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Via Electronic Filing

Ms. Aida Camacho-Welch

Secretary

New Jersey Board of Public Utilities

44 South Clinton Avenue

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Trenton, New Jersey 08625

May 27, 2021

**Re: Solar Successor Program Straw Proposal, 2021**

Dear Secretary Camacho-Welch, Commissioners, and Staff:

Pursuant to the New Jersey Public Utilities Board of Public Utilities (“Board” or “BPU”) case number QO20020184, Vote Solar, GRID Alternatives, Solar United Neighbors, PosiGen, The Center for Environmental Transformation, Environment New Jersey, Neighborhood Sun Benefit Corps, GreenFaith, the Green Earth Ministry (GEM) at Beacon Unitarian Universalist Congregation, UU Faith Action NJ, the New Jersey Student Sustainability Coalition, and EarthJustice (collectively, “the Coalition”) appreciate the opportunity to submit these comments in response to the Solar Succession Program Staff Straw Proposal (“Proposal”). The Coalition commends the Board’s leadership in hosting workshops and collecting input and feedback from all interested stakeholders to ensure an effective and equitable solar successor program for the Garden State. We appreciate the opportunity to weigh in on this important conversation and hope you will consider our recommendations below in response to the Proposal.

The enclosed comments, submitted on behalf of the Coalition, include a discussion of the stakeholder engagement process, and focus on ways to increase equity and access for overburdened communities and low-income ratepayers across the state. We make several recommendations to the community solar and residential solar programs that will result in greater equity and expanded solar access to all.

### **Organizations overview**

Vote Solar is a national nonprofit organization that works state by state to repower our communities with sunshine and build a thriving clean economy with affordable solar energy for all. Our mission is to achieve a just and equitable transition to 100% clean power across the U.S. by 2050, with a majority of our energy coming from solar.

In New Jersey, Vote Solar partners with environmental, industry, environmental justice, faith-based, and other diverse types of organizations to support a robust, inclusive, and equitable solar economy. Vote Solar has over 1,700 members in NJ who engage in our work as solar owners, workers, or general supporters. Through membership, partnerships, and decades of technical expertise from across the nation, Vote Solar has a robust understanding of what it takes to bring about that vision.

Solar United Neighbors is a national organization dedicated to representing the needs and interests of solar owners and clean energy supporters. We help people go solar, join together, and fight for their energy rights. We envision a clean, equitable energy system that directs control and benefits back to local communities, with solar on every roof and money in every pocket.

The Center for Environmental Transformation works with its neighbors in the Waterfront South neighborhood of Camden, NJ to fight for clean air, increase access to fresh food, and promote a more equitable way of living on the planet.

GRID Alternatives is a national leader in making clean, affordable solar power and solar jobs accessible to economic and environmental justice communities. Using a unique, people-first model, GRID develops and implements solar projects that serve qualifying households and affordable housing providers, while providing hands-on job training and connections to clean mobility and battery storage incentive programs. GRID has installed solar for more than 19,200 families to-date and helped households and housing providers save \$493 million in lifetime electricity costs, while training over 32,000 people. GRID Alternatives has eight regional offices and affiliates serving California, Colorado, the mid-Atlantic region, and Tribal communities nationwide, and serves communities in Nicaragua, Nepal and Mexico.

PosiGen is working to implement solar power for all. PosiGen wants solar to be affordable and easy to access, especially for low-to-moderate income communities and communities of color. By making solar more accessible through our solar leasing program, PosiGen is making it possible for families in these communities to invest in their homes, save money on their utility bills, and take steps toward a brighter future.

Environment New Jersey is a citizen-based environmental advocacy organization with offices in New Brunswick and Trenton, representing more than 20,000 members across the Garden State. Environment New Jersey believes there's something special about New Jersey — something worth protecting and preserving for future generations. Environment New Jersey researches the challenges confronting our environment, educates the public about what's at stake and advocates for decision-makers to take bold steps to protect our environment.

Neighborhood Sun Benefit Corp is a social enterprise with a mission to provide everyone – not just the privileged few – with affordable, clean community solar. Established in 2015, Neighborhood Sun currently has projects in Maryland and New Jersey.

Greenfaith is building a worldwide, multi-faith climate and environmental movement. Together GreenFaith's members create communities to transform ourselves, our spiritual institutions, and society to protect the planet and create a compassionate, loving and just world.

The Green Earth Ministry (GEM) at Beacon Unitarian Universalist Congregation in Summit works with community partners like the New Jersey Environmental Justice Alliance to ensure that within our congregation and across the state we are living into our values to protect the earth and end the climate crisis.

UU Faith Action NJ coordinates grassroots social justice advocacy with our member congregations and individual UUs and allies across the state of New Jersey. We work to establish a just and compassionate public policy that is consistent with Unitarian Universalist principles and purposes.

EarthJustice uses the law to preserve a rich, sustainable and diverse natural heritage for current and future generations. We select cases that will protect endangered species, sensitive habitats and threatened wildlands; reduce human impacts on ecosystems; and hold accountable those who damage them.

### **NJ Solar Energy Leadership and Stakeholder Engagement**

New Jersey has made a significant investment in solar energy incentives, which has allowed our state to consistently rank as one of the top solar states in the nation, and to serve as a leader in total solar installations year after year.

The New Jersey BPU deserves an immense amount of credit for this work. Through its transparent and stakeholder-centered approach to planning and programming, the BPU has consistently served as a model for other Boards and Commissions across the nation.

The process for determining the Proposal is no exception. We deeply appreciate the way the Board has structured this process: the multiple opportunities to comment, office hours for more access, commitment to transparency, two years of stakeholder process, and of course, the large investment in solar power.

### **Equity in Solar Deployment**

New Jersey's SREC program has achieved significant deployment of solar across the state. However, the state's investments have not benefited all New Jerseyans equitably. From 2005 through 2020, New Jersey ratepayers have contributed over \$4 billion to New Jersey's Solar Renewable Energy Certificate (SREC) program and Renewable Portfolio Standard (RPS) compliance payments.<sup>1</sup> New Jersey low-to-moderate income ratepayers have contributed to the SREC program through the rate base, generally representing a proportionally higher percentage of their income or "energy burden." However, these ratepayers have largely not proportionately benefited from the suite of financial, economic and environmental benefits the SREC program provides as other ratepayers and businesses have. Approximately 35% of New Jersey households have incomes at or below 80% area median income<sup>2</sup>, and yet this group represented only 21% of solar adopters in 2019, as illustrated in the chart from Lawrence Berkeley National Laboratory (LBNL) below.<sup>3</sup> What's more, nearly half (48%) of statewide solar adopters in 2017 made at least 120% of the area median income, and that number increased to 53% in 2019.

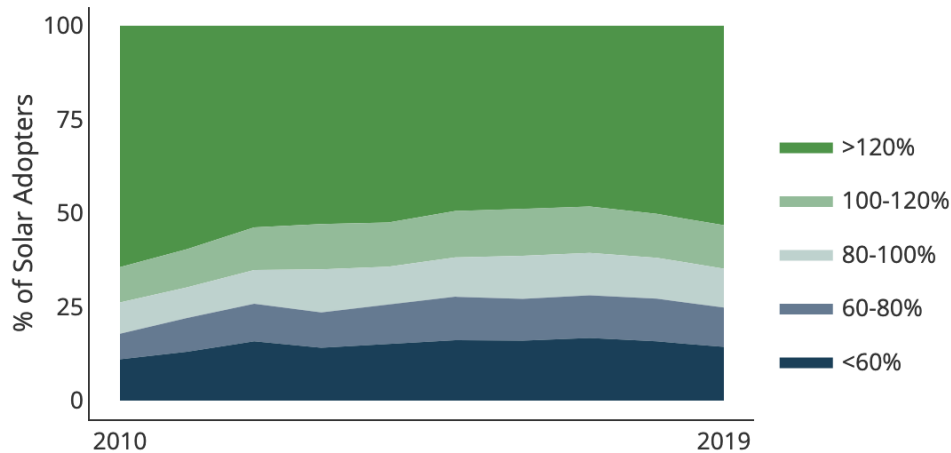
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<sup>1</sup> Total cost to ratepayers from EY2005 to EY 2020 for SREC and SACP (Solar Alternatives Compliance Payments (SACP)). See New Jersey Board of Public Utilities RPS Compliance Reports, 'RPS Summary Report 2005-2020'. Available here: <https://njcleanenergy.com/files/file/rps/RPS%20Summary%20Report%20EY%202005-2020.pdf>

<sup>2</sup> GTM Research (2018). The Vision For Community Solar: A Roadmap for 2030. Slide 136. Retrieved from: [https://votesolar.org/wp-content/uploads/2021/05/FULL\\_REPORT\\_The\\_Vision\\_for\\_US\\_Community\\_Solar\\_072518.pdf](https://votesolar.org/wp-content/uploads/2021/05/FULL_REPORT_The_Vision_for_US_Community_Solar_072518.pdf)

<sup>3</sup> Lawrence Berkeley National Laboratory Solar Demographics Tool, Using 2019 data, updated in 2021. <https://emp.lbl.gov/solar-demographics-tool>

## New Jersey Solar Adopter Income Distributions (Percent of Area Median Income)



Looking at state income distribution data, if solar adoption were equal among income levels, each income segment would comprise 20% of solar adoption, as each population segment represents 20% of the state's population. Instead, NJ's top three income quintiles represented 82% of solar adoption, while the bottom two quintiles only represented 18% of the state's solar.

The SREC program has not been structured appropriately to address barriers faced by low-income and overburdened communities and does not currently support their participation, at scale. That said, we believe the SREC successor program represents an opportunity to reverse that trend. NJ BPU can put in place proactive measures to address inequities in the solar market, tackle barriers to participation, and prioritize reaching overburdened communities and low-income ratepayers across the state.

### **Low-Income Ratepayer Programs**

Over the last several years and thanks to tireless organizing by directly affected community members, New Jersey has become a national leader on environmental justice. It's time for New Jersey to work towards economic justice as well.

As the Board is no doubt aware, decades of underinvestment in and discrimination against low-income people and communities of color has entrenched stratifications in our society along race

and class lines. New Jersey has a powerful opportunity to enact economic justice -- strategically investing in overburdened communities to right these historical wrongs.

Economic justice requires more than service provision; it means building wealth. One way to do so is by supporting low-to-moderate income adders or increased SREC factors for residential and multifamily solar, in addition to community solar, as well as by incentivizing community ownership of projects and workforce development in overburdened communities. The LMI homeowners in New Jersey should be able to access solar benefits just like their wealthier counterparts, and community solar is not the only way to do so. Low-income ratepayers should have the same robust options for installing solar as all other ratepayers, through rooftop, multifamily and community solar offerings that ensure all housing types have access. Installing distributed solar panels at one's home raises property value<sup>4</sup> and guarantees bill savings that can help LMI ratepayers stay current on their electricity bills and keep their homes, providing significant pathways for intergenerational wealth and security. Further, visibility of rooftop solar located in overburdened communities generates additional demand, and offers clean energy alternatives at the community level.

Despite the fact that ratepayers strive to go solar at similar rates across income levels, recently released solar demographic data shows that New Jersey's solar adopters are increasingly wealthy, as described above.

### **Higher Financial Incentives for Solar Benefitting Underserved Communities**

With many wealthy New Jerseyans adopting solar and enjoying state and federal incentives to do so, the Board should be working to level the playing field by diversifying its low-income solar offerings and incentivizing low-income solar adoption through rooftop, multifamily and community solar offerings. At minimum, the Board should differentiate between LMI and non-LMI Net Metered Residential, and provide a higher incentive value for the former. We

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<sup>4</sup>Lawrence Berkeley National Laboratory, "Selling into the Sun" 2015 report shows homes with solar PV systems sold for more than homes without solar, at approximately \$15,000 for a typical PV system.  
<https://newscenter.lbl.gov/2015/01/13/berkeley-lab-illuminates-price-premiums-u-s-solar-home-sales/>

recommend that the Board differentiate between and further segment the following LMI markets through additional SCREC factors, in addition to LMI community solar:

- LMI residential
- LMI multifamily / affordable housing providers
- Community ownership within an overburdened community

Incenting LMI residential solar is a timely and effective way to promote economic and energy justice in overburdened communities. Low-income customers require higher savings thresholds to participate in solar; we recommend including modeling assumptions that allow customers to achieve a 50% bill savings. Our partner PosiGen is one example of a provider with demonstrated impact for LMI residential solar adopters, saving them money and providing parallel benefits in energy efficiency as well. Further, as New Jersey electrifies both energy and transportation sectors, solar energy is an increasingly attractive measure to reduce electric energy burden for low-income customers. SREC modeling and incentive levels should ensure this policy goal of providing higher savings and reducing energy burden may be achieved.

### **Equity Measures for Overburdened and LMI Communities**

There is no one-size-fits-all approach to promoting economic justice through solar. We propose several ideas here:

(A) The Board should offer differentiated incentives for LMI market segments in addition to LMI community solar, including rooftop and multifamily affordable housing.

LBNL recently released a report in Nature that demonstrated LMI-specific financial incentives increased LMI solar adoption in low-income zip codes by 244%, and effectively expanded solar access to low income customers in existing markets as well as previously underserved low-



income communities.<sup>5</sup> The Board should offer LMI-specific financial incentives to lower upfront costs, and should also ensure maximum benefits by pairing this incentive with efficiency programs and ensuring that lower utility bills do not interfere with state or federal rental assistance programs. The Board should consider offering program incentives for both single family rooftop solar, as well as multifamily residential housing providers to install solar units on their buildings. A full guide to financing and otherwise facilitating best practices in multifamily solar can be found in the Low Income Solar Guide.<sup>6</sup>

(B) The Board can support community solar developers from overburdened communities and encourage workforce development within projects.

The Board maintains project and developer requirements as part of the community solar program, and we suggest adding to that a priority consideration for developers based in an overburdened community. If such developers do not yet have the capacity to compete with more established providers, the Board can support incubators or other programs that can jump start these projects. Supporting economic growth within overburdened communities via project selection would build community wealth in the long term.

(C) The Board should facilitate community ownership of solar projects in overburdened communities.

Community ownership is a key form of wealth building. The Board can offer an adder or SREC factor for community solar projects that have a cooperative or community-ownership element located in overburdened communities. A starting point for developers might be a requirement to pass back some of their revenues into the communities they serve, or to offer “stocks” for participants to own a share of the company or its revenues. Numerous examples of community

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<sup>5</sup> Philadelphia Inquirer article highlighting recently published report from Lawrence Berkeley National Lab entitled, “The impact of policies and business models on income equity in rooftop solar adoption.” <https://www.inquirer.com/real-estate/housing/solar-power-residential-low-income-climate-change-20210220.html> .

Report available here: <https://www.nature.com/articles/s41560-020-00724-2>

<sup>6</sup> Low Income Solar Policy Guide, “Multifamily Housing.” Updated 2021. Available here: <https://www.lowincomesolar.org/practices/multifamily/>

owned solar in action are detailed in the Solar With Justice report from Clean Energy States Alliance.<sup>7</sup>

### **Additional Measures - Consumer Protection, Financing, Efficiency, Storage**

In addition to financial incentives for low-income residential solar generation, but should also acknowledge that an incentive alone is not enough.

(D) With the heightened financial risk that LMI ratepayers face, consumer protection guardrails are critical, and financing mechanisms are a must.

Effective examples of LMI residential solar programs can be found in Connecticut<sup>8</sup> and Massachusetts,<sup>9</sup> both instances in which deep community engagement and low-risk financing were precursors to success.

(E) Additionally, solar access should be coupled with weatherization and efficiency assistance.

The Board should ensure maximum benefits by pairing LMI solar incentives with efficiency programs and ensure that lower utility bills do not interfere with state or federal rental assistance programs.

(F) Finally, the Board should prioritize solar plus storage models in overburdened communities.

The Board suggests piloting a solar plus storage model that “*can* be designed to be favorable to overburdened communities.” We support this idea but encourage the Board to *require* that the pilot be favorable to overburdened communities, and use this pilot to build wealth among overburdened communities. A solar plus storage option is a proven way to promote resilience in communities most affected by climate change, and it can be used to promote intergenerational economic resilience in these same communities most affected by economic injustice as well. By structuring this pilot so that overburdened communities can have a financial stake in the

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<sup>7</sup> Clean Energy States Alliance, “Solar With Justice.” December 2019. Available here: <https://www.cesa.org/wp-content/uploads/Solar-with-Justice.pdf>

<sup>8</sup> Clean Energy States Alliance, “Solar With Justice.” December 2019. Available here: <https://www.cesa.org/wp-content/uploads/Solar-with-Justice.pdf>

<sup>9</sup> Low Income Solar Policy Guide, “Single Family Rooftop Solar: Massachusetts.” Updated 2021. Available here: <https://www.lowincomesolar.org/best-practices/single-family-massachusetts/>

microgrid project, the Board can pilot a model for economically thriving communities. We echo SEIA's recommendation that behind-the-meter storage be included in the pilot program, as it is a critical component of long-term resilience in subscriber communities.

### **Community Solar Permanent Program**

New Jersey's Community Solar Pilot Program has demonstrated not only the viability of a community solar, but also the benefits of a well-implemented program for low-income ratepayers. We support the adoption of the Board's "Option 2" for the permanent program, in which community solar projects will all serve low to moderate income (LMI) households with guaranteed bill savings, local community support, and preferred siting mechanisms. However, along with other partners including the Sierra Club and Solar Energy Industries Association, we recommend an increase to the proposed cap. The significant number of applications (the total capacity for which is over four times higher than the proposed cap) and the potential for significant federal funding both point to the need to allow for greater community solar capacity.

In addition, we propose several changes and guardrails to ensure the program is most effective as possible in extending benefits to low-income ratepayers.

First, we encourage the Board to carefully – and in consultation with community partners – craft the definition of the "community support" required for new community solar construction. These guidelines must ensure that true community stakeholders are consulted and are in full support of the project, as well as prevent vocal interest groups who do not represent the local community from derailing projects. Community members should be fully educated about the impact of the proposed project and offered ample opportunity to help shape it.

Second, we oppose the Board's tightening of income verification processes during the community solar registration process for low-income ratepayers. Many experts agree self-attestation is the most effective way to facilitate low-income participation in social and civic

programs ranging from free school lunches<sup>10</sup> to emergency rental assistance.<sup>11</sup> Alternatively, the Board could permit verification through a geographic qualification, based on census tract or other local data indicating income levels in a given area, or even based on an environmental justice area of concern. One example of automatic enrollment without burdensome income verification is seen through the New York State Energy Research and Development Authority community solar program, a system based on deep community engagement and stakeholder meetings.<sup>12</sup> At this early stage in community solar, the Board should do everything in its power to encourage low-income participation, not stymie it.

The income verification process for low-income community solar is already onerous and undermines the accessibility and equity goals of the community solar program. While we understand the need for fraud prevention, we urge the Board to put the onus of that gatekeeping on community solar providers rather than participants. Reports of fraud are rare at most, whereas stories abound of participants electing to enroll in low-income community solar programming but dropping off the process when complex proof is required to continue. The Board could design alternatives to address fraud concerns. For example, levy a fine on providers who miscategorize significant numbers of participants as low-income, using those funds to support further program expansion.

Third, we encourage the Board to greatly expand its community outreach and education efforts to connect with potential community solar subscribers. The Board should maintain a robust team of advocates who are rooted in overburdened communities and can connect with ratepayers about the benefits of community solar, including accounts of how enrollment guarantees bill savings without a “catch.” The Board should also consider including flyers or line items on utility bills that inform ratepayers about community solar offerings in their area, and alert them to potential bill savings. Trusted messengers are critically important for an effective outreach campaign, and we urge the Board to focus resources and attention on that process, which could

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<sup>10</sup> Center on Budget and Policy Priorities, “Improving Direct Certification Will Help More Low-Income Children Receive School Meals.” July 2014.

<sup>11</sup> National Low Income Housing Coalition, “Best Practices for State and Local Emergency Rental Assistance Programs.” January 2021. Available here: <https://nlihc.org/sites/default/files/Best-Practices-for-State-and-Local-Emergency-Rental-Assistance-Programs.pdf>

<sup>12</sup> New York State Energy Research and Development Authority, “Solar Energy Equity Framework.” September 2020. Available here: [nysrerda.ny.gov/-/media/Files/Programs/NYSun/2020-10-24-Solar-Energy-Equity-Framework.pdf](https://nysrerda.ny.gov/-/media/Files/Programs/NYSun/2020-10-24-Solar-Energy-Equity-Framework.pdf)

also include partnering with a third party administrator for low-income solar programs, so long as those administrators are required to maximize program co-benefits (e.g. coordinating with energy efficiency programs and incorporating workforce training) and maintain consumer protection requirements (e.g. not engaging in credit score discrimination).

Finally, we recommend the Board also work with stakeholders, including low-income and overburdened communities, to propose an equity-focused budget for community investment through New Jersey's SREC program, such as that proposed by the Clean Energy Equity Act. Other best practices and examples are listed in the Low Income Solar Guide.<sup>13</sup>

The Coalition requests that the Board follow the recommendations above to most effectively and equitably support New Jersey's solar succession program. The time is now to bring more economic and environmental justice to the state's solar program. The undersigned organizations appreciate the opportunity to submit these comments and welcome the opportunity to engage in further discussion.

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<sup>13</sup> Low Income Solar Policy Guide, "Clean Energy Equity Examples." Updated 2021. Available here: <https://www.lowincomesolar.org/wp-content/uploads/2020/12/Clean-Energy-Equity-Examples.pdf>

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