happens to SREC prices over the next 11 years has no impact on NJ meeting its RPS targets and has no impact on investor confidence in future NJ solar development.

Simply put, this bill as currently drafted enables a further transfer of wealth from the pockets of NJ consumers to SREC holders.

In 2021, the total cost of electricity to all NJ consumers was about \$10 billion, and ratepayers paid \$880 million for SRECs. That is almost 9% of the total cost of electricity.

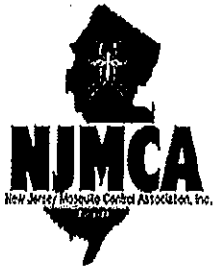
This substantial price tag is due in large part to the high price of SRECs, which have traded above \$220 for the past 4 years. To put that in perspective, compare the current SREC payment of \$220 for a rooftop solar project developed a few years ago, to \$90 in today's solar program. The \$90 incentive in 2021 was sufficient to attract new rooftop solar development. New grid supply projects are expected to be bid at \$40. It is safe to say that most SREC holders of projects built recent years currently earn very high returns.

So how do we balance the need to reduce electric rates for consumers, and the desire to support higher prices for SREC holders? We have a suggestion that we hope this committee will consider. This legislation should reduce the SACP significantly, to 60% or less of the current values. That one change alone would reduce **the average electric bill for New Jersey consumers by about 3%** and could take effect soon.

With this protection for ratepayers in place, BPU can then be directed to assess and adjust the SREC program to ensure against price collapse, but not to ensure further windfall profits. Also, we don't think that any addition to the quantity of SRECs is warranted at this time.

We oppose this bill as currently drafted.

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# New Jersey Mosquito Control Association, Inc.

[www.njmca.org](http://www.njmca.org)

June 9, 2022

**2022 Executive Committee Officers**

Teresa Duckworth, John Kranz, President  
Nick Indelicato, 1<sup>st</sup> Vice President  
John "Doug" Abdill, 2<sup>nd</sup> Vice President  
Stormy Freese, Secretary  
Jennifer Gruener, Treasurer

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John Betz, Board of Trustees Rep.

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Dina Fonseca, Rutgers Center for Vector Biology  
John Sarnas, NJ State Mosquito Control Comm.  
Scott Crans, Office of Mosquito Control Coord.

Autumn Angelus, At Large Member  
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Matthew Bickerton, At Large Member  
Taryn Crepeau, At Large Member  
Nick Cepparulo, At Large Member

John Kranz, 1<sup>st</sup> Past President  
Robert Duryea, 2<sup>nd</sup> Past President

Honorable Bob Smith, Chair  
NJ Senate Environment and Energy Committee  
216 Stelton Rd., Suite E-5  
Piscataway, NJ 08854

RE: S2522 \$3 million supplementary funding to NJ Mosquito Control Commission

Dear Chairman Smith:

On behalf of the NJ Mosquito Control Association, I write to express support of S2522 which provides \$3 million as a FY2022 supplemental appropriation to the NJ State Mosquito Control Commission (SMCC). Currently, the SMCC funds several critical programs that support our county mosquito control efforts.


First, the State Airstream Program provides aerial application services to treat saltmarshes and floodplains for mosquito larvae. This includes saltmarshes along the shore and the Passaic River floodplain. Thousands of people would literally feel the consequences of not having this level of mosquito control. These services are also available to control adult mosquitoes when Eastern Equine Encephalitis or West Nile virus threatens a large population. 2021 was the second most active year for West Nile virus in the state. You may also recall the recent outbreaks of Eastern Equine Encephalitis in Somerset County.

Secondly, the SMCC funds the weekly testing of thousands of local mosquitoes for five mosquito-borne diseases. The test results direct our local operations to locations where treatment will reduce risk of disease for people. Last, but not least, the SMCC owns equipment like ATVs, excavators and microscopes that are leased to county agencies and greatly expand our capabilities on a local level.

While receiving a \$250,000 supplemental appropriation in FY2021, the SMCC has not had a budget increase since 2008. With new state contracts, the SMCC now faces large increases (9-27%) in both pesticide and aerial services costs. The additional funding provided by S2522 is needed today to cover expenses for this current mosquito season.

We appreciate the Environment and Energy Committee's consideration of this bill and greatly support the bill's intention to significantly add to the SMCC's budget. If you have any questions, please contact me at 973-285-6450. To the left is a list of each county trustee whom Committee members may also contact for a local perspective on how this legislation will positively impact residents and visitors across New Jersey.

Sincerely,

  
Teresa Duckworth, President

**NJMCA Contact Information:**

Stormy Freese, Secretary  
C/O Cape May County Dept. of Mosquito Control  
4 Moore Road, DN607  
Cape May Court House, NJ 08210  
Phone: (609) 465-9038  
Fax: (609) 465-7228  
Email: [njmcasecretary@gmail.com](mailto:njmcasecretary@gmail.com)  
Website: [www.njmca.org](http://www.njmca.org)

7x

# Local 472

## Heavy and General Construction Laborers' Union

JOSEPH P. MADDEN BUILDING, 700 RAYMOND BOULEVARD, NEWARK, NEW JERSEY 07105  
PHONE: (973) 589-5050 • FAX: (973) 589-0582

**PARENT ORGANIZATION:**  
LABORERS' INTERNATIONAL  
UNION OF NORTH AMERICA

**AFFILIATED WITH:**  
NEW JERSEY STATE AFL-CIO  
NEW JERSEY STATE BUILDING  
AND CONSTRUCTION  
TRADES COUNCIL



May 27, 2022

Senator Bob Smith  
216 Stelton Rd., Suite E-5  
Piscataway, NJ 08854

Assemblyman Wayne DeAngelo  
4621A Nottingham Way  
Hamilton, NJ 08690

Re: Solar Landfill Job Preservation Act – S-2723 and A-4089

Dear Senator Smith and Assemblyman DeAngelo

I am writing to you as a representative of Laborers' Local 472 to thank you for sponsoring the Solar Landfill Job Preservation Act. We have seen firsthand the benefits of NJ's nationally recognized efforts to deploy clean renewable energy on landfills, brownfields, and historic fill sites through its "subsection (t)" program. Passing this bill into law will help ensure that similar projects can move forward despite delays unforeseen and out of the control of the NJBPU and the solar industry.

Laborers' Local 472 has 7,000 members, a significant portion of whom have worked on subsection (t) solar projects. Our union provides high quality jobs at family-sustaining wages, and we hope that this home-grown source of energy can continue to employ our members, particularly on landfills, brownfields, and historic fill sites.

As you may be aware, a moratorium on new grid connections from PJM, the regional electric power grid operator, has made it impossible for new grid-connect projects to move forward while meeting time frames imposed by the NJBPU. Unfortunately, nearly 500 MW's of "subsection (t) projects" on landfills, brownfields, and historic fill sites are at risk because of this moratorium. These types of solar projects are a clear example of a win-win. They not only create clean renewable electricity to help NJ reach its goals, but they also assist local governments with the burden of cleaning-up and maintaining these sites and they create thousands of high-paying union construction jobs.

**WORK JURISDICTION:** ROCK DRILLING, BLASTING, ROADS, SEWERS, BRIDGES,  
TUNNELS, DAMS, FOUNDATIONS, EXCAVATIONS, CONCRETE WORK ON HEAVY AND GENERAL CONSTRUCTION.

**TERRITORIAL JURISDICTION:** COUNTIES: BERGEN, ESSEX, HUDSON,  
HUNTERDON, MIDDLESEX, MONMOUTH, MORRIS, PASSAIC, SOMERSET SUSSEX, UNION AND WARREN.

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The simple and fair adjustments to the "subsection (t)" program in the Solar Landfill Job Preservation Act will create the opportunity for many new solar projects to move forward on landfills, brownfields, and historic fill sites throughout NJ. Thank you for your continued support of NJ's efforts to transform its electric grid with clean renewable electricity and for the high-paying jobs that this transition creates.

Sincerely,

A handwritten signature in blue ink that reads "Tony Oliveira". The signature is fluid and cursive, with the first name "Tony" being more prominent.

Tony Oliveira  
Business Manager

cc:

Senate President Nicholas Scutari

Speaker Craig Coughlin

Senate Minority Leader Steven Oroho

Assembly Minority Leader John DiMaio

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**Testimony Submitted By  
Michael Torpey (GTB Partners)  
In Support of S-2732 (Scutari/Smith)  
Senate Environment and Energy Committee  
June 9, 2022**

Good Morning.

Chairman Smith and Members of the Committee, my name is Michael Torpey with GTB Partners, and I am here today representing CEP Renewables. Sitting next to me is Counsel to CEP, Mark Bellin.

We are here today in full support of S-2732 and request its expeditious passage.

CEP has developed hundreds of megawatts of utility scale solar and specializes in building on contaminated properties, for the most part, closed landfills.

Building solar on contaminated property is complicated, time-consuming and requires millions of dollars of at-risk investment. It is also desirable, and State policy for many years has included incentives that invite private investment in these projects. The reason for this is that solar on closed landfills creates a classic Win-Win-Win –

First, we get clean solar power

Second, a contaminated property is cleaned up, and

Third, the project site is returned to the local property tax rolls.

I would also add that, given the complexity of these projects, good-paying union labor is used exclusively on these jobs.

Unfortunately, a series of events outside of the control of the developers, have and will continue to cause construction delays. Missing construction deadlines results in the loss of the incentives that make these projects economically viable. Plain and simple, if this bill does not pass these projects will die, killing thousands of union jobs, destroying millions in private investment and, of course, eliminating hundreds of megawatts of clean solar power.

In deference to your time, I will stop there, but Mark and I are happy to answer any questions you may have about this bill, CEP's projects or solar development in general. Thank you.

10x



May 25, 2022

Senator Bob Smith  
216 Stelton Rd., Suite E-5  
Piscataway, NJ 08854

Assemblyman Wayne DeAngelo  
4621A Nottingham Way  
Hamilton, NJ 08690

Re: Solar Landfill Job Preservation Act – S-2723 and A-4089

Dear Senator Smith and Assemblyman DeAngelo

I am writing to you as a representative of Huen Electric NJ to thank you for sponsoring the Solar Landfill Job Preservation Act. We have seen firsthand the benefits of NJ's nationally recognized efforts to deploy clean renewable energy on landfills, brownfields, and historic fill sites through its "subsection (t)" program. Passing this bill into law will help ensure that similar projects can move forward despite delays unforeseen and out of the control of the NJBPU and the solar industry.

Huen Electric is a New Jersey based company with ninety employees. We have installed 230 megawatts of solar in New Jersey over the past seven years. Solar projects, and in particular subsection (t) projects, have been an important part of our business and we hope that this home-grown source of energy can continue to create high quality New Jersey jobs, particularly on landfills, brownfields, and historic fill sites.

As you may be aware, a moratorium on new grid connections from PJM, the regional electric power grid operator, has made it impossible for new grid-connect projects to move forward while meeting time frames imposed by the NJBPU. Unfortunately, nearly 500 MW's of "subsection (t) projects" on landfills, brownfields, and historic fill sites are at risk because of this moratorium. These types of solar projects are a clear example of a win-win. They not only create clean renewable electricity to help NJ reach its goals, but they also assist local governments with the burden of cleaning-up and maintaining these sites and they create thousands of high-paying union construction jobs.

The simple and fair adjustments to the "subsection (t)" program in the Solar Landfill Job Preservation Act will create the opportunity for many new solar projects to move forward on landfills, brownfields, and historic fill sites throughout NJ. Thank you for your continued support of NJ's efforts to transform its electric grid with clean renewable electricity and for the high-paying jobs that this transition creates.



Sincerely,

A handwritten signature in blue ink, appearing to read "Eric Bechtold", is positioned above the printed contact information.

**Eric Bechtold**  
Operations Manager  
Huen Electric, Inc.  
92 Columbus-Jobstown Rd  
Columbus, NJ 08022  
609.724.9111 (main)  
908.347.0170 (cell)  
[ebechtold@huenelectric.com](mailto:ebechtold@huenelectric.com)

cc:

Senate President Nicholas Scutari  
Speaker Craig Coughlin  
Senate Minority Leader Steven Oroho  
Assembly Minority Leader John DiMaio



May 26, 2022

CS Energy, LLC  
2045 Lincoln Highway  
Edison, NJ 08817

Senator Bob Smith  
216 Stelton Rd., Suite E-5  
Piscataway, NJ 08854

Assemblyman Wayne DeAngelo  
4621A Nottingham Way  
Hamilton, NJ 08690

Dear Senator Smith and Assemblyman DeAngelo,

I am writing today to on behalf of CS Energy to express our whole-hearted support for the Solar Landfill Job Preservation Act (S-2723 and A-4089). If passed into law, this important legislation would protect the participation of solar projects on landfills, brownfields, and areas of historic fill in the NJBPU subsection (t) solar incentive program. This extremely successful program is at risk because of a moratorium on new interconnection studies for grid-connect projects at the region's electric grid operator, PJM Interconnection, LLC.

CS Energy is an Edison, NJ based developer and engineering, procurement and construction (EPC) services provider focused on solar and energy storage projects. We have been a leading provider of these services in NJ going back to the inception of the state's solar programs and are proud to highlight some of our recent successes here:

- We have 88 full-time employees in NJ and hire the equivalent of approximately 200 FTE employees from NJ building trades each year
- Developer and EPC provider for the operating Linden Hawk Rise Community Solar Project which provides discounted electricity to about 800 NJ households, more than half of which are low and moderate income
- Developer and EPC provider for NJ's largest operating solar project at Naval Weapon Station Earle
- EPC provider for two of the largest brownfield solar developments in NJ at our projects in Mount Olive and Cinnaminson
- Over 1.35 GW's of solar projects installed nationwide to date, including nearly 300 MW's in NJ

As you are aware, the unprecedented interest in solar power generation driven by declining costs and our nation's interest in driving forward solutions in the fight against climate change has resulted in a moratorium on new grid-connect projects moving forward at PJM. The timing of these unforeseen delays at PJM, that are outside the control of the NJBPU and the solar industry, makes it impossible for over 500 MW's of projects in the subsection (t) program to move forward. If no action is taken thousands of high-paying construction jobs and significant investment in communities throughout New Jersey is at risk.

Building a Cleaner Future



2045 LINCOLN HIGHWAY | EDISON, NJ 08817

PHONE 732 900 4660

INFO@CSENERGY.COM

csenergy.com

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Following the multi-year moratorium, PJM's revamped interconnection process will not allow projects to proceed for an additional period of more than two years, which puts continued participation in subsection (t) out of the grasp of impacted projects. Additionally, subsection (t) projects on these contaminated sites require significant pre-construction study and engineering which is very costly. The uncertainty created by the loss of subsection (t) participation imperils the chances for many of these projects to move forward, leaving contaminated sites as a continued burden to communities. Mitigating this risk by allowing the NJBPU to freeze the construction schedule of impacted solar projects until each specific project receives its PJM studies as proposed by the legislation will bring the certainty that projects need to continue with the upfront investment required to prepare these sites to host solar power. This approach is a simple and fair way to address this issue, which is outside the control of the NJBPU and the solar industry.

We appreciate your willingness to recognize the benefits of this legislation and strongly believe that implementation will help New Jersey maintain its position as a national leader in the delivery of clean renewable electricity and in the utilization of landfills, brownfields, and areas of historic fill as hosting locations for solar power.

Thank you for your time and support,

**Matt Skidmore**  
Chief Executive Officer

CS Energy

cc:

Senate President Nicholas Scutari  
Speaker Craig Coughlin  
Senate Minority Leader Steven Oroho  
Assembly Minority Leader John DiMaio

# TOWNSHIP OF FRANKLIN

COUNTY OF WARREN



STATE OF NEW JERSEY

June 8, 2022

Senator Bob Smith  
216 Stelton Rd., Suite E-5  
Piscataway, NJ 08854

Assemblyman Wayne DeAngelo  
4621A Nottingham Way  
Hamilton, NJ 08690

RE: Senate Bill S2732  
Assembly Bill A4089

Dear Senator Smith and Assemblyman DeAngelo:

I am writing to you as the Mayor of Franklin Township, Warren County, New Jersey. We in Franklin Township strongly support the above-referenced Bills that will assist with the development of solar projects in rural, residential communities such as ours.

Franklin Township is largely a rural community and we pride ourselves on having maintained our rural character through the preservation of many of our large farm tracts. With the exception of a couple of tracts that could conceivably be developed commercially, there is little opportunity to develop non-residential ratables in the Township. We have been fortunate to have been the subject of a number of solar farm applications. The solar farm use is very attractive to us as the use is environmentally and neighbor friendly and provides real estate tax revenue on property that otherwise is minimally assessed under farmland assessment.

At present, we have a property, a substantial portion of which was used as a junkyard for many, many years, and which is under contract for development for a solar project. The Developer has remediated the site, including the removal to date of 909 tons of tires and expects to be filing for site plan approvals with the Township's Land Use Board in the near future. The Developer has also filed for all of its remaining approvals, including the approval of its remedial action work plan with the DEP, application to the Pennsylvania Jersey Maryland Interconnection LLC ("PJM") bearing Q # AH1-257, and application for the project to the Board of Public Utilities ("BPU") pursuant to the Solar Act Transition Program.

The Township has been apprised of the current PJM moratorium. To the extent this moratorium may adversely impact the ability of the Developer to get its project on line within the timeframe presently required by BPU regulation, the Township strongly encourages both of you, as our elected representatives in Trenton, to support the bills that would extend any approval issued, until the moratorium is no longer in place.

Very Truly Yours,

**TOWNSHIP OF FRANKLIN**



Mayor Michael Toretta

cc. Senate President Nicholas Scutari  
Speaker Craig Coughlin  
Senate Minority Leader Steven Oroho  
Assembly Minority Leader John DiMaio  
Assembly Eric Petersen

SenBSmith@njleg.org  
AsmDeAngelo@njleg.org  
SenScutari@njleg.org  
AsmCoughlin@njleg.org  
SenOroho@njleg.org  
AsmDiMaio@njleg.org  
AsmPetersen@njleg.org

# TOWNSHIP OF OXFORD

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Oxford, NJ 07863

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Phone: 908-453-3098  
Fax: 908-453-3787



May 31, 2022

Senator Bob Smith  
216 Stelton Rd., Suite E-5  
Piscataway, NJ 08854

Assemblyman Wayne DeAngelo  
4621A Nottingham Way  
Hamilton, NJ 08690

RE: Senate Bill S2732  
Assembly Bill A4089

Gentleman:

I am writing to you as the Mayor of Oxford Township, Warren County, New Jersey. We in Oxford Township strongly support these Bills and ask you to adopt same and approve same on an expedited basis for the following reasons.

Oxford Township is home to the former Oxford Textile Center (the "OTC"). Stretching over 100 acres in the center of town, for decades, OTC was a major industrial employer for residents and those living in the region. In addition to the source of employment, the OTC was the largest taxpayers in town.

Over the course of time, the industry in which OTC was engaged left for distant shores. There was a successive number of uses, but with the passage of time, the property has become mostly vacant, heavily polluted and the buildings dilapidated and unusable.

Over the past many years, the Town has searched for a use and a developer that would redevelop the site, remediate same, and restore same as a source of employment and as a source of tax revenues. With some effort and fortune, the town has found Oxford Textile Solar Farm LLC, (the "Developer"), a developer of grid supply solar farms, who has agreed to acquire the OTC ground, remediate same, pay the back taxes to the town which are considerable, and develop and operate a grid supply solar farm on the OTC property thus providing the Town with a stable contributor for real estate taxes well into the future.

To that end, the Town has adopted a redevelopment plan for the OTC ground, adopted the necessary zoning ordinances, and has appointed the Developer as the redeveloper. On their end, the Developer has made applications for all of its developmental approvals, developed a remedial action work plan with the DEP, made application to the Pennsylvania Jersey Maryland Interconnection LLC ("PJM") bearing Q # AG2-599, and has made application to the Board of Public Utilities ("BPU") for a Subparagraph t

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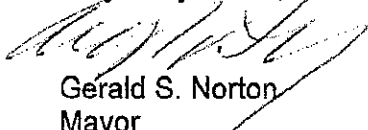
application for subsidy under the Solar Act Transition Program ("T App"), long before the Subparagraph t Transition Program expired.

We are aware of the current PJM moratorium. We are aware that the BPU has not approved the Developers T App notwithstanding the fact that the T app was applied for in accordance with all existing rules and regulations governing same. We are aware that with the granting of the T approval by the BPU, the Developer will only have 24 months to energize or lose the T App subsidy. We are aware that in all likelihood the PJM moratorium could be longer than 24 months. We are aware that without the T App subsidy, there will be no solar farm on the Oxford Textile Property. The Bills will allow the solar farm to be granted the T App subsidy for which it applied until the PJM moratorium is over.

Frankly, unless the Bills are passed, we are going to lose the solar farm. The loss of the solar farm will be quite unfortunate for the Township given the amount of time we have invested in this project with the Developer and its promise of future financial stability and employment for our community.

We urge you to vote for the Bills.

Very Truly Yours,



Gerald S. Norton  
Mayor  
Township of Oxford

cc. Senate President Nicholas Scutari  
Speaker Craig Coughlin  
Senate Minority Leader Steven Oroho  
Assembly Minority Leader John DiMaio  
Assembly Eric Petersen

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AsmDeAngelo@njleg.org  
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18X



**MEMO OF SUPPORT**  
**S2732**  
**Senate Environment & Energy Committee**  
**June 9, 2022**

The Solar Energy Industries Association (“SEIA”) supports S2732 and recommends its passage. This bill extends the deadlines under certain circumstances for the completion and commercial operation of subsection t projects (e.g. brownfields, landfills etc).

This bill addresses a critical issue that the Board of Public Utilities and solar development community currently faces, namely how do we collectively navigate meeting the State’s Transitional Renewable Energy Program (TREC Program) deadline for subsection t projects, while dealing with delays in PJM’s (the regional electric power grid operator) grid interconnection process.

From a New Jersey perspective, a lack of action to address this issue through legislation will place **a significant strain on New Jersey’s solar industry, which will have a significant economic impact, and may put thousands of union construction jobs at risk, not to mention threatening Governor Murphy’s efforts to tackle climate change**

For reference, there are 124 megawatts (MW) of Subsection (t) projects, proposed solar development on landfills, brownfields, and areas of historic fill, which are conditionally accepted into the Transition Incentive (TI) Program. There are also approximately 375 MW of subsection (t) projects pending Board of Public Utilities (BPU) review for conditional certification that were submitted under the TI program before the TI program closed to new applicants on August 27, 2021.

These projects are considered preferred sites within New Jersey, as they make economic use of contaminated land, improve the local tax base, create union jobs, and turn blight into economic opportunity. However, these projects are at risk due to uncontrollable delays in the PJM interconnection process.

PJM is in the process of reforming its interconnection queue process. But before it transitions from its current process to the new, more efficient, process, PJM is proposing to pause accepting new interconnection requests for approximately one year following FERC acceptance of its proposal. During that time, PJM will focus on processing existing interconnection requests that entered the queue before it began its interconnection reform process in April 2021. After it processes the earlier requests, PJM will process interconnection requests submitted between April 2021 and the start of the pause under a new, transition interconnection process. Projects currently in the PJM queue are expected to be able to execute final interconnection agreements between mid-2024 and mid-2026. Projects that enter the queue after PJM resumes accepting

new interconnection requests will likely not receive interconnection service agreements until 2027.

While the rules under the TI Program allow Subsection (t) projects 24 months to complete construction and enter commercial operation, the ongoing PJM interconnection reform process and current PJM queue delays mean that the TI program's subsection (t) 24-month requirement will be insufficient for PJM Interconnection approval.

This puts billions of dollars of investment and jobs at risk and jeopardizes the continued development of the 124 MW of subsection (t) projects within the TI pipeline and the 18 "subsection (t)" projects proposing to construct more than 365 MW on brownfields and landfills that submitted applications for conditional certification before the August 27, 2021 deadline.

For these reasons, SEIA strongly supports S2732, which would automatically extend the project completion or commercial operation deadline dates for subsection (t) projects delayed due to unprecedented and uncontrollable delays in the PJM interconnection process.

S2732 will provide real assurances of continued strong development over the coming years, provide certainty to solar industry and their customers and help to support good paying union construction jobs.

We look forward to working with Governor Murphy, his administration, and the Legislature on this key legislation to help maintain New Jersey's national leadership in solar.

For more information, contact Scott Elias, SEIA's Director of State Affairs, Mid-Atlantic at (516) 286-6473 or Doug Hritz, River Crossing Strategy Group at (609) 503-5375.

20x



State of New Jersey  
DIVISION OF RATE COUNSEL  
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P.O. BOX 003  
TRENTON, NEW JERSEY 08625

PHIL MURPHY  
Governor

SHEILA OLIVER  
Lt. Governor

BRIAN O. LIPMAN  
Director

June 8, 2022

Members of the Senate Environment & Energy Committee  
P.O. Box 099  
Trenton, N.J. 08625

**RE: S2732 (Extends certain deadlines for completion and commercial operation of solar electric power generation facilities under certain circumstances.)**

Members of the Senate Environment & Energy Committee:

I write on behalf of the Division of Rate Counsel regarding S2732/A4089 (Extends certain deadlines for completion and commercial operation of certain solar electric power generation facilities under certain circumstances), which is up for consideration before the committee on Thursday, June 9, 2022. I regret that I am unable to attend the committee's meeting due to prior commitments, but hope you will consider our comments. Please note, Rate Counsel also sent the Assembly Telecommunications and Utilities Committee a letter on June 1, 2022, about our concerns with the companion bill A4089. **Rate Counsel is opposed to this bill since it will inevitably result in increased rates for utility ratepayers. Additionally, this bill will stand in the place of the Board of Public Utility's ("Board") expertise and thwart the Board's ability to maintain discretion over whether to grant extensions of deadlines to qualify for financial incentives to solar projects and developers. Since ratepayers ultimately pay these incentives, automatic extensions will result in higher utility rates.**

As you are aware, Rate Counsel represents and protects the interests of all utility customers – residential customers, small business customers, small and large industrial customers, schools, libraries, and other institutions in our communities. Rate Counsel is a party in cases where New Jersey utilities seek changes in their rates or services. Rate Counsel also gives consumers a voice in setting energy, water, and telecommunications policy that will affect the rendering of utility services well into the future.

This bill will result in additional incentives, and since ratepayers ultimately fund these financial incentives, this bill will increase utility rates. The bill automatically extends the deadlines for completion and commercial operation of "subsection (t)" solar projects (i.e. projects sited on landfill, brownfields, and areas of historic fill) that applied for incentives under the Board's legacy Solar Renewable Energy Certificate Registration Program ("SRP"), and were later transferred to the Transition Incentive ("TI") program. These projects would be able to

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claim an automatic extension upon the submission of a certification by the project sponsor that a “tolling event” had occurred. “Tolling event” is defined broadly in the legislation as including any “action or inaction” by PJM Interconnection, L.L.C. (“PJM”) or an electric utility that delays the completion or commercial operation of the facility.

This bill effectively takes away the Board’s ability to deny extensions to solar developers. It directly conflicts with the Board’s intention and expertise since the Board has purposely designed its solar incentive programs to reduce incentives over time and encourage more market competition in the solar industry. Additionally, under this bill, the Board would be prohibited from even investigating the factual accuracy of the certification. The legislation would dictate the duration of the extension, which would continue through the conclusion of the “tolling event” and would expire only at the conclusion time allowed for completion and commercial operation under the Interconnection Service Agreement amount the project sponsor, PJM and the utility.

Rate Counsel opposes this bill, because it would eliminate the Board’s ability to enforce any deadlines for the affected solar projects, and result in the payment of substantial excess incentives to these projects. As noted, the projects covered by the proposed legislation are subsection (t) projects which, by definition, are projects that originally applied for incentives prior to the closure of the SRP program on April 30, 2021. The Board’s regulations for the TI Program gave these projects until October 30, 2021 to achieve commercial operation, and this deadline was extended to April 30, 2022 under a Board Order granting a blanket six-month extension to all TI projects that had submitted a complete registration package to the Board prior to the date of the Order.<sup>1</sup>

The legislation would allow indefinite additional extensions of the deadlines for former subsection (t) projects. Further, as noted, the Board would not be permitted to conduct any review of the project sponsors’ certifications. This highly unusual provision would prevent the Board from performing its fundamental duty as a regulator to assure that the relief it grants is based on a properly evaluated factual record. In effect, the extensions would be obtained based on unilateral actions of the project sponsors.

The projects and solar developers that that would be the beneficiaries of this legislation are not without recourse. They can apply for incentives under the initial phase of the SuSI program, known as the Administratively Determined Incentive (“ADI”) Program. The ADI program includes an Interim Subsection (t) market segment that is available to former subsection (t) projects up to 75 megawatts of total capacity.<sup>2</sup> While the incentives under the ADI program are lower than the TI incentives, they were set by the Board at levels that should be adequate for projects that achieve commercial operation in the later time frames contemplated under the ADI program.<sup>3</sup>

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<sup>1</sup> I/M/O a New Jersey Solar Transition Pursuant To P.L. 2018, C.17 – Order Addressing Requests For Extension For Projects In The Solar Transition Incentive Program, BPU Docket Nos. QO19010068 & QO21060883 (June 24, 2021).

<sup>2</sup> I/M/O a Solar Successor Incentive Program Pursuant to P.L. 2018, c. 17, BPU Dkt No. QO20020184, Order at 26 (Jul. 28, 2021) (“SuSI Order”).

<sup>3</sup> SuSI Order at 7, 16, 23, 49 (Jul. 28, 2021).

As the Board noted in a recent Order, the allowance of repeated extensions for all of the former subsection (t) projects could substantially increase the costs of the TI program, which was intended to be only a temporary bridge between the SRP and the SuSI program.<sup>4</sup> In addition, the indefinite extensions allowed by the legislation would undermine the project sponsors' incentives to complete these projects on a timely manner. As the Board has noted, the public has a substantial interest in the timely completion of solar projects.<sup>5</sup> Moreover, ratepayers can only fund so much in incentives. If the former subsection (t) projects receive unnecessarily high incentives, it will decrease the funds available for other projects that could be completed on a more timely basis.

Rate Counsel supports the goals of the Energy Master Plan, but must oppose this legislation. As the Committee is aware, there are many New Jersey residents and businesses that are struggling to pay their electric bills. The COVID-19 pandemic has been especially financially challenging to many households and families. Although the moratorium on utility shut-offs was recently extended for households that are seeking financial assistance, there are nearly 1 million utility customers in arrears on their utility bills. It is clear that many ratepayers will face the real threat of losing utility service at some point. Rate Counsel urges the Committee not to add to the burdens already faced by the State's electric utility ratepayers to lock in unnecessarily high subsidies for some solar projects.

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<sup>4</sup> See, I/M/O a New Jersey Solar Transition Pursuant to P.L. 2018, c. 17; I/M/O the Implementation of L. 2012, c. 24 N.J.S.A. 48:3-87(t) – A Proceeding to Establish a Program to Provide SRECs to Certified Brownfield, Historic Fill and Landfill Facilities; Syncarpha GEMS, LLC GEMS Landfill – Petition for Extension of Expiration Date under Transition Incentive Program, BPU Dkt. Nos. EO12090832V, EO12090862V & OO18010053 Order at 7 (Dec. 15, 2021).

<sup>5</sup> Id.

Members of the Senate Environment and Energy Committee  
June 8, 2022  
Page 4

We hope you will consider our comments and urge you to not pass this bill out of committee. Please let us know if you have any questions. We very much appreciate the opportunity to share our comments on behalf of the State's ratepayers. Please feel free to contact our office if you have any questions. Thank you for your attention to these important matters.

Sincerely,

*/s/ Brian O. Lipman*

Brian O. Lipman  
Director, Division of Rate Counsel

c:

Joey Gurrentz, Policy Analyst and Aide to the Senate Environment and Energy Committee  
Senate President Nicholas Scutari  
Harris Laufer, Legislative Policy Director, Senate President Nicholas Scutari  
Catriona Leary, Legislative Director, Assemblyman Karabinchak  
Eric Hansen, /Christina Denney, OLS Aide  
Erin Rice, Chief of Staff, Sen. Codey  
Christine Mosier, Chief of Staff, Sen. Smith  
Jessica Murray, Chief of Staff, Sen. Greenstein  
Andrew McAllister, Democratic Aide  
Zixuan Wang, ATU Democratic Committee Aide  
Chairman Wayne DeAngelo  
Athina Fassu, Aide to Assemblyman DeAngelo  
Assemblyman Daniel Benson  
Assemblyman Robert Karabinchak  
Rebecca Panitch, Republican Aide  
Sarah Steindel, Attorney, Rate Counsel  
David Wand, Managing Attorney for Electric, Rate Counsel  
Maura Caroselli, Managing Attorney for Gas & Clean Energy, Rate Counsel  
Robyn Roberts, Public Information Officer & Legislative Liaison, Rate Counsel

24x



**PHIL MURPHY**  
GOVERNOR

**SHEILA OLIVER**  
LT. GOVERNOR

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**Joseph L. Fiordaliso**  
President

Mary-Anna Holden  
Commissioner

Dianne Solomon  
Commissioner

Upendra Chivukula  
Commissioner

Bob Gordon  
Commissioner

June 8, 2022

Members of the Senate Environment and Energy Committee  
New Jersey Senate  
State House  
P.O. Box 099  
Trenton, NJ 08625-0099

**RE: S2732 - Extends deadlines, under certain circumstances, for completion and commercial operation of certain solar electric power generation facilities.**

Honorable Members of the Senate Environment and Energy Committee:

I write to respectfully submit New Jersey Board of Public Utilities Staff's (Staff) opposition to S2732, which as you know would *extend deadlines, under certain circumstances, for completion and commercial operation of certain solar electric power generation facilities.*

Staff has serious concerns that S2732 would be a decided negative for solar development, and ratepayers, in New Jersey. Staff's estimates suggest that the bill could increase customer bills by \$250 to \$400<sup>1</sup> million over the next 15 years, and could actually *decrease* the amount of solar deployed in the next 24 months.

The bill has the potential to significantly slow down solar project development (and decrease short-term employment opportunities) by allowing projects with long interconnection timelines to crowd out projects that are ready to move today. New Jersey must make prudent choices as to which projects to incentivize with ratepayer dollars. The projects asking for the extensions are taking an opportunity that would have gone to another solar developer (and will be made available again to projects ready to move on a shorter timeframe when they are removed from the program).

The bill inadvertently creates a strong financial incentive to slow down project development, again leading to a negative job outlook. This is because the cost of building solar typically gets cheaper every year. Therefore, if a solar developer can lock in today's prices but build several years down the road at a significantly lower cost, they will make substantially more profit. However, ratepayers lose because they paid more than necessary, and the economy loses because we have reduced today's job outlook.

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<sup>1</sup> Staff estimates that there are approximately 300 MW of subsection (t) projects currently in the pipeline. Normally, about 50% of those projects would fall out of the queue. However, granting them eternal life allows these projects to live on, costing ratepayers 150 MW \* 1154 MW-hour/year \* \$152/MW-hour \* 15 years = \$400 million.

Staff would also argue that the definition of “tolling event” is incredibly broad and includes things that occur in the normal course of project development and are wholly in the control of the project developer. Allowing a project developer to unilaterally create a “tolling event” means that they can effectively keep projects in New Jersey’s solar incentive program forever.

It is also important to note that a subset of these projects were most likely never actually able to meet the TREC deadlines and should not have applied for them in the first place. This was meant to be a temporary program to provide developers ready to go at that time an option while the Successor Solar Incentive Program was finalized. The Board’s incentive programs are designed in order to support projects that are ready to go now. In doing so, these programs ensure that the industry is not slowed down by immature or unrealistic projects that tie up interconnection upgrades queues and development capital. Projects that cannot meet the TREC deadlines should move into the Successor Solar Incentive Program. If they cannot make the finances work under the Successor Solar Incentive Program, there are plenty of projects that will step in to take their place which are ready to go.

Additionally, the argument that this bill is ensuring future jobs is also incorrect, since the available spots in future years are highly likely to be fully subscribed by new (and less expensive) solar projects. So this bill provides only negative jobs impacts.

Finally, the bill would also effectively “gag” the BPU and prevent us from doing our job to verify assertions from solar developers. To the best of our knowledge, no bill has ever proposed to strip the Board and its Staff of the right to audit even basic compliance with market requirements. This would set a bad precedent that Staff worries could have significant negative consequences for offshore wind and other technologies. Currently, we are holding bidders to strict compliance with their bid deadlines; and this would significantly undermine the Board’s efforts to keep any clean energy projects on track.

In summary, were this bill to become law it would lead to much higher costs for no additional solar which actually means less solar overall. The less we spend on solar the more we can build and spending more for projects that applied for a program they were never actually qualified for is a lose/lose for jobs and our clean energy goals. The process the Board has in place for project developers to petition the Board for an extension is a fair process which ensures projects that warrant an extension will receive one and direct projects that applied into the wrong program to the correct incentive program for their project.

I thank you for your consideration of these comments and would be happy to discuss these issues with you further if you have any questions or concerns.

Sincerely,



D. Chance Lykins  
Director, Government Affairs  
New Jersey Board of Public Utilities  
44 South Clinton Avenue  
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Trenton, NJ 08625  
(609) 913-6341  
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26X

Senate Bill: S-2723  
Sponsors: Nicholas Scutari/ Robert Smith

Assembly Bill: A-4089  
Sponsors: Wayne DeAngelo



## Solar Landfill Job Preservation Act - NJUSSA

(Solar Landfill-JPA)

### What It Does

- Legislation designed to SAVE thousands of high-paying union construction jobs.
- These jobs are at risk due to unforeseen regional policy and regulatory changes that have placed at least 500 MW dc of New Jersey-based utility-scale solar projects in jeopardy of complete failure.

### Why We Need It

- The regional electric power grid operator (PJM Interconnection, LLC) has recently announced a multi-year moratorium on new grid connections.
- Due to the moratorium, New Jersey's utility-scale solar projects cannot meet the strict construction and interconnection timeframes imposed by the NJBPU.
- The moratorium-related delays are due entirely to policy changes made at the PJM/regional level and are totally outside the control of solar project developers and the NJBPU.

### How the Bill Works

- If a project is impacted by the PJM-imposed moratorium, the project developer simply notifies the NJBPU of the delay.
- Upon receipt of the notification, the NJBPU freezes the project's construction schedule until the project is cleared for interconnection by PJM.
- Once the project is cleared for interconnection, the state-mandated construction schedule resumes and the developer completes the project.
- **It's SIMPLE and it's FAIR.**

### Benefits of the Bill

- SAVES 500 Megawatts of clean, renewable power, enough to power thousands of homes
- SAVES thousands of High-Paying Union Construction Jobs
- It only applies to "subsection (t) projects" in the solar transition incentive program, which are projects on landfills, brownfields, and historic fill sites – these include some of the most environmentally notorious and highly polluted sites in NJ (e.g., USEPA superfund sites and sites remediated under the NJDEP publicly-funded program)
- These projects not only relieve local governments from the burden of cleaning up these sites but, when complete, the land is returned to the property tax rolls!!
- Based on the policy goals of the bill, support can be expected from municipalities, environmental groups and labor unions such as the IBEW.

# SOME EXAMPLES OF SUBSECTION T PROJECTS ON POLLUTED AND ABANDONED INDUSTRIAL SITES CONVERTED TO RENEWABLE ENERGY SOLAR FARMS



**NJ UTILITY SCALE SOLAR**  
ASSOCIATION

## Mount Olive Solar Farm - 25.6 MW

The Mount Olive Solar Farm, which is a few short months from commercial operation, is poised to be the largest solar array ever developed on a landfill property in the United States. The property was a USEPA Superfund site that had been abandoned by the former landfill operator. The property had a long and notorious history of environmental contamination, including soil, ground, and air contamination. The property was one of the first listed on the National Priorities List in the USEPA's Superfund program and has been a thorn in the side of the local community for nearly 50 years. The site had languished for many years, with USEPA and NJDEP each contributing substantial funds to close the landfill and manage its closure. The Owner purchased the property by way of the redevelopment and tax lien foreclosure process – a structure that was entirely unique and that won the project the 2021 Award for Innovation in Governance from the New Jersey League of Municipalities.

CEP Renewables was pleased to welcome Governor Murphy (pictured below), NJBPU President Fiordaliso, and NJDEP Commissioner LaTourette to the property in November 2021 for the Governor's signing of Executive Order 274, which provides for accelerated climate action to decrease state generated greenhouse gas emissions by 50% by 2030. The project will employ 100s of highly-skilled and highly-paid union workers. The tax revenue generated from the facility will subsidize the Township's annual budget, in that the property had not generated tax revenue in nearly 40 years. When the facility becomes operational, the 25.6 MW DC facility will power nearly 20,000 area homes with green energy. A true success story for the State of New Jersey, Morris County, and Mount Olive.



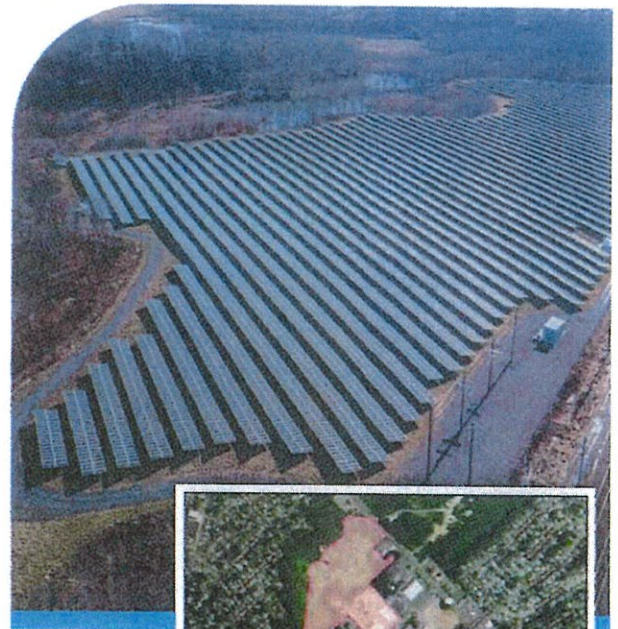
# SOME EXAMPLES OF SUBSECTION T PROJECTS ON POLLUTED AND ABANDONED INDUSTRIAL SITES CONVERTED TO RENEWABLE ENERGY SOLAR FARMS



**NJ UTILITY SCALE SOLAR ASSOCIATION**

## Old Bridge Clay Pit - 10.7 MW

The Old Bridge solar farm in Old Bridge, New Jersey, was the site of an ancient clay mine and brick manufacturing center. It operated from the 1700s through much of the 19th century until the clay mining industry in New Jersey came to a natural end. The property, located along the North Coast Line rail route operated by New Jersey Transit, was largely abandoned and utilized illicitly in the 20th century as illegal transfer stations until the DEP ended that practice. The Property was ground leased by the developer for use as a solar field. At the time, the property was mostly wetlands created by the mining operations or areas of historic fill as the clay mines were filled with debris. Trees that were able to grow on the site would fall prematurely, their root systems intertwined with abandoned bricks. The developer constructed a 10.7 MW solar farm on the site using the Paragraph T subsidy provided by the New Jersey Solar Act. For the first time in hundreds of years, the site has returned to a contributing member of the Old Bridge, New Jersey community.



## Holland Project - 18 MW

The Holland solar farm site was the site of a pulp paper mill operated on the banks of the Lopatcong River in Holland, New Jersey. It operated through most of the 20th century importing lumber, converting same to paper pulp and then creating paper products. The site housed large industrial buildings in which the lumber was rendered to paper. The process created toxic liquid waste that was disposed of by sending same through a piping system into adjacent fields and distributed using a spray irrigation field. Historic photos show the adjacent fields bearing large black circles around the spray heads in the adjacent fields. With the departure of paper plants for distant shores in the 1990s, the paper mill was abandoned and fell into severe disrepair. It was acquired by another company as part of a portfolio acquisition. The buildings on the site have been demolished and that area is deed restricted and covered with an asphalt cap. The former irrigation fields have been remediated and tested for toxins. The developer has built two solar farms on the site equaling 17 MWs. These efforts to develop the sites as solar fields has returned the sites to the taxation rolls in Holland and turned a dilapidated and unproductive eyesore into a source of carbon free energy.

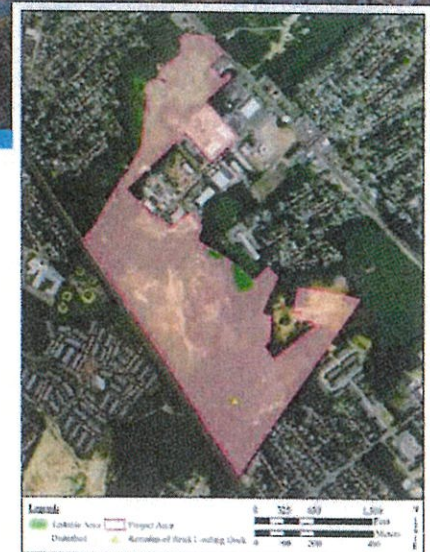


Figure 14 Plan Map Showing Disturbed and Testable Areas (EPA 2014c)





**MEMO OF SUPPORT**  
**S 2185**  
**Senate Environment and Energy Committee**  
**June 9, 2022**

The Solar Energy Industries Association (“SEIA”) supports S 2185 and recommends its passage. This bill directs the New Jersey Board of Public Utilities (BPU) to develop a program to incentivize installation of new energy storage systems.

To maintain its position as a clean energy leader and achieve the Murphy Administration’s Energy Master Plan goal of 100% clean energy by 2050, ramping up energy storage in New Jersey will be critical.

Energy storage can smooth out the delivery of clean energy resources such as wind and solar, by storing excess energy when the sun is shining and the wind is blowing and delivering it when the opposite is happening. Energy storage can act as a backup power supply in the event of an outage, and increasingly energy storage is being used to feed the grid when demand for electricity is at its highest, helping to enhance the overall resilience of our aging electric grid.

While New Jersey has a statutory goal of 2,000 MW of energy storage by 2030, without a plan, New Jersey will miss its ambitious climate goals. S 2185 adopts best practices from other states and creates a smart and cost-effective plan to achieve New Jersey’s statutory energy storage targets.

SEIA supports the legislation directing the BPU to develop an energy storage incentive pilot program, with \$60 million per year for the duration of the pilot program, before creating a permanent program.

Specifically, SEIA supports:

- S 2185’s combined approach of upfront incentives to customers for every kilowatt-hour of energy storage capacity they install with performance payments, where utilities will pay customers to allow them to dispatch power from their energy storage systems when demand for electricity is at its highest, providing needed grid services that benefit all ratepayers.
- S 2185’s requirement that a third of the incentives for energy storage be reserved for low-income customers and customers in overburdened communities who are most at risk from storm-related outages. We also think that the BPU will need to embrace a system of incentive bonuses, or adders, for projects serving LMI communities.

- S 2185's directive that Electric Distribution Companies file tariffs and a new rate design for front-of-the-meter energy storage systems. Because energy storage is a dynamic resource that both purchases and sells electricity, traditional utility rate structures may not best accommodate storage and can render projects cost prohibitive.

Given that the objective of S 2185 is to normalize and expand solar+storage as a product offering in the market, one area where we think this bill can be improved is adding language to support customer and third party provided and owned meter collar adapters, deployed for the purpose of isolating a customer's electrical loads to enable the provision of backup power." Colorado recently passed legislation that did this, which will save customers installing combined solar and battery storage systems hundreds – if not thousands – of dollars by dramatically reducing installation times. Operationally, these adaptors also reduce installation times significantly which will accelerate the installation of the systems across the state.

States with successful energy storage policies have programs focused on both the deployment and optimization of energy storage resources. S 2185 a cost-effective way to encourage the deployment of capital and development of both behind-the-meter storage and front-of-the-meter storage projects at the distribution and transmission level. This bill will foster a business environment that captures the benefits of energy storage on both the customer side and utility side of the electric meter, and signal that New Jersey is a place to invest in the deployment of energy storage.

For the above reasons, SEIA supports this legislation. For more information, contact Scott Elias, SEIA's Director State Affairs, Mid-Atlantic at (516) 286-6473 or Doug Hritz, River Crossing Strategy Group at (609) 503-5375.

# BLUEWAVE

June 9, 2022

Honorable Bob Smith  
Senator, District 17  
216 Stelton Rd., Suite E-5  
Piscataway, NJ 08854

## **Support for S.2185 and S.431**

Dear Senator Smith and Committee Members,

Thank you for the opportunity to provide testimony before your committee today. I am writing on behalf of BlueWave to express strong support for the advancement of S.2185 and S.431, both of which would expedite New Jersey's transition to clean energy in critical ways.

BlueWave's vision is to protect our planet by transforming access to renewable energy. As a pioneering solar developer based in Boston, Massachusetts, BlueWave has developed and built more than 150 MW of solar projects to date. As built, these projects collectively generate enough solar energy to avoid more than 144,000 metric tons of carbon emissions annually. A certified B Corp, BlueWave has received national recognition for its work to protect the planet, and continues to innovate through community solar, energy storage, agrivoltaics, and floating solar technologies.

## **Support for S.2185 – An act concerning energy storage systems and supplementing Title 48 of the Revised Statutes**

Energy storage is critical to ensuring New Jersey maintains an efficient and reliable grid. By deploying much needed resiliency and emissions-reducing energy storage across the state, we can chart a path towards New Jersey's climate and energy targets adopted in 2018 with the support and leadership of this committee. This bill will bolster ongoing efforts in New Jersey to build a strong energy storage market, facilitate cleaner energy use, and benefit consumers and businesses with enhanced grid reliability and lower costs. BlueWave is eager to contribute to New Jersey's goal of installing 2,000 MW of energy storage by 2030, and can feel more confident in doing so with passage of this legislation.

## **Support for S.431 – An act concerning Class I renewable energy and supplementing Title 48 of the Revised Statutes.**

Increasing interconnection delays and costs remain a major barrier to deploying clean energy resources across New Jersey. This bill will make critical changes to interconnection standards, implement best practices from other states' experiences, and achieve several policy objectives of the legislature and the Murphy administration. Facilitating more efficient and cost-effective Class I interconnections will ensure that we have a pathway to reaching goals laid out in the Energy Master Plan, as well as providing clean energy access to all New Jerseyans.

# BLUEWAVE

BlueWave supports the detailed testimony put forth by the Coalition for Community Solar Access in support of this bill. We particularly emphasize that implementing standardized pre-applications, holding utilities accountable to timelines, and establishing ongoing technical and policy interconnection working groups will be critical to maintaining New Jersey's status as a leader in clean energy deployment. In addition, we recommend moving forward with the simple and efficient cost allocation measures outlined in the legislation to avoid cross-subsidization of interconnection costs as well as preventing many otherwise beneficial projects from moving forward.

Thank you for your consideration and for the opportunity to express support for advancement and ultimate passage of S.2185 and S.431. We look forward to continued collaboration towards the achievement of New Jersey's clean energy goals and a just transition.

Sincerely,

Kaitlin Hollinger  
Policy Manager  
BlueWave



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BRIAN O. LIPMAN  
*Director*

May 13, 2022

Members of the Senate Environment and Energy Committee  
Statehouse Annex  
P.O. Box 068  
Trenton, N. J. 08625

**RE: S2185 (Directs NPU to develop program to incentivize installation of new energy storage systems.)**

Members of the Senate Environment and Energy Committee:

I write on behalf of the Division of Rate Counsel regarding S2185 (Directs BPU to develop a program to incentivize installation of new energy storage systems), which is up before the committee on May 16, 2022. We have concerns about this bill's impact on ratepayers. I regret that I am unable to attend the meeting, but hope you will consider our comments.

As you are aware, Rate Counsel represents and protects the interests of all utility customers – residential customers, small business customers, small and large industrial customers, schools, libraries, and other institutions in our communities. Rate Counsel is a party in cases where New Jersey utilities seek changes in their rates or services. Rate Counsel also gives consumers a voice in setting energy, water, and telecommunications policy that will affect the rendering of utility services well into the future.

This bill would require the New Jersey Board of Public Utilities (“Board”) to provide subsidies for energy storage systems. Rate Counsel has substantial concerns with this bill. It would impose significant costs on the New Jersey’s electric ratepayers, while impairing the State’s ability to leverage other sources of funding for energy storage. In addition, it encourages the siting of potentially hazardous battery storage facilities in disadvantaged communities.

The bill directs the Board to implement a pilot program, and subsequently a permanent program, to incentivize the installation of energy storage systems in New Jersey. The legislation mandates multiply overlapping layers of incentives for both behind-the-meter storage systems, and “front-of-the-meter” systems located on the utility side of the meter. Both types of systems would be eligible to receive “performance incentives” provided through the State’s electric distribution utilities, and designed to compensate the owner for the “full value” of the services provided by the storage system and to meet other specified objectives. In addition, for behind-

the meter systems the Board could consider allowing the net metered solar installations to have capacities larger than required to meet the owners' annualized electricity usage if such installation are paired with behind-the-meter storage, thus increasing these systems ability to receive subsidies in the form of net metering credits. For front-of-the meter systems, the State's electric distribution utilities would be required to adopt tariffs that provide these facilities with compensation for their value to the grid. Finally, during the pilot program, and potentially beyond, energy storage system owners would receive an "upfront incentive" funded through the societal benefits charge ("SBC") and designed to fill the gap between the available revenue streams and the "all-in system costs" for these facilities.

The amounts of all of these subsidies would be determined administratively by the Board. There are no provisions for the Board to utilize competitive processes to minimize the costs of the energy storage program.

The proposed legislation would impose significant costs on New Jersey's utility ratepayers. Although the total costs of the mandated incentives is not specified in the legislation, the Board would be required to allocate at least \$60 million in SBC funds annually to fund the "upfront" incentives during the pilot phase of the program. To place this amount in context, the approved budget for Fiscal Year 2022 the New Jersey Clean Energy Program and State Energy Initiatives includes an estimated \$344.665 million in SBC collections from ratepayers. The \$60 million required to be allocated the "upfront" energy storage incentives amounts to 17.4 percent of the total collections from ratepayers. Since the other incentives required by the legislation are intended to compensate storage owners for the value they provide to the State's electric and transmission systems, ratepayers in effect would be funding \$60 million in subsidies to pay storage owners in excess of the value they provide. The legislation makes no provision for refunds to ratepayers in the event these facilities receive more revenues than anticipated from other sources.

Further, at least \$20 million of the \$60 million is allocated to "upfront" incentives for "customer classes or deployment scenarios that face greater economic hurdles, including, but not limited to low-to-moderate income customers, customers sited in overburdened communities, and owners of stand-alone energy storage systems who do not qualify for federal investment tax credits." Thus, ratepayers would be paying at least \$20 million in above-value subsidies for systems with the highest costs.

At the same time, the legislation would compromise other potential sources of funding for storage. As noted, the legislation contemplates providing subsidies to projects that do not qualify for federal investment tax credits. This provision would, in effect, require the Board to forego a source of funding that would mitigate the cost of the program for ratepayers.

In addition, the subsidies provided in the legislation could impair the ability of storage system owners to receive revenues from the PJM capacity market. The legislation includes a provision that the Board's program may not prohibit energy storage systems from participating in the wholesale market, and thus appears to contemplate this as a source of revenues for these systems. However, the PJM's Minimum Offer Price Rule ("MOPR") established bidding "floors" for subsidized facilities participating in the PJM capacity market. Storage facilities

receiving subsidies under the proposed legislation would be subject to this rule, which would reduce their ability to successfully bid into the PJM capacity auctions.

Finally, the legislation would incentivize the siting of storage facilities in the State's low- and moderate-income communities. As noted above, the legislation reserves a portion of the funds allocated for "upfront" incentives for facilities located in low- and moderate-income communities, and the legislation also allows the Board to include bonuses in the incentives for such projects. Siting large battery storage facilities in these communities would expose the residents of these already overburdened areas to hazards including fire and releases of toxic gases.<sup>1</sup> This seems contrary to the State's environmental justice goals.

The proposed legislation is problematic for all of the reasons cited above. Moreover, it is unnecessary. The federal Infrastructure Investment and Jobs Act P.L. 117-58, includes funding for energy storage to enhance grid flexibility (Section 40107) and for battery processing and manufacturing (Section 40207). Given the federal initiatives to facilitate the development of cost-effective energy storage, there is no need to increase New Jersey's already high energy costs to achieve this objective.

Thank you for considering our comments. Please let us know if you have any questions. We very much appreciate the opportunity to share our comments on behalf of the State's ratepayers. Please feel free to contact our office if you have any questions. Thank you for your attention to these important matters.

Sincerely,

s/s Brain Lipman, ~  
Brian O. Lipman, Esq.  
Director, Division of Rate Counsel

- c: Kevill Duhon, Deputy Executive Director at New Jersey Senate Democratic Office
- Matthew Peterson, Democratic Aide Services, Senate Environment and Energy Committee
- Eric Hansen, OLS Committee Aide
- Christina Denney, OLS Committee Aide
- Rebecca Panitch, Republican Aide, Senate Environment and Energy Committee
- Christine Mosier, Chief of Staff, Senator Bob Smith
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- Brian Woods, Chief of Staff, Sen. Stansfield
- Maura Caroselli, Managing Attorney for Gas & Clean Energy, Rate Counsel
- Sarah Steindel, Attorney for Rate Counsel
- David Wand, Managing Attorney for Electric, Rate Counsel

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<sup>1</sup> B. O'Connor, "Battery Energy Storage Hazards and Failure Modes," NJFPA Today (Dec. 3, 2021), available at: <https://www.nfpa.org/News-and-Research/Publications-and-media/Blogs-Landing-Page/NFPA-Today/Blog-Posts/2021/12/03/Battery-Energy-Storage-Hazards-and-Failure-Modes>.

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June 9, 2022

Members of the Senate Environment and Energy Committee  
New Jersey Senate  
State House  
P.O. Box 099  
Trenton, NJ 08625-0099

**RE: S2185 – Smith (D17); Greenstein (D14) - Requires BPU to develop program to incentivize installation of new energy storage systems.**

Honorable Members of the Senate Environment and Energy Committee:

New Jersey Board of Public Utilities' (Board) Staff initiated a stakeholder process for the Board's Grid-Modernization proceeding in the fall of 2021. The Board released its preliminary results at a stakeholder meeting on Monday, May 23, 2022, and requested a second round of stakeholder feedback on the inputs and assumptions used in the study. Staff anticipates that the completed report will be submitted to the Board this summer.

Staff would prefer the report to be finalized before providing specific recommendations on the legislation but will offer the following recommendations since the bill is being held for a vote by the Senate Environment and Energy committee June 9, 2022.

1. Staff recommends providing the Board flexibility in setting interconnection standards:
  - a. The bill calls for strict adherence to the Interstate Renewable Energy Counsel's ("IREC") "Model Interconnection Process (2019)" (1. a.) which Staff would argue are already out of date, and thus should not be specifically referenced.
  - b. In several cases, Staff supports key pieces of the IREC rules, including establishing a pre-application process, but again, does not think that referencing the IREC rules is helpful.

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- c. If the IREC rule reference remains, Staff recommends allowing the Board to establish “alternative provisions” when they “meet or exceed” the IREC rules and provide superior interconnection service to customers.
2. Staff supports taking steps to make the interconnection process faster and more predictable, and recognizes that utilities need to expand their systems to meet the needs of the clean energy economy. However:
    - a. While Staff supports exploring the use of grid modernization fees, clustering or other interconnection reform measures that smooth out interconnection costs should also be explored.
    - b. Staff believes that the Board already has the jurisdiction to direct utilities to undertake proactive system expansion, and does not believe that additional legislation is necessary.
    - c. The \$50 per kilowatt figure may be out of step with actual costs and should not be mandated for three years without understanding the costs.
  3. Staff recommends using an alternative to “Class I Renewables”<sup>1</sup> for several reasons:
    - a. “Class I Renewables” would exclude storage resources, electric vehicles, and other DERs, from taking advantage of the program
    - b. “Class I Renewables” includes certain non-carbon neutral generation technologies, including fuel cells not powered by 100% RNG. We would recommend restricting this to truly clean technologies.

Once the Board approves the Grid-Modernization report this summer Staff will want to use that document to further instruct our comments on this legislation and work with the sponsors using the information learned from the Grid-Modernization process to further refine this legislation.

We appreciate your consideration of these initial comments to S2185 and look forward to continuing to work with the sponsors and stakeholders as the Board’s own storage proceeding moves forward.

Respectfully,



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**MEMO OF SUPPORT**  
**S 431**  
**Senate Environment and Energy Committee**  
**June 9, 2022**

The Solar Energy Industries Association (“SEIA”) supports S 431 and recommends its passage. This bill directs the New Jersey Board of Public Utilities (BPU) to update New Jersey’s interconnection standards.

The window to address the climate crisis is rapidly closing and outdated interconnection policies remain a significant barrier to achieving New Jersey’s ambitious clean energy goals.

Interconnection policies determine how efficiently distributed energy resources, like solar and energy storage, can connect to the electric grid. But the status quo of policies that were developed decades ago are failing in a number of areas, including interconnection timelines, compatibility with energy storage and smart inverters, distribution of grid upgrade costs, and lack of data accessibility. As a result, inadequate interconnection policies pose a major threat to New Jersey’s clean energy goals.

Based on SEIA’s extensive discussions with leading SEIA member companies, interconnection experts, and SEIA’s on-the-ground experience, three principles should guide all interconnection reform discussions:

- Interconnection processes must be detailed, transparent, and clear
- Interconnection rules must be rigorously enforced
- Infrastructure upgrade cost estimates must be reasonable, durable, and directly related to the connecting project

As a result, SEIA supports S 431’s directive that updated New Jersey interconnection standards conform to the model interconnection procedures recommended by the Interstate Renewable Energy Council. In particular, this includes a recommendation to include pre-application reports. As the name suggests, project developers would be able to submit a pre-application proposal to the utility that scopes out the project location, size, configuration, and interconnection point. For a modest fee, the utility would be able to give reasonable estimate of infrastructure upgrade costs up front, providing an early estimate of cost and viability. This is a no-regrets approach, employed by at least 12 states that could save project developers and utilities considerable time and effort later in the interconnection process.

While adopting IREC’s Model Interconnection procedures are a great starting point, the bill could also recommend that the BPU ensure that these updated interconnection standards incorporate recommendations from U.S. Department of Energy’s recent [Building a Technically Reliable Interconnection Evolution for Storage \(BATRIES\) toolkit](#), which provides model guidance for the interconnection of energy storage and solar-plus-storage projects. Specifically,

this would include acceptable methods that can be used for controlling export of limited-and non-export systems in any updated interconnection rules.

S 431 empowers the BPU and utilities to come up with a better way to unlock areas of the grid that accommodate more distributed resources, like solar.

New Jersey has many closed circuits, where unless developers or a solar customer pays for an expensive upgrade that increases the capacity of a circuit, no one else can install solar in a particular geographic area. If upgrades are required to accommodate additional solar on a circuit, it is the unlucky project that “triggers” the upgrade that must pay the full cost, even if the upgrade results in benefits to several, subsequent interconnection customers and New Jersey ratepayers at large. These costs, often hundreds of thousands of dollars, can kill the economics of a project, which limits project development, delays needed infrastructure investments and leaves whole sections of the distribution grid closed to new solar development.

S 431 resolves this unfair cost allocation problem and advances a cost sharing methodology that equitably shares the costs of upgrading the electric power system across all customers who benefit from them, including ratepayers at large. This would be done by establishing a fixed fee schedule for interconnection, paid by the owners or developers of clean energy systems to electric utilities to defray the costs of interconnection, including administrative tasks or studies carried out by the utility, and the infrastructure upgrades necessary for the safe operation of the renewable energy system. It would also authorize electric public utilities to recover interconnection costs in excess of the amount recovered through these grid modernization fees, an innovative approach that distributes upgrade costs across multiple projects and ratepayers and enables the proactive grid investments necessary for New Jersey’s clean energy future, such as re-opening previously closed circuits.

S 431’s multi-beneficiary cost sharing approach is similar to Massachusetts, which is considering a model where developer contributions are capped on \$/kW basis, and the remaining costs are socialized among utility ratepayers. Moving to a system where a developer pays a percentage of the upgrade costs, and the remaining costs are socialized among all customer classes benefiting from that upgrade would help bring online much more clean energy on New Jersey’s grid.

Unfortunately, the interconnection paradigm designed for a by-gone era characterized by large, centralized generation facilities sending electricity unidirectionally down to load is incompatible with a sustained distributed generation industry. As a result, New Jersey must demonstrate leadership on interconnection reform to meet its ambitious clean energy goals.

For the above reasons, SEIA supports this legislation. For more information, contact Scott Elias, SEIA’s Director State Affairs, Mid-Atlantic at [selias@seia.org](mailto:selias@seia.org) or (516) 286-6473 or Doug Hritz, River Crossing Strategy Group at (609) 503-5375.

40x



Senate Environmental and Energy Committee  
June 9, 2022

Testimony of Leslie Ann Elder, Mid-Atlantic Regional Director  
Coalition for Community Solar Access

**S431: "Interconnection Standards for Class I Renewable Resources"**  
**FAVORABLE**

Thank you for the opportunity to provide testimony on S431 Interconnection Standards. The Coalition for Community Solar Access (CCSA) submits testimony in strong support of Senator Smith's S431.

CCSA is a national coalition of businesses and nonprofits working together to implement best practices for all community solar markets. Our mission is to empower all New Jersey households and businesses that seek home grown energy sources through community solar. We represent over 80 member companies, some who are headquartered in New Jersey and others who are investing here.

CCSA and our members are active participants in the community solar pilot program and are thankful for the opportunity to participate in the process of making the program permanent, this year. S431 proposes to make critical changes to the interconnection standards to bring best practices from the other states and provide a pathway to achieve several policy objectives for the state's renewable portfolio standards, access to clean energy to all, and ensure the state remains on track to achieve the goals in the state's Energy Master Plan. Most importantly, S431 will allow for community solar projects to connect to the grid and provide guaranteed savings on participating customer's electric bills. Over 50% of the program is dedicated to serving low-to-moderate income customers, ensuring these residents can save money on their energy needs at a time when they need it the most.

CCSA strongly supports the inclusion of pre-applications for interconnection to ensure all community solar projects can be evaluated by the state, the utilities, and the community solar industry PRIOR to applying for the program. Costs for interconnection upgrades required to connect community solar facilities to the grid can often be prohibitive and ultimately is a key deciding factor for a project moving forward or not. Insight into interconnection viability and costs before a project is permitted to the program will ensure a project who enters the program is more likely to electrify, serve customers and issue the subscriber their mandatory cost savings associated with their participation. Energy savings could not be more needed by all residents but particularly important for Low-to-Moderate Income residents and those who live in overburdened communities with energy costs rising across the country.

Senator Smith's S431 is simple and allows for a more efficient overall allocation of investments and better utilization of grid assets. Leveraging local solar will help New Jersey achieve its unique energy demands and avoid costly distribution system investments. Thank you for your time and consideration for S431 and CCSA hopes we can count on your support.

Sincerely,

Leslie Elder, Mid-Atlantic Director  
leslie@communitysolaraccess.org

41x



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BRIAN O. LIPMAN  
Director

May 13, 2022

Members of the Senate Environment and Energy Committee  
Statehouse Annex  
P.O. Box 098  
Trenton, N. J. 08625

**RE: S431 (Directs BPU to update interconnection standards for Class I renewable energy sources & develop a fixed fee structure for interconnection costs.)**

Members of the Senate Environment and Energy Committee:

I write on behalf of the Division of Rate Counsel regarding S431 (Directs BPU to establish the State's interconnection standards for Class I renewable energy sources and develop a fixed fee structure for interconnection costs), which is up before the committee on May 16, 2022. I regret I am unable to attend the meeting, but hope you will consider our comments. We have concerns about this bill, especially its modification of a longstanding ratemaking process that would have significant financial impacts on ratepayers.

As you are aware, Rate Counsel represents and protects the interests of all utility customers – residential customers, small business customers, small and large industrial customers, schools, libraries, and other institutions in our communities. Rate Counsel is a party in cases where New Jersey utilities seek changes in their rates or services. Rate Counsel also gives consumers a voice in setting energy, water, and telecommunications policy that will affect the rendering of utility services well into the future.

This bill would require the Board of Public Utilities to establish maximum “grid modernization fees” and allow electric public utilities to pass onto their ratepayers any interconnection costs in excess of those fees. The fees would only be adjusted every three years and exempt from the Administrative Procedure Act. We have concerns about this bill.

This bill would modify the long-standing “but for” principle of utility ratemaking. Rate Counsel believes that “the beneficiary pays principle” is foundational to good grid planning and cost allocation. The beneficiary pays standard for new resources incents efficient siting decisions. If the project is no longer economic with the costs of siting included, then venture is most likely under-capitalized and investing in that project is not the best use of limited ratepayer dollars. The risk is better handled by the interconnection customer than end-use customers, because Class I renewable energy developers can build the cost of upgrades into their projects or choose a different site for development. Ratepayers do not have that same flexibility. Therefore,

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Rate Counsel asks that the Committee fully consider the implications if the discipline of efficient project siting is lost. Avoidable and expensive electric system upgrades will be foisted onto captive ratepayers. This risk is compounded because the administrative decisions will be made without the customary protections afforded by the Administrative Procedure Act.

Shifting the risk of siting a project from Class I renewable developers to ratepayers will affect more than utility customer rates. It will upset the delicate balance of incentive policies from which Class I renewable developers already benefit, such as net metering and Renewable Energy Certificates. Given this additional shift in risk, it may no longer be reasonable for Class I renewable developers to receive these other subsidies when they are not contributing to the cost of system capability from which they benefit.

Administratively setting a max interconnection fee every three years also means that the fact-specific circumstances of each project will not be properly accounted for or given accurate price signals to Class I renewable developers. As circumstance changes, the administratively-set fee will lag behind, possibly for significant amounts of time. Ratepayers may also end up paying for upgrades for projects that never get built. Further utilities may not be able to recover those costs in rates if the equipment for an abandoned Class I renewable project is not used and useful. Based on the foregoing, any changes in the current paradigm must be based on transparent data and include greater opportunities for competition and innovation.

This means that, with regard to interconnection costs, Class I renewable developers should not be allowed to site projects without any consideration of the project's effect on the electric distribution system. Instead, Rate Counsel recommends building on the initiative to have the utilities determine the best, most economic locations to include solar on their systems. To do otherwise could result in significant utility rate increases for projects that are simply not economic.

For all of these reasons, we urge you to **not pass this bill out of committee.**

We hope you will consider our comments. Please let us know if you have any questions. We very much appreciate the opportunity to share our comments on behalf of the State's ratepayers. Please feel free to contact our office if you have any questions. Thank you for your attention to these important matters.

Sincerely,

s/s Brain Lipman,

**Brain O. Lipman, Esq.,**

**Director**

**New Jersey Division of Rate Counsel**

43X

c: Kevil Duhon, Deputy Executive Director at New Jersey Senate Democratic Office  
Matthew Peterson, Democratic Aide Services, Senate Environment and Energy  
Committee  
Eric Hansen, OLS Committee Aide  
Christine Denney, OLS Committee Aide  
Rebecca Panitch, Republican Aide, Senate Environment and Energy Committee  
Christine Mosier, Chief of Staff, Senator Bob Smith  
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Brian Woods, Chief of Staff, Sen. Stansfield  
Maura Caroselli, Managing Attorney for Gas & Clean Energy, Rate Counsel  
Sarah Steindel, Attorney for Rate Counsel  
David Wand, Managing Attorney for Electric, Rate Counsel

44X

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Bob Gordon  
Commissioner

June 9, 2022

Members of the Senate Environment and Energy Committee  
New Jersey Senate  
State House  
P.O. Box 099  
Trenton, NJ 08625-0099

**RE: S431 - Smith (D17); Greenstein (D14) - Directs BPU to update interconnection standards for Class I renewable energy sources and develop fixed fee structure for interconnection costs.**

Honorable Members of the Senate Environment and Energy Committee:

New Jersey Board of Public Utilities' (Board) Staff initiated a stakeholder process for the Board's Grid-Modernization proceeding in the fall of 2021. The Board released its preliminary results at a stakeholder meeting on Monday, May 23, 2022, and requested a second round of stakeholder feedback on the inputs and assumptions used in the study. Staff anticipates that the completed report will be submitted to the Board this summer.

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  - b. In several cases, Staff supports key pieces of the IREC rules, including establishing a pre-application process, but again, does not think that referencing the IREC rules is helpful.
  - c. If the IREC rule reference remains, Staff recommends allowing the Board to establish "alternative provisions" when they "meet or exceed" the IREC rules and provide superior interconnection service to customers.


45x

2. Staff supports taking steps to make the interconnection process faster and more predictable, and recognizes that utilities need to expand their systems to meet the needs of the clean energy economy. However:
  - a. While Staff supports exploring the use of grid modernization fees, clustering or other interconnection reform measures that smooth out interconnection costs should also be explored.
  - b. Staff believes that the Board already has the jurisdiction to direct utilities to undertake proactive system expansion, and does not believe that additional legislation is necessary.
  - c. The \$50 per kilowatt figure may be out of step with actual costs and should not be mandated for three years without understanding the costs.
  
3. Staff recommends using an alternative to “Class I Renewables”<sup>1</sup> for several reasons:
  - a. “Class I Renewables” would exclude storage resources, electric vehicles, and other DERs, from taking advantage of the program
  - b. “Class I Renewables” includes certain non-carbon neutral generation technologies, including fuel cells not powered by 100% RNG. We would recommend restricting this to truly clean technologies.

Once the Board approves the Grid-Modernization report this summer Staff will want to use that document to further instruct our comments on this legislation and work with the sponsors using the information learned from the Grid-Modernization process to further refine this legislation.

We appreciate your consideration of these initial comments to S431 and look forward to continuing to work with the sponsors and stakeholders after the release of the Grid-Modernization draft report.

Sincerely,



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<sup>1</sup> “Class I renewable energy” means electric energy produced from solar technologies, photovoltaic technologies, wind energy, fuel cells, geothermal technologies, wave or tidal action, small scale hydropower facilities with a capacity of three megawatts or less and put into service after the effective date [July 23, 2012] of P.L.2012, c.24, methane gas from landfills, methane gas from a biomass facility provided that the biomass is cultivated and harvested in a sustainable manner, or methane gas from a composting or anaerobic or aerobic digestion facility that converts food waste or other organic waste to energy.”

46x



**MEMO OF SUPPORT**  
**S 439**  
**Senate Environment and Energy Committee**  
**June 9, 2022**

The Solar Energy Industries Association ("SEIA") supports S 439 and recommends its passage. This bill directs the New Jersey Board of Public Utilities (BPU) to establish a process to maintain supply and demand for solar renewable energy certificates (SRECs).

While closed to new participants by the BPU, the Legacy SREC Program remains in operation until 2035 and remains vital to the \$13+ billion in capital invested by New Jersey families, businesses, schools, and communities – who depend on a stable and balanced program to provide the opportunity to earn a fair return on capital and to sustain the confidence necessary to invest in the State's clean energy future.

Over the course of several years, the solar industry has expressed its concern that the closed program requires timely and proactive oversight to meet the statutory language written into the Clean Energy Act of 2018, which calls for an "orderly transition," and the Solar Transition principles to "protects investor value."

S 439 requires a periodic BPU review of the SREC program to ensure that there is an appropriate and stable ratio between the supply of, and demand for, SRECs in the state and to make adjustments if necessary. This is a proven and effective approach that is easy to implement and administer, is consistent with best practices in other regions, and is consistent with the BPU's solar transition principles.

While investors have assumed traditional solar development and construction risks, and continue to assume operating risks, they also depend on a proactive and predictable policy to ensure a balanced program with "no SREC left behind." S 439 seeks to accomplish this objective.

For the above reasons, SEIA supports this legislation. For more information, contact Scott Elias, SEIA's Director State Affairs, Mid-Atlantic at [selias@seia.org](mailto:selias@seia.org) or (516) 286-6473 or Doug Hritz, River Crossing Strategy Group at (609) 503-5375.



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P.O. Box 068  
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**RE: S439 (Directs BPU to establish process to maintain supply and demand for solar renewable energy certificates.)**

Members of the Senate Environment and Energy Committee:

I write on behalf of the Division of Rate Counsel regarding S439 (Directs BPU to maintain supply and demand for solar renewable energy certificates), which is up before the committee on May 16, 2022. I regret that I won't be able to attend the meeting, but hope you will consider our comments. We have concerns that this bill will increase the financial burden on ratepayers as it perpetuates continued over subsidization of legacy solar.

As you are aware, Rate Counsel represents and protects the interests of all utility customers – residential customers, small business customers, small and large industrial customers, schools, libraries, and other institutions in our communities. Rate Counsel is a party in cases where New Jersey utilities seek changes in their rates or services. The Rate Counsel also gives consumers a voice in setting energy, water, and telecommunications policy that will affect the rendering of utility services well into the future.

This bill would require the Board of Public Utilities (“BPU”) or (“Board”) to manage the market for Solar Renewable Energy Certificates (“SRECs”) that were issued under the legacy SREC program. The Board would be required to establish a process to assess the legacy SREC program and adjust the renewable portfolio requirements for legacy SRECs in order to “maintain an appropriate value for SRECs, which is consistent with the historical relationship between the value of the SREC and the value of the solar alternative compliance payment, as determined by the board ....” This process would continue through Energy Year 2035. Rate Counsel has several serious concerns about the bill.

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First, it is important to recognize that this bill would not lead to a single penny of new solar investment. The legacy SREC program that is the subject of this legislation has been closed to new entrants since the end of April, 2020. No more solar will be built under this program. This bill is about providing a guarantee that the owners of the legacy solar facilities will recover the compensation they desire for solar that has already been built, a guarantee they explicitly did not have at the time they chose to build.

Second, the objective appears to be to direct the Board to maintain legacy SREC prices at or near the SACP. These prices are higher than necessary to compensate owners of the legacy SREC project for their investments. The owners of these projects never had any guarantee that they would receive any specific values for SRECs. Therefore, the SREC values that were assumed by investors when the projects were built were heavily discounted from current SREC prices. In other words, investments were not made based on the assumption that SREC values would remain high for the life of the project. While the legacy project owners may desire SREC values at or near the SACP through 2035, they can be fairly compensated at lower SREC values.

A 2018 decision of the United States Court of Appeals for the Third Circuit is relevant here. That decision held that the property rights of holders of taxi medallions issued by the City of Newark were not violated when an agreement with a ride-sharing provider reduced the market value of the medallions. As the court explained, the value of the medallions was subject to the expectation that there could be regulatory change, and therefore an action that reduced the value of the medallions was not a "taking." Newark Cab Ass'n v. City of Newark, 901 F.3d 146, 153 (3d Cir 2018). This same principle applies to legacy SRECs. The owners of the legacy solar projects have been aware from the outset that there was no guarantee that SREC values would be maintained at the levels they preferred.

Since this bill would perpetuate ratepayers' historic over-subsidization of the legacy solar projects, we urge that it not be passed out of committee in its present form. If the Committee wishes to consider this bill, it should be amended to direct the Board to set SREC values that will provide the legacy projects with reasonable, but not excessive compensation. The following is suggested language in lieu of Section 1 of the bill:

The board shall adopt, pursuant to the "Administrative Procedure Act," P.L. 1968, c.410 (C. 52:14B-1 et seq.) rule and regulations to establish values for SRECs that will provide fair compensation for the investments in the solar facilities generating the SRECs. No later than 270 days after the effective date of this section, the board shall file, with the Office of Administrative Law, a notice of a proposed rule to establish the process required by this section.

As the Committee is aware, there are many New Jersey residents and businesses that are struggling to pay their electric bills. The COVID-19 pandemic has been especially financially challenging to many households and families. Although the moratorium on utility shut-offs was recently extended for households that are seeking financial assistance, there are nearly 1 million utility customers in arrears on their utility bills. It is clear that many ratepayers will face the real threat of losing utility service at some point. Rate Counsel urges the Committee not to add to the burdens already faced by the State's electric utility ratepayers to fund additional subsidies that are not needed to fairly compensate the owners of the legacy solar projects, and that will do nothing to advance the State's clean energy goals.

We hope you will consider our comments. Please let us know if you have any questions. We very much appreciate the opportunity to share our comments on behalf of the State's ratepayers. Please feel free to contact our office if you have any questions. Thank you for your attention to these important matters.

Sincerely,

*s/ Brian Lipman,*

Brian O. Lipman, Esq.

Director, Division of Rate Counsel

- c: Kevil Duhon, Deputy Executive Director at New Jersey Senate Democratic Office
- Matthew Peterson, Democratic Aide Services, Senate Environment and Energy Committee
- Eric Hansen, OLS Committee Aide
- Christina Denney, OLS Committee Aide
- Rebecca Panitch, Republican Aide, Senate Environment and Energy Committee
- Christine Mosier, Chief of Staff, Senator Bob Smith
- Pamela Cocroft, Committee Secretary
- Jessica Murray, Chief of Staff, Sen. Greenstein
- Erin Rice, Chief of Staff, Sen. Codey
- Tina DeSilvio, Chief of Staff, Sen. Durr
- Brian Woods, Chief of Staff, Sen. Stansfield
- Maura Caroselli, Managing Attorney for Gas & Clean Energy, Rate Counsel
- Sarah Steindel, Attorney for Rate Counsel
- David Wand, Managing Attorney for Electric, Rate Counsel

50x



**PHIL MURPHY**  
GOVERNOR

**SHEILA OLIVER**  
LT. GOVERNOR

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**Joseph L. Fiordaliso**  
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Mary-Anna Holden  
Commissioner

Dianne Solomon  
Commissioner

Upendra Chivukula  
Commissioner

Bob Gordon  
Commissioner

June 9, 2022

Members of the Senate Environment and Energy Committee  
New Jersey Senate  
State House  
P.O. Box 099  
Trenton, NJ 08625-0099

**RE: S439 – Smith (D17) - Directs BPU to establish process to maintain supply and demand for solar renewable energy certificates.**

Honorable Members of the Senate Environment and Energy Committee:

New Jersey Board of Public Utilities' Staff has substantive concerns about whether to provide additional financial support to investors in legacy SRECs. SREC holders invested in the SREC market knowing that prices could go up or down, and it is not clear that the State should be bailing out these investments even if they were to decrease in value at some point in the future. Given that current prices in the SREC market are very strong, it is not clear that this is even necessary.

If the decision is made to consider SREC price supports, the current version of the bill heavily favors the interests of those investors over the interests of ratepayers. At a minimum, the bill should be restructured to condition receipt of additional price support on a compromise that *significantly* reduces the total cost of the SREC program to ratepayers, likely through a lowering of the SREC Alternative Compliance Payment, or SACP.

It is important to note that projects receiving SRECs are existing solar projects. These existing projects are likely to continue operating, even if SREC prices fall. Further, existing projects do not create a single new job or produce any new clean energy. Therefore, the state has little incentive to offer financial support to legacy SREC holders (absent a significant decrease in the total cost of the SREC program).

Finally, if SREC prices were to fall, then it would create a significant opportunity to invest in new solar resources, which have significantly greater job and environmental benefits, or provide reductions in consumer rates. Staff looks forward to continuing to work with the sponsor and stakeholders on a solution that benefits all stakeholders.

Respectfully,

A handwritten signature in dark ink, appearing to read "DCL".

D. Chance Lykins  
Director, Government Affairs  
New Jersey Board of Public Utilities  
(609) 658-1138 (mobile)  
[Chance.lykins@bpu.nj.gov](mailto:Chance.lykins@bpu.nj.gov)

51x

**Good morning, I am writing in support of S2522, "Makes FY2022 supplemental appropriation of \$3 million for mosquito control." The services and coordination the State provides local mosquito control programs are essential and include testing for mosquito-borne diseases such as West Nile Virus and Eastern Equine Encephalitis, equipment use programs, biological control (fish stocking), and aerial larviciding measures to help prevent larval mosquitoes from developing into biting adults. These services allow mosquito control programs to make timely and accurate decisions regarding the implementation of control measures to reduce nuisance and protect public health. Thank you for your time and consideration in support of S2522. Sincerely, Nicholas Indelicato General Supervisor, Mercer County Mosquito Control 1st Vice President, New Jersey Mosquito Control Association**

Sent from:

52x

**the taxpayer of this state pay enough for mosquito control. the fact is all this spraying is toxic chemicals that in fact kill people, kill animals all besides the pests. we are killing ourselves with glyphosate and other toxic chemical use. cancer is rampant and is a result of this practice. we need to find natural ways to stop mosquitos. leaving ponds on your property etc can make a mosquito invasion higher. people can take natural steps to stop this. there should be no increase of \$3 million. vote no**

Sent from:

53x

**this forests and parks foundation is more fat cat state bureaucracy! this is extra funds that is hidden away to pay for these members who far too often are not protective but instead profiteers seekign touse our open space for their own profimaking. i do not support this bill at all. we shoudl have zero foundations, we dont need foundations. they are just more fat extra bureaucrats when we are already paying for the staff and a whole mgt team. is duplications and comletely unnecessary and wasteful. vote no. level after level after level all do to the original jobs which never gets done anyway. its corruption incarnate. vote no.**

Sent from

54x

**i send along a column by bill wolfe, who is right about this bill. it is notgood for nj. i support his commetns on this bill and ask for a no votte.**

Sent from

55x

# NJ Senate Democrats Pushing Legislation That Could Privatize State Parks, Lead to Corporate Promotions, And Build Industrial Energy Facilities In State Parks And Forests

[wolfenotes.com/2022/06/nj-senate-democrats-pushing-legislation-that-could-privatize-state-parks-lead-to-corporate-promotions-and-build-industrial-energy-facilities-in-state-parks-and-forests](https://wolfenotes.com/2022/06/nj-senate-democrats-pushing-legislation-that-could-privatize-state-parks-lead-to-corporate-promotions-and-build-industrial-energy-facilities-in-state-parks-and-forests)

Bill Wolfe

**Corporate “Legacies”, “Bequests”, “Endowments” And “Partnerships” Are Pathways to Privatization And Commercialization**

**The Bill Is Actually Worse Than Gov. Christie’s Parks Privatization Policy**

**The Privatization Scandals At Liberty State Park Would Be Expanded Statewide**



weeds grow at restroom at Bulls Island SP – it has since been demolished.

Tomorrow (June 9), the NJ Senate Environment Committee will hear legislation purported to generate funding for State Parks via creation of a *New Jersey State Parks and Forests Foundation* (hit the link to read the bill, **S1311, Turner**).

Before we get to what the bill would do, we need to remind readers of four important things about generating funds for State Parks and Forests:

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1) hundreds of millions of dollars of previously Constitutionally dedicated funding for State Parks was stolen by the Green Mafia's "Keep It Green" open space campaign. **Remember this?**

**State Parks Director Texel's devastating words – he wrote:**

As the Director of the NJ State Park Service now coping with the reality that our entire Parks capital budget will be completely eliminated beginning July 1, 2015 as a result of the YES vote I can say this is the darkest day I have faced in my professional career. Worse than Superstorm Sandy.

2) Legislation enacted way back in 2008, seeking to generate parks funding, mandated that DEP collect market based lease and concession revenues – including for billion dollar generating energy infrastructure like pipelines and electric transmission lines – **is not being implemented**, see:

**Murphy DEP Continues Christie DEP State Parks Concessions Policy**

3) **DEP still is collecting only pennies on the dollar** in public compensation for Natural Resource Damages, **funds that could go to State Parks**. As a result, **NJ's corporate polluters have evaded billions of dollars of NRD liability -and they even killed Senator Smith's Legislative Taskforce on NRD standards**. For that story, see:

**Big Corporate Polluters Quietly Veto Natural Resource Damage Compensation Standards**

4) If Senator Turner seeks to serve her constituents, maybe she should consider creating a new Delaware Riverfront State Park at Duck Island. A **land donation and unwinding PSE&G's recent sale of the Duck Island power plant to a warehouse developer in order to support development of a new urban waterfront State Park on Duck Island would be a small gesture of reciprocity by PSE&G.**

Now, let's get to what the bill would do.

**Under various guises and slogans – from "Stewardship" to "Partnerships" – the bill actually would lead to privatization, commercialization, and even industrial development of State Parks and Forests. Here's how:**

**Broad Contract Powers With Little Oversight**

The bill provides broad powers to enter into contracts, with virtually unfettered discretion, no competitive bidding, and no public participation or oversight:

*to make, enter into, and perform all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this act;*

Among many other potential abuses, **this contract power could be a stealth maneuver to authorize participation in various market based carbon credit and trading schemes, under the guise of “carbon sequestration” in NJ forests.**

DEP staff to the Forest Task Force have already admitted that **DEP is working on joining the failed California carbon credit scheme, expanding RGGI to allow carbon credit generation, and even participating in purely private carbon credit markets and trading schemes**, like currently underway at billionaire **Peter Kellogg’s Hudson Farm** in the Highlands forests. As we recently wrote, current Murphy DEP Assistant Commissioner For Parks And Forests **John Cecil was actually paid as a consultant to write Kellogg’s Forest Management Plan.**

In addition to broad contract powers, Section 4 of the bill provides the following powers to the *New Jersey State Parks and Forests Foundation*:

### **Partnerships:**

*to enter into partnerships with qualifying tax exempt nonprofit organizations or local government units for the development, including stewardship, of lands preserved for recreation and conservation purposes.*

I’m sure there are billionaire’s and large corporations willing to enter into a “Partnership” with DEP to fund things like golf courses in Liberty State Park.

It’s called “Pay-to-Play”.

### **Private Fundraising**

*(1) to solicit and collect monetary donations and receive gifts, grants, devises, and bequests of financial contributions for the development, including stewardship, of State parks and forests*

*(2) to accept gifts, legacies, bequests, and endowments for any purpose within the scope of the foundation and, unless otherwise specified by the person making such a gift, legacy, bequest, or endowment of money in furtherance of the foundation, to invest the same in whole or in part in an interest-bearing trust account or general obligations of the State of New Jersey;*

I’m sure there are many billionaires and corporations who are willing to pony up millions of dollars for “legacy” naming rights (Walmart Long Beach Island State Park!), or make million dollar “bequests” for all sorts of commercialization and privatization proposals, from marina’s to canoe rentals. “Comcast State Park”. “PSE&G Plaza” – think of the endless commercial possibilities! Woohoo!

### **Industrialization**

We’ve already seen a huge proliferation of industrial scale solar facilities sited in NJ’s vanishing farms and forests.

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The bill would expand on that solar technology, to include wind, geothermal, or virtually any absurd “renewable energy” (including **biomass from logging**) in State Parks and Forests:

(4) in consultation with the Commissioner of Environmental Protection, to develop and oversee opportunities for the construction and operation of renewable energy generation systems at State parks and forests

### Unlimited Outdoor Recreation

Can you imagine how this power could be abused? Off Road Vehicle Parks as “outdoor recreation”?

*to advise the Department of Environmental Protection concerning the preparation of master plans and management plans prepared by the department for each State park and forest pursuant to section 5 of P.L.1983, c.324 (C.13:1L-5) in order to enhance outdoor recreational activities and programs within State parks and forests for the benefit of the State’s citizens;*

### Patronage Jobs

And the cherry on top is patronage: staff are exempt from Civil Service requirements:

all without regard to the provisions of Title 11, Civil Service

This bill is a disaster, is insane, and must be stopped.

Categories: Uncategorized Tags:

You must be logged in to post a comment.

Forestry Task Force Urged To Support a Moratorium On Logging Pending Climate Reforms

59x

**no citizen in nj knows or cares who sullivan is. this is a costly name changing endeavor which the taxpaeyrs do not need or want. naming sites after politicians makes no senses when you examnei the corruption that is rampant n nj. i am not in favor of all these roads and bridges being given these fake names, when the best way to get around in a cogested state is to know the number of the road. we have an extremely congested staete and do not need theselongs names for any building or road. vote no**

Sent from:

60x