



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

CLEAN ENERGY

IN THE MATTER OF A SUCCESSOR SOLAR )  
INCENTIVE PROGRAM PURSUANT TO P.L. 2021, C. )  
169 )  
)  
) ORDER REALLOCATING CAPACITY  
IN THE EY26 ADI PROGRAM  
)  
) DOCKET NO. QO26020044

**Parties of Record:**

**Brian O. Lipman, Esq.**, Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities (“Board”) considers the reallocation of capacity among the Administratively Determined Incentive (“ADI”) solar program market segments.

**BACKGROUND**

On May 23, 2018, the Clean Energy Act, L. 2018, c. 17 (“CEA” or “Act”), was signed into law. Among other mandates, the Act directed the Board to adopt rules and regulations to close the Solar Renewable Energy Certificate (“SREC”) Registration Program (“SRP”) to new registrations once 5.1% of the kilowatt-hours sold in the State were generated by solar electric power connected to the distribution system (known as the 5.1% Milestone), and to develop a new solar incentive program. In addition, the CEA directed the Board to complete a study that evaluates how to modify or replace the SRP to encourage the continued efficient and orderly development of solar renewable energy generating sources throughout the State.

Toward fulfillment of this mandate, by Order dated December 6, 2019, the Board ordered the creation of the Transition Incentive (“TI”) Program, which provided incentives to eligible solar facilities by means of fixed price, factorized Transition Renewable Energy Certificates (“TRECs”).<sup>1</sup> Rules for the TI Program took effect upon publication in the New Jersey Register on October 5, 2020 (“TI Rules”).<sup>2</sup>

---

<sup>1</sup> In re a New Jersey Solar Transition Pursuant to P.L. 2018, c. 17, BPU Docket No. QO19010068, Order dated December 6, 2019.

<sup>2</sup> 52 N.J.R. 1850(a).

On July 9, 2021, Governor Murphy signed the Solar Act of 2021 (“Solar Act”).<sup>3</sup> The Solar Act directed the Board to establish a program to incent the development of at least 3,750 megawatts (“MW”) of new solar by 2026. The Solar Act directed the Board to establish a program to incent the development of 3,750 MW of solar by 2026, by establishing a new program for incentivizing solar in New Jersey through the mechanism of SREC-IIs, representing the value of the environmental attributes produced by the solar electric power generation facility. The Solar Act further directed the Board to create a small solar facilities program with administratively set incentive values, and a solicitation process for awarding contracts for grid supply solar facilities and net metered solar facilities greater than five (5) MW.

On July 28, 2021, following an extensive stakeholder process, the Board approved the creation of the Successor Solar Incentive (“SuSI”) Program, consisting of the ADI Program and the Competitive Solar Incentive (“CSI”) Program.<sup>4</sup> The ADI Program launched on August 28, 2021 and the CSI Program was approved by the Board via Order on December 7, 2021.<sup>5</sup>

The ADI Program is open to residential projects, net metered non-residential projects equal to or less than five (5) MW, and community solar projects. Rules governing the ADI Program took effect on February 22, 2022. N.J.A.C. 14:8-11.1 to 11.9 (“ADI Rules”).

Pursuant to the ADI Rules, the Board makes an annual allocation of capacity to each market segment established in the ADI Program. N.J.A.C. 14:8-11.7. The annual allocation of capacity to market segments for Energy Year (“EY”) 2026 (“EY26”) was made by Order dated May 21, 2025.<sup>6</sup> See Table 1 for a summary of EY26 MW block allocations.

**Table 1. ADI Megawatt Block Capacity Allocation for EY26<sup>7</sup>**

<b>Market Segment</b>	<b>Size</b>	<b>EY 2025 MW Block</b>	<b>EY 2026 MW Block</b>
Net Metered Residential	All sizes	200 MW	250 MW
Net Metered Non-Residential (all installation types)	All sizes at or below 5 MW	200 MW	150 MW
Remote Net Metering	All sizes at or below 5 MW	50 MW	50 MW
Community Solar	All sizes at or below 5 MW	Unused EY 2024 Capacity	3,000 MW

<sup>3</sup> L. 2021, c. 169; N.J.S.A. 48:3-114 et al.

<sup>4</sup> 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”).

<sup>5</sup> Rules governing the CSI Program took effect on December 18, 2023. 55 N.J.R. 2555(a).

<sup>6</sup> In re Certification of Energy Year 2024 Cost Cap Calculations and Setting ADI Program Megawatt Blocks for Energy Year 2026, BPU Docket No. QO25030113, Order dated May 21, 2025.

<sup>7</sup> As noted in the May 2024 Order, P.L. 2023, c. 200, since codified at N.J.S.A. 48: 3-87(d), set an expanded goal for the community solar market segment; since applications did not exceed 500 MW as of the date of the May 2024 Order, the Board rolled over the unused EY24 capacity into EY25.

The ADI Rules at N.J.A.C. 14:8-11.7 (c) provide that

...the Board may adjust the market segments or create new market segments through a Board order to reflect changes in the solar market. In considering an adjustment, the Board shall include consideration of whether increased or decreased differentiation between market segments is necessary in light of the costs and revenues of different project types, administrative complexity, or the emergence of new technologies.

At its December 7, 2022 agenda meeting, after reviewing the existing demand and the remaining capacity in the various market segments of the EY23 ADI Program, the Board determined that absent Board action, the residential market segment would be fully subscribed significantly earlier than the end of the EY. The Board thus approved a reallocation of capacity from the net metered non-residential and the Interim Subsection t market segments to the residential segment.<sup>8</sup>

The Board again issued an Order reallocating capacity among the ADI solar program market segments in EY25. Due to the rapid pace of capacity subscriptions, the allocated capacity was expected to be fully committed well before the end of EY25. On March 19, 2025,<sup>9</sup> to prevent the residential market segment from closing prematurely, the Board reallocated capacity from the net-metered non-residential market segment to the residential segment.

#### Federal Investment Tax Credits

On August 16, 2022, the Inflation Reduction Act (“IRA”) was signed into law.<sup>10</sup> The IRA expanded the federal Investment Tax Credit (“ITC”), providing a 30% tax credit for residential and commercial solar installations. The ITC for residential clean energy installation was codified at Section 25D of the United States Tax Code.<sup>11</sup>

The current EY began on June 1, 2025. Two months later, a significant change in federal law and policy regarding tax incentives for solar generation occurred. On July 4, 2025, House of Representatives Bill 1 (“HR1”) was signed into law.<sup>12</sup> HR1 established new program deadlines, including a December 31, 2025 termination for residential ITCs<sup>13</sup> and a July 4, 2026 deadline for commercial projects to “begin construction.”<sup>14</sup> Recent federal actions indicate that significant investments will be required to “begin construction.” On July 7, 2025, President Donald Trump issued an executive order that directed the Secretary of the Treasury to strictly enforce the termination of clean energy tax credits and to issue new and revised guidance to redefine projects

---

<sup>8</sup> In re a Successor Solar Incentive Program Pursuant to P.L. 2021, C. 169 – Order Reallocating Capacity in the ADI Program, Order dated December 7, 2022, BPU Dkt. No. QW22030128. In a companion item on this agenda, the Board closed the Interim Subsection t program to new applications.

<sup>9</sup> In re a Successor Solar Incentive Program Pursuant to P.L. 2021, C. 169 – Order Reallocating Capacity in the ADI Program, Order dated March 19, 2025, BPU Dkt. No. QO25020054.

<sup>10</sup> Pub. L. No. 117-169, H.R. 5376, 117th Cong. (2021-2022).

<sup>11</sup> 26 U.S. Code § 25D.

<sup>12</sup> Pub. L. No. 119-21, H.R. 1, 119th Cong. (2025).

<sup>13</sup> Id. At 70506(a); Pub. L. No. 117-169, H.R. 5376, 117th Conf. (2021-2022).

<sup>14</sup> Pub. L. No. 119-21, H.R. 1, 119th Cong. (2025) sec. 70513(a); Pub. L. N. 117-169, H.R. 5376, 117th Cong. (2021-2022).

that have begun construction as projects where “a substantial portion of a subject facility has been built.”<sup>15, 16</sup> These changes accelerated development timelines and caused a surge in applications, particularly residential ones, to the ADI Program. In response to the increased volume of applications, the Board issued a limited waiver of certain eligibility requirements for the ADI Program.<sup>17</sup>

Since HR1 became law, ADI registrations have been submitted for projects in the net metered residential market segment a pace that will commit the full 250 MW of allocated capacity well before the conclusion of EY26. As of March 30, 2026, 229.8 MW have been subscribed, with approximately 20.2 MW remaining. The net-metered non-residential market segment, on the other hand, has proceeded at a slower pace. See Table 2 for capacity subscribed among the ADI market segments through March 30, 2026.

**Table 2. ADI Energy Year 2026 Capacity Subscribed as of March 30, 2026<sup>18</sup>**

Market Segment	Capacity Block (dc)	Capacity Subscribed (dc)	Capacity Available (dc)
Net Metered Residential	250,000 kW	229,767 kW	20,233 kW
Net Metered Non-Residential	150,000 kW	73,381 kW	76,619 kW
Remote Net Metering	50,000 kW	1,502 kW	48,498 kW
Community Solar	3,000,000 kW	35,733 kW	2,964,267 kW

**DISCUSSION AND FINDINGS**

The ADI Rules state that “the Board may adjust the market segments... through a Board order to reflect changes in the solar market.” In considering an adjustment, the Board shall include consideration of whether increased or decreased differentiation between market segments is necessary in light of the costs and revenues of different project types, administrative complexity, or the emergence of new technologies. N.J.A.C. 14:8-11.7 (c). In determining whether a reallocation among the market segments is warranted, the Board looks to the disparity in registration activity shown in Table 2. The Board **FINDS** that the residential market segment is on track to fully subscribe its allocated 250 MW of capacity well in advance of the end of EY26. Without Board action, the residential market segment will be forced to close until the next energy year begins on June 1, 2026. Such a result would undermine the stability of the incentive program and detrimental to the stable development of New Jersey’s solar market. The Board **FINDS** that

<sup>15</sup> 90 Fed. Reg. 30821 (July 7, 2025) (“Ending Market Distorting Subsidies for Unreliable, Foreign-Controlled Energy Sources”)

<sup>16</sup> Id. at § 3a; Pub. L. No. 119-21, H.R. 1, 119th Cong. (2025) § 70512(J) (stating that the IRS may issue new guidance to clarify, modify, or update the beginning construction requirements).

<sup>17</sup> In re a Successor Solar Incentive Program Pursuant to P.L. 2021, C. 169 – Order Allowing Certain ADI Projects to Begin Construction Prior to Receiving Conditional Registration, Order dated August 13, 2025, BPU Dkt. No. QO20020184.

<sup>18</sup> Current capacity subscription levels can be found at <https://njadi.programprocessing.com/> for the Residential and Non-Residential market segments, at <https://njrnm.customerapplication.com/> for Remote Net Metering and <https://njcsep.customerapplication.com/> for Community Solar.

the net metered non-residential market segment has subscribed seventy-three (73) MW or forty-nine percent (49%) of its allocated 150 MW of capacity, such that seventy-seven (77) MW or approximately fifty-one percent (51%) remain in that market segment. The Board **FINDS** that this market segment is very unlikely to use all its remaining capacity prior to the end of this EY.

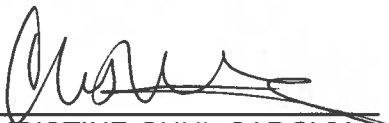
The Board **FINDS** that reallocating thirty-five (35) MW from the non-residential market segment to the residential market segment is in the best interest of ratepayers. Therefore, the Board **DIRECTS** Board Staff to reallocate thirty-five (35) MW of capacity from the non-residential market segment to the residential market segment.

The Board notes that the annual allocation for EY27 will be the subject of a separate proceeding prior to the end of the current energy year.

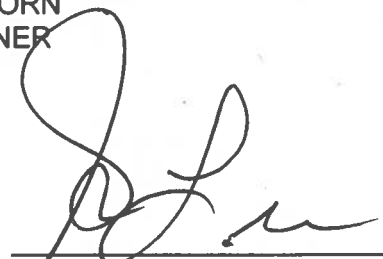
This Order shall take effect immediately.

DATED: April 22, 2026

BOARD OF PUBLIC UTILITIES  
BY:

  
\_\_\_\_\_  
DR. ZENON CHRISTODOLOU  
COMMISSIONER  
\_\_\_\_\_  
CHRISTINE GUHL-SADOVY  
PRESIDENT  
\_\_\_\_\_  
MICHAEL BANGE  
COMMISSIONER  
\_\_\_\_\_  
EMMA REBHORN  
COMMISSIONER  
\_\_\_\_\_  
JOSEPH COVIELLO  
COMMISSIONER

ATTEST:

  
\_\_\_\_\_  
SHERRIL 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 A SUCCESSOR SOLAR INCENTIVE PROGRAM PURSUANT TO P.L. 2021, C.169 - ORDER  
REALLOCATING CAPACITY IN THE ENERGY YEAR 2026 ADI PROGRAM

BPU DOCKET NO. QO26020044

SERVICE LIST

**New Jersey Board of Public Utilities**

44 South Clinton Avenue, 1<sup>st</sup> Floor  
P.O. Box 350  
Trenton, NJ 08625-0350

Sherri Lewis, Secretary  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Bob Brabston, Esq., Executive Director  
[robert.brabston@bpu.nj.gov](mailto:robert.brabston@bpu.nj.gov)

Stacy Peterson, Deputy Executive Director  
[stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov)

Benjamin Tabor, Chief of Staff  
[benjamin.tabor@bpu.nj.gov](mailto:benjamin.tabor@bpu.nj.gov)

**General Counsel's Office**

Ava Madeam, General Counsel  
[ava.madeam@bpu.nj.gov](mailto:ava.madeam@bpu.nj.gov)

Elsbeth Faiman Hans, Deputy General Counsel  
[elsbeth.hans@bpu.nj.gov](mailto:elsbeth.hans@bpu.nj.gov)

Rachel Boylan, Regulatory Officer  
[rachel.boylan@bpu.nj.gov](mailto:rachel.boylan@bpu.nj.gov)

**Division of Clean Energy**

Véronique Oomen, Director  
[veronique.oomen@bpu.nj.gov](mailto:veronique.oomen@bpu.nj.gov)

Matthew Rossi, Deputy Director DER  
[matthew.rossi@bpu.nj.gov](mailto:matthew.rossi@bpu.nj.gov)

Zainab Durda, Program Administrator  
[zainab.durda@bpu.nj.gov](mailto:zainab.durda@bpu.nj.gov)

Earl Thomas Pierce  
[earl.pierce@bpu.nj.gov](mailto:earl.pierce@bpu.nj.gov)

**New Jersey Division of Rate Counsel**

Brian O. Lipman, Esq., Director  
140 East Front Street, 4th Floor  
Trenton, NJ 08625  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

**New Jersey Division of Law**

Public Utilities Section  
R.J. Hughes Justice Complex  
25 Market Street, P.O. Box 112  
Trenton, NJ 08625

Pamela Owen, Assistant Section Chief, DAG  
[pamela.owen@law.njoag.gov](mailto:pamela.owen@law.njoag.gov)

Steven Chaplar, DAG  
[steven.chaplar@law.njoag.gov](mailto:steven.chaplar@law.njoag.gov)

**TRC Energy Solutions**

900 Route 9 North, Suite 404  
Woodbridge, NJ 07095

Michael Ambrosio, Director, Policy and Planning  
[mambrosio@trcsolutions.com](mailto:mambrosio@trcsolutions.com)

Tammy VanBlarcom, Manager, SREC Registration  
Program  
[tvanblarcom@trccompanies.com](mailto:tvanblarcom@trccompanies.com)

Thomas A. Kowalczyk, Manager, Regulatory  
Compliance  
317 George Street, Suite 520  
New Brunswick, NJ 08901  
[tkowalczyk@trcsolutions.com](mailto:tkowalczyk@trcsolutions.com)