

CHAPTER 7

AN ACT concerning certain grid supply solar facilities and energy storage facilities and supplementing Title 48 of the Revised Statutes.

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

C.48:3-121.1 Definitions.

1. a. As used in this section:

"Board" means the Board of Public Utilities.

"Class I renewable energy" means the same as the term is defined in section 3 of P.L.1999, c.23 (C.48:3-51).

"Electric public utility" means the same as the term is defined in section 3 of P.L.1999, c.23 (C.48:3-51).

"Electric transmission or distribution system" means the intrastate electric power grid, maintained by an applicable electric public utility in the State that is subject to the jurisdiction of the board.

"Energy storage facility" means a facility that is capable of absorbing energy from the grid or from a Class I renewable energy facility; storing it for a period of time using mechanical, chemical, or thermal processes; and, thereafter, discharging the energy back to the grid or directly to an energy using system to reduce the use of power from the grid.

"Grid services compensation" means any payment to a Class I renewable energy facility or energy storage facility for providing services that support or enhance the functioning or the capabilities of the electric transmission or distribution system made pursuant to terms established by board orders or rules and regulations.

"Grid supply solar facility" means the same as the term is defined in section 3 of P.L.1999, c.23 (C.48:3-51).

"Interconnection facilities" means dedicated electric facilities between a renewable energy generator or renewable energy generating facility and the electric transmission or distribution system, including any modification, additions, or upgrades that are necessary to physically and safely interconnect the renewable energy generator or renewable energy generating facility to the electric distribution or transmission system. "Interconnection facilities" does not include electric distribution lines that are used to deliver electricity to end-use customers.

"Level 3 interconnection application process" means the procedure, criteria, and protocols established for applications to connect renewable energy generation facilities to the transmission and distribution system that are greater than two megawatts in size or that do not meet certain certification requirements, as developed by the board pursuant to P.L.1999, c.23 (C.48:3-49 et al.).

"PJM Interconnection, L.L.C." or "PJM" means the same as the term is defined in section 3 of P.L.1999, c.23 (C.48:3-51).

"Renewable energy certificate" or "REC" means the same as the term is defined in section 3 of P.L.1999, c.23 (C.48:3-51).

"State incentives" means Class I RECs, SRECs, SREC-IIs, TRECs, or any other State renewable energy certificate, as well as any other applicable State credit, or incentive for solar energy production facilities or energy storage facilities.

"State incentive program" means any State incentive program whereby solar energy production facilities are eligible to receive State incentives.

"Solar renewable energy certificate" or "SREC" means the same as the term is defined in section 3 of P.L.1999, c.23 (C.48:3-51).

"Solar renewable energy certificate II" or "SREC-II" means the same as the term is defined in section 3 of P.L.1999, c.23 (C.48:3-51).

b. Notwithstanding the provisions of P.L.1999, c.23 (C.48:3-49 et al.), P.L.2021, c.169 (C.48:3-114 et al.), or any other law, rule, regulation, or order to the contrary, each electric public utility shall accept, process, and approve any Level 3 interconnection application for interconnection to that electric public utility's electric distribution or transmission system for any grid supply solar facility or energy storage facility with a capacity of 20 megawatts or less, measured in alternating current, unless the utility: (1) finds the application to be incomplete, based on application criteria and protocols developed by the utility that are consistent with any applicable board orders and rules and regulations; or (2) deems the interconnection to be unsafe or a risk to the stability, reliability, or power quality of the utility's electric distribution or transmission system. If an electric public utility determines that the application is incomplete in accordance with (1) above, then the electric public utility, in response to the application, shall provide recommendations to the applicant as to how to modify the application to make it complete for review. If, after receipt of a complete application, an electric public utility determines that the proposed interconnection is unsafe or a risk to the stability, reliability, or power quality of the utility's electric distribution or transmission system in accordance with (2) above, then the electric public utility, in response to the application, shall provide recommendations to the applicant as to how to reconfigure, adjust, downsize, or otherwise modify the proposed grid supply solar facility, energy storage facility, or point of interconnection so that it is not unsafe or a risk to the stability, reliability, or power quality of the utility's electric distribution or transmission system and allow the applicant to resubmit following such modifications.

c. An electric public utility shall timely process any complete interconnection applications received pursuant to this section in accordance with the electric public utility's Level 3 interconnection application process and its applicable tariff. An electric public utility shall not unreasonably delay the processing of any complete interconnection application and shall provide an initial feasibility study for the applicant's review within 90 days of a complete interconnection application.

d. A grid supply solar facility or energy storage facility for which an application is submitted pursuant to this section shall be permitted to interconnect to the electric public utility's transmission or distribution system in the State, provided that (1) the owner or developer of the grid supply solar facility or energy storage facility complies with the electric public utility's applicable tariff and Level 3 interconnection application process, and (2) the owner or developer of the grid supply solar facility or energy storage facility agrees to pay all required interconnection costs as identified by the electric public utility.

e. A grid supply solar facility that is connected to the electric transmission or distribution system pursuant to this section shall be compensated for the electricity supplied by the facility by the applicable electric public utility, on a real-time basis, based on the point of interconnection. If any such transaction between a grid supply solar facility and an electric public utility qualifies as a sale of electric energy at wholesale in interstate commerce under Section 201 of the "Federal Power Act" (16 U.S.C. s.824), any compensation provided by the electric public utility to the grid supply solar facility for the facility's electric energy shall be consistent with the requirements of the "Public Utility Regulatory Policies Act of 1978" (16 U.S.C. s.2601 et seq.) and its implementing regulations. Notwithstanding the foregoing, any grid supply solar facility that is connected to the electric transmission or distribution system pursuant to this section shall utilize commercially reasonable efforts to obtain access to the PJM wholesale market as soon as reasonably practicable following commercial operation.

f. An electric public utility shall, upon application by the owner, developer, or operator of a grid supply solar facility or energy storage facility, extend interconnection facilities to the applicable grid supply solar facility or energy storage facility, utilizing the electric public utility's existing infrastructure, including, but not limited to, the electric public utility's poles and rights of way, to the maximum extent practicable so that such facility may be connected to the electric distribution system. Such line extensions or upgrades shall be at the sole cost and expense of the applicant, unless a board order issued after the effective date of this section modifies the interconnection cost allocation methodology, in which case the applicant shall abide by the modified methodology. Any applicant for such an extension shall comply with the electric public utility's standard interconnection application process, except that the electric public utility shall specifically make available to the applicant the electric public utility's existing infrastructure, including, but not limited to, the electric public utility's poles and rights of way, to the maximum extent practicable to facilitate the interconnection. Any such interconnection facilities shall conform to applicable electric code construction standards, electric public utility construction standards, and any other applicable safety standards or code requirements. Each electric public utility shall use commercially reasonable efforts to work collaboratively with solar energy generators and energy storage facility operators to develop new construction standards where needed such that any line extensions do not adversely affect the safe and reliable operation of the electric distribution system.

g. A grid supply solar facility or energy storage facility that is connected to the electric transmission or distribution system pursuant to this section shall be fully eligible to receive any applicable State incentives, provided that the facility obtains the board's approval for participation in the State incentive program or for grid services compensation.

h. No later than 210 days after the effective date of P.L.2025, c.7 (C.48:3-121.1), the board shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations as necessary for implementing the provisions of this section, which shall be based on existing rules located at N.J.A.C.14:8-5.1 et. seq. The board may satisfy the requirements of this subsection by adopting rules and regulations it proposed prior to the effective date of P.L.2025, c.7 (C.48:3-121.1), provided such proposed rules and regulations are substantially compliant with the provisions of P.L.2025, c.7 (C.48:3-121.1). Notwithstanding any provision of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the contrary, the board may also make any changes to any proposed rules and regulations upon adoption that are necessary to implement the provisions of P.L.2025, c.7 (C.48:3-121.1) without filing a new notice of proposal or following the procedures prescribed in section 1 of P.L.2011, c.33 (C.52:14B-4.10).

2. This act shall take effect immediately.

Approved January 30, 2025.