

Environmental Markets Association

Summary of Comments Submitted on New Jersey's Solar Successor Program

EMA Happy Hour Zoom - April 22, 2020

Solar Successor Program Stakeholder Meeting 1 - March 3, 2020

- ▶ “This Stakeholder Meeting will build upon comments and input received throughout the Solar Transition process, including those received at the Solar Successor Program Stakeholder Workshop 3, as well as comments received throughout the development of the Transition Incentive program and the closure of the SREC program.”
- ▶ **Four Topics**
 - ▶ #1 - Successor Program Incentive Design
 - ▶ #2 - MW Targets / Program Capacity
 - ▶ #3 - Grid Supply Solar
 - ▶ #4 - Solar Siting
- ▶ EMA’s comments were directed to the questions under Topic #1, where the EMA strongly advocated for a policy mechanism using a tradable and competitive market-based SREC program that harnesses the power of markets to deliver least cost solutions.

Topic #1: Successor Program Incentive Design

- ▶ Three general incentive program types have been proposed:
 - ▶ Tariff-Based Incentive
 - ▶ Market-Based RECs
 - ▶ Performance-Based Incentive

- ▶ **WARNING:** “EMA’s comments may STAND OUT!”

EMA Strongly Supports Market-Based RECs

- ▶ EMA believes that NJ's solar accomplishments would not have been possible without the reliance on, and oversight of, a competitive SREC-based marketplace and restructured electricity market that enables choice, the private ownership of generation, and annual enforcement of solar energy targets. Specifically:
 - ▶ Positive Program Performance Data
 - ▶ A tradable SREC market works efficiently with NJ's retail choice policy and full-requirements BGS auctions
 - ▶ The SREC based RPS should not be confused with the "excessive cost debate and narrative"

In Conclusion

- ▶ EMA strongly encourages the NJ BPU to adopt a market-determined SREC mechanism, which is most consistent with the legislative requirement of paragraph I. of Section 38 of P.L. 1999 to place greater reliance on markets:

29 2. Section 38 of P.L.1999, c.23 (C.48:3-87) is amended to read
30 as follows:

23 1. The board shall implement its responsibilities under the
24 provisions of this section in such a manner as to:
25 (1) place greater reliance on competitive markets, with the
26 explicit goal of encouraging and ensuring the emergence of new
27 entrants that can foster innovations and price competition;

- ▶ <https://www.njcleanenergy.com/main/njcep-policy-updates-request-comments/policy-updates-and-request-comments>

Happy 50th Earth Day!!