# BPU Seeks to Reevaluate NJ's Solar Renewable Energy Credit Competitive Solicitation Incentive (CSI) Program

Client Alert

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## What You Need to Know

- The New Jersey BPU has scheduled a September 17, 2024, stakeholder meeting for the purpose of receiving feedback to improve its Competitive Solicitation Incentive (CSI) Program, established to provide economic incentives to grid-supply solar generation projects and net-metered projects in excess of 5 MWs.
- To be eligible to participate in the CSI Program’s competitive bid process, projects must meet various pre-qualification requirements, such as siting and project maturity requirements.
- Solar developers of eligible NJ-based grid-supply or commercial net-metering projects are encouraged to register to attend the September 17 stakeholder meeting via Zoom, or to submit written comments no later than September 24.

By: Barbara J. Koonz

The New Jersey Board of Public Utilities (BPU) has scheduled a stakeholder meeting for Tuesday, September 17, 2024, for the purpose of receiving comments and input regarding the Competitive Solicitation Incentive (CSI) component of the New Jersey solar energy renewable energy certificate program, sometimes referred to as the Successor Solar Incentive (SuSI) Program.

More specifically, the BPU is seeking feedback on the second solicitation of the CSI Program that commenced on November 27, 2023, with a pre-qualification process which culminated in an April 17, 2024, BPU order awarding SRECs to 310 MWs of grid-supply solar projects. The stated purpose of the BPU's CSI stakeholder process is to improve the CSI Program process for upcoming program solicitations.

**CSI Program Background**

The CSI Program was established by the BPU to provide economic incentives in the form of solar renewable energy certificates (SRECs) to grid-supply solar generation projects and net-metered projects in excess of 5 MWs. The CSI Program awards one SREC for each MW hour of electricity generated by a qualified solar energy generation facility. The BPU's December 7, 2022, order establishing the CSI program (CSI Order) requires solar developers to engage in a competitive solicitation process in which the solar developer submits a bid to the BPU setting forth the value of the SRECs it seeks to be awarded. The BPU evaluates the bid submissions and determines, based on the proposed SREC value in the bid submission, which projects will be accepted.

The CSI Program is available to qualifying grid supply projects, with or without energy storage, and net-metering installations in excess of 5 MWs. The CSI Program is separated into five market segments: (1) Tranche 1: basic grid supply projects; (2) Tranche 2: grid supply projects sited on the built environment; (3) Tranche 3: grid supply projects sited on contaminated sites and landfills; (4) Tranche 4: net metered non-residential projects greater than five (5) MWs; and (5) Tranche 5: a storage project paired with a grid supply project eligible for Tranche 1, 2, or 3.

To be eligible to participate in the competitive bid process, the CSI award process requires projects to meet various pre-qualification requirements, such as siting and project maturity requirements.

**CSI Program Solicitations**

The two CSI solicitations that have been conducted by the BPU since the adoption of the CSI Program have had widely different results. The first solicitation commenced in February of 2023 resulted in no project bids being approved. In that solicitation, none of the bids proposed an SREC price that was lower than the confidential SREC price ceiling pre-determined by the BPU prior to the bid submissions. The second solicitation was initiated by the BPU in November of 2023 and resulted in the BPU issuing an April 17, 2024, order awarding a total of 310 MWs of SRECs to eight separate projects consisting of five (5) basic grid supply projects (Tranche 1) and three grid supply projects on contaminated sites or landfills (Tranche 3). No bids were submitted for the remaining tranches and the SREC supply that had been allocated to those tranches was reallocated to the competitive bids submitted in Tranches 1 and 3.

**Focus of NJBPU Request for Comments**

The BPU is seeking comments in order to implement changes that will increase the solar developer participation in the program, particularly for the tranches where no bids have been submitted.

The BPU's notice scheduling the stakeholder meeting requests comments on (1) the "Solicitation Process"; (2) "Project Maturity Requirements"; (3) "Tranche-specific Considerations"; (4) "Siting Accessibility", and (5) "Project Funding".

- For the Solicitation Process, the BPU seeks comments regarding aspects of the process that could be considered overly burdensome and comments on how to improve the process.

- For Project Maturity requirements, the BPU seeks input on whether the BPU's requirement of a PJM queue position with a completed feasibility study is a reasonable measure of project readiness.
- For Tranche-specific Considerations, the BPU seeks input regarding impediments that have caused certain tranches to not receive any bids.
- For Siting Accessibility, the BPU seeks comments from solar developers regarding the difficulties developers experience trying to locate "available preferred sites."
- For Project Funding, the NJBPU is requesting the identification of "cost-related" obstacles that may be hindering participation in the CSI Program.

Solar developers of New Jersey-based grid-supply projects or commercial net-metering projects in excess of 5 MWs should register with the BPU to attend the September 17, 2024, 10:00 a.m. Zoom stakeholder meeting regarding improvements to the CSI Program.

Interested persons may also submit written comments to the BPU on or before 5 p.m. on September 24, 2024.

We will continue to monitor the BPU's SREC programs, including the BPU's current consideration of changes to CSI Program. Please contact the author of this Alert to learn more about New Jersey's solar energy program and related incentives or to discuss your specific circumstances.

## Related Attorneys


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