

**Notice of Fund Availability**  
**New Jersey Board of Public Utilities**  
**Availability of Grant**

The New Jersey Board of Public Utilities (“BPU” or “Board”), located at 44 South Clinton Ave, Trenton, New Jersey 08625, hereby announces the availability of a grant funding opportunity under Tranche 2 of Phase 1 of the Board’s Garden State Energy Storage Program (“GSESP”). Applications filed pursuant to this Notice of Fund Availability (“NOFA”) will be reviewed by staff members of the Board’s Division of Clean Energy (“Staff”).

**Name of Program: GARDEN STATE ENERGY STORAGE PROGRAM (“GSESP”), PHASE 1, TRANCHE 2**

**Purpose:**

In 2025, the New Jersey Board of Public Utilities (“Board” or “BPU”) established the GSESP and approved the launch of Tranche 1.<sup>1</sup> The purpose of the GSESP is to incentivize eligible transmission-scale energy storage systems through a competitive solicitation process, supporting the expansion of energy storage in New Jersey to meet the Clean Energy Act of 2018 (“CEA”)<sup>2</sup> mandate of deploying 2,000 MW of energy storage by 2030.<sup>3</sup> It also implements P.L. 2025, c.136, which directs the Board to award incentives for at least 350 MW of transmission-scale storage in a Tranche 1 solicitation and at least 1,000 MW of transmission-scale storage in total across Tranche 1 and Tranche 2 solicitations.<sup>4</sup>

In 2026, the Board awarded three (3) projects with a combined nameplate or installed capacity of 355 MW under Tranche 1<sup>5</sup> and launched Tranche 2 through an Order dated March 4, 2026.<sup>6</sup> Tranche 2 aims to award an additional 645 MW of storage capacity, enabling the State to reach the mandated 1,000 MW of transmission-scale storage required for Phase 1.

Tranche 2 will follow the same general approach as Tranche 1, with most eligibility requirements remaining unchanged. However, some modifications have been incorporated based on lessons learned and stakeholder feedback from Tranche 1, including a project degradation profile requirement, an extended Commercial Operation Deadline (COD), the addition of a bid validation period, and revised cost-reporting requirements.

**Goal:**

The goals of the GSESP are to lower electricity costs for ratepayers, help New Jersey reach its CEA target of deploying 2,000 MW of energy storage by 2030, and support a cleaner, more reliable grid by encouraging private investment in large-scale storage. The program aims to reduce greenhouse gas emissions by enabling more renewable energy to connect to the grid,

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<sup>1</sup> In re the Garden State Energy Storage Program (“GSESP”) Pursuant to P.L. 2018, c.17, BPU Docket No. QO22080540, Order dated June 18, 2025 (“GSESP Launch Order”, “Tranche 1 Order”, or “Launch Order”).

<sup>2</sup> P.L. 2018, c.17.

<sup>3</sup> See N.J.S.A. 48:3-87.8. All megawatt or MW values in this Notice are in alternating current or “AC.”

<sup>4</sup> N.J.S.A. 48:3-121.3(a)(2).

<sup>5</sup> In re the Garden State Energy Storage Program (“GSESP”) Pursuant to P.L. 2018, c.17, BPU Docket No. QO22080540, Order dated March 4, 2026.

<sup>6</sup> In re the Garden State Energy Storage Program Phase 1, Tranche 2, BPU Docket No. QO25120634, Order dated March 4, 2026.

improve resilience through grid-connected storage, foster a sustainable storage industry with declining incentives needs, and bring environmental, economic, and resilience benefits to overburdened communities while advancing the state's clean-energy transition.

## **GRANT APPLICATION PROCESS**

**Available Funding:** The Board is required by statute to deposit at least \$60 million per year into the Energy Storage Fund, which will be used to pay out GSESP Phase 1 incentives.<sup>7</sup> This amount will be adjusted as needed based on the results of future solicitations. Pursuant to N.J.S.A. 48:3-60(a)(3) and N.J.S.A. 48:3-121.6(d), the Board will allocate additional funds to the program as necessary on annual basis to fund the ongoing cost of any incentive awards issued.

**Eligible Entities:** Government entities including municipalities or counties, as well as private entities including independent power producers, storage developers, and other non-utility companies may apply for Phase 1 GSESP incentives.

Electric Distribution Companies ("EDCs") are precluded from applying.

**Qualifications needed by an applicant:** To be eligible for Tranche 2 incentives, an applicant must be an eligible entity, and a project proposal must meet the following criteria:

- (1) the project must use a commercially available technology or an emerging solution that is cost-competitive;
- (2) meet a 5 MW AC installed capacity minimum, and have entered the PJM interconnection process;
- (3) at the time of application, the project must either have a fully executed General Interconnection Agreement (GIA) or Interconnection Service Agreement (ISA) through PJM, have been studied by PJM in a Phase I System Impact Study, or be in the process of undergoing a Phase I System Impact Study through PJM, or have notified PJM of intent to transfer existing Capacity Interconnection Rights (CIR) associated with a deactivating generation station;
- (4) the project must be a standalone storage project or a storage project paired with a solar, or other Class I renewable energy resources that is not receiving, and will not receive, Successor Solar Incentive Program ("SUSI") incentives for the same storage capacity; and
- (5) the projects must use new equipment, be a planned resource interconnecting to the PJM transmission network in a New Jersey transmission zone, and must not have commenced construction at the time of application.

**Application Instructions:** Eligible entities submitting project applications for Tranche 2 incentives must submit an administratively complete pre-qualification and final application at <https://cleanenergy.nj.gov/programs/energy-storage/garden-state-energy-storage-program-phase-1-tranche-2>. Projects that submit a prequalification application by June 10, 2026, will be guaranteed a review for deficiencies and the opportunity to correct the deficiencies before the final bid deadline. After the final bid deadline, no changes to bids or prequalification information

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<sup>7</sup> N.J.S.A. 48:3-121.6(b), (d).

will be accepted. The sections and subsections that must be correctly filled out in order for an application to be deemed administratively complete are as follows:

A) Pre-Qualification Application Requirements

- a. Bidder Information;
- b. Project Information;
- c. Description of Project and Proposed Energy Storage System;
- d. AC Nameplate Capacity (MW);
- e. Energy Storage Capacity (MWh);
- f. Project Use Case(s);
- g. A statement as to whether the applicant is a public entity. If yes, identify the public entity;
- h. Planned Commercial Operation Date ("COD") (mm/dd/year);
- i. Guaranteed COD (mm/dd/year), no later than 150 days after the planned COD;
- j. Indication of whether the Project received, is it receiving, or will receive incentives from the SUSI Program. If yes, indication of whether the project is seeking to pair with or interconnect behind the same meter as an existing solar project participating in the Competitive Solar Incentive ("CSI") Program;
- k. If the project is seeking SUSI Incentives, a brief description of the status of any pending SUSI application;
- l. Submission of required documentation; and
- m. Certification (signature).

B) Final Application Requirements

- a. Bidder Information;
- b. Project Information;
- c. Planned COD (mm/dd/year);
- d. Guaranteed COD (mm/dd/year);
- e. Bid Incentive Requested (\$/MW-year), expressed as a fixed annual incentive per nameplate MW;
- f. AC Nameplate Capacity (MW);
- g. Energy Storage Capacity (MWh);
- h. Number of CIRs that the Project holds;
- i. PJM Interconnection Queue ID number;
- j. Non-refundable application fee of \$200 per MW;
- k. Project Milestones;
- l. Cost and Financial Structure, including installation costs, operating costs, and financing;
- m. Submission of required documentation; and
- n. Certification (signature).

**Required Documentation to be uploaded to the solicitation portal:**

**Prequalification:**

Applicant must provide all relevant PJM interconnection documentation, including either a fully executed General Interconnection Agreement (GIA) or Interconnection Service Agreement (ISA) through PJM, have been studied by PJM in a Phase I System Impact Study, or be in the process of undergoing a Phase I System Impact Study through PJM, or have notified PJM of intent to

transfer existing Capacity Interconnection Rights (CIR) associated with a deactivating generation station.

### **Final Application:**

Applicant must provide:

- a. A site plan in GIS format;
- b. All relevant PJM interconnection documents;
- c. Evidence of site control;
- d. Proof that applicant has obtained or will obtain required permits;
- e. Evidence of financial capability to construct the transmission-scale energy storage system and to secure revenues through the electricity market or other non-ratepayer funding;
- f. Projects paired with grid-connected solar must include a description of the associated solar facility;
- g. Documentation demonstrating that the project meets all safety requirements and standards identified in the Board's June 18, 2025, Order launching Phase 1 of the GSESP, as well as any nationally recognized minimum safety requirements, including but not limited to, appropriate laboratory testing requirements, manufacturers' installation requirements, and all applicable laws, regulations, codes, licensing, and permits;
- h. A statement explaining how the project aligns with State and regional transmission and resource adequacy planning goals and how it coordinates with PJM and the appropriate electric public utility;
- i. If applicable, evidence of community benefits must be included;
- j. The bid fee form;
- k. A photo of the check used to pay the bid submission fee; and
- l. Any other documents relevant to the project.

Tranche 2 will open to applications on May 20, 2026. Applications for Tranche 2 must be submitted in accordance with the Application Instructions on or before August 7, 2026. All forms and instructions regarding the GSESP application process will be available to all interested applicants at <https://cleanenergy.nj.gov/programs/energy-storage/garden-state-energy-storage-program-phase-1-tranche-2>

Any questions regarding the program and/or application can be directed to [energy.Storage@bpu.nj.gov](mailto:energy.Storage@bpu.nj.gov).

**Application due date: All applications must be received no later than 11:59 p.m. Eastern Time on Friday, August 7, 2026.**

### **Evaluation Criteria:**

Administratively incomplete applications will not be considered for evaluation. An application will only be considered administratively complete if it meets the criteria outlined above.

Each administratively complete application will be evaluated primarily on bid price, with additional consideration of community benefits and project maturity indicators such as interconnection progress or earlier commercial operation dates. Brownfield projects must engage a Licensed Site Remediation Professional ("LSRP") and provide an attestation confirming compliance with the New Jersey Department of Environmental Protection Contaminated Site Remediation &

Redevelopment program requirements, including the appropriate Program Interest Number and identification of the retained LSRP, to qualify for the community benefits bonus.

Incentives would be awarded to the lowest cost, price-ranked projects until the 645 MW solicitation target is reached, subject to consideration of community benefits and project maturity, with bids expressed as a price per MW of effective nameplate capacity per year. If Tranche 2 does not yield enough qualifying projects to meet this target, a Tranche 3 solicitation may be launched to reach the Phase 1 goal of at least 1,000 MW of transmission-scale storage capacity.

### **Grant Award:**

Awards for Tranche 2 incentives are expected to be announced through a Board Order in October 2026. Staff, or the GSESP Program Administrator, Daymark Energy Advisors, Inc., will send an award letter (in addition to an email) to all applicants selected for an award within five (5) business days following the Board Order announcing the award. All applicants that did not receive an incentive award will also be notified via a letter and/or email of the Board's decision and of their option to reapply in a future solicitation, should the Board decide to pursue a Tranche 3 solicitation.

Awardees will be required to comply with Treasury Circular Letter 07-05-OMB, Grant Agreements-Agency Contracts, which provides many of the terms and conditions that will be made part of the grant agreement. Circular Letter 07-05-OMB and the template grant agreement are accessible at <http://www.state.nj.us/infobank/circular/cir0705b.pdf>. Additional Project specific terms will be incorporated into final grant agreements with successful applicants. No awards under Tranche 2 of Phase 1 of the GSESP are final until awardee execution of a valid grant agreement that has been authorized by the Board.

### **Registration:**

Applicants awarded a GSESP incentive must register their project within thirty (30) days of the Board Order at <https://cleanenergy.nj.gov/programs/energy-storage/garden-state-energy-storage-program-phase-1-tranche-2>, and must also submit, within thirty (30) days of the award letter, a report outlining key project milestone dates, including interconnection progress, Engineering, Procurement & Construction execution, financial close, construction start, and planned and guaranteed CODs. All forms and instructions regarding the GSESP registration process will be available to all awarded applicants at <https://cleanenergy.nj.gov/programs/energy-storage/garden-state-energy-storage-program-phase-1-tranche-2>.

Awarded projects may begin construction only after completing GSESP registration and receiving a formal notice of conditional approval from Board Staff or the Program Administrator.

### **Reporting Requirements:**

Owners of transmission-scale energy storage systems awarded a GSESP incentive ("System Owners") must submit a brief monthly report within five (5) business days after each month ends, summarizing key operational metrics such as hours of forced and planned outages. System Owners must also notify the Board within thirty (30) days of any change in system ownership, project operator, or project developer, including updated contact and tax identification information. System Owners must install meters and telemetering equipment capable of tracking energy exchanges and reporting data. When a storage system receiving a fixed incentive is located at the same site as a generation resource, the System Owner must install revenue-grade meters and telemetering equipment that can separately measure the storage system's power and energy

output and support the monthly operating reports. System Owners must also report information that demonstrates progress toward GSESP goals, including installed capacity, project costs and funding sources, greenhouse gas impacts, participation in PJM markets, charging and discharging activity, incentive levels over time, and, where applicable, evidence of community benefits. Additional reporting includes project revenues, annual degradation, construction costs, and operations and maintenance costs.