



Mid-Atlantic Solar & Storage Industries Association

Rutgers Eco-Complex, Suite 208-8

1200 Florence-Columbus Road, Bordentown, NJ 08505 | coordinator@mssia.org

MSSIA ANNUAL MEMBERSHIP MEETING

**New Jersey Report:
February 21, 2023**

**Lyle Rawlings, P.E.
President**

Topics:

1. Regulation news
2. Legislation news
3. Federal (IRA) news

2. Regulation (1 of 3)

TREC Extension Motion for Reconsideration

- **Motion was filed jointly by several attorneys representing several companies that were harmed. The entire class of entities that were harmed was included in the Motion.**
- **BPU has pushed hearing on the motion to March.**
- **Attorney Bill Potter is suggesting further action, but the appetite for further action on the part of harmed parties is uncertain.**

2. Regulation (2 of 3)

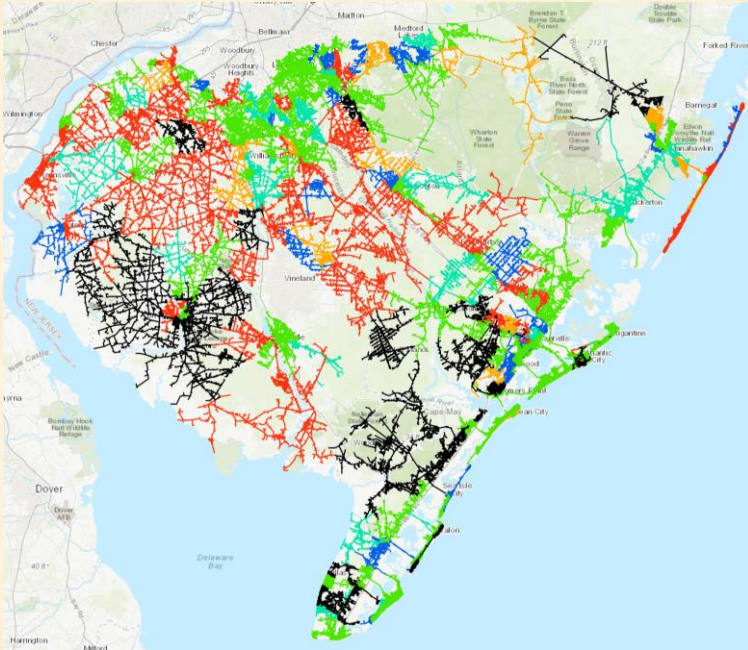
Grid Modernization Proceeding

- A proposed new interconnection regulation has been published. It's the first major overhaul of the interconnection process
- Several important advancements:
 - + higher thresholds for interconnection levels
 - + Preliminary applications for cost estimates on a fast track ("PAVE")
 - + Improved hosting capacity maps
 - + Methods to increase hosting capacity
 - + Introduction of "low hanging fruit" –
 - Reverse flow through substations
 - Inverter reactive power
 - Use of batteries to increase hosting
 - (possibly) predictive ramp-down
- Socialization of the cost of grid modernization to be considered.
- Working groups to be formed by topic

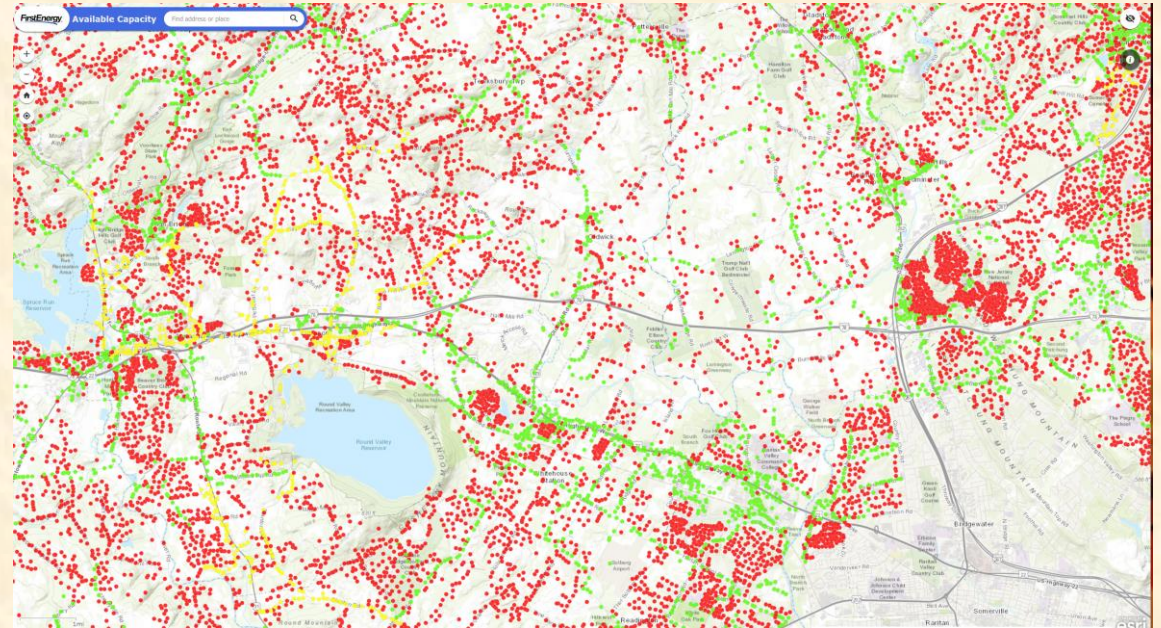
Slide deck from last week's stakeholder meeting should be posted shortly on NJ Clean Energy website.

3. Infrastructure/Interconnection

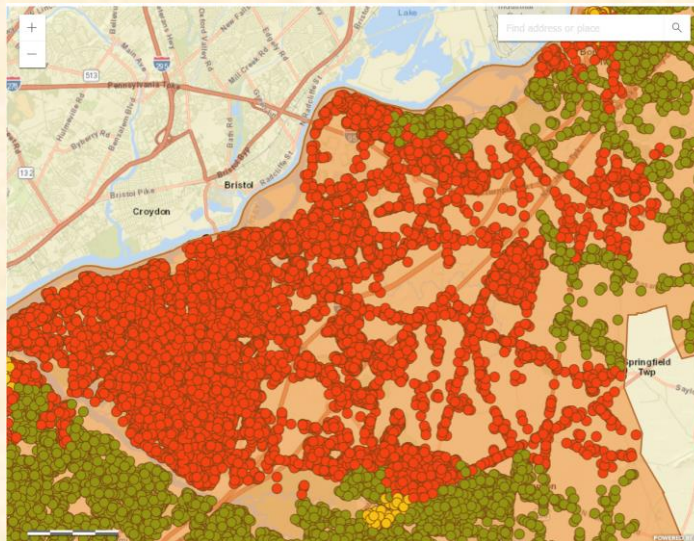
ACE



JCP&L



PSE&G



2. Regulation (3 of 3)

Permanent Community Solar Program

- Straw proposal expected “soon”.

Battery Incentive Program

- Initial straw proposal and stakeholder process are complete.

Dual Use (agrivoltaics) Program

- Straw proposal expected “soon”.

2. Legislation (1 of 2)

S2938 – New RPS bill:

- 100% “Clean Energy” by 2035, but nuclear (38%) counts toward that.
- 50% of what’s left must be in-state – where does that leave solar?
→ 100% - 38%[nuclear] = 62%; ½ of 62% = 31% in-state clean energy
The state’s current plan for offshore wind by 2035 could take up that whole 31%, with nothing left for solar.
- “Clean Energy” may be very broad, including fossil fuel plants with CCS
- Rumor that BPU staff may support keeping the solar growth schedule in the current EMP

S3123 – Community Solar Program

- Increases the Community Solar Program to 225 MW for the next two years, and then returns to 150 M per year.
- Passed out of Senate committee last week.

Clean Energy Equity Act and Clean Energy Jobs Act

- Being broken into several bills. Two coalitions working together.

2. Legislation (2 of 2)

Critical Renewable Microgrids Act

- **Would expand Community Solar Program for solar connected to critical microgrids**
- **Draft complete, but BPU voicing “questions”. Introduction uncertain.**

2. Federal (IRA) (1 of 2)

Inflation Reduction Act - Highlights

- 1. ITC is now 30% if project is <1MW, or if project >1MW and it meets prevailing wage & apprenticeship requirements**
- 2. Stand-alone ITC for batteries**
- 3. 10% adder for domestic content (federal regs. Title 49 Part 661.5 - “Buy America”)**
- 4. 10% adder for location in “energy communities”**
 - + located on brownfield**
 - + Closed coal mine or coal power plant**
 - + Community with employment/tax revenue from fossil fuel operations**
- 5. LMI adders– 10% for location in a low-income census tract
or 20% for location on a low-income residential building or a
“Low Income Economic Benefit” project**
- 6. Now ITC can be sold directly to non-system owners, but depreciation stays with system owner.**
- 7. For government entities and non-profits, the ITC is available as refundable credit.**

2. Federal (IRA) (2 of 2)

Inflation Reduction Act – Guidance

Treasury has issued guidance on:

- **Prevailing wage and apprenticeship requirements (November)**
- **Low-income ITC credit adders (last week – further guidance expected)**
- **“Advanced Energy Project” credit – includes projects in locations where a coal mine or coal plant has been closed.**

2. Federal (IRA) (2 of 2)

Treasury Guidance, Low-income ITC credit adders

Category 1: Located in a Low-Income Community	700 MW
Category 2: Located on Indian Land	200 MW
Category 3: Qualified Low-Income Residential Building Project	200 MW
Category 4: Qualified Low-Income Economic Benefit Project	700 MW

- Applications accepted starting 3Q '23 for Categories 3 and 4, then Cat. 1&2
- Allocations made by lottery, with scoring incl. several factors. No prorating.