

## SUBCHAPTER 2. LABORATORY CHARGES

## 8:45-2.1 Fees; generally

(a)-(b) (No change.)

(c) The following fee-for-service applies:

Newborn Screening Program: [ \$150.00 ] **\$260.00****PUBLIC UTILITIES****(a)****BOARD OF PUBLIC UTILITIES****Renewable Energy and Energy Efficiency****Amount of Renewable Energy Required****Proposed Amendment: N.J.A.C. 14:8-2.3**

Authorized By: New Jersey Board of Public Utilities, Ben Hertz-Shargel, President, and Christine Guhl-Sadovy, Michael Bange, Emma Rebhorn, and Joseph Coviello, Commissioners.

Authority: N.J.S.A. 48:2-1 et seq., in particular 48:2-13; 48:2-16, 23, 24, 27, and 29.47; and 48:3-51, 87, 87.1 through 87.14, 98.1, 112, and 114 through 120.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

BPU Docket Number: QX26070401.

Proposal Number: PRN 2026-052.

The deadline for comments on this matter is 5:00 P.M. ET on November 20, 2026. Please submit comments directly by using the Board of Public Utilities' Public Document Search tool, search for the specific docket listed above and post by utilizing the "Post Comments" button. Written comments may also be submitted by email or regular mail. Please include subject matter and docket number and submit to:

Sherri L. Lewis  
Secretary of the Board  
New Jersey Board of Public Utilities  
44 South Clinton Ave., 1st Floor  
PO Box 350  
Trenton, NJ 08625-0350  
Attn: BPU Docket Number: QX26070401  
Email: [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)  
Phone: 609-292-1599

All comments are considered "public documents" for purposes of the State's Open Public Records Act. Commenters may identify information that they seek to keep confidential by submitting it in accordance with the confidentiality procedures set forth at N.J.A.C. 14:1-12.3.

The agency proposal follows:

**Summary**

The Clean Energy Act of 2018, P.L. 2018, c. 17 (Clean Energy Act), codified, in relevant part, at N.J.S.A. 48:3-87, directs the New Jersey Board of Public Utilities (Board) to adopt certain renewable energy portfolio standards. Existing N.J.A.C. 14:8-2.3 enumerates what percentage of energy supplied by electric power suppliers and basic generation service providers must be SREC-IIs, transition RECs (TREC)s, solar RECs (SREC)s, Class I, or Class II renewable energy. In alignment with Executive Order Nos. 1 and 2 (2026) signed by Governor Sherrill, declaring a state of emergency on electricity affordability, the Board proposes to amend Table A at N.J.A.C. 14:8-2.3 to revise the annual percentages of energy required to be supplied by Class I renewable energy sources.

As noted in Executive Order No. 1, from June 2023 to June 2025, the average residential electricity price in the State rose by over 33 percent, and the average electricity price for all customers in the State, including commercial customers, rose by nearly 30 percent. The cost of Class I Renewable Energy Certificates (RECs) is a component of those prices. The increase in electricity prices comes at a time when the increase in

energy supply and, in particular, the increase in renewable energy supply, has been severely constrained. As a result of delays in the PJM Interconnection, LLC (PJM) interconnection process, there are relatively few new generation facilities creating energy eligible to serve as the basis for a Class I REC, which may increase the cost of Class I Renewable Portfolio Standard (RPS) compliance as demand increases faster than supply. That cost is ultimately borne by ratepayers, who are also bearing increased costs based on the results of recent PJM capacity market auctions. As such, the Board proposes a reduction in the Class I renewable energy procurement requirement through Energy Year (EY) 2029 (June 1, 2028—May 31, 2029) to address ratepayer costs while continuing to meet the requirement of N.J.S.A. 48:3-87 that by January 1, 2030, 50 percent of the kilowatt hours sold in this State by each electric power supplier and each basic generation service provider shall be from Class I renewable energy sources.

Board staff released a straw proposal that included draft proposed rule amendments and draft proposed new rules for the Successor Solar Incentive Program on March 20, 2026. This straw proposal included an initial draft of the proposed amendments to the Class I percentages for energy years 2026 through 2029. Board staff received 24 comments in response to the straw proposal. On May 21, 2026, the Board set, by Board Order, a Class I requirement of 35 percent for EY 2027, followed by 40 percent for EY 2028. The proposed amendments in this rulemaking include these values and additionally propose a Class I requirement of 45 percent for EY 2029.

At N.J.A.C. 14:8-2.3, the Board proposes to amend the percentage of electricity that must come from Class I renewable energy sources in New Jersey as follows: from 38.0 percent to 35.0 percent for EY 2026; from 41.0 percent to 35.0 percent for EY 2027; from 44.0 percent to 40.0 percent for EY 2028; and from 47.0 percent to 45.0 percent for EY 2029. The proposed amendments represent a modification of the annual interim targets between the statutory mandates that 35 percent of electricity sold in the State be from Class I renewable energy sources by January 1, 2025, and 50 percent of electricity sold in the State be from Class I renewable energy sources by January 1, 2030. The Board's rules implement these requirements on an energy year basis. As a result of the change to the Class I requirements, the Board also proposes to amend the resulting total amount of energy required to be supplied by renewable energy sources as follows: from 40.5 percent to 37.5 percent for EY 2026; from 43.5 percent to 37.5 percent for EY 2027; from 46.5 percent to 42.5 percent for EY 2028; and from 49.5 percent to 47.5 percent for EY 2029.

As the Board has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement at N.J.A.C. 1:30-3.3(a)5.

**Social Impact**

The proposed amendments continue to advance the State's clean energy, public health, and economic development objectives by sustaining long-term growth in renewable generation, while addressing near-term affordability concerns for ratepayers. New Jersey's RPS has delivered measurable social benefits—reductions in greenhouse gas emissions and conventional air pollutants, improved public health outcomes, diversification of the generation mix, and the creation of clean energy jobs—by steadily increasing the share of renewable resources serving New Jersey customers. These benefits accrue Statewide and are especially salient in overburdened communities that have historically borne disproportionate air quality burdens. By maintaining a robust trajectory for renewable deployment, the proposed amendments support healthier communities, climate resilience, and energy independence.

The proposed amendments to the annual Class I requirements are a targeted, short-term adjustment intended to mitigate rising electricity prices. This change prudently tempers near-term compliance costs without undermining the State's long-term clean energy goals or materially affecting renewable market momentum. From a social equity standpoint, moderating near-term RPS compliance costs can benefit low- and moderate-income households, small businesses, and public institutions with constrained budgets, thereby supporting energy affordability and economic stability. The Board anticipates that long-term RPS targets will maintain the trajectory of environmental and public

health benefits, while this minor modification helps smooth rate impacts during a period of elevated costs.

Importantly, the proposed amendments do not alter any other portions of the RPS, including the “Cost Cap” requirements of Section 38.d(2) of the Clean Energy Act (N.J.S.A. 48:3-87.d(2)), which limit the costs of the Class I renewable energy to customers. The rulemaking is narrowly drawn to adjust only the annual Class I percentage for EYs 2026 through 29, leaving the broader regulatory architecture unchanged, thereby ensuring that New Jersey meets its mandate that by January 1, 2030, 50 percent of the kilowatt hours sold in New Jersey be from Class I renewable energy sources.

Overall, the social impact of the rulemaking is positive: it preserves the substantial health, environmental, and economic benefits of New Jersey’s RPS, ensures continuity for market participants, and provides targeted, near-term relief to customers. The proposed amendments balance affordability with sustained progress toward the State’s clean energy objectives.

#### Economic Impact

Affordable access to electricity is a key driver of New Jersey’s economy. The proposed amendments are likely to have a positive economic impact for ratepayers in that the proposed decrease in the percentage of Class I renewable energy that electric power suppliers and basic generation service providers must purchase and retire to meet New Jersey’s RPS may help to mitigate the impact of recent increases in electricity prices on New Jersey ratepayers. All other factors remaining equal, a modification to the annual interim targets for Class I RECs may stabilize and reduce Class I REC prices that will tend to lower overall RPS compliance costs through EY 2029 and reduce ratepayer costs.

#### Federal Standards Statement

N.J.S.A. 52:14B-1 et seq., requires State agencies that adopt, readopt, or amend State rules exceeding any Federal standards or requirements to include in the rulemaking document, a Federal standards analysis. The proposed amendments have no Federal analogue and are not promulgated pursuant to the authority of, or in order to implement, comply with, or participate in any program established pursuant to Federal law, or pursuant to a State statute that incorporates or refers to Federal law, Federal standards, or Federal requirements. Accordingly, N.J.S.A. 52:14B-1 et seq. does not require a Federal standards analysis for the proposed amendments.

#### Jobs Impact

The proposed amendments are not anticipated to have a significant impact on employment in New Jersey and are not likely to result directly in the creation of new jobs or the loss of existing jobs. The modification of the Class I requirement does not affect the RPS carve-out for SRECs, TRECs or SREC-IIs, or Class II RECs, so the development and construction of solar energy facilities or facilities generating Class II renewable energy within the State will not be significantly affected. The proposed amendments may tend to create jobs in other sectors of New Jersey’s economy, to the extent that they are encouraged through lower costs of Class I RECs, and, thus, reduce energy bills.

#### Agriculture Industry Impact

The proposed amendments are not anticipated to have an impact on the agriculture industry in New Jersey. To the extent that the proposed rulemaking affects the development of renewable energy facilities on land currently agricultural in nature, potential harms will likely be limited by land-use regulations that discourage or limit solar development on certain agricultural lands.

#### Regulatory Flexibility Statement

The proposed amendments will not impose any recordkeeping, reporting, or other compliance requirements on small businesses. A small business, as defined in the New Jersey Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., is a business that has fewer than 100 full-time employees. Contractors, developers, third-party suppliers, or other businesses that qualify as small businesses pursuant to the Regulatory Flexibility Act are not involuntarily subject to compliance requirements pursuant to the rule in this rulemaking.

#### Housing Affordability Impact Analysis

The proposed amendments will not impact the affordability of housing in New Jersey. The proposed amendments address only the annual percentage of energy required to be supplied by renewable energy sources, and are not likely to have an impact on the average cost associated with housing.

#### Smart Growth Development Impact Analysis

The proposed amendments will not impact smart growth and the implementation of the State Development and Redevelopment Plan in New Jersey. This rulemaking will not evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, pursuant to the State Development and Redevelopment Plan in New Jersey because the proposed amendments address only the annual percentage of energy required to be supplied by renewable energy sources.

#### Racial and Ethnic Community Criminal Justice and Public Safety Impact

Upon evaluation, the proposed amendments will not have an impact on pretrial, detention, sentencing, probation, or parole policies concerning adults and juveniles in the State. Accordingly, no further analysis is required.

**Full text** of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

#### SUBCHAPTER 2. RENEWABLE PORTFOLIO STANDARDS

##### 14:8-2.3 Amount of renewable energy required

(a) Each supplier/provider, as defined at N.J.A.C. 14:8-1.2, that sells electricity to retail customers in New Jersey, shall ensure that the electricity it sells each energy year in New Jersey includes at least the minimum amount of qualified renewable energy required for that energy year, as specified in this section. Requirements for [class] **Class I**, [class] **Class II**, SRECs, TRECs, and SREC-IIs are set forth at Table A below:

Table A  
What Percentage of Energy Supplied Must Be SREC-IIs, TRECs, SRECs, Class I,  
or Class II Renewable Energy

| Energy Year                 | SREC-IIs              | TRECs                 | SRECs | Class I                 | Class II | Total                     |
|-----------------------------|-----------------------|-----------------------|-------|-------------------------|----------|---------------------------|
| ...                         |                       |                       |       |                         |          |                           |
| June 1, 2025 - May 31, 2026 | based on retail sales | based on retail sales | 4.50% | [38.0%]<br><b>35.0%</b> | 2.50%    | [40.50%]<br><b>37.50%</b> |
| June 1, 2026 - May 31, 2027 | based on retail sales | based on retail sales | 4.35% | [41.0%]<br><b>35.0%</b> | 2.50%    | [43.50%]<br><b>37.50%</b> |
| June 1, 2027 - May 31, 2028 | based on retail sales | based on retail sales | 3.74% | [44.0%]<br><b>40.0%</b> | 2.50%    | [46.50%]<br><b>42.50%</b> |
| June 1, 2028 - May 31, 2029 | based on retail sales | based on retail sales | 3.07% | [47.0%]<br><b>45.0%</b> | 2.50%    | [49.50%]<br><b>47.50%</b> |
| ...                         |                       |                       |       |                         |          |                           |

(\*BGS Providers with existing contracts)

\*\*The TREC Obligation expressed as a percentage of retail sales in a given energy year will not be known until each energy year when the volume of retail sales subject to the RPS has been determined. Allocation of the Statewide obligation to individual TPS/BGS providers will follow the method set forth at (r) and (t) below.

\*\*\*The SREC-II Obligation expressed as a percentage of retail sales in a given energy year will not be known until each energy year has concluded and the volume of retail sales subject to the RPS has been determined. Allocation of the Statewide obligation to the individual TPS/BGS providers will follow the method set forth at (r) and (t) below.

(b)-(t) (No change.)

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