

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[Second Reprint]
SENATE, No. 3183

STATE OF NEW JERSEY

DATED: JUNE 4, 2026

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3183 (2R).

As reported, this bill would modify various provisions of the State's renewable energy incentive programs and require electric public utilities to interconnect certain solar projects.

Specifically, the bill would authorize, upon petition to the Board of Public Utilities (BPU), the co-location of solar facilities that are either registered, or seeking registration or participation in, the SREC-II program, including the administratively determined incentive (ADI) portion and the competitive solicitation incentive (CSI) portion, the community solar program, the remote net metering program, or any combination of those programs. As used in the bill, "co-location" means siting two or more SREC-II eligible solar facilities on the same property or on contiguous properties. The bill would also provide that solar facilities with a capacity of up to 20 megawatts that are located on commercial or industrial rooftops, landfills, brownfields, contaminated sites, or mining sites would be eligible for registration in the community solar program until December 31, 2028.

The bill would provide that a project sited on a commercial or industrial rooftop, landfill, brownfield, contaminated site, or mining site that is participating in the community solar program or the remote net metering program would have no less than 33 months from the date of registration in the applicable program to achieve commercial operation.

The bill would require electric public utilities to accept, process, and respond to interconnection applications, upon receipt, for community solar or remote net metering facilities on any electric line that is sized 34.5 kilovolts or less. The bill would also provide that any electric line maintained by an electric public utility that is sized at 34.5 kilovolts or less would be classified as distribution lines, would be subject to BPU jurisdiction, and any project participating a State-sponsored solar electricity incentive program or battery energy storage program would be allowed to interconnect to the line, so long as the applicant, developer, or owner of the project pays the full cost of any required interconnection study, as well as all costs associated with the actual interconnection of the project.

The bill would amend a section of current law that provides that certain renewable energy facilities are permitted uses in municipal industrial districts, in order to reduce the acreage threshold from 20 acres to 10 acres, and to include energy storage facilities within the definition of “renewable energy facility.” The bill would also broaden this section to include commercial districts, as well as industrial districts. Similarly, the bill would amend a section of current law that provides that solar facilities sited on landfills and closed resource extraction operations are permitted uses within every municipality. The bill would broaden this section to include battery storage and other renewable energy facilities, and to extend to facilities sited on commercial or industrial rooftops, brownfields, contaminated sites, and mining sites.

The bill would create an exemption for the purchase of remote net metering credits, similar renewable energy credits, or renewable energy production credits pursuant to a program administered by the BPU from the public bidding requirements of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.).

Finally, the bill would amend the statute establishing the State’s remote net metering program, section 6 of P.L.2018, c.17 (C.48:3-87.12), to raise the maximum size of projects allowed in the program from five megawatts in direct current (DC) to 20 megawatts in alternating current (AC). The bill would also modify the types of properties suitable to host remote net metering solar facilities, to include the rooftops of industrial buildings, contaminated sites, landfills, and mining sites, subject to certain environmental restrictions involving the Department of Environmental Protection (DEP).

FISCAL IMPACT:

The Office of Legislative Services concludes that the bill would result in an annual expenditure increase by the State and local government units in the form of increased electricity costs, as the costs of solar incentives are financed through electricity rates.

The OLS does not have an informational basis on which to estimate how many solar facilities will qualify for renewable energy incentives under the bill, the value of those incentives, and the specific impact of those incentives on utility rates.

To the extent that the bill makes it easier for contacting units subject to the provisions of the “Local Public Contracts Law” to purchase certain types of renewable energy credits, these entities may experience a reduction in administrative costs associated with the public contracting process. However, these cost savings would be offset by the cost of purchasing the credits.