

In this order, the Board affirms the RFI and directs the EDCs to provide the information requested in the RFI no later than March 5, 2026.

BACKGROUND

There is an urgent need for new electricity generation and capacity resources within the PJM region and the United States as a whole due to unprecedented projected load growth from data centers, which has led to high electricity rates across the nation. On January 20, 2026, New Jersey Governor Mikie Sherrill declared that a State of Emergency exists throughout the State of New Jersey and directed the Board to take a number of actions to ensure that electricity does not become an even greater financial burden for residents.²

New Jersey, historically a net importer of electricity, has an opportunity to combat these high energy prices by increasing the amount of energy generated in-state by allowing distributed energy resources (“DER”), such as solar photovoltaic systems, and energy storage systems (“ESS”), to interconnect to the distribution grid and support sources of load at an accelerated pace. New Jersey has seen a rapid expansion of solar deployment, which supports the transition towards in-state renewable energy generation, through Board initiatives for large projects such as the Community Solar Energy Program and Competitive Solar Incentive program. This progress, however, is hindered by an electric distribution grid with severe hosting capacity constraints on key circuits. Hosting capacity is the amount of DER that can be accommodated on an electric grid without adversely impacting safety and reliability³ and can be increased by infrastructure upgrades, such as substation upgrades, and tailored control configurations.

The Board has taken measures to increase the number of DERs interconnected to New Jersey’s electric distribution grid, such as the adoption of amendments and new rules at N.J.A.C. 14:8-5, which governs interconnection requirements and protocols. The procedural history of this rulemaking, Notice of Proposal, Notice of Proposed Substantial Changes Upon Adoption, First Notice of Adoption, Second Notice of Adoption, and all associated stakeholder comments can be found at BPU Docket No. No. QO21010085 - In the Matter of Modernizing New Jersey’s Interconnection Rules, Processes, and Metrics.

On January 20, 2026, Governor Mikie Sherrill issued an Executive Order No. 2, which directed the Board to require New Jersey’s EDCs to submit memoranda or filings indicating their compliance with the Board’s recently updated interconnection regulations at N.J.A.C. 14:8-5, opportunities to modify or waive regulations to improve interconnection efficiency, suggestions with respect to improving hosting capacity maps and interconnecting projects to 34.5 kV lines, the identification of constrained circuits, and generally supporting development of DERs on constrained circuits. The RFI (Attachment A) was published to BPU Docket No. QO24030199 on Tuesday, February 3rd, 2026, in compliance with the 14-day requirement specified in Executive Order No. 2.

DISCUSSION AND FINDINGS

² Executive Order No. 1 (Sherrill, 2026); Executive Order No. 2 (Sherrill, 2026).

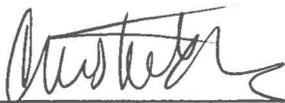
³ Electric Power Research Institute. *The Hosting Capacity Process*, (3002019750) Oct. 21, 2020. <https://www.epri.com/research/programs/108271/results/3002019750> (Accessed Feb 2, 2026).

The Board finds that increasing the amount energy generated by in-state DERs is an important piece of responding to the need for new electricity generation. Improving interconnection efficiency and transparency is critical to supporting development of DERs in the State. As such, it is necessary for the Board to review the EDCs' compliance with the Board's updated interconnection regulations and to assess opportunities to further improve the interconnection process. The Board finds that the RFI issued by staff on February 3, 2026, will assist the Board in that process. Accordingly, the Board **HEREBY ORDERS** New Jersey's four EDCs to submit responses to the RFI questions on or before 5 p.m. on March 5th, 2026 under Docket No. QO24030199.

The effective date of this Order is February 25, 2026.

DATED: February 18, 2026

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.

APPENDIX A

A. Address how EDCs are complying with Board's interconnection regulations at N.J.A.C. 14:8-5:

1. Describe how the company is complying with BPU regulations concerning interconnection of renewable energy projects to the distribution system, including compliance with N.J.A.C. 14:8-5.1 to -5.12.
2. What has the company done to date to implement a Pre-Application Verification and Evaluation (PAVE) process as described at N.J.A.C. 14:8-5.10, and what, if any, actions are needed to fully implement one;
3. What measures is the company taking to ensure that DERs with export-limiting capabilities are being processed according to the regulations at N.J.A.C. 14:8-5.2;
4. What has the company done to date to implement the interconnection of ESS pursuant to N.J.A.C. 14:8-5.2(m), and what, if any, actions are needed to fully allow ESS interconnection;
5. What has the company done to date with respect to filing a compliance tariff for standardized protocols governing system impact studies, facilities studies, etc., pursuant to N.J.A.C. 14:8-5.2(t), and what, if any, actions are needed to fully implement such a tariff;
6. What has the company done to date with respect to adopting a common set of screens for Level 3 interconnection applications pursuant to N.J.A.C. 14:8-5.6(a), and what, if any, actions are needed to fully implement a common Level 3 screening process;
7. Provide quarterly interconnection reports to the Board, for the period from July 7, 2025 to present, including all indicators at N.J.A.C. 14:8-5.9(c);
8. What actions has the company completed to date with respect to developing a common hosting capacity mapping process pursuant to N.J.A.C. 14:8-5.11(a) and updating the maps monthly pursuant to N.J.A.C. 14:8-5.11(b) as modified by the August 13, 2025 Board Order.⁴

B. Identify opportunities to modify or waive existing regulations to improve efficiency and speed of interconnecting new projects:

1. Are there any existing BPU regulations, in N.J.A.C. 14:8-5 or elsewhere, that inhibit the EDC's interconnection of DERs to the distribution grid?

C. Address how EDCs can improve hosting capacity maps and ensure projects can connect to 34.5 kV distribution lines:

⁴ Order, New Jersey Board of Public Utilities. IN THE MATTER OF THE COMMUNITY SOLAR ENERGY PROGRAM; IN THE MATTER OF THE COMPETITIVE SOLAR INCENTIVE ("CSI") PROGRAM PURSUANT TO P.L. 2021, C. 169; IN THE MATTER OF MODERNIZING NEW JERSEY'S INTERCONNECTION RULES, PROCESSES, AND METRICS, BPU Docket Nos. QO22030153, QO21101186, and QO21010085, August 13, 2025.

1. Is the company updating its public-facing hosting capacity maps on a monthly cadence pursuant to N.J.A.C. 14:8-5.11(b) as modified by the August 13, 2025 Board Order.⁵ If not, why not?
2. Does your company's territory include any lines that are 34.5 kV? If so, are the lines considered distribution or transmission? If considered distribution, please indicate whether the company is following the regulations at N.J.A.C. 14:8-5 to interconnect DERs to these lines. If not following N.J.A.C. 14:8-5 for these lines, explain why not.

D. Identify constrained circuits within each EDC's service territory that should be upgraded to expedite and support interconnection of DERs:

1. Identify at least two key circuits that receive high numbers of interconnection application requests (either by total capacity requested or number of applicants), that are either closed or close to being closed due to voltage constraints, and whose hosting capacity could be improved by utilizing the "best of the best" smart inverter functionalities.
2. Indicate a testing process that the company expects to use to assess which functions offer the best results with respect to mitigating voltage violations while minimizing curtailment.
3. Provide a list of circuits with the worst reliability performance based on outage data that should be prioritized for infrastructure upgrades. Include the metrics, methods, and criteria used for selecting the worst-performing circuits.

E. Address other means of supporting development of DERs on constrained circuits:

1. Interconnection of Energy Storage Systems
 - i. Describe the company's current process for the analysis and interconnection of ESS as customer-generator facilities. For clarification, the Board Staff's expectation is that EDCs should interconnect all distributed ESS under the same terms and conditions as "customer-generator facilities" as described under Subchapter 5. As part of the response to this question, note any explicit barriers to processing energy storage system interconnection requests in this manner.
2. Utilization of Smart Inverter Functionalities
 - i. Describe the company's current and planned utilization of smart inverter functionalities such as Volt/VAR, Volt/watt, or any custom curves utilized to assess the voltage impacts of new DER interconnections.
 - ii. What are the benefits or drawbacks, if any, of smart inverter functions (Volt/VAR, Volt/watt, and others) for grid reliability? Should any of these functions be adopted as a default statewide?
 - iii. Can the utilization of Volt/VAR and/or Volt/watt settings effectively increase hosting capacity? And how?

⁵ Ibid.

- iv. Are IEEE 1547-2018 and UL 1741 SA and SB standards sufficient to govern the communication protocol, standard, and certification requirements? What other protocols should be considered?
 - v. How should smart inverter settings be integrated into interconnection application reviews? How does the setting influence the circuit's combined hosting and load-serving (integration) capacity?
3. Flexible Interconnection Protocols
- i. Does the company see the incorporation of flexible interconnection protocols, i.e., export-limited or curtailed distributed generation, as a feasible method to accommodate the interconnection of DERs on circuits where hosting capacity is limited? If so:
 - a) Should there be different operational limits (e.g., export, import, curtailment profiles) for different DER types?
 - b) What communication and control capabilities are necessary for reliable flexible operation? What are standards (IEEE, UL, etc.) or protocols that need to be required for better interoperability between DER customers, utilities, and system operators?

IN THE MATTER OF DEVELOPING INTEGRATED DISTRIBUTED ENERGY RESOURCE
PLANS TO MODERNIZE NEW JERSEY'S ELECTRIC GRID
DOCKET NO. QO24030199

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