

Memorandum

To: Ariane Benrey; New Jersey Board of Public Utilities (BPU)
 From: Chad Laurent and Steve Tobey; Cadmus
 Subject: Project-Level SAM Simulations
 Date: May 12, 2021

Cadmus is providing consulting services to the BPU for the Assessment and Recommendation for Redesign of Solar Renewable Energy Certificate Program—reference Purchase Order (PO) #8707431. At the BPU’s request, Cadmus has performed additional simulations as part of its project-level modeling (using NREL’s System Advisory Model) to reflect the extended ITC level of 26%.

Following are assumptions for the modeling:

- The modeled year was 2021.
- The investment tax credit (ITC) was increased to 26% to reflect the Consolidated Appropriations Act, 2021. All other inputs remained the same, i.e., taken from the Draft Capstone process before updating from stakeholder feedback and other changes.
- The following 4 SAM Cases were modeled at BPU’s request:
 - Comm_DO_Ground_Ig
 - Comm_DO_Roof_Ig
 - Comm_TPO_Ground_Ig
 - Comm_TPO_Roof_Ig

Table 1 below shows estimated performance-based incentives (PBIs) for the Base Scenario in Model Year 2021, as well as the PBIs from the Final Capstone’s Base and Sensitivity Scenarios. As shown, PBIs decreased \$10/MWh with the increase in ITC.

Table 1: SAM Case PBIs

Modeled Year 2021; PBIs (\$/MWh)	Base Scenario			
	From Final Capstone	With 26% ITC	Reduction	Sensitivity Scenario
Comm_DO_Ground_Ig	\$ 75	\$ 65	\$ (10)	\$ 120
Comm_DO_Roof_Ig	\$ 70	\$ 60	\$ (10)	\$ 110
Comm_TPO_Ground_Ig	\$ 105	\$ 95	\$ (10)	\$ 125
Comm_TPO_Roof_Ig	\$ 110	\$ 100	\$ (10)	\$ 135

Please let us know if you have any questions.