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May 31, 2016

VIA FEDEX

Irene Kim Asbury, Secretary New Jersey Board of Public Utilities 44 South Clinton Avenue P.O. Box 350 Trenton, New Jersey 08625-0350

Re:

I/M/O the Verified Joint Petition of Solops, LLC and College Road Associates, LLC for a Declaratory Judgment or, in the Alternative, for a Waiver of Rule BPU Docket No.

Dear Secretary Asbury:

Enclosed are an original and four copies of Verified Joint Petition in the above matter. A check in the amount of \$25.00, payable to the Treasurer, State of New Jersey, is also enclosed to cover the costs of filing.

By copy of this letter, copies of the Verified Joint Petition are being forwarded this date via email to all persons whose names appear on the attached distribution list.

Thank you for your anticipated courtesies.

Respectfully submitted,

Steven S. Goldenberg

A Pennsylvania Limited Liability Partnership

California

Colorado

Connecticut

Delaware District of Columbia

Florida

Illinois Minnesota

Nevada

New Jersey

New York Pennsylvania

Texas



Irene Kim Asbury, Secretary May 31, 2016 Page 2

SSG:erd Enclosure

cc: Attached Distribution List

Richard Mroz, President

Joseph Fiordaliso, Commissioner Mary-Anna Holden, Commissioner Dianne Solomon, Commissioner Upendra Chivukula, Commissioner

IN THE MATTER OF THE JOINT PETITION OF SOLOPS, LLC AND COLLEGE ROAD ASSOCIATES, LLC FOR A DECLARATORY JUDGMENT PURSUANT TO N.J.S.A. 52:14B-1 ET SEQ., OR A WAIVER PURSUANT TO N.J.A.C. 14:1-1.2(b)

DOCKET NO.

SERVICE LIST

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STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE JOINT)
PETITION OF SOLOPS, LLC AND)
COLLEGE ROAD ASSOCIATES,) BPU Docket No.
LLC FOR A DECLARATORY)
JUDGMENT PURSUANT TO) VERIFIED JOINT PETITION
N.J.S.A. 52:14B-1 ET SEQ., OR A)
WAIVER PURSUANT TO N.J.A.C)
14:1-1.2(b))

TO THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES

SOLOPS, LLC ("SOLOPS"), and College Road Associates, LLC, ("CRA") (collectively, the "Joint Petitioners") file this Joint Petition for a declaratory ruling by the New Jersey Board of Public Utilities (the "Board" or "BPU"), pursuant to N.J.S.A. 52:14B-1 et seq., that the Joint Petitioners' proposed solar energy system complies with the Board's net metering rules as set forth in N.J.A.C. 14:8-4.1 et seq. and may be interconnected with the utility distribution system or, in the alternative, for a waiver of N.J.A.C. 14:8-4.2 pursuant to the Board's authority set forth at N.J.A.C. 14:1-1.2(b). Joint Petitioners further request that the tolling of the time period within which the project must be completed for purposes of the SRP approvals previously granted to SOLOPS be stayed while this Joint Petition remains pending. Joint Petitioners also respectfully request that the Board retain jurisdiction and expedite consideration of the Joint Petition to facilitate the development of the solar energy system described below.

In support of their Verified Joint Petition, the Joint Petitioners respectfully state:

I. PROJECT OVERVIEW

- 1. SOLOPS is in the business of developing net-metered and grid supply solar energy systems in New Jersey and elsewhere throughout the United States. CRA is a New Jersey limited liability company, doing business as National Business Parks, and is in the business of developing and owning office buildings and office parks. CRA and CRA-related entities under common ownership, own property, including commercial office buildings, located on or near College Road in the Princeton Forrestal Center (the "College Road Property"). The Joint Petitioners have agreed to develop a 14.543MW DC solar energy system that would provide solar energy to ten office buildings that are located on the College Road Property ("College Road Project").
- 2. CRA and a related entity having common ownership with CRA also own approximately 63 acres of unimproved land that is situated within the Township of South Brunswick and is immediately adjacent to the College Road Property, which is located within the Township of Plainsboro. The Joint Petitioners have executed a 15 year lease for this unimproved

property, which will house the solar electric generating system to be developed, operated and maintained by SOLOPS ("Solar Site"). The solar generating system will be comprised of solar panels, erection devices, meters, tracking devices, inverters, switches, conduit, wires, controls, integrators and other appurtenant equipment (the "Solar System"). The Solar Site will also house two meters that will provide the points of interconnection/point of consumption with the Public Service Electric and Gas Company ("PSE&G") electric distribution system. The maps attached as Exhibit "A" accurately depict the contiguity of the Solar Site and College Road Property, and where the PSE&G meters will be located on the Solar Site.

- 3. The Solar Site and College Road Property are separated only by Schalks Crossing Road, a public thoroughfare, and are commonly and singularly owned by CRA and certain CRA-related entities. The College Road Property has been developed and utilized by CRA in a single, integrated campus arrangement having a common property boundary. Although the Solar Site and the College Road Property, together with the buildings located on the College Road Property, have common ownership and common usage, the properties are depicted as segmented into multiple lots on the official tax maps of the Townships of Plainsboro and South Brunswick.
- 4. The Solar System will interconnect with the PSE&G transmission and distribution systems via two new transmission circuits that will connect to a new, dedicated substation to be located behind the two new customer meters. The Solar System will supply its output exclusively to CRA as its sole customer. The solar energy generated by the Solar System will be delivered to the meters/points of interconnection through wires and other equipment installed, owned and operated by SOLOPS.
- 5. Downstream of the meters/points of interconnection, the solar energy will be delivered to the office buildings located on the College Road Property through wires and other equipment that will also be installed, owned and operated by SOLOPS. PSE&G will remove all PSE&G wires and equipment that are currently used to provide distribution service to the office buildings located on the College Road Property. After PSE&G's wires and other equipment are removed, the only remaining PSE&G equipment will be lines located on the utility side of the meters that will connect its transmission and distribution system to the new substation and switchgear. SOLOPS will comply with all codes and safety requirements set forth in the Board's rules that are applicable to the construction, operation and maintenance of the privately-owned distribution infrastructure described above.
- 6. CRA is currently the single distribution customer of record for the service that PSE&G provides to the office buildings located on the College Road Property. Although PSE&G maintains meters for each building, CRA is the only customer of record associated with each meter for billing purposes. The existing electrical infrastructure will remain in place for the office buildings on College Road, except that the current customer accounts will be merged into two net-metered accounts with PSE&G at the new substation. After the Solar System is developed and the new meters are installed, CRA will continue to be the single customer of record served by PSE&G at the College Road Property.
- 7. Pursuant to a Power Purchase Agreement executed by the Joint Petitioners ("PPA"), SOLOPS will sell to CRA, on an exclusive basis, all of the solar energy generated by the Solar System during the PPA's 15 year term. The total output of the solar generating facility

will not exceed the amount of electricity currently supplied to CRA by PSE&G and/or a third party supplier over a historical 12 month period. SOLOPS will sell the solar energy to CRA at prices that reflect a discount off of the PSE&G tariff rates that would otherwise apply to CRA throughout the term of the PPA. Pursuant to a Lease Agreement between the Joint Petitioners for the Solar Site, SOLOPS will pay a CRA-related entity and an entity having common ownership with CRA a base ground rent of \$1 million per year, subject to an annual escalation charge.

- 8. CRA will assign portions of its interest in the PPA to each CRA special purpose entity that owns a building on the College Road Property to the extent of each entity's energy requirements. The CRA special purpose entities will then sell the solar energy, on a pass-through basis, to the commercial tenants that occupy each office building. Pursuant to their leases, most tenants pay for energy as part of their rent, based on their estimated usage. A limited number of tenants that are larger energy users are separately metered for their actual usage. All tenants will be charged the actual cost, without markup, CRA will pay SOLOPS for the solar energy generated by the Solar System throughout the term of the PPA. The same cost-based pass-through arrangement will apply to CRA's purchases of supplemental or backup power from PSE&G or a third party supplier, consistent with the current power supply arrangement that exists between CRA and its tenants under their leases.
- 9. CRA will supply solar energy only to the tenants resident on the College Road Property, pursuant to the terms of commercial leases that were negotiated by the parties at armslength. CRA will not market to, nor make any of the solar energy generated by the Solar System available to any other prospective purchaser or to the public generally. Given the limitation of the on-site energy distribution system to be developed, CRA will not have the ability to sell solar energy to any potential customer located outside the College Road Property and it does not intend to develop the capacity to do so in the future. CRA's sale of solar energy to its commercial tenants is incidental to the main business of CRA, which is the development and operation of office buildings and office parks. CRA will provide the proposed service only on the College Road Property, using electric distribution facilities that are privately owned. The arrangement will have no impact on the regulated electric distribution market, other than reducing the distribution revenues that PSE&G would otherwise receive from CRA as a continuing customer.
- 10. The Joint Petitioners have been advised by PSE&G that the College Road Project has received all requisite engineering and technical approvals, including approval for the two PSE&G circuits that will supply the new substation. The Joint Petitioners have been further advised by PSE&G that because the Solar System will remove the significant load associated with the College Road Property from the PSE&G system, PSE&G will be able to delay for years certain infrastructure upgrades that would otherwise be required in the near term. The College Road Project has also been accepted into the PSE&G Solar Loan II Program and has received two BPU acceptance letters for participation in the SREC Registration Program.
- 11. Notwithstanding PSE&G's statements to Joint Petitioners that the College Road Project has received all necessary engineering, technical and other approvals, PSE&G has refused the Joint Petitioner's application to interconnect with the PSE&G distribution system due to the purported failure of the College Road Project to comply with the contiguity requirements set forth in the net metering rules at N.J.A.C. 14:8-4.1(b). On information and belief, PSE&G's

refusal to interconnect is based on its determination that although the Solar Site and College Road Property are contiguous and bisected only by a single public thoroughfare, the official tax maps of the Townships of Plainsboro and South Brunswick depict these properties as being subdivided into multiple lots for tax purposes. PSE&G has indicated to Joint Petitioners that these circumstances preclude a determination that the Solar System is located within or contiguous to the legal boundary of the property to be served for purposes of satisfying the contiguity requirement.

12. The Joint Petitioners dispute this determination and respectfully request the Board to issue a declaratory ruling that, for the reasons set forth in the Joint Petition, the College Road Project satisfies the requirements of N.J.A.C. 14:8-4.1(b) or, in the alternative, to issue an Order that waives the "official tax map" and/or other requirements set forth in the rule. It is submitted respectfully that a waiver would be appropriate in light of the unique circumstances presented by the College Road Project and the substantial public interests that would be served by permitting the project to interconnect with the utility distribution system as a net-metered facility.

II) REQUESTED BOARD ACTION AND LEGAL STANDARDS

A. The Board May Appropriately Issue A Declaratory Ruling That The College Road Project Satisfies The Requirements of N.J.A.C. 14:8-4.1(b)

- 13. The standard for a declaratory ruling is set forth in <u>N.J.S.A</u> 52:14B-8, which permits "any interested person" to seek a "declaratory ruling with respect to the applicability...of any statute or rule enforced or administered by an agency".
- 14. The Board adopted the net metering rules, set forth at N.J.A.C. 14:8-4.1 *et seq.*, pursuant to authority granted by the Legislature in N.J.S.A. 48:3-87(e). The statute authorized the Board to "establish net metering standards for electric power suppliers and basic generation service providers" that, among other things, "shall take into consideration the goals of the New Jersey Energy Master Plan". N.J.S.A. 48:3-87(e)(2). N.J.S.A. 48:3-87(e) sought to limit the universe of customers eligible for net metering to those "that generate electricity, on the customer's side of the meter, using Class I renewable energy, for the net amount of electricity supplied by the electric power supplier or basic generation service provider over an annualized period".

(i) The Contiguity Requirement

15. The net metering rules adopted by the Board established four criteria to determine whether a solar generation facility is located on the customer side of the meter and therefore eligible to net meter. N.J.A.C. 14:8-4.1(a). First, the solar generation facility must be "located within the legal boundaries of the property, as set forth within the official tax map, on which the energy is consumed" or "contiguous to the property on which the energy is consumed". The rule provides that properties are deemed to be contiguous "if they are geographically located next to each other, but may be otherwise separated by an existing easement, public thoroughfare, or transportation or utility-owned right-of-way and, but for that separation, would share a common boundary".

- 16. Joint Petitioners submit respectfully that the facts presented in the Verified Joint Petition justify a conclusion that the contiguity requirement is satisfied here. As noted above, both the solar array that generates the solar energy and the two utility meters/points of interconnection with the utility distribution system will be located on the same property. Thus, the property that will be the location of the solar generation facility and the location where the energy will be "consumed" for regulatory purposes is one and the same.
- There should be no question that the utility meter/point of interconnection is the 17. dispositive location at which energy is consumed for purposes of the net metering rule, as it is the point where energy is deemed to be delivered to a customer, where title to the energy passes, where the utility measures a customer's consumption, and where upstream and downstream liabilities are determined as between the utility and a customer. See, e.g. Atlantic City Showboat, Inc. v. Director, Division of Taxation, 27 N.J. Tax 234, 248 and 256 (2012). Utility companies are indifferent to how and where energy is actually used by a customer (e.g. for lighting or to power appliances) once the utility delivers the energy to the customer meter, underscoring that the meter represents the operative point of consumption for utility billing purposes. Similarly, utilities designate the customer meter as the boundary line at which utilities disclaim liability for damages or injury to customer property or facilities caused by the electric service delivered to the customer. (See, e.g. PSE&G Electric Tariff, Standard Terms and Conditions, Section 8.8: "Public Service will not be liable for the use, care, or handling of the electric service delivered to the customer after same passes beyond the point at which the service facilities of Public Service connect to the customer's facilities"). On information and belief, there is no known precedent or authority that would establish the "point of consumption" to be any location other than the utility meter/point of interconnection.
- 18. As noted, the College Road Property that houses the College Road office buildings is located contiguous to the Solar Site, directly across Schalks Crossing Road, the single public thoroughfare that separates the two tracts. The College Road Property that is downstream of the utility meters/point of consumption is a single, integrated campus-type property owned by CRA that has a single common property boundary. The College Road Property cannot be described as the type of disconnected, fragmented, bisected or remote series of properties that would properly trigger regulatory concerns under the net metering rules. Rather, for all intents and purposes, the College Road Property is owned, operated and maintained as a single, unified property by a single owner/single utility customer.
- 19. The Solar Site and College Road Property therefore represent a unique property configuration that is naturally conducive to the development of a significant solar project. It is a rare circumstance for a large, undeveloped property of sufficient size to house a 14MW solar array to be located adjacent to a large commercial property that is owned by a single utility customer and contains office buildings with the capacity to consume large quantities of solar energy.
- 20. The fact that the Solar Site and College Road Property are located in two different municipalities is of no regulatory consequence. The multi-municipality scenario is not prohibited by, nor even mentioned in, either EDECA or the net metering rule. Nor would any compelling public or regulatory interest be served by imposing a restriction that would limit solar projects to properties located in a single municipality. As a practical matter, there is at least one additional

known precedent for a multi-municipality on-site generation project involving Roche Pharmaceuticals. For many years prior to its closing, Roche operated a Board-approved on-site generation facility that served Roche's headquarters campus. The campus was located in both Nutley and Belleville, with the borderline between the municipalities literally etched into the carpet of one building that was situated in both towns. It is noteworthy that the Roche campus was depicted as a multiplicity of lots on the official tax maps of both municipalities.

(ii) Ownership of the wires and equipment by an entity other than the EDC

- 21. N.J.A.C. 14:8-4.1(b)(2) requires that the renewable energy produced by the renewable energy generation facility be "delivered from the generation facility to the property on which the energy is consumed through wires and/or other equipment installed, owned, and operated by an entity other than the EDC". The private entity is also required to comply with all applicable codes and other safety requirements set forth in the Board's rules, including the rules pertaining to underground facility operators.
- 22. Given the facts and representations set forth in this Verified Joint Petition, there should be no question that this provision will be fully satisfied. The Joint Petitioners have indicated that SOLOPS will own all of the facilities located between the solar array and the meters/points of interconnection, and that all of the current PSE&G wires and infrastructure currently used to provide distribution and related services to CRA downstream of the meters will be completely removed and replaced by new equipment to be owned exclusively by SOLOPS. The only PSE&G equipment that will remain after the solar array is completed will be the utility meters and lines located in front of the customer meter to be used to connect the new substation and switchgear to the PSE&G distribution system.
- 23. The Verified Petition also contains the representation by SOLOPS that SOLOPS will comply with all codes and safety requirements set forth in the Board's rules that are applicable to the construction, operation and maintenance of its privately owned infrastructure.

(iii) The Single Net Metering Customer Requirement

- 24. <u>N.J.A.C.</u> 14:8-4.1 (b)(3) requires that a renewable energy generation facility only serve one net metering customer. The term "net metering customer" is defined by the rule to mean a customer that owns and/or operates electrical wires and equipment that is connected to the EDC's electric distribution system through a meter used for net metering. The customer may or may not be the same entity as the net metering generator and may or may not be located on the same property as the net metering generator. N.J.A.C.14:8-4.2.
- 25. As set forth above, CRA is the only distribution customer of record for the service that PSE&G currently provides to the CRA entities that own and control the office buildings located on the College Road Property. While PSE&G maintains meters on these buildings, all billings for utility services are directed to CRA as PSE&G's sole customer of record. CRA will be the only customer of record served by SOLOPS pursuant to the solar PPA and will remain the only customer of record of PSE&G and/or a third party supplier for electric distribution and supplemental supply services.

26. The commercial tenants of the College Road office buildings are not currently, and will not be direct customers of PSE&G and/or a third party supplier, and are not and will not be parties to the PPA. CRA will assign portions of its interest in the PPA to each CRA-related entity that owns a building to the extent of each entity's energy requirements. The CRA entities will, in turn, supply power to the tenants on a pass-through basis, without markup or administrative fee, in accordance with the terms of the tenants' leases with the CRA entities.

(iv) Net Metering Customer Compliance With Rules

- 27. Finally, <u>N.J.A.C.</u> 14:8-4.1(b)(4) requires the net metering customer to be responsible for ensuring compliance with the net metering rules.
- 28. CRA hereby represents that it will be responsible for ensuring that the College Road project complies with the net metering rules.
- 29. In sum, in determining whether the College Road Project satisfies the contiguity requirement of the net metering rules, the Board should focus on the type of project that the rule was designed to *prevent*: a net metering solar generator that avails itself of a utility or private distribution system of unlimited scope that enables the solar generator to serve a multiplicity of customers, both contiguous to and remote from the solar generation facility. Conversely, the rule was designed to *permit* net metered projects to be installed on property owned by a single customer, or contiguous to property owned by that customer, to interconnect behind the customer's meter, to size the solar generating facility to mirror and not exceed the customer's load, and to provide service only to that single customer.
- 30. When viewed through the prism of what the net metering rule is designed to foster and what it is designed to prevent, it should be evident that the College Road Project is consistent with both the letter and spirit of the rule: (i) there should be no issue that the solar generation facility and meters/points of interconnection with the utility distribution system/point of consumption will be located on the same property; (ii) the solar energy will be sold only to CRA as SOLOPS' single customer of record; (iii) SOLOPS will own all of the pertinent energy infrastructure; and (iv) CRA has represented that it will comply with all of its obligations under the rule. With regard to the ownership and configuration of the Solar Site and College Road Property, for regulatory purposes, the operative consideration should not be how properties located downstream of the meter may be subdivided on an official municipal tax map but rather the juxtaposition of the property where the solar energy is generated and the property where the energy is actually consumed. Here, the property is one and the same. Therefore the College Road Project should be deemed to be fully compliant with N.J.A.C. 14:8-4.1(b)(1), justifying a declaratory ruling by the Board.

B. In the Alternative, the Circumstances Presented Justify a Limited Waiver of the Contiguity Requirements of the Net Metering Rule

31. <u>N.J.A.C</u>. 14:1-1.2(b)(1) provides:

The Board shall, in accordance with the general purposes and intent of its rules, waive section(s) of its rules if full compliance with the rule(s) would adversely affect the ratepayers of a utility or

other regulated entity, the ability of said utility or other regulated entity to continue to render safe, adequate and proper service, or the interests of the general public.

- 32. This rule delegates broad authority to the Board to relax or permit reasonable deviations from rules the Board has adopted in circumstances where strict adherence to the letter of the rule could adversely affect the public interest and where the waiver request is consistent with the general purpose and intent of the rule. *See*, e.g. I/M/O Clean Energy Program Authorizing Rebate for Bayshore Regional Sewerage Authority, Docket No. EG12020162V (March 12, 2012) and N.J.S.A. 48:3-87(e)(2). Joint Petitioners submit respectfully that the circumstances presented by the Joint Petition satisfy this standard and warrant a limited relaxation of the "official tax map" requirement of the net metering rule.
- Joint Petition establish that the College Road Project complies with the contiguity requirement of the net metering rule. This is so because the solar generation facility and the meters/points of interconnection with the utility distribution system are located on the same property. The only issue that arises under the rule relates to the fact that the two contiguous properties that house the Solar Site and College Road Property are further subdivided into multiple parcels on the tax maps of the Townships of South Brunswick and Plainsboro. Joint Petitioners submit that a strict application of the tax map requirement in these circumstances is unwarranted and would deprive CRA of the benefits of its agreement with SOLOPS, and the State of a significant solar project that will assist the State in the achieving both its annual Renewable Portfolio Standard requirements and several overarching goals of the Governor's Updated Energy Master Plan.
- 34. The "official tax map" requirement should be viewed in its historical perspective. The original version of the net metering rule, as proposed in July, 2012, did not include a provision authorizing property boundary determinations to be made based, in part, on how a property is depicted on an "official tax map". As staff noted when presenting the rule for the Board's approval, staff essentially adopted the contiguity definition applicable to "on-site generation" as set forth in the Electric Discount and Energy Competition Act, ("EDECA") at N.J.S.A. 48:3-51. Staff acknowledged that EDECA defines an "on-site generation facility" to encompass generation located on a "contiguous" property, which is further defined as a property that is separated from the host site by no more than one public thoroughfare, easement or utility or transportation right-of-way. In its presentation to the Board, staff further noted that the adoption of the rule "would make the benefits of net metering available to a *larger* group of customers and as such, would support the Board's goal of encouraging renewable generation. (See, Minutes of BPU Agenda Meeting July 19, 2013, I/M/O Net Metering for On-Site Generation-Rule Adoption)(emphasis supplied).
- 35. It bears noting that despite staff's stated intention to parallel EDECA, the EDECA definition of "contiguity" does not include a reference to "official tax map", nor does it suggest that official tax maps are a relevant criterion to be addressed in contiguity determinations. In fact, the manner in which a property is depicted on an official tax map has <u>never</u> been a factor in the Board's contiguity determinations regarding on-site cogeneration facilities for purposes of <u>N.J.S.A.</u> 48:3-77. Rather, the "official tax map" language was added during the net metering

rulemaking, in response to the comments of certain utilities that persuaded staff that this approach would more clearly define the legal boundaries of a unit of property. 45 N.J.R. 942(a).

- 36. While the use of official tax maps may have been viewed as a means to add "clarity" to contiguity determinations, in actuality tax maps are not prepared to provide benchmarks for regulatory determinations, particularly in the utility context. This is so because tax maps represent artificial designations or depictions of properties that are prepared solely for the convenience and benefit of municipal taxing authorities and property owners and are not intended to be the determining factor in BPU regulatory decisions or those of other agencies. Tax maps represent little more than lines on a paper, a fact that is underscored by the ease with which tax maps may be amended. In fact, a property owner may at any time consolidate multiple adjoining tax lots that are under common ownership into a single parcel for purposes of a single tax assessment if the property owner so elects. Thus, the Board should therefore avoid strict reliance on official tax maps as a determining factor in net metering qualification issues because they are not intended for this purpose and, given the ease with which they may be amended by a property owner, provide an unreliable benchmark for regulatory purposes that are unrelated to the collection of municipal taxes.
- 37. These considerations fully justify a relaxation of the "official tax map" contiguity requirement here. There is no question that the College Road Project would satisfy the contiguity requirement set forth in EDECA, meaning that the sole reason for rejection here would be on the basis of the added official tax map criterion. Such a rejection would belie the fact that the College Road Project is consistent with the letter and spirit of the applicable statute and rules and would further a number of public policies.
- 38. The New Jersey Energy Master Plan Update ("EMP") released this past December, sets forth five "overarching goals" to be accomplished by the State in the coming years. The College Road Project would advance each of these five goals. The first EMP goal is to "drive down the cost of energy for all customers". This goal will clearly be advanced here because CRA and its tenants will benefit from solar energy priced below the cost of electricity that they would otherwise pay to PSE&G throughout the duration of the 15 year PPA. These savings are guaranteed by a provision that requires that the price paid by CRA always reflect a discount off of the then-applicable utility tariff rate during the contract period. CRA will also benefit financially from the long term lease of the Solar Site, which will generate base rental payments from SOLOPS of a minimum of \$1 million per year for 15 years. The State has an obvious interest in assisting commercial entities like CRA that desire to reduce their energy costs through the use of solar generation and is in a position to do so here.
- 39. The second EMP goal is to "promote a diverse portfolio of new, clean, in-state generation". It should be apparent that the College Road Project would be one of the largest solar projects undertaken in the State to date. It therefore provides a substantial boost for the State's efforts to expand the use of solar energy within the State. Joint Petitioners suggest that opportunities of this type, that will add 14MW of in-state solar generation, will be few in number as the circumstances presented by the College Road Project are unique and will not easily be replicated in other contexts. The College Road Project will result in significant environmental benefits and job creation.

- 40. The third goal, to "reward energy efficiency and energy conservation and reduce peak demand" is likewise served. The College Road Project will reduce PSE&G's peak demand by approximately 14MW, particularly at times when the utility grid is operating at peak. PSE&G has advised Joint Petitioners that as a result of this peak shaving, the College Road Project will enable PSE&G to delay indefinitely certain needed upgrades to PSE&G's distribution system that would otherwise be required in the near term. By delaying or eliminating the need for these upgrades, PSE&G will avoid incurring these significant costs, which would otherwise be recovered from PSE&G ratepayers generally.
- 41. The fourth and fifth goals seek to "capitalize on emerging technologies" and "maintain support for the renewable energy portfolio standard". The College Road Project will provide significant support for further solar development and will greatly assist the achievement of the State's Renewable Portfolio Standard ("RPS"). The Solar Act of 2012 sets aggressive RPS goals that might prove difficult to achieve in the near and long term, creating the potential for energy suppliers to pay costly solar alternative compliance payments that would also be paid by ratepayers. The 14MW of solar power that would be generated by the College Road Project would do much to assist the State in satisfying the increased RPS goals and moderate increasing SREC prices.

III) SERVICE

42. All communications and notices with respect to this proceeding should be served on the Joint Petitioners' attorneys, as follows:

Steven S. Goldenberg, Esq. Fox Rothschild LLP 997 Lenox Drive, Building 3 Lawrenceville, NJ 08648 sgoldenberg@foxrothschild.com Ryan A. Marrone, Esq. Chief Legal Officer SOLOPS, LLC 1 AAA Drive, Suite 205 Robbinsville, NJ 08691 rmarrone@onyxrenewables.com

Richard S. Goldman, Esq. Drinker Biddle & Reath LLP 105 College Road East P.O. Box 627 Princeton, NJ 08542-0627 richard.goldman@dbr.com

IV) CONCLUSION AND REQUESTED APPROVALS

43. In conclusion, the Joint Petitioners respectfully submit that the College Road Project complies with the requirements of the Board's net metering rules, N.J.A.C. 14:8-4.1 *et seq.*, justifying a declaratory ruling that it should be permitted to interconnect with the PSE&G distribution system. In the alternative, should the Board find that the College Road Project does not comply with the net metering rules in all of their particulars, the Joint Petitioners submit that the circumstances presented, including the public benefits to be gained from the College Road Project, justify the Board's limited waiver of the contiguity or other requirements of the net metering rules in order to enable the project to interconnect with the utility distribution system.

WHEREFORE, the Joint Petitioners respectfully request the Board to issue an order:

- a. declaring that the Joint Petitioners' College Road Project complies with the Board's net metering rules, <u>N.J.A.C.</u> 14:8-4.1 *et seq.*, and therefore is authorized to net meter the energy generated by the solar energy generation facility; or, in the alternative;
- b. granting an appropriate waiver of the requirements of <u>N.J.A.C</u>. 14:8-4.1 deemed not to be fully satisfied by the Verified Joint Petition; and
- c. directing PSE&G to interconnect the College Road Project with the PSE&G distribution system;
- d. retaining jurisdiction and expediting consideration of the Verified Joint Petition to enable the College Road Project to be completed on schedule; and

e. tolling the time for compliance with the schedule set forth in the SREC Registration Program approvals previously granted to Joint Petitioners while the Verified Joint Petition remains pending.

Respectfully submitted,

Steven S.\Goldenberg/

FOX ROTHSCHILD LLP

997 Lenox Drive, Bldg. 3

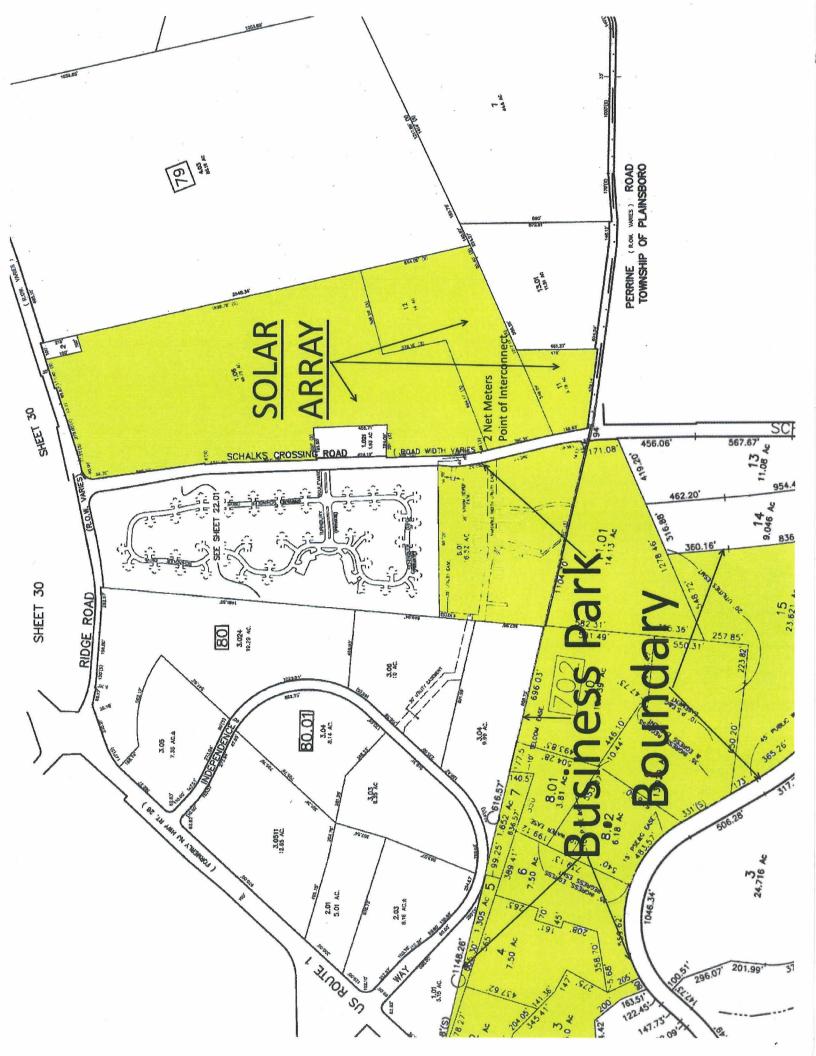
Lawrenceville, NJ 08648

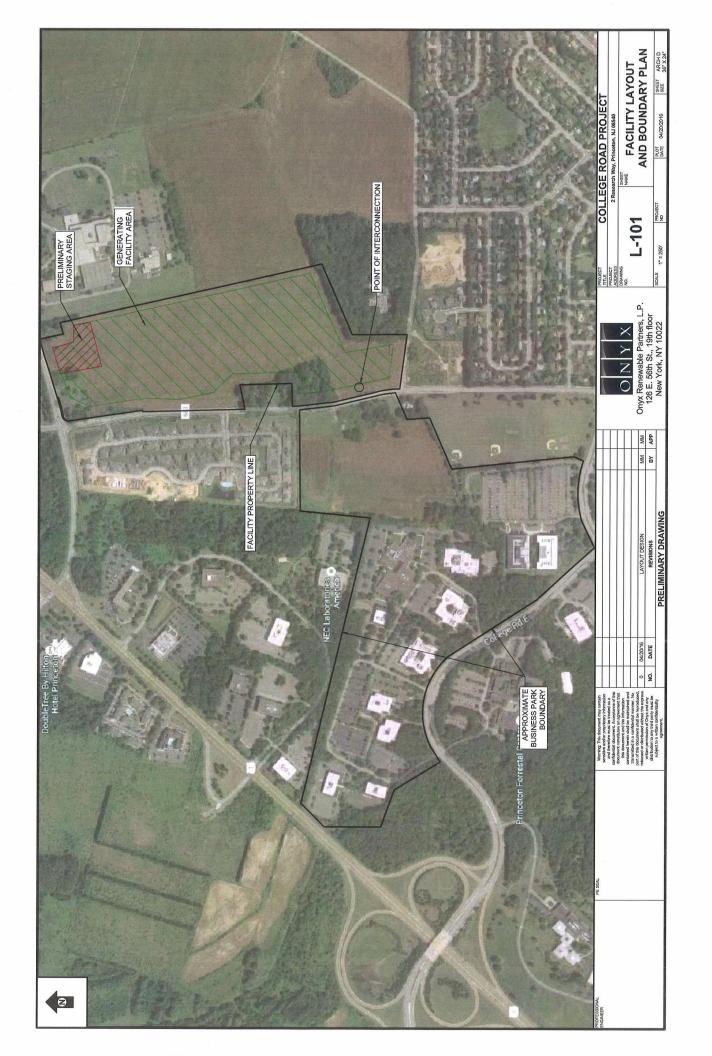
Phone: 6\(\text{09-896-3} \)600

Attorney's for Solops, LLC &

College Road Associates, LLC

Dated: May 31, 2016





VERIFICATION

I, Ryan Marrore, being first duly sworn, depose and state that I am he (10 to for SOLOPS, LLC, that I have read the foregoing Verified Joint Petition, and know the contents thereof, and that the statements contained therein are true and correct to the best of my knowledge, information and belief.

Subscribed and sworn to before me

this 12th day of April, 2016.

Much Surgert
Notary Public

MONICA SARGENT Notary Public, State of New Jersey My Commission Expires April 01, 2021

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VERIFICATION

I, Movent Manabeing first duly sworn, depose and state that I am Mg co for College Road Associates, LLC, that I have read the foregoing Verified Joint Petition, and know the contents thereof, and that the statements contained therein are true and correct to the best of my knowledge, information and belief.

January Maran

Subscribed and sworn to before me

this 10th day of April; 2016

Notary Public

COREY DOUGLAS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 2/27/2020

CERTIFICATION OF SERVICE

I hereby certify that I have this day served via electronic mail copies of the foregoing Verified Joint Petition to the parties identified on the service list. An original and four copies have this day been forwarded via first class mail to Irene Kim Asbury, Secretary, Board of Public Utilities.

Dated at Lawrenceville, New Jersey, this 31st day of May, 2016.

Steven S. Goldenberg