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_lg
  - Comm_DO_Roof_lg
  - Comm_TPO_Ground_lg
  - Comm_TPO_Roof_lg

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>
<thead>
<tr>
<th>SAM Cases</th>
<th>From Final Capstone</th>
<th>With 26% ITC</th>
<th>Reduction</th>
<th>Sensitivity Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comm_DO_Ground_lg</td>
<td>$75</td>
<td>$65</td>
<td>$10</td>
<td>$120</td>
</tr>
<tr>
<td>Comm_DO_Roof_lg</td>
<td>$70</td>
<td>$60</td>
<td>$10</td>
<td>$110</td>
</tr>
<tr>
<td>Comm_TPO_Ground_lg</td>
<td>$105</td>
<td>$95</td>
<td>$10</td>
<td>$125</td>
</tr>
<tr>
<td>Comm_TPO_Roof_lg</td>
<td>$110</td>
<td>$100</td>
<td>$10</td>
<td>$135</td>
</tr>
</tbody>
</table>

Please let us know if you have any questions.