

New Jersey Community Solar Energy Pilot Program

IREC developed the National Shared Renewables Scorecard to provide policymakers, regulators, and other stakeholders with a tool for evaluating the strengths and weaknesses of state shared renewable energy programs. IREC graded the **New Jersey's Community Solar Energy Pilot Program** using the Scorecard's full criteria* and found that the program currently receives a **B-**, indicating that it has room for improvement but **reflects many best practices critical for shared renewable energy development.**

Category	Criterion	Description	Program Grade
General Program Details	Aggregate Capacity Limit	Does the program have an unlimited aggregate capacity ?	X
	Tracking & Reporting Requirements	Does the program specifically require the utility or other relevant entity to provide publicly available data regarding installed and queued capacity that is updated on at least an annual basis?	✓
	Low- to Moderate-Income (LMI) Consumer Participation	Does the program have specific component(s) to promote LMI customer participants (e.g., capacity carve-out or target?)	✓
		Does the program explicitly address financial barriers faced by LMI participants (e.g., incentives or on-bill financing)?	X
		Does the program have specific requirements re LMI customer marketing, education and outreach ?	X
Customers and Subscriptions	Eligibility	Are all customer classes eligible for the program?	✓
	Portability	Does the program explicitly permit portability (i.e., allow participants to move within the utility service territory and take their subscription with them)?	✓
	Transferability	Does the program explicitly permit transferability (i.e., allow participants to leave the program or service territory and transfer their subscriptions to others?)	✓
Generation Systems	System Capacity Limit	Is the system size limit at least 5 megawatts (MW) ?	✓
	Siting Requirements	Does the program allow both on-site and off-site facilities?	✓
		Can the facility and customers be located anywhere within the utility service territory?	✓
		Do the program rules explicitly address whether or not facilities can be co-located ?	✓
Ownership & Management	Are third-party facility ownership and management permitted?	✓	
Bill Credits	Valuation	Does the program meet one of the following conditions: 1) Bill credit is valued at the utility's retail rate; 2) Bill credit includes values for generation and at least some portion of the transmission and/or distribution charges; or 3) RECs are used to provide value in addition to bill credit.	✓
		Is the valuation methodology clearly articulated in the statute, rule, and/or tariff?	✓
	Unsubscribed Generation	Is unsubscribed generation clearly treated and valued at least at an avoided cost rate?	✓
Renewable Energy Credits (RECs)	Subscribed RECs	Are subscribed RECs clearly treated?	✓
	Unsubscribed RECs	Are unsubscribed RECs clearly treated?	✓
State Program Grade:			B-

Program Strengths

- ✓ **Values shared renewable energy generation at the utility's retail rate minus non-bypassable charges.**
- ✓ **Allows shared renewable energy facilities to be located either on-site or off-site.**
- ✓ **Explicitly permits customer subscriptions to be moved with the customer within a utility's service territory, as well as transferred to another customer or back to the subscription organization.**
- ✓ **Promotes LMI customer participation through a capacity carve-out of 40 percent for LMI projects.**

Opportunities for Improvement

- **Include additional provisions to expand access to low- to moderate-income customers, such as a financing component or requirements related to LMI customer marketing, education and outreach.** The program does not currently have such components.
- **Consider removing the program capacity limit when developing a permanent shared renewables program.** The pilot program limits capacity to 75 megawatts during the first year.

*Note: The criteria above are a subset of the full criteria used to arrive at the state grades but reflect the most substantial program design components. For more information about the Scorecard, including the full criteria applied to grade state programs and definitions for many of the terms within the criteria, see <https://sharedrenewablescorecard.org/>. January 2020