Dual-Use Solar Pilot Program Frequently Asked Questions (FAQs) - Pre-Application Opening

Below are frequently asked questions intended to provide the public, potential applicants, and other parties interested in the Dual-Use Solar Energy Pilot Program (Pilot Program) with additional information on the Pilot Program for the first application period of Program Year 1. Previous FAQ documents can be found on the <u>Dual-Use Solar Pilot Program</u> website, which is linked <u>here</u>, as well as another separate frequently asked questions aimed at farmers, which is linked here.

If you have any questions that are not addressed in the following list, please contact <u>dualuse@njcleanenergy.com</u> or <u>NJREinfo@NJCleanEnergy.com</u>.

Please note that the answers provided are intended to provide a convenient reference for interested parties; they do not replace, substitute, or otherwise supersede requirements set forth in the New Jersey Board of Public Utilities (NJBPU's or Board's) rules or any other applicable laws, statutes, regulations, codes, ordinances, or permit requirements.

General Questions

1. How many EOI submissions were received and approved, what was the range of project sizes, what types of crops were proposed for the Agricultural Plans, what types of interconnection were proposed, and where were projects proposed?

There were 33 Expression of Interest (EOI) submissions, and 28 projects were pre-approved to move forward and submit a full application. The submitted projects ranged between 0.92 and 10 MW. The types of crops proposed in the EOI stage ranged from soybean and hay to specialty grains, vegetables, berries, mushrooms, and native tree shrubs. The types of animals proposed in the EOI stage included both sheep and cattle production. The submissions included net-metered and grid supply interconnection. The projects were proposed in 11 counties, including in ACE, PSE&G, and JCP&L territories and also in overburdened or underserved communities.

2. When is the period that approved EOI submissions can submit their application?

The application period for the full application will open on January 14, 2026, and close to applications on February 25, 2026.

3. Who should be involved in developing the Agricultural Plan for the Dual-Use Solar Energy Project?

The goal of the Pilot Program is to determine best practices when co-locating commercial agricultural practices and solar energy production on the same land in New Jersey in order to inform a permanent state agrivoltaics program. Therefore, the Pilot Program encourages the active participation and leadership by the farmer in the planning of the project based on their experience and knowledge of agricultural production practices in New Jersey. The farmer should take the lead in developing the Agricultural Plan that will be included in the full project application and, if selected for an award, will participate in the development of the Construction, Operations, Monitoring, and Project Research Plans (COMPR). Moreover, projects teams should consider how they intend to maintain agricultural production beyond the 15-year period of incentives.

4. Is sheep production appropriate for the Agricultural Plan?

As addressed previously in the "Frequently Asked Questions: General" guidance document found here, sheep production (for production of meat, wool, or breeding stock), along with other types of compatible animal husbandry, is an accepted dual-use agricultural practice in the Pilot Program. Also, the goal of the Pilot Program is to encourage a diversity of agricultural practices.

5. Is pollinator habitat appropriate for the Agricultural Plan?

As also addressed previously in the "Frequently Asked Questions: General" guidance document, projects can be designed to provide pollinator habitat, which can support novelty and uniqueness of the proposed design. However, pollinator habitat (i.e. vegetation that supports diverse bee, native wasps, butterflies, moths, beetles and true fly species), even one that includes beekeeping for honey production, cannot serve as the primary agricultural practice and, if included in the Agricultural Plan, should be listed as a complimentary feature.

6. Can there be multiple farmers who participate in the project?

Yes, there can be multiple farmers who are responsible for outlining the Agricultural Plan for the project, especially if more than one farmer will be operating within the project site. While only one farmer can be listed as a contact on the application, if more than one farmer is involved, you may use the additional details section of the Agricultural Plan to provide more information. In addition, it is important that all farmers and other entities working on the site coordinate to ensure the integrity of the research and monitoring requirements.

7. What can be requested as a part of the requested adder?

The goal of the adder is to account for additional costs associated with implementing dualuse and participating in the Pilot Program, which includes expected costs related to the

monitoring and research requirements during the three-year research period. Per the Board Order dated October 23, 2024, pg. 16, "Proposed adder values may account for the incremental cost of the agrivoltaic investment and dual-use pilot-related operational costs including research, data collection, reporting, reduced solar production per acre due to the lower density of modules and positioning of modules to allow more light to the crop, increased racking costs for raising or customizing arrays, and loss or gain in agricultural productivity. If an otherwise qualified application seeks a dual-use adder that cannot be justified by the application materials submitted, Staff may recommend that an applicant reconfigure the project to enable a competitively priced SREC-II adder."

"Table 2. Weighting of Evaluation Criteria" in the Board Order dated November 21, 2025 specifies that higher preference will be given to projects without requested adders and lower preference will be given to project with higher costs without justification. Moreover, projects should consider how they intend to maintain agricultural production beyond the 15-year period of incentives.

For the application, there will be forthcoming instructions and guidance to support the applicant in addressing the adder. The Board will determine the appropriate adder based on the consideration of the record at the time of the award, consistent with the criteria that it has established in program implementation.

8. What additional costs related to being in the Pilot Program are appropriate to include in the calculation for the adder specific to conducting research?

As addressed in the previous question, the adder should include expenses related to monitoring and research requirements during the three-year research period. The adder is not a research grant, and it is not intended to fund long-term research outside of the Pilot Program. It is not anticipated that the dual-use adder will include expenses related to additional research beyond what is needed by an agrivoltaics project for the purposes of the Pilot Program. Please refer to an updated discussion of research and monitoring requirements in the Board Order dated November 21, 2025, including Tables 1 and 2 for information on how projects will be evaluated and scored.

For the application, there will be forthcoming instructions and guidance to support the applicant in addressing the adder. The Board will determine the appropriate adder based on the consideration of the record at the time of the award, consistent with the criteria that it has established in program implementation.

9. How should projects calculate their baseline expenses for the adder calculation?

Projects should calculate their baseline expenses based on costs to build the solar development on the site without the intention of implementing agrivoltaics or participation in the Pilot Program. For example, for projects that need greater spacing between panels for equipment, there might be justification for an adder that accounts for increased land leasing and wiring costs. However, it is expected that the baseline be based upon the same system (i.e., racking) and panel type as the proposed in the project.

Pursuant to the Board Order dated November 21, 2025, the Board revised the reference value for CSI-eligible facilities for the First Application Period to be \$64.71/MWh, which is ninety (90) percent of the lowest awarded bid approved for the Basic Grid Supply Tranche (Tranche 1) in the CSI Program's Second Solicitation. Therefore, applicants should account for this change in calculating the adder.

For the application, there will be forthcoming instructions and guidance to support the applicant in addressing the adder. The Board will determine the appropriate adder based on the consideration of the record at the time of the award, consistent with the criteria that it has established in program implementation.

10. What type of interconnection process is expected for projects participating in the Pilot Program?

Solar project developers must follow the interconnection process required by New Jersey regulations at N.J.A.C. 14:8-1 through 14:8-5.9 and facilitated by their Electric Distribution Company (EDC). We expect that projects will interconnect either as Net metered or as Grid supply, either via a wholesale PPA with an EDC for PURPA qualifying facilities or via the PJM wholesale market. Please note that for projects in the JCP&L service territory, projects need to be under 5 MW AC to be considered a qualifying facility.

11. Can there be a road or other public right-of-way between the project site and the net metering customer?

A net metering generator can be located on a property geographically contiguous to the property of the Net metering customer, which may be otherwise separated by a single existing easement, public thoroughfare, or transportation or utility-owned right-of-way and, but for that separation, would share a common boundary (N.J.A.C. 14:8-4.1).

12. When will projects in the Dual-Use Pilot Program also be eligible for inclusion in the Community Solar Energy Program or Remote Net Metering?

The Board has not deemed Dual-Use Pilot Program Projects as eligible for the Community Solar Energy Program or for the Remote Net Metering market segment.

Per the Board Order dated November 21, 2025, the Board will consider integrating Remote Net Metering and the Pilot Program in future Program Years.

13. What would happen if the Agricultural Plan were to change during the first three growing seasons?

It is important that a dedicated and experienced farmer(s) principally design the Agricultural Plan, so that there is less likelihood of requiring change to the Agricultural Plan during the course of the first three growing seasons. After the project is selected and approved by the Board, the project will be required to submit a Construction, Operations, Monitoring, and Project Research Plan (COMPR), which will detail the Agricultural Plan for the first three years ("three-year plan") and be kept updated until the expiration of the 15-year qualification life, including any updates to the farmer(s) participating in a project. The COMPR shall be updated by the project team annually on the anniversary of the commencement of commercial operations for the selected project. If the three-year plan were to change (i.e., the farmer wants to change their plan within year 1,2, or 3), the COMPR would have to be modified and submitted as a request to the Board Staff for approval. Staff will respond within 10 business days and provide a final determination within 30 calendar days.

14. What else will be required regarding research and monitoring?

Each project approved must conduct research and monitoring for three years once the project is constructed. The Rutgers Agrivoltaics Program (RAP) will be able to support each team in finalizing their specific research plan for their site and project, which will be detailed in the COMPR. This will include details on how and when to collect environmental data (soil sampling, light levels, and soil and air temperatures, etc.) and data on agricultural production in both the array and control area. Projects can partner with RAP, or another research entity at their own cost, in order to collect the required data for the Pilot Program. For determining the appropriate research entity, including those instances in which a New Jersey public research institution of higher education is required, refer to the references included at the beginning of this document.

15. What crops need to be cultivated or animals need to be rotated in the research control area during the first three growing years of the project?

The research control area is required to be used as a basis to understand the effect of the panels and other components of the solar energy system on agricultural or horticultural productivity. The management and agricultural or horticultural practices in the research control area and the solar array area are expected to be equivalent as much as possible.

For practicality of conducting research and monitoring in the Pilot Program, there may be instances where the research control area is not an exact replica of the array area for a project. For example, if more than one crop is planned to be farmed in the array area, the project team, with the assistance of Board Staff, RAP, the New Jersey Department of Agriculture, and the State Agriculture Development Committee, can choose one crop, ideally a key economic crop, that is grown in the array area for a certain year to also be grown in the research control area so that yields may be compared. For animal grazing, it is expected that animals are grazed in a similar way in the array area and research control area. It is expected that the farmer uses the same equipment (i.e. tractors, combines) and applications (i.e. seeding rates, soil amendments, pest management) in both the research control area and array area. However, the farmer may adjust management approaches based on the presence of the panels. For example, if the farmer typically uses shade cloth for certain crops, the farmer can instead place the crops near the panels to recreate similar shaded conditions. If the farmer uses water buckets for animal hydration, the farmer can place the buckets under panels to reduce evaporation. All practices must be clearly and separately documented for both the research control and the solar array areas.

16. Should the alignment of the panels align with the existing orientation of field (i.e. crop rows)?

Projects should consider the existing orientation of the field, farmer cultivation practices, surface water drainage patterns, and potential erosion issues related to topography when deciding upon solar panel alignment, along with energy production. Projects will be evaluated based upon "Table 2. Weighting of Evaluation Criteria" in the Board Order dated November 21, 2025. These evaluation criteria include technical innovation, which relates to "design aspects that seek to increase or maintain both solar and agricultural productivity compared to standard designs or practices." Therefore, project designs that account for the existing orientation of the field in a manner that increases or maintains solar and/or cultural productivity could receive merit for technical innovation.

17. What consideration will there be to projects that support overburdened and underserved communities?

As stated in the Board Order dated November 21, 2025, the Pilot Program has a goal of supporting overburdened and underserved communities. Based upon the "Table 2. Weighting of Evaluation Criteria" in the November 21, 2025 Board Order, the project will be evaluated both on location, "including whether the proposed project is part of an overburdened community or located in an underserved community," and also upon the consideration of a project plan for community outreach and engagement (workforce

development, providing land access to farmers, providing food for local markets in low-income areas, research opportunities for first-generation college students, etc.). The applicants are encouraged to provide as much information on outreach and engagement as necessary in order for the Board to determine whether the plan furthers the goals of the Pilot Program.

18. How can project design and Agricultural Plan be improved for the application period?

To better prepare project applicants, including solar developers and farmers, there is now a document, entitled "Questions Farmers and Landowners are encouraged to ask Solar Developers about a Proposed Agrivoltaic Project under the Dual-Use Solar Energy Pilot Program." This document includes questions that should support discussions between solar developers and farmers with the intention to improve the Pilot Projects, both for the three-year research period and the length of solar project.

19. Is it possible to visit Rutgers Agrivoltaics Program's (RAP) agrivoltaics or "dual-use" demonstration sites in New Jersey?

Yes, it is possible to visit the three dual-use demonstration sites that are managed by RAP at the Snyder Research and Extension Farm, Rutgers Agricultural Research and Extension Center (RAREC), and Cook College Animal Farm. Please either find a public event on their website or contact Shawn Sorrels, Program Coordinator at ss2628@njaes.rutgers.edu.