



Agenda Date: 8/13/25
Agenda Item: 8C

STATE OF NEW JERSEY
Board of Public Utilities
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Trenton, New Jersey 08625-0350
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CLEAN ENERGY

IN THE MATTER OF THE COMMUNITY SOLAR)	
ENERGY PROGRAM)	DOCKET NO. QO22030153
)	
IN THE MATTER OF THE COMPETITIVE SOLAR)	
INCENTIVE ("CSI") PROGRAM PURSUANT TO P.L.)	
2021, C. 169)	DOCKET NO. QO21101186
)	
IN THE MATTER OF MODERNIZING NEW JERSEY'S)	
INTERCONNECTION RULES, PROCESSES, AND)	
METRICS)	DOCKET NO. QO21010085

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BY THE BOARD:

By this Decision and Order, the New Jersey Board of Public Utilities ("Board") considers extensions of time for project registrations in the Community Solar Energy Program ("CSEP") and the Competitive Solar Incentive ("CSI") Program. The Board also considers Board Staff's ("Staff") recommendations for transparency in the renewable energy interconnection process.

BACKGROUND

Competitive Solar Incentive Program

The Solar Act of 2021 ("Solar Act"), L. 2021, c. 169, directed the Board to establish a program to incent the development of 3,750 MW of solar by 2026 through programs for small solar facilities and for grid-supply and large solar facilities. The resultant Successor Solar Incentive ("SuSI") Program is designed to implement this mandate and increase the supply of electricity that New Jersey consumers receive from clean solar energy, while simultaneously bringing down the costs of solar generation in the State.¹

¹ In re a New Jersey Solar Transition Pursuant to P.L. 2018, c. 17, BPU Docket No. QO19010068, Order dated July 28, 2021 ("SuSI Program Order").

By Order dated December 7, 2022, the Board established the CSI Program as a component of the SuSI Program to provide Solar Renewable Energy Certificates (“SREC-II”) as a financial incentive mechanism representing the value of the environmental attributes of electricity produced by a solar facility, and on December 18, 2023, the Board adopted rules governing the CSI Program.²

The CSI Program covers qualifying grid supply solar facilities (i.e., those selling into the wholesale markets), grid supply solar installations paired with energy storage, and net metered non-residential projects with a capacity greater than 5 MW. The CSI Program utilizes a competitive procurement process with five separate market tranches for different project types to ensure that the cost of SREC-II awards represent the lowest incentive contribution from New Jersey’s ratepayers. The CSI Program aims to incentivize 300 MW of new solar generation annually, thus forming a critical element in achieving the State’s solar capacity goals of 5.2 gigawatts (“GW”) by 2025, 12.2 GW by 2030 and 17.2 GW by 2035.³

Among other things, the SuSI Program rules require each CSI project to obtain permission to operate (“PTO”) within 36 months of the date of the project’s notice of conditional registration in the program.⁴ Projects may request one administratively granted, six-month extension by providing evidence of extenuating circumstances for the delay, progress toward completion, and likelihood of timely and successful completion.⁵

By Order dated April 17, 2024, the Board approved awards in the second CSI Program solicitation for eight projects totaling 310.21 MW of solar generation and 80 MWh of paired energy storage. These projects subsequently received notices of conditional registration that set the date by which the projects must obtain PTO.

By Order dated April 23, 2025, the Board announced the third CSI Program solicitation would open to prequalification applications on May 14, 2025, and close to bids on July 23, 2025.⁶ The date for bids to close was subsequently extended to September 30, 2025.⁷

Community Solar Energy Program

Community solar is a mechanism whereby utility customers can participate in a solar energy project that is remotely located from their properties and receive a credit on their utility bill for their participation, thereby enabling access to clean energy and electricity bill savings for utility customers unable to place clean energy generation directly on their own properties.

² In re Competitive Solar Incentive (“CSI”) Program Pursuant to L. 2021, c. 169, Order Launching the CSI Program, BPU Docket No. QO21101186, Order dated December 7, 2022 (“CSI Order”); 55 N.J.R. 2555(a).

³ See 2019 New Jersey Energy Master Plan: Pathway to 2050. Available at https://nj.gov/emp/docs/pdf/2020_NJBPU_EMP.pdf.

⁴ N.J.A.C. 14:8-11.5(g)(3)(iii)

⁵ N.J.A.C. 14:8-11.5(i)

⁶ In re Competitive Solar Incentive (“CSI”) Program Pursuant to P.L. 2021, c.169, Order on Price Cap Determination for the Third Solicitation in the CSI Program, BPU Docket No. QO21101186, Order dated April 23, 2025.

⁷ In re Competitive Solar Incentive (“CSI”) Program Pursuant to P.L. 2021, c.169, Order on the Extension of the Third Solicitation of the CSI Program, BPU Docket No. QO21101186, Order dated July 16, 2025.

The Clean Energy Act of 2018 (“CEA”), L. 2018, c. 17, directed the Board to implement a Community Solar Energy Pilot (“Pilot”) Program and convert it into a permanent program within 36 months following the adoption of rules and regulations establishing the Pilot.⁸ The Solar Act subsequently directed the Board to incentivize at least 150 MW of community solar facilities per year.⁹

By Order dated August 16, 2023, the Board established the CSEP and simultaneously proposed program rules.¹⁰ On November 15, 2023, the Board opened MW blocks totaling 225 MW.

On January 24, 2024, Governor Murphy signed L. 2023, c. 200 into law which directed the Board to expand the CSEP by increasing the total conditional CSEP registration based upon a tiered structure that increased with each achieved target up to a total increase of 500 MW by June 1, 2025 with an additional 150 MW per year thereafter.¹¹

By Order dated April 30, 2024, the Board allocated an additional 275 MW of capacity to the Energy Year (“EY”) 2024 MW blocks and opened a new initial registration period beginning May 15, 2024, with unused capacity rolled over to EY 2025.¹² The April 30, 2024 Order also, among other things, updated project maturity requirements.

By Order dated April 23, 2025, the Board allocated an additional 250 MW of capacity to the EY 2025 MW blocks and opened a new initial registration period beginning April 30, 2025, with unused capacity rolled over to EY 2026.¹³

Community solar projects register in the CSEP through the SuSI Program registration manager and are issued notices of conditional registration accepting the project. Pursuant to the SuSI Program rules, CSEP projects other than those located on contaminated sites or landfills must reach PTO within 18 months of the date of the notice of conditional registration.¹⁴ Community solar facilities located on contaminated sites or landfills must reach PTO within 24 months of a registrant's verification of eligibility by the New Jersey Department of Environmental Protection.¹⁵ Projects may request one 6-month extension by providing evidence of extenuating circumstances for the delay, progress toward completion, and likelihood of timely and successful completion.¹⁶

As of May 30, 2025, 117 community solar projects totaling 179 MW in capacity and serving over 28,500 New Jersey subscribers have been completed. Community solar subscribers have received over \$44 million in bill credits with net savings exceeding \$9 million from the start of the

⁸ N.J.S.A. 48:3-87.11(f).

⁹ N.J.S.A. 48:3-116(a).

¹⁰ In re the Community Solar Energy Program, Order Launching the Community Solar Energy Program, BPU Docket No. QO22030153, Order dated August 16, 2023 (“CSEP Order”).

¹¹ N.J.S.A. 48:3-87.11(f)(2).

¹² In re the Community Solar Energy Program - Order Setting Community Solar Energy Program Megawatt Blocks for Energy Year 2024, BPU Docket No. QO22030153, Order dated April 30, 2024.

¹³ In re the Community Solar Energy Program - Order Setting Community Solar Energy Program Megawatt Blocks for Energy Year 2025, BPU Docket No. QO22030153, Order dated April 23, 2025.

¹⁴ N.J.A.C. 14:8-11.5(g)(3)(i).

¹⁵ N.J.A.C. 14:8-11.5(g)(3)(iv).

¹⁶ N.J.A.C. 14:8-11.5(i).

Pilot Program through May 2025. An additional 451 community solar projects totaling 722 MW have been conditionally accepted to the Program as of June 30, 2025.

On November 21, 2024, the Board Secretary issued notice of a public stakeholder meeting to be held on December 3, 2024, and a request for written comments as part of the One Year Review of the CSEP ("Notice"). In the Notice, Staff sought stakeholder input on questions regarding the market's adjustment to the shift from the Pilot Program to the CSEP and ways to improve the CSEP. The Board received 17 responses to the request for comment.

Grid Modernization

Released on January 27, 2020, the State's 2019 Energy Master Plan ("2019 EMP") provided a comprehensive blueprint to achieve 100% clean energy in New Jersey by 2050 and identified several strategies to achieve New Jersey's clean energy and greenhouse gas emissions reduction goals, including the accelerated procurement of renewable energy and distributed energy resources via updated interconnection processes.¹⁷ Board Staff launched the grid modernization proceeding with a stakeholder meeting on October 26, 2021. Guidehouse, the Board's contracted consultant, compiled received comments and best practices from other states into a final report with recommendations for modernizing New Jersey's electric distribution grid. These recommendations included streamlining and automating the interconnection application process, improving the accuracy and usability of EDC hosting capacity maps, establishing a mandatory pre-application process for new interconnection requests above a certain size, and improving the efficiency of sequencing of interconnection studies, including through clustering and other similar methods.

The Board accepted the final report on November 9, 2022, and tasked Staff with implementing the recommendations. On July 7, 2025, the Board adopted rules implementing certain changes recommended in Guidehouse's report.¹⁸ The Grid Modernization Forum, a collection of workgroups run by the Board with members representing EDCs, industry and trade associations, relevant research organizations, technical experts, other government agencies and ratepayer advocates, and other relevant stakeholder groups, is currently considering further grid modernization concepts, including additional recommendations from Guidehouse's report.

STAFF RECOMMENDATIONS

Project Deadlines

In response to the CSEP Notice, several commenters noted that community solar projects have faced delays in progressing toward construction and completion. Supporting this assertion, the SuSI Program registration manager has already received more than 160 extension requests in the CSEP. While the reasons for delay are often multifactorial, developers specified in comments that the interconnection study and agreement process resulted in significant delays in most instances and many projects would not be able to meet their initial 18-month deadlines because engineering studies did not begin until after they had registered in the CSEP and were not completed for several months and in some cases close to a year. Developers and industry

¹⁷ 2019 New Jersey Energy Master Plan: Pathway to 2050. Available at https://nj.gov/emp/docs/pdf/2020_NJBPU_EMP.pdf.

¹⁸ 57 N.J.R. 1420(b); 57 N.J.R. 1367(a).

associations commented that the existing completion deadlines of 18 or 24 months, with the opportunity for a six-month extension, would be sufficient only if begun upon receipt of final approval to install, rather than upon receipt of conditional registration.

The EDCs informed Staff, through their regular reporting, that the large number of projects simultaneously in the queue has resulted in lengthy backlogs for the completion of facilities or engineering studies that determine the extent of grid upgrades required to interconnect projects. The EDCs further identified that limited capacity on many distribution circuits has required more projects to undergo lengthier studies and lengthier upgrade requirements, which delay operability.

Projects in the CSI Program have an extended completion deadline of 36 months to accommodate the time-intensive process required for transmission-scale projects to interconnect through PJM Interconnection, LLC ("PJM"). The Board's maturity requirements dictate that projects are only eligible to register in the CSI Program if they have secured the first required interconnection study—previously a Feasibility Study and now, under PJM's updated rules, a Phase I System Impact Study. In the second CSI solicitation, all applicants met the maturity requirement and the Board subsequently awarded 310.21 MW of solar generation across eight projects. As of June 2025, two projects totaling 136 MW have withdrawn their CSI registrations and two additional projects have requested six-month administrative extensions. Specific stakeholder concerns expressed in subsequent correspondences with awardees include the time required for review by the EDCs at each project design phase and the time required for interconnection upgrades. Such timing issues have added uncertainty and risk to projects seeking to secure financing.

Staff believes that implementation of the updated grid modernization rules and interconnection queue transparency will lead to more efficient processing of the large number of interconnection applications. However, Staff also recognizes that, at the present time, the current deadlines in the CSEP and CSI Program are not realistic for many projects already registered due to delays that have largely been unforeseen and outside of project developers' control.

As such, Staff recommends that the Board waive its rules at N.J.A.C. 14:8-11.5(g)(3) for all projects currently registered in the CSEP and CSI Program and extend the commercial operation deadlines for those projects by nine months. Should projects that have not already received a six-month extension still need additional time to complete, Staff recommends that such projects still be allowed request one additional six-month extension as provided in N.J.A.C. 14:8-11.5(i). Should additional time still be needed, projects can re-register in the CSEP at the incentive level in effect at the time of re-registration or submit a new bid to the CSI Program, as applicable.

CSEP maturity requirements

During the course of the one-year review of the CSEP, several commenters identified that the existing timelines for construction would be appropriate if they began after the EDC's grant of permission to install, so that the lengthy interconnection study process would not count toward exhausting the time within which projects must be completed. Commenters also noted that the conditional approvals provided by the EDCs may be high-level estimates that do not provide enough detail regarding costs and construction timelines to provide certainty for project feasibility in the CSEP. The requirement for conditional approval without specification of what application steps must be completed has resulted in inconsistency and uncertainty.

Staff believes that projects should be mature in the interconnection process prior to registration

and that there should be a consistent maturity standard. Staff, therefore, recommends the Board specify that, for CSEP projects, the written authorization from the EDC required pursuant to N.J.A.C. 14:8-11.5(d)(3)(ii) must indicate the completion of a facilities study or equivalent feasibility or engineering study. Additionally, Staff notes that the rules require that “EDCs shall process interconnection requests following normal procedures.”¹⁹ As such, projects that wish to move forward in the interconnection process should be able to do so regardless of whether they have received conditional acceptance into the CSEP.

Interconnection queue

During the grid modernization and community solar stakeholder proceedings, Staff also received requests for greater transparency into the interconnection process, including where projects stand in the EDCs’ interconnection queues. Several commenters requested greater visibility into screening options and their results, as well as clear timeframes for receiving such results. Staff believes that, in conjunction with up-to-date hosting capacity maps and pre-application reports, a public interconnection queue can assist with hosting capacity analysis to inform developers of the feasibility of their projects and expected timelines for interconnection studies. These tools can also enhance the ability for coordination between projects and developers for clustering of studies and shared network upgrades. The interconnection rules adopted in July 2025 impose timelines on the EDCs and applicants, and public interconnection queues can enable tracking and auditing of performance.

To ensure that interconnection applications are addressed in a timely manner and to allow monitoring of overall interconnection activities, Staff recommends that the Board require the EDCs to make public their interconnection queues listing all distributed generation projects requesting interconnection. Staff further recommends that the Board require the EDCs to provide the queue inventory data in Excel format on their websites and to report the data to the Board on a monthly basis, on or before day 15 of the following month, beginning with reporting for October 2025.

Staff recommends the following information, at a minimum, be included for each project in the public queue data:

- Electric distribution company name
- Project developer (the name of the ultimate applicant, not a project-specific holding company)
- Application identification number
- Position in queue
- Municipality of project, county, and ZIP code
- Circuit identification
- Substation
- System type (including hybrid systems)
- System capacity, indicating capacity for each project type in kilowatts AC, as well as any power export limitation
- Metering or interconnection type, such as net metering, remote net metering, community solar, and qualifying facility
- Interconnection level (1, 2, or 3)
- Date application received
- Dates application initial review completed

¹⁹ N.J.A.C. 14:8-9.9(a).

- Dates system impact study or technical review started and completed
- Dates facilities, feasibility, or engineering study started and completed
- Study cost paid by applicant and date payment received
- Dates interconnection construction started and completed
- Actual interconnection project costs paid by applicant and date payment received
- Date Permission to Operate provided
- Status of project

Staff further recommends that the Board require the EDCs to coordinate a uniform format for publication to be used by all EDCs and that the Board require the EDCs to utilize the Common Interconnection Application Platform ("CIAP") for data collection and reporting requirements.

Finally, Staff recommends that the Board direct the Grid Modernization Forum to consider additional parameters regarding the public interconnection queue and direct Staff to conduct rulemaking that incorporates these recommendations.

DISCUSSION AND FINDINGS

New Jersey's solar programs have created a thriving and diverse industry in the State, with over 175 MW of solar capacity installed through the CSEP and CSI Program, and another combined 879 MW of capacity registered and in development in these programs. These programs are critical in enabling access to solar energy for residents who do not own property, provide cost savings to New Jersey ratepayers, and support the State's clean energy goals.

The Board recognizes that many participants in the CSEP and the CSI Program have faced substantial unforeseen delays outside of their control, including lengthy interconnection review and upgrade times. As such, the Board **HEREBY FINDS** that it is in the public interest to waive the SuSI Program rules at N.J.A.C. 14:8-11.5(g)(3) for all projects currently registered in the CSEP and the CSI Program and to provide those projects a nine-month extension to their SuSI Program registration expiration date. As such, the Board **HEREBY DIRECTS** that the expiration date for conditional registration in the CSEP and the CSI Program be extended by nine months for all CSEP and CSI Program projects currently granted conditional approval. Projects that have not already done so may still request one six-month extension to their extended registration expiration date pursuant to N.J.A.C. 14:8-11.5(i). The Board **FURTHER DIRECTS** Staff to commence public rulemaking proceeding to amend the SuSI Program rules regarding Program registration deadlines to address the concerns identified in this Order and other issues that may be identified in the course of the proceeding.

To best ensure future projects will be able to meet their commercial operation deadlines, the Board seeks mature projects that are fully prepared to meet interconnection costs and timelines register in the CSEP. Therefore, the Board **HEREBY ORDERS** community solar projects to provide, upon registration, written authorization from the EDC providing conditional approval to construct that indicates the completion of a facilities study or equivalent feasibility or engineering study.

The Board further **NOTES** that developers seeking interconnection lack sufficient transparency in project status and queue progress, resulting in uncertainty as to when their projects will be reviewed and an interconnection agreement completed. Therefore, the Board **HEREBY ORDERS** the EDCs to report to the Board and post on their websites a monthly inventory in Excel format of the interconnection queue on or before day 15 of the following month, beginning with

reporting for October 2025. The Board **FURTHER ORDERS** that the public interconnection queue inventory shall include, but not be limited to, details about each project that has requested interconnection, including project location, progress through the interconnection process, and all minimum public queue inventory data requirements set forth in Staff's recommendations above.

The Board **FURTHER ORDERS** the EDCs to coordinate a uniform format for publication to be used by all EDCs and **FURTHER DIRECTS** the EDCs to utilize CIAP for data collection and reporting requirements.

The Board **FURTHER DIRECTS** the Grid Modernization Forum to conduct stakeholder engagement to gauge feasibility of additional public interconnection queue parameters to benefit the public interconnection queue and limit delays. The Board **FURTHER DIRECTS** Staff to commence a public rulemaking proceeding to appropriately amend the interconnection rules to require publication of an interconnection inventory in accordance with the Grid Modernization Forum's findings.

The effective date of this Order is August 20, 2025.

DATED: August 13, 2025

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOULOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER

ATTEST: 
SHERRI L. LEWIS
BOARD SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities.

IN THE MATTER OF THE COMMUNITY SOLAR ENERGY PROGRAM
DOCKET NO. QO22030153

IN THE MATTER OF THE COMPETITIVE SOLAR INCENTIVE ("CSI") PROGRAM PURSUANT
TO P.L. 2021, C. 169
DOCKET NO. QO21101186

IN THE MATTER OF MODERNIZING NEW JERSEY'S INTERCONNECTION RULES,
PROCESSES, AND METRICS
DOCKET NO. QO21010085

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