



Agenda Date: 5/18/22
Agenda Item: 8C

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF A SUCCESSOR SOLAR)	ORDER
INCENTIVE PROGRAM PURSUANT TO P.L. 2021,)	
C.169)	DOCKET NO. QO20020184
)	
IN THE MATTER OF CERTIFICATION OF ENERGY)	
YEAR 2021 COST CAP CALCULATION AND SETTING)	
ADI PROGRAM MEGAWATT BLOCKS FOR ENERGY)	
YEAR 2023)	DOCKET NO. QO22040246

Party of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities (“Board”) certifies the calculation of the Energy Year (“EY”) 2021 Cost Cap and sets the Administratively Determined Incentive (“ADI”) Program megawatt (“MW”) block allocations for EY 2023.

BACKGROUND

On May 23, 2018, the Clean Energy Act, L. 2018, c. 17 (“CEA”), was signed into law. Among other mandates, the Act directed a fundamental reshaping of New Jersey’s solar incentive programs. The Board was directed to close the Solar Renewable Energy Certificate (“SREC”) Registration Program (“SRP”) to new registrations once 5.1% of the kilowatt-hours sold in the state were generated by solar electric power connected to the distribution system (“5.1% Milestone”). The Act also directed the Board to complete a study that evaluates how to modify or replace the SRP to encourage the continued efficient and orderly development of solar renewable energy (“RE”) generating sources throughout the state. On July 9, 2021, Governor Murphy signed into law the Solar Act of 2021 (“Solar Act”), which directed the Board to establish a program to incent the development of at least 3,750 MW of new solar by 2026.¹ The Solar Act includes the creation of two (2) parallel incentive structures: one to incent “net metered” facilities 5 MW and less and “community solar” facilities, and the other to incent “grid supply” solar facilities and net metered facilities over 5 MW.

¹ P.L. 2021, c. 169; N.J.S.A. 48:3-114 et al.

Pursuant to the CEA, the SRP closed on April 30, 2020, following the Board's determination that the 5.1% Milestone had been attained. It was replaced by the interim Transition Incentive ("TI") Program, which was created to provide a bridge between the SREC Program and the successor incentive program. On July 28, 2021, following an extensive stakeholder process, the Board established the Successor Solar Incentive ("SuSI") Program, comprised of two (2) sub-programs: the ADI Program for net metered residential facilities, net metered non-residential facilities of 5 MW or less, and community solar facilities, and the Competitive Solar Incentive ("CSI") Program for grid supply solar projects (i.e., those selling into the wholesale markets) and net metered non-residential projects above 5 MW. The TI Program closed to new registrations on August 27, 2021, and the ADI Program opened to new registrations on August 28, 2021. The CSI Program is the subject of an ongoing stakeholder proceeding.

The ADI Program provides eligible projects with the opportunity to register to earn Solar Renewable Energy Certificates-II ("SREC-IIs") for each megawatt-hour ("MWh") of generation; the value of SREC-IIs is set administratively by the Board and varies based on project type, size, and location. To ensure compliance with the statutory cap on the cost of certain Class I RE programs, further discussed below, the ADI Program is designed with an annual cap on the capacity allowed to register in the ADI Program. Capacity is divided among multiple "megawatt blocks." Projects may register on a first-come, first-served basis until a MW block is filled or until the end of the EY, whichever comes first.

The CEA included a mandate that the Board ensure that the cost of specific Class I RE programs not exceed 9% of the total paid for electricity by all customers in the state in EY 2019, 2020, and 2021, or exceed 7% in each EY thereafter ("Cost Cap" at N.J.S.A. 48:3-87(d)). The programs subject to the Cost Cap are the SRP, the Class I RE requirement, the TI Program, and the ADI Program. Offshore Wind Renewable Energy Certificates ("ORECs") and SREC-IIs produced by projects participating in the CSI Program are not subject to the Cost Cap. The Board is required to take all necessary steps to prevent the exceedance of the Cost Cap, including, but not limited to, adjusting the Class I RE requirement if necessary. The Cost Cap was amended in January 2020 to provide the Board with more flexibility in its implementation and further amended as part of the Solar Act of 2021.² The Solar Act included new directives on how to calculate the costs and associated benefits of the relevant Class I RE requirement, including a specific mandate that the Board include consideration of energy and environmental savings.³

On July 28, 2021, the Board approved a rule proposal to define the methodology and process by which the Board will implement the Cost Cap. The proposal was published in the New Jersey Register on September 7, 2021 and was adopted by the Board as a separate item on this Agenda.⁴ The proposed rule includes a definition of the programs subject to the Cost Cap (known as the "Cost Cap-Applicable Programs"), the manner for calculating applicable costs, and the method for estimating the value of the energy and environmental savings attributable to these programs. The proposed rule also describes the process by which Staff shall calculate the Cost Cap annually, with a forecast prior to the start of each EY and a true-up after the end of the EY, so as to ensure annual verification of Cost Cap compliance without hampering the administration of the ADI Program. Additionally, the Board shall, on an annual basis, certify that the Cost Cap has not been exceeded; identify any amount that was not spent but was eligible to be spent

² S. 4275 (2018), P.L. 2019, c. 448.

³ N.J.S.A. 48:3-87(d)(2).

⁴ 53. N.J.R. 1480(a).

between EY 2019 through 2024; and take any necessary actions to maintain statutory compliance.

STAFF RECOMMENDATION

Cost Cap Implementation

The Cost Cap is a critical component of the Board's commitment to affordable implementation of various clean energy programs. Pursuant to the Board's July 28, 2021 Order⁵ and the proposed Cost Cap rules adopted on this Agenda, Staff trued-up the estimated Cost Cap for EY 2021 and updated the forecasts of the Cost Cap for EY 2022 and EY 2023 to reflect new data that has become available. Board Staff ("Staff") generally utilized the same calculation methodology and data sources as were referenced in the July 2021 Order and the Cost Cap rules.

The Cost Cap denominator is the total paid for electricity by all customers in the state. Staff has collected updated electricity sector expenditures published by the Energy Information Administration ("EIA"). As directed by the Board, Staff adjusted the EIA data to include an estimate of the costs associated with net metered solar projects that are host-owned, amortized over their expected life. Staff updated the number of impacted net metered projects, based on new installed capacity numbers provided in the Solar Activity Reports, which track registrations and installations of projects participating in the SREC, TI, and ADI registration programs.

The Cost Cap numerator is the cost to customers of the Cost Cap-Applicable Programs, adjusted by the energy and environmental savings attributable to those programs. Staff has updated the data used as inputs to the calculation of the numerator to reflect the EY 2021 Renewable Portfolio Standard ("RPS") compliance report issued by Staff. This report provides the data inputs for the quantity of SRECs retired, the market-derived price of each retired SREC, the quantity of Class I RECs retired, the average price of each retired Class I REC, as well as the quantity and price of TRECs retired. There were no costs associated with the ADI Program in EY 2021.

As noted above, the cost of these programs must be offset by their energy and environmental benefits. To calculate energy savings, Staff estimated what energy and capacity costs would have been without the Cost Cap-Applicable Programs, compared to the actual costs reported by PJM, a process called Demand-Reduction-Induced Price Effects ("DRIPE"). Staff proposes to use the same energy and capacity DRIPE values as were used in the Board's July 2021 Order and apply these values to updated solar installed capacity and total New Jersey electricity sales figures. To calculate environmental benefits, Staff calculated the greenhouse gas emissions savings attributable to the Cost Cap-Applicable Programs by multiplying the tons of greenhouse gas emissions reduced as a result of the Cost Cap-Applicable Programs, as measured in tons of CO₂, by the value of each ton of emissions avoided, as published by the U.S. Environmental Protection Agency ("EPA"). In determining the reduction in CO₂ emissions, Staff relied on publicly available calculations of the average carbon intensity of electric generators in the PJM region produced by PJM, updated through 2021.⁶ The value attributed to the avoided CO₂ emissions is provided by the EPA Interagency Working Group on Social Cost of Greenhouse Gases, in

⁵ In re a Solar Successor Incentive Program Pursuant to P.L. 2018, c. 17, BPU Docket No. QO20020184, Order dated July 28, 2021 ("July 2021 Order").

⁶ 2017-2021 CO₂, SO₂, and NO_x Emission Rates, published by PJM, April 18, 2022, <https://www.pjm.com/-/media/library/reports-notice/special-reports/2021/2021-emissions-report.ashx>.

compliance with N.J.S.A. 48:3-87(d)(2).

Both the numerator (in the calculation of DRIPE and environmental savings) and the denominator (in the adjustments for host-owned net metered systems) use data for installed solar capacity. Staff used data from the Solar Activity Reports published on a monthly basis on the Clean Energy Program website.⁷ Staff used data from the most recent published report, which provides data as of March 31, 2022. Additionally, Staff recommends that the Board allow a retroactive update to the EY 2020 TI Program installed capacity numbers. The previous calculation provided in the July 2021 Order estimated the TI Program installed capacity numbers based on projects that had registered with the TREC manager for purpose of creating TRECs. Staff believes that using the installed capacity data from the Solar Activity Reports is more accurate and ensures a consistent data source for installed capacity across the three programs (SREC, TI, and ADI Program). This adjustment to the EY 2020 TI Program installed capacity values translated to an adjustment of the savings calculated for the numerator, and an adjustment to the denominator. These changes are reflected in the table provided in Appendix A below.

With respect to forecasting the Cost Cap, Staff proposes to maintain the same underlying approach to estimating data inputs for future Energy Years as was used to inform the Cost Cap determinations made in the Board's July 2021 Order. However, Staff recommends adjustments to several of the assumptions in order to match the most recent available data. First, Staff recommends adjusting the assumptions used to forecast SREC prices. The Cost Cap calculation conducted in the Board's July 2021 Order included an estimate of future SREC values based on 85% of the Solar Alternative Compliance Payment ("SACP"). At the time, Staff noted that this was a conservative assumption, recommended in order to promote compliance with the Cost Cap. The EY 2020 average SREC price represented 85% of the SACP, which therefore was a reasonable assumption at the time. In EY 2021, however, average SREC prices increased while the SACP declined, leading the relative percentage to increase to 92%. While past SREC prices and the SACP are not necessarily strong predictors of future SREC prices, in the interest of providing reasonable and conservative Cost Cap forecasts, Staff recommends that the Board maintain the same approach to modeling future SREC prices but increase the base assumption to 92% of the SACP.

Staff has updated the TI Program capacity forecast to reflect the large pipeline of projects currently pending completion. Staff maintained the assumption of a 30% scrub rate, reflecting estimates for project dropout rates that are expected across all solar incentive programs. Staff also adjusted the forecast for ADI Program costs to reflect the anticipated capacity of projects reaching permission to operate in EY 2022 (as opposed to merely registering). For example, 108 MW net metered residential projects registered in the ADI Program through April 28, 2022. For modeling purposes, Staff assumes that approximately 100 MW will complete construction in EY 2022 and that the remainder will be constructed in EY23. These TI and ADI Program capacity estimates will be updated as part of the EY22 true-up, as will all other assumptions discussed here.

In the prior iteration of the Cost Cap calculation, Staff used a fixed assumption of \$13/Class I REC. The latest RPS compliance report indicates that the EY 2021 Class I weighted average price was \$13.66. Accordingly, Staff recommends that the forecast of Class I REC prices use a rounded \$14/REC.

Finally, Staff recommends adjusting the denominator of the Cost Cap calculation by updating the

⁷ <https://www.njcleanenergy.com/renewable-energy/project-activity-reports/project-activity-reports>.

method for forecasting of the total paid for electricity by all customers in the state: previously, Staff had used a three-year moving average, adjusted by a 0.5% annual increase. The EY 2020 revenue from sales data was unusually low, largely attributable to the impact of the COVID-19 pandemic. Staff believes that the three-year moving average, which includes EY 2020, therefore risks underestimating future sales. Staff now recommends using the data from the prior year only, adjusted by the 0.5% annual increase.

Staff's updated Cost Cap calculations and forecasts are provided in Appendix A, specifically: the true-up calculation of the Cost Cap for EY 2021, an estimate for EY 2022, and a forecast for EY 2023. Based on these calculations, Staff concludes that the Cost Cap was not exceeded in EY 2021, nor is it forecast to be exceeded in EY 2022 or EY 2023.

EY 2023 ADI Program Megawatt Blocks

The ADI Program MW blocks are an important measure and reflect the Board's commitment to the twin goals of ratepayer affordability and meeting the solar installation targets included in the Solar Act of 2021. These capacity blocks ensure the Board's ability to forecast and manage the overall costs of the ADI Program, while providing tangible milestones on the path to achieving the legislative solar development goals and enabling continued growth in a balanced manner.

The EY 2022 ADI Program MW blocks were set based on consideration of several factors, including the following:

- a. Historical installation rates, with the intent to continue to enable installation rates at or above historical averages;
- b. Equity and accessibility considerations, particularly when determining the size of the Community Solar MW block;
- c. Ensuring that there is sufficient liquidity in each market segment;
- d. Ensuring that the total cost to ratepayers remains affordable; and
- e. Ensuring that the total amount of budget dollars available under the Cost Cap is respected.

In addition, Staff notes that the Solar Act of 2021 states that "the small solar facilities incentive program shall aim to provide SREC-IIs for the generation of at least 300 megawatts of net metered solar facilities per year and 150 megawatts of community solar facilities per year, for each of the five years after the establishment of the SREC-II program."⁸

After consideration of the above factors, the Board set the MW blocks for EY 2022 in the July 2021 Order. The ADI Program opened for new registrations on August 28, 2021. The ADI Program registration manager maintains a table on the New Jersey Clean Energy Program website which shows, for each MW block, the amount of capacity subscribed to date and the amount of capacity that remains available. Although the ADI Program opened approximately three (3) months after the beginning of EY 2022, Staff recommended in the July 2021 Order that, for ease of administration, the Board make the full year allocation available between the effective date of the ADI Program and the start of EY 2023 on June 1, 2022. Table 1 below shows the EY 2022 MW blocks and capacity subscribed to date:

⁸ N.J.S.A. 48:3-116(a).

Table 1: MW Blocks for EY 2022

System Type	Size	EY 2022 MW Block	Capacity Subscribed (as of April 28, 2022)⁹
Net Metered Residential	All sizes	150 MW	108.1 MW
Net Metered Non-Residential (all installation types)	All sizes at or below 5 MW	150 MW	2.6 MW
Community Solar (low-to moderate-income (“LMI”) and non-LMI))	All sizes at or below 5 MW	150 MW	0 MW
Interim Subsection (t)	All sizes	75 MW or 3 months from CSI’s first solicitation	0 MW

Per the table above, Staff notes the following:

- 1) Registrations for the net metered residential MW block have averaged approximately 13 MW to 14 MW per month. Extrapolated over a full 12 months, registrations are on pace reach or exceed 150 MW. The pace since late February has averaged closer to 16 MW per month, which, if extrapolated over a full year at current SREC-II residential incentive values, would translate to registrations of approximately 190 MW.
- 2) Registrations for the net metered non-residential MW block and the interim subsection (t) MW block have been significantly lower than the norm. Staff attributes this predominantly to the exceptionally high number of projects that registered in the last months of the TI Program. In July and August 2021 alone, approximately 1,100 MW of new registrations registered for the TI Program. Similarly, 16 applications representing 309 MW were submitted for Subsection (t) conditional certification under the TI Program in July and August 2021. This phenomenon of “demand pull” is not unusual in circumstances where an incentive program is scheduled to close or decline in value: planned projects are accelerated in order to obtain the higher incentive deadline, followed by a lull in project development. Staff also notes that a full review of the performance of the ADI Program is planned as part of the “one-year check-up” established by the Board in the July 2021 Order, which will provide an opportunity for an in-depth assessment of current market conditions and an evaluation of whether the ADI Program structure and incentive levels support New Jersey’s solar goals.
- 3) Registrations for the community solar MW block have not yet opened. The Board is currently conducting a stakeholder process to inform the design and implementation of the permanent Community Solar Energy Program (“Permanent Program”).

In light of the observations above, Staff recommends that, for the net metered residential, community solar, and interim Subsection (t) MW blocks, the Board provide the same capacity allocation for EY 2023 as were established in EY 2022.

For the community solar segment, Staff recommends that the MW block be open to reconsideration as part of the development of the Permanent Program.

⁹ All values have been rounded to the nearest 0.1 MW.

For the net metered non-residential segment, the Board allocated 150 MW for EY 2022, which has remained largely unused. As noted previously, there is an exceptionally large pipeline of non-residential projects currently registered in the TI Program, a portion of which likely will not complete construction within the TI Program deadlines. Per the Board’s January 26, 2022 Order, these projects are permitted to re-register in the ADI Program, and Staff expects that many projects will exercise this option.¹⁰ In light of the large pipeline, the likelihood that a portion of this pipeline will re-register in the ADI Program, and the fact that the Cost Cap is not currently a constraint, for the non-residential sector only, Staff recommends reallocating any EY 2022 capacity that has not been utilized by May 31, 2022 to EY 2023. This reallocated capacity would be in addition to an EY 2023 base allocation of 150 MW. Staff’s recommendations are summarized in Table 2 below.

Table 2: Recommended MW Blocks for EY 2023

System Type	Size	Recommended EY 2023 MW Block Capacity
Net Metered Residential	All sizes	150 MW
Net Metered Non-Residential (all installation types)	All sizes at or below 5 MW	150 MW + unused EY22 capacity
Community Solar (LMI and non-LMI)	All sizes at or below 5 MW	150 MW
Interim Subsection (t)	All sizes	75 MW, or approximately 3 months from the CSI Program’s first solicitation, whichever occurs first

As is the Board’s standard practice, Staff recommends that all MW values be measured in dc capacity.

Staff further recommends that the Board reserve the right to expand the size of any or all of these MW blocks based on the rate of registrations and overall program cost considerations if necessary to ensure the efficient operation of the program.

Staff does not recommend making any changes to the ADI Program incentives at this time and recommends maintaining the incentives at their current value. However, as noted previously, the “one-year check-up” established by the Board will provide an opportunity for a full and public assessment of the ADI Program. Pursuant to the Board’s July 2021 Order, the check-up is scheduled to occur 12-months after the start of the ADI Program, or after August 28, 2022. The Board may elect to initiate the check-up earlier if justified by changing circumstances. Based on the assessment of the Program, including feedback from stakeholders, Staff may recommend modifications when the check-up occurs.

DISCUSSION AND FINDINGS

After a careful review of the record and of Staff’s recommendation, the Board **FINDS** that Staff’s calculations accurately reflect the variables affecting the total paid for electricity in New Jersey and the cost of the Cost Cap-Applicable Programs. The Board therefore **ADOPTS** the Cost Cap calculations provided in Appendix A. Based on these calculations, the Board **CERTIFIES** that the

¹⁰ In re a Solar Successor Incentive Program Pursuant to P.L. 2018, c. 17, Order Modifying ADI Program Eligibility Conditions, BPU Docket No. QO20020184, Order dated January 26, 2022.


Cap was not exceeded in EY 2021 and is not forecast to be exceeded in EY 2022 or EY 2023. Therefore, the Board **FURTHER FINDS** that the Cost Cap does not serve as a constraint for EY 2023 ADI Program incentive allocations at this time.

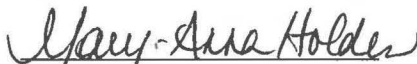
In light of this determination, the Board **ORDERS** Staff and the ADI Program registration manager to open new EY 2023 capacity allocations for the market segments, as defined in Appendix B. The Board **FURTHER ORDERS** the ADI Program registration manager to accept new registrations for each market segment on a first-come, first-served basis until the MW block for that market segment is fully subscribed (i.e., when the last registration received in the registration portal causes the total capacity of all registrations in that block to exceed the capacity allocation for said block) or June 1, 2023, whichever occurs first.

The effective date of this Order is May 25, 2022.


DATED: May 18, 2022

BOARD OF PUBLIC UTILITIES
BY:

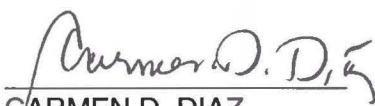

JOSEPH L. FIORDALISO
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER


ROBERT M. GORDON
COMMISSIONER

ATTEST: 
CARMEN D. DIAZ
ACTING SECRETARY

IN THE MATTER OF A SUCCESSOR SOLAR INCENTIVE PROGRAM PURSUANT TO
P.L. 2021, C.169

IN THE MATTER OF CERTIFICATION OF ENERGY YEAR 2021 COST CAP CALCULATION
AND SETTING ADI PROGRAM MEGAWATT BLOCKS FOR ENERGY YEAR 2023

DOCKET NOS. QO20020184 & QO22040246

SERVICE LIST

New Jersey Division of Rate Counsel

140 East Front Street 4th Floor
P.O. Box 003
Trenton, NJ 08625

Brian Lipman, Esq., Director
blipman@rpa.nj.gov

Sarah Steindel, Esq.
ssteinde@rpa.nj.gov

New Jersey Division of Law

Department of Law & Public Safety
25 Market Street, P.O. Box 112
Trenton, NJ 08625-0112

Daren Eppley, DAG
daren.eppley@law.njoag.gov

Pamela Owen, DAG
pamela.owen@law.njoag.gov

Michael Beck, DAG
michael.beck@law.njoag.gov

New Jersey Board of Public Utilities

44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, NJ 08625-0350

Carmen Diaz
Acting Secretary of the Board
board.secretary@bpu.nj.gov

Bob Brabston, Executive Director
robert.brabston@bpu.nj.gov

NJBPU, cont'd

Stacy Peterson, Deputy Executive Director
stacy.peterson@bpu.nj.gov

Taryn Boland, Chief of Staff
taryn.boland@bpu.nj.gov

Henry Gajda, Deputy Chief of Staff
henry.gajda@bpu.nj.gov

General Counsel's Office

Abe Silverman, General Counsel
abe.silverman@bpu.nj.gov

Carol Artale, Deputy General Counsel
carol.artale@bpu.nj.gov

Rachel Boylan, Senior Legal Specialist
rachel.boylan@bpu.nj.gov

Division of Clean Energy

Kelly Mooij, Director
kelly.mooij@bpu.nj.gov

Scott Hunter, Manager
benjamin.hunter@bpu.nj.gov

Ariane Benrey, Manager
ariane.benrey@bpu.nj.gov

Véronique Oomen, Project Manager
veronique.oomen@bpu.nj.gov

Earl Thomas Pierce
earl.pierce@bpu.nj.gov

APPENDIX A: Estimates of Cost Cap and Applicable Incentive Costs Energy Year 2019 - 2023

	Numerator Costs				Numerator Benefits			Numerator: Total Net Costs	Denominator
Energy Year	SRECs (\$)	TRECs (\$)	Non-Solar Class I RECs (\$)	SREC-IIs (\$)	Energy DRIPE (\$)	Capacity DRIPE (\$)	CO ₂ Emissions Reduction Benefits (\$)	(costs minus benefits) (\$)	(includes adjustments) (\$)
2019	597,056,015	0	79,254,419	0	2,039,429	75,106,798	269,083,759	330,080,448	10,126,800,000
2020	718,628,584	0	89,997,891	0	2,288,518	84,280,092	254,107,191	467,950,674	9,696,900,000
2021 (true-up)	879,374,161	16,721,217	158,944,991	0	2,519,987	92,804,497	316,451,995	643,263,889	10,194,700,000
2022 (estimate)	888,583,738	74,833,834	150,762,567	0	2,714,623	99,972,433	310,011,528	701,481,555	10,252,069,200
2023 (forecast)	807,891,170	166,962,219	152,304,342	10,409,080	3,355,083	123,558,892	326,397,852	684,254,985	10,348,782,000

	Annual Cost Cap Calculation (%)	Annual Cost Cap Limit		Annual Head Room available	Annual Head Room with Carry Over (EY19 – EY24)
Energy Year	((Numerator / Denominator) * 100) (%)	% of total paid for electricity	Cost Cap Limit (\$)	(cost cap limit minus total net costs) (\$)	(\$)
2019	3.26%	9%	911,412,000	581,331,552	581,331,552
2020	4.83%	9%	872,721,000	404,770,326	986,101,878
2021 (true-up)	6.31%	9%	917,523,000	274,259,111	1,260,360,989
2022 (estimate)	6.84%	7%	717,664,844	16,163,289	1,276,524,279
2023 (forecast)	6.61%	7%	724,414,740	40,159,755	1,316,684,034

Notes:

This calculation represents a conservative estimate. However, since the Cost Cap is not projected to force Board action even under this conservative scenario, any modifications to the calculations increasing the head room would not have any impact on the implementation of the ADI Program.

Actual values from the EY 2021 Renewable Portfolio Standard are highlighted in gray.

APPENDIX B: Summary of Energy Year 2023 Megawatt Blocks

Market Segment	Size (measured in MWdc)	MW Blocks for EY 2023
Net Metered Residential	All types and sizes	150 MW
Small Net Metered Non-Residential, Rooftop, Carport, Canopy, and Floating Solar	All projects smaller than 1 MW	150 MW + any unused EY 2022 capacity (4 segments)
Large Net Metered Non-Residential, Rooftop, Carport, Canopy, and Floating Solar	Projects 1 MW to 5 MW	
Small Ground Mount Net Metered Non-Residential	All projects smaller than 1 MW	
Large Ground Mount Net Metered Non-Residential	Projects 1 MW to 5 MW	
Community Solar Non-LMI	Up to the 5 MW statutory limit	150 MW
Community Solar LMI	Up to the 5 MW statutory limit	(2 segments)
Interim Subsection (t)	All types and sizes	75 MW, or approximately 3 months from the CSI Program's first solicitation, whichever occurs first