

CHAPTER 135

AN ACT concerning solar energy and amending P.L.2018, c.17.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. Section 5 of P.L.2018, c.17 (C.48:3-87.11) is amended to read as follows:

C.48:3-87.11 "Community Solar Energy Pilot Program"; rules, regulations.

5. a. No later than 210 days after the date of enactment of P.L.2018, c.17 (C.48:3-87.8 et al.), the Board of Public Utilities shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations establishing a "Community Solar Energy Pilot Program" to permit customers of an electric public utility to participate in a solar energy project that is remotely located from their properties but is within their electric public utility service territory to allow for a credit to the customer's utility bill equal to the electricity generated that is attributed to the customer's participation in the solar energy project.

b. The rules and regulations developed by the board shall establish:

- (1) a capacity limit for individual solar energy projects to a maximum of five megawatts per project;
- (2) an annual capacity limit for all solar energy projects under the pilot program;
- (3) geographic limitations for solar energy projects and participating customers;
- (4) a minimum number of participating customers for each solar energy project;
- (5) the value of the credit on each participating customer's bill;
- (6) standards to limit the land use impact of a solar energy project as required in subsection r. of section 38 of P.L.1999, c.23 (C.48:3-87);
- (7) the provision of access to solar energy projects for low and moderate income customers;
- (8) standards to ensure the ability of residential and commercial customers to participate in solar energy projects, including residential customers in multifamily housing;
- (9) standards for connection to the distribution system of an electric public utility; and
- (10) provisions to minimize impacts to the distribution system of an electric public utility.

c. The board shall make available on its Internet website information on solar energy projects whose owners are seeking participants.

d. The board shall establish standards and an application process for owners of solar energy projects who wish to be included in the Community Solar Energy Pilot Program. The standards for the Community Solar Energy Pilot Program shall include, but need not be limited to, a verification process to ensure that the solar energy projects are producing an amount of energy that is greater than or equal to the amount of energy that is being credited to its participating customer's electric utility bills pursuant to subsection b. of this section, and consumer protection measures. Projects approved by the board shall have at least two participating customers.

The board may restrict qualified solar energy projects to those located on brownfields, landfills, areas designated in need of redevelopment, in underserved communities, or on commercial rooftops.

e. Subject to review by the board, an electric public utility shall be entitled to full and timely cost recovery for all costs incurred in implementation and compliance with this section.

f. No later than 36 months after adoption of the rules and regulations required pursuant to subsection b. of this section, the board shall adopt rules and regulations, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to convert the

Community Solar Energy Pilot Program to a permanent program. The board shall adopt rules and regulations for the permanent program that set forth standards for projects owned by special purpose entities and nonprofit entities. The rules and regulations shall also:

- (1) limit the capacity of each solar energy project to a maximum of five megawatts;
- (2) (a) establish a goal for the conditional registration of 225 megawatts of solar energy projects prior to June 1, 2024, with an additional 275 megawatts prior to June 1, 2024 if qualified applications exceed 225 megawatts, and an additional 250 megawatts prior to June 1, 2025 if qualified applications exceed 500 megawatts; and
(b) stipulate that the board shall open registration, by October 1, 2025, for 3,000 megawatts of solar energy projects in addition to the conditional registration goals already established pursuant to this paragraph. The board shall accept and approve registrations pursuant to this subparagraph until the earlier of December 31, 2029 or such time as the 3,000 megawatts of solar energy projects are completely registered. The board shall set SREC-II levels and guaranteed bill credit discount levels as appropriate to enable the complete registration of 3,000 megawatts of solar energy projects by December 31, 2029;
- (3) set geographic limitations for solar energy projects and participating customers;
- (4) provide for a minimum number of participating customers for each solar energy project;
- (5) require the provision of access to solar energy projects for low and moderate income customers;
- (6) establish standards to ensure the ability of residential and commercial customers to participate in solar energy projects, including residential customers in multifamily housing;
- (7) establish a method for determining the value of the credit on each participating customer's bill;
- (8) establish timeframes for the credit available to the customer;
- (9) establish standards and methods to verify solar electric energy generation on a monthly basis for a solar energy project;
- (10) establish standards consistent with the land use provisions for solar energy projects as provided in subsections r., s., and t. of section 38 of P.L.1999, c.23 (C.48:3-87);
- (11) establish standards, fees, and uniform procedures for solar energy projects to be connected to the distribution system of an electric public utility;
- (12) minimize impacts to the distribution system of an electric public utility;
- (13) require monthly reporting requirements for the operators of solar energy projects to the electric public utility, project customers, and the board;
- (14) require reporting by the electric public utility to the operator of a solar energy project on the value of credits to the participating customer's bills;
- (15) require transferability, portability, and buy-out provisions for customers who participate in community solar energy projects;
- (16) establish requirements and standards that provide for the auditing and enforcement of a solar energy project's compliance with the provisions of this section and the rules and regulations adopted pursuant thereto, including the project's compliance with commitments related to providing access to solar energy projects to low- and moderate-income customers and bill crediting; and
- (17) allow, in a form and manner to be determined by the board, low- and moderate-income residential customers to self-attest to the customer's income as an acceptable income verification method for participation in a solar energy project.

g. As used in this section:

“Solar energy project” means a system containing one or more solar panels and associated equipment.

“Solar panel” means an elevated panel or plate, or a canopy or array thereof, that captures and converts solar radiation to produce electric power, and is approved by the board to be included in the Community Solar Energy Pilot Program.

“Solar power” includes flat plate, focusing solar collectors, or photovoltaic solar cells and excludes the base or foundation of the panel, plate, canopy, or array.

2. This act shall take effect immediately.

Approved August 22, 2025.