MSSIA Q2 MEETING

New Jersey Report:
June 22, 2023

Lyle Rawlings, P.E.
President
Topics:

1. Regulation news

2. Legislation news

3. Federal (IRA) news
2. Regulation

**TREC Extension Motion for Reconsideration**
- The motion has not been taken up by BPU
- Attorney Bill Potter suggests taking the matter to the appellate division, believes there is a strong case to make.
- There are members who have already decided to move forward.

**Grid Modernization Proceeding**
- Very aggressive and innovative proposed rule, incorporating several of MSSIA’s suggestions.
- Utilities reportedly pushing back “fiercely”
- Several working groups will be formed
- Final rule adoption expected to take “a year plus”

**Dual Use (agrivoltaics) Program**
- Straw proposal expected “soon”.
2. Regulation (cont.)

Permanent Community Solar Program

- Straw proposal incorporates several of MSSIA’s suggestions
- Will be rolling applications, but if after an initial 2-week period the program is oversubscribed, applications will be ranked by discount offered to subscribers.
- 5 MW cap per project. No co-location allowed.
- 18 months to build
- Subscribers can be anywhere in utility territory
- Rooftop, canopy, contaminated sites, and bodies of water are eligible
- Min. 51% LMI subscribers, min. 10% savings
- Consolidated billing with 1% fee to utility for billing
- Municipal aggregation with “opt-out” coming. 80% LMI will be required. Will not roll out not right away – but no later than Jan. 1 2025.
- 225 MW allocated in 2024 and 2025, then back to 150 Mw/year
2. Regulation – Detail of Grid Modernization

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 though substations
    - Use of batteries to increase hosting
  - Inverter reactive power
  - (possibly) predictive ramp-down

• Socialization of the cost of grid modernization to be considered.

• Working groups to be formed by topic

Slide deck from stakeholder meeting posted on NJ Clean Energy website.
2. Legislation

**S2978 – New RPS bill:**
- Rumor that the “out of state” advocates proposing that in-state requirement be raised to 75% - but that still is not enough to drive continuance, let alone growth, of solar
- The bill has multiple issues and problems not only for solar energy, but also for other renewable energy and for environmental progress.

**A4328 - New Remote Net Metering bill**
- Expands remote net metering substantially
- Broad eligibility for solar on publicly owned or leased land to serve any public loads within utility territory

**S3992 – Utility Grid Modernization Plans**
- Utilities required to submit plans for grid modernization, with compensation from the general fund
2. Federal (IRA) 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 (Energy Communities) – includes projects in locations where a coal mine or coal plant has been closed, etc.
- Updated energy community guidelines and map
- Low-income adders – guidance, and now proposed rule
- Domestic Content adder
- ITC direct transfer
- ITC direct pay for public and non-profits
### 2. Federal (IRA) (2 of 2)

**Treasury Guidance, Low-income ITC credit adders**

<table>
<thead>
<tr>
<th>Category</th>
<th>MW</th>
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<tbody>
<tr>
<td>Category 1: Located in a Low-Income Community</td>
<td>700</td>
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<tr>
<td>Category 2: Located on Indian Land</td>
<td>200</td>
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<tr>
<td>Category 3: Qualified Low-Income Residential Building Project</td>
<td>200</td>
</tr>
<tr>
<td>Category 4: Qualified Low-Income Economic Benefit Project</td>
<td>700</td>
</tr>
</tbody>
</table>

- 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.