

New Jersey BPU Announces Transition of Community Solar Pilot Program to Permanent Program; Anticipates Announcement of Program Y2 Awards Shortly

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October 11, 2021

What You Should Know

- The BPU has announced it will transition to a permanent Community Solar Program a year ahead of its originally intended three-year schedule
- The decision to expedite the move to a permanent program has been driven by the success of a pilot program during its first two years
- Projects approved for Program Year 2 will be announced shortly

On October 6, 2021, New Jersey Board of Public Utilities (BPU) President Joseph Fiordoliso announced that the BPU intends to convert its anticipated three-year “pilot” Community Solar program to a permanent program after only two years. The announcement to transition to a permanent Community Solar program was premised upon the high success of the pilot program for two years. The BPU also announced that it anticipates the issuance of Community Solar projects approvals for Program Year 2 (PY2) in October or November of 2021.

The Community Solar Program is mandated by the Clean Energy Act of 2018 and is intended to make renewable energy accessible and affordable to low and moderate income (LMI) customers and to Environmental Justice Communities. Under the Community Solar program, residential and commercial customers that do not have sufficient space for the installation of solar photovoltaic equipment to generate electricity for their own consumption, can enter into a subscriber agreement that enables them to purchase electricity generated by solar facilities located

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on other properties.

In 2019, the Board commenced the Community Solar program by establishing a three-year pilot program to develop projects of at least 75 MWs of capacity per year. At that time, the BPU determined that a three-year pilot program would enable it to acquire program experience that could inform the development of a permanent program.

After awarding 78 MWs of projects in Program Year 1(PY1) of the pilot program and receiving over 400 applications consisting of over 800 MWs for PY2, the BPU determined that the continuation of the pilot program for a third year was unnecessary. Rather, BPU President Fiordoliso announced that sufficient lessons have been learned from the pilot program to enable a more rapid transition to a permanent program.

The BPU anticipates announcing the approved Community Solar projects for PY2 within the next month or so, and then to immediately proceed to a stakeholder process to develop regulations for a permanent Community Solar program. The BPU intends to include 150 MWs of eligible capacity annually for participation in the Community Solar Program.

Widespread interest within New Jersey's solar development community has driven the Community Solar Program's success rate and is playing a key role in making clean energy accessible to a broader range of residential and commercial customers.

We will continue to monitor developments related to the Community Solar Program and will issue further updates as appropriate. Please contact the author of this Alert, **Barbara J. Koonz** with questions or to discuss your specific circumstances.

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