year qualification life. For the duration of the Pilot Program, the COMPR shall be updated by the project team annually on the anniversary of the commencement of commercial operations for the selected project.

2. (Reserved.)

(d) A selected project shall provide annual updates to Board staff on the status of its progress through a form to be made available by Board staff. Annual updates shall be due on the anniversary of the selected project's commencement of commercial operations by having obtained permission to operate by an EDC. Selected projects shall meet additional reporting requirements pursuant to this subchapter.

(e) Requests from the selected project team to change any provision of the project must be submitted, in writing, to the Board Secretary and approved by Board staff in consultation with the NJDA. Requests to modify a provision of the selected project will be reviewed and approved or denied, in writing, by Board staff within 30 days of receipt by the Board Secretary.

(f) The Board must be notified, in writing, in case of sale, transfer, contract modification, or other material change to the selected project team initially listed in the dual-use solar application. Specifically, within 30 days of a material change in:

1. The control of the project, each new beneficial owner is required to provide formal notice and evidence to the Board of its individual and/or corporate name, tax identification number, address, contact telephone number, and percentage of ownership of the project; and

2. The Dual-Use Solar Energy Project operator, such new project operator is required to provide formal notice and evidence to the Board of their individual and/or corporate names, tax identification number, address, and contact telephone number.

(g) Each Dual-Use Solar Energy Project owner, and any successor, shall retain a record of all COMPRs, including revisions thereto, contracts, disclosure forms, proof of eligibility, and generation allocation lists for a period of at least 15 years from the date of the project's approval. Each of these documents must be made available within 14 business days upon request from the Board or Board staff.

1. Dual-use solar developers and owners are responsible for complying with all subsequent revisions approved by Board staff and maintaining a current copy of the COMPR on the Public Document Search page of the Board's website using the ***designated project identification, such as a*** docket number***,*** assigned to the selected project's application.

2. The Dual-Use Solar Energy Project operator, such new project operator is required to provide formal notice and evidence to the Board of their individual and/or corporate names, tax identification number, address, and contact telephone number.

3. The landowner listed in the COMPR is responsible for notifying the Board of any changes in the ownership of the land or change of farmer or solar operator. This notification will be made through a request to change provisions of the COMPR and must be submitted, in writing, to the Board Secretary and approved by Board staff in consultation with the NJDA.

(h) The Board shall publish and maintain information pertaining to the Pilot Program on its website including, but not limited to:

1. NOIA, instructions for filing a pre-application EOI, solicitation details, application requirements, forms, and evaluation criteria;

2. The list of selected projects, including names, locations, sizes, and approval status;

3. The total capacity of selected, registered, and approved Dual-Use Solar Energy Projects for each Program Year;

4. Educational materials and resources; and

5. Other information relevant to the status of the Pilot Program.

(i) The Board reserves the authority to require reporting requirements for EDCs and may establish requirements by Board order based on the needs of the Pilot Program.

(a)

BOARD OF PUBLIC UTILITIES

Renewable Energy and Energy Efficiency

Adopted Amendments: N.J.A.C. 14:8-5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, and 5.12

Adopted New Rule: N.J.A.C. 14:8-5.13

Proposed: June 3, 2024, at 56 N.J.R. 993(a).

Notice of Proposed Substantial Changes Upon Adoption to Proposed Amendments: July 7, 2025, at 57 N.J.R. 1367(a).

Adopted: November 21, 2025, by the New Jersey Board of Public Utilities, Christine Guhl-Sadovy, President, Dr. Zenon Christodoulou, Ph.D., and Michael Bange, Commissioners.

Filed: November 28, 2025, as R.2026 d.010, **with substantial changes** to proposal after additional notice and public comment, pursuant to N.J.S.A. 52:14B-10 and with **non-substantial changes** not requiring additional public notice and comment (see N.J.A.C. 1:30-6.3).

Authority: N.J.S.A. 48:2-13 and 48:3-87.

BPU Docket Number: QO21010085.

Effective Date: January 5, 2026.
Expiration Date: February 27, 2026.

Summary of Public Comments and Agency Responses:

Written comments on the original notice of proposal were received from: Atlantic City Electric Company (ACE); Coalition for Community Solar Access (CCSA); Environmental Defense Fund (EDF); Interstate Renewable Energy Council (IREC); Jersey Central Power & Light Company (JCP&L); NAIOP New Jersey the Commercial Real Estate Association (NAIOP); New Jersey Division of Rate Counsel (DRC); New Jersey Utilities Association (NJUA); Piq Energy; Powerflex Inc. (Powerflex); Public Service Electric and Gas Company (PSE&G), Robert Erickson; Rockland Electric Company (RECO); Solar Landscape; and Sunnova Energy International (Sunnova).

Written comments on the notice of proposed substantial changes upon adoption to proposed amendments were received from: ACE; CCSA; IREC; JCP&L; DRC; NJUA; PSE&G; RECO; and Solar Landscape.

1. Comments Received During Initial Comment Period Giving Rise to Substantial Changes in Proposal upon Adoption

SUBCHAPTER 4. NET METERING FOR CLASS I RENEWABLE ENERGY SYSTEMS

N.J.A.C. 14:8-4.2 Interconnection Definitions

1. COMMENT: The commenter states that the definition of "customer generator" can be interpreted as excluding community solar projects that do not generate electricity on the customer's side of the meter. The definition should be revised to explicitly include community solar projects. (CCSA)

2. COMMENT: The commenter recommends that the Board of Public Utilities ("Board" or "BPU") clarify the proposed definition of "customer-generator" to include community solar projects. (Solar Landscape)

RESPONSE TO COMMENTS 1 AND 2: The Board appreciates the commenters pointing out this exclusion, as it was not the intent of the rulemaking. The Board encourages the commenters to refer to the new definitions of "customer-generator" and "customer-generator facility," which the Board is adding at N.J.A.C. 14:8-5.1. The definitions include systems of all sizes, located either in front of or behind the meter, including community solar projects.

SUBCHAPTER 5. INTERCONNECTION OF CLASS I RENEWABLE ENERGY SYSTEMS

N.J.A.C. 14:8-5.1 Interconnection Definitions

3. COMMENT: The commenter points out that the current definition of "distributed energy resource" or "DER" has inconsistencies with the Institute of Electrical and Electronics Engineers (IEEE) 1547-2018 standard. The definition reads "connected to the public utility's area electric power system (EPS)" and references to "controllable load" should be removed. (JCP&L)

4. COMMENT: The commenter suggests using an improved definition of "DER" that is more inclusive with respect to the types of systems that should be able to apply pursuant to the rules. The definition of "DER" that is proposed in the rules currently is limited to "inverter-based" systems, which leaves out some generating classes that may need interconnection access. (IREC)

RESPONSE TO COMMENTS 3 AND 4: The Board appreciates the commenters bringing attention to this insufficient definition and is adopting the amended definition of "DER", as proposed. This definition utilizes language suggested by the commenter; is no longer exclusive to inverter-based resources; and is absent of the phrases "connected to the public utility's area electric power system (EPS)" and "controllable load." The Board believes that the amended definition of "DER" will better ensure compliance with the IEEE Standard 1547 by including generation sources that are not inverter-based, more explicitly listing examples of DERs, such as electric generators and energy storage systems, and specifying that the equipment should be safely interconnected/run in parallel with the electric distribution system.

5. COMMENT: The commenter proposes a number of additional definitions to include concepts that they deem vital to control energy export, are necessary to better review DERs that can control their export to the grid, that reflect current terminology used in industry standards, such as IEEE Standard 1547, and that clarify limitations that exist in terms, as proposed. The commenter proposes the rule be amended to include each of the following: "export capacity" means the amount of power that can be transferred from the DER to the distribution system and is either the nameplate rating, or a lower amount, if limited, using an acceptable means; "nameplate rating" means the sum total of maximum rated power output of all of a DER's constituent generating units and/or energy storage system (ESS) as identified on the manufacturer nameplate, regardless of whether it is limited by any approved means; and "inadvertent export" means the unscheduled export of active power from a DER, exceeding a specified magnitude and for a limited duration, generally due to fluctuations in load-following behavior. The commenter also recommends the addition of the definitions "reference point of applicability" or "RPA" and "relevant minimum load" to describe the location for which performance requirements apply and the lowest measured circuit/substation load coincident with the customer-generator's production, respectively. (IREC)

RESPONSE: The Board appreciates the commenter's thorough descriptions of suggested new terms and is adopting amendments at N.J.A.C. 14:8-5.1 which include the terms "export capacity," "'nameplate rating' or 'nameplate capacity,'" "inadvertent export," "reference point of applicability," and "relevant minimum load" because of the specificity and clarification they add to N.J.A.C. 14:8-5. The Board has utilized the commenter's proposed definitions for these terms with the following minor changes: grammatical changes within the definition of "relevant minimum load"; and the addition of the term "customer-generator facility" within the commenter's proposed definitions of "export capacity," "inadvertent export," "'nameplate rating' or 'nameplate capacity,'" "reference point of applicability," and "relevant minimum load" to ensure consistency within N.J.A.C. 14:8-5.

N.J.A.C. 14:8-5.2 General Interconnection Provisions

6. COMMENT: The commenter suggests that the terms "nameplate capacity" and "export capacity" should be applied to the screens and study process within the interconnection process. Specifically, the commenter states that each of the interconnection screens should identify whether the potential impact it is screening for should be evaluated using export capacity, nameplate rating, or neither. The proposed rules do not clearly delineate when export capacity, nameplate rating, or neither should be used in discrete segments of the review process. (IREC)

RESPONSE: The Board is adopting the commenter's suggestion to use more specificity when describing capacity as either "nameplate capacity" or "export capacity" and differentiating between the two terms. This will add necessary clarity to descriptions of necessary screens for customer-generator facilities.

7. COMMENT: The commenter states that the interconnection rules should specify that, using acceptable means, the export amount selected by the applicant will determine the export capacity of the project to be used by the electric distribution companies (EDCs) in the review process. The commenter's recommendation includes a new subsection that identifies accepted export control means and delineates the criteria for their application. The commenter states that the Board should recognize the use of all of these means, which have been incorporated into interconnection procedures by numerous states, including Oregon, New Mexico, and Illinois. The consequence of not doing so is that interconnection applicants will not have clear visibility before they apply on what system design is acceptable, and there will be the need for more back and forth with the utility than is necessary. In addition, EDCs may seek to add additional requirements or not allow the use of means that are widely accepted, all of which can lead to costly disputes that are preventable with the right set of interconnection rules. (IREC)

RESPONSE: The Board appreciates the commenter's suggestions with respect to accepted export controls and agrees with the commenter's reasoning and explanation as to why these changes are desirable. The Board is, therefore, adopting the commenter's recommended changes as new N.J.A.C. 14:8-5.2(l). In addition, the Board is adopting the proposed amendments at N.J.A.C. 14:8-5.1 to add the following definitions: "directional power protective function" and "certified power control systems."

8. COMMENT: The commenter objects to N.J.A.C. 14:8-5.2(m), which mandates that the cost of "establishing, operating and maintaining" the Common Interconnection Application Process (CIAP) portal will be imposed upon ratepayers. They state that the Board may not abdicate its duty to review utility investments and may not delegate to the EDCs, or to private investors, the Board's authority to determine which investments may be included in the EDC's rate base. The commenter states that the proposed language is "inconsistent with the stated purpose of the Infrastructure Investment Program rules" because they were "never intended to subsidize DER adoption." Imposing the CIAP portal costs entirely upon ratepayers would "represent an additional subsidy paid by ratepayers to investors in DER projects." They recommend that the costs (which are not included) of the CIAP and its portal/software should be recovered through the fees charged to the applicants. With respect to N.J.A.C. 14:8-5.2(m)3 (recodified in this rulemaking as paragraph (n)3), specifically, the commenter does not support this change as written, as there are no procedural requirements for stakeholder input on software selection or implementation. The commenter recommends promulgating applicable standards by rule to comply with principles governing rate-setting and administrative law. (DRC)

RESPONSE: The Board is adopting amendments to this subsection, such that the vast majority of the costs of "establishing, operating and maintaining" the CIAP portal will not be imposed upon ratepayers. The Board will require EDCs to recover these costs through additional application fees, paid for by developers and other interconnection applicants over a period of five years. The Board is adopting this proposed change in order to protect New Jersey ratepayers from paying additional subsidies for the integration of DER into the electric grid. The sole proposed exception to this requirement is to allow EDCs to recover no more than five percent of CIAP implementation costs from ratepayers in the event of a slight under-recovery, which the Board proposes to balance with a requirement that any similar over-recovery be credited as a rate reduction to ratepayers. The reason for this exception is to accommodate the practical reality that it is unlikely that recovered application fees will precisely equal 100 percent of CIAP implementation costs. As the Board is adopting proposed changes at recodified N.J.A.C. 14:8-5.2(n), such that the EDCs shall, at most, only recover an exceedingly small fraction of the costs of the CIAP portal from ratepayers, the Board does not deem it

necessary for stakeholders to have input on the software selection. This will add unnecessary delay to the interconnection reformation process. The Board is adopting new N.J.A.C. 14:8-5.7(f), as proposed, to provide a mechanism for EDCs to adjust the pre-application and evaluation process (PAVE) fees in order to ensure cost recovery for implementation of the CIAP, in accordance with proposed recodified N.J.A.C. 14:8-5.2(n). The Board is also adopting new N.J.A.C. 14:8-5.13, as proposed, to describe the necessary functional requirements of the CIAP in further detail, which stakeholders may comment on during this notice process. The intent of outlining the core functional requirements is to prevent an EDC from gold-plating the necessary software infrastructure investments while ensuring that all four EDCs have consistent customer application processes.

9. COMMENT: The commenter objects to the use of the term "solar permitting application software" and states that such software cannot be incorporated into the EDCs' software because incorporation raises cyber security issues. (RECO)

RESPONSE: The Board appreciates the need for cyber security for all data collection, exchange, and management platforms and is removing the regulation relevant to this comment at N.J.A.C. 14:8-5.2(m)3.

10. COMMENT: The commenter states that the term "thermometer bar" at proposed N.J.A.C. 14:8-5.2(m)2 is unclear. Instead, this rulemaking should provide for "a visual milestone bar." (RECO)

RESPONSE: The Board agrees with the commenter's recommendation and is removing the specific language referred to by the commenter at N.J.A.C. 14:8-5.2(m)2 and incorporating the wording change suggestion at N.J.A.C. 14:8-5.13, in order to provide further clarity on CIAP requirements.

11. COMMENT: With respect to N.J.A.C. 14:8-5.2(m), the commenter encourages the Board to ensure the proposed rules allow for maximum flexibility in implementation. The commenter's parent company, FirstEnergy Corp., is already engaged in the development of an online portal system, but this is not the case for all EDCs. The commenter encourages the Board to clarify the use of the term "common" in the proposed rules, as it is not defined, to ensure that EDCs work together to identify areas where commonality would benefit applicants, rather than requiring uniformity. (JCP&L)

RESPONSE: The Board acknowledges that the word "common" is not defined, but disagrees that such a definition is warranted within the rule because it is clear that "common" does not need to be interpreted as "exactly the same" or "identical." The rule specifies that the minimum core functional requirements of the CIAP are listed at new N.J.A.C. 14:8-5.13, with a clear goal of providing consistent customer experiences, regardless of EDC territory. The Board is adopting recodified N.J.A.C. 14:8-5.2(n), as proposed, to add more clarity to the CIAP portal requirement and provide necessary flexibility in implementation.

12. COMMENT: The commenter requests clarity with respect to programs that implement a 120-day deadline to make a tariff or compliance filing. It is unclear whether the EDCs will be required to fully develop and implement these programs within four months, which is infeasible. The commenter recommends extending this deadline to one year. (PSE&G)

13. COMMENT: The language regarding implementation and related timeframes should be made clearer, such that there is a consistent understanding that the EDCs must file a "plan" with the Board, rather than fully implement a plan within 120 days. (JCP&L)

14. COMMENT: The commenter requires more clarity on the imposed 120-day deadlines. As proposed, it is unclear whether the rules require fully developed and implemented tariffs/compliance filings within this time frame or propose plans for such programs. The commenter recommends extending these deadlines to one year. (NJUA)

RESPONSE TO COMMENTS 12, 13, AND 14: Based on the commenters' concerns that 120 days is an insufficient time frame for implementing tariff filings, the timeline has been amended to 240 days. The Board does not deem it necessary to provide an entire year for the EDCs to implement tariffs and compliance filings due to the extensive period of time spent undergoing stakeholdering, specifically with the EDCs, preceding the notice of adoption and the understanding that the EDCs have been well aware of these pending requirements since at least February 2023 (https://njcleanenergy.com/renewableenergy/programs/gridmod).

N.J.A.C. 14:8-5.3 Certification of Customer-Generator Interconnection Equipment

15. COMMENT: The commenter recommends the addition of "beyond that which is required under IEEE-1547-2018 (or latest approved, applicable IEEE standards)" at the end of N.J.A.C. 14:8-5.3(c) and (d) to ensure the language is not interpreted as precluding further review or testing that may be required by IEEE standards. (JCP&L)

RESPONSE: The Board appreciates the commenter's recommendation and has amended N.J.A.C. 14:8-5.3(c) and (d) to incorporate the feedback to ensure compliance with the IEEE Standard 1547.

N.J.A.C. 14:8-5.4 Level 1 Interconnection Review

16. COMMENT: The proposed rules provide that a DER must have a "power rating of 25 [kilowatts] (kW) or less, as measured in alternating current" to qualify for level 1 review. The commenter states that the proposed rules do not specify whether the threshold is determined based on a resource's export capacity or nameplate capacity and, thus, should be amended to clarify that DERs or customer-generator facilities with a nameplate rating of 50 kW are eligible for level 1 review, as long as their export capacity is no greater than 25 kW. (IREC)

RESPONSE: The Board appreciates the commenter's recommendation and is adopting amendments at N.J.A.C. 14:8-5.4(a) to specify that resources qualify for level 1 interconnection if their export capacity is 25 kW or less and their nameplate capacity is 50 kW or less.

17. COMMENT: The commenter supports the amendments at proposed N.J.A.C. 14:8-5.4(e), which specify that a resource's export capacity is used in the penetration screen, but also recommends that the Board amend the relevant sections to provide more clarity. In addition, the commenter recommends that the Board amend the penetration screen to rely on minimum load, instead of peak load. The commenter further recommends that the transformer rating screen for level 1 (proposed rules N.J.A.C. 14:8-5.4(f)) be amended to clarify that the threshold for this screen (that a resource may not exceed 30 kilovolt-amperes (kVA)) is determined using either export capacity or nameplate rating. This suggestion is due to the transformer rating screen being designed to evaluate the potential for reverse power flow to cause impacts, such that only export past the point of common coupling is relevant. (IREC)

RESPONSE: The Board appreciates the commenter's support with respect to the proposed amendments at N.J.A.C. 14:8-5.4(e). The Board is adopting amendments at N.J.A.C. 14:8-5.4(e), which refers to "export" rather than "generation" capacity and a circuit's "relevant minimum load" as opposed to the "total annual peak load." The Board is also adopting amendments at N.J.A.C. 14:8-5.4(f) to specify that the threshold should be determined using export capacity.

18. COMMENT: The commenter states that the Board should specify that screens evaluating fault current must use nameplate capacity. Export controls do not typically change the transient behavior of DERs and, thus, the fault current contribution from DER sites is an aggregate contribution of the individual DER nameplates. The screens specified at N.J.A.C. 14:8-5.4(c) should be amended to reference "nameplate capacity" instead of "generation capacity." (IREC)

RESPONSE: The Board appreciates the commenter's feedback and agrees that nameplate rating and manufacturer's inverter specifications should be used for fault current calculations. Therefore, the Board is adopting amendments at N.J.A.C. 14:8-5.4(c), such that previous references to "generation capacity" now reference "nameplate capacity" to provide necessary clarity.

19. COMMENT: The commenter states that the Board should amend the proposed rules to require EDCs and applicants to agree to a reference point of applicability (RPA) early in the screening process. The commenter recommends supplementing the interconnection rules with a defined RPA review process for each of the interconnection review levels. The commenter proposes revisions to demonstrate how to integrate the RPA review into the existing level 1 procedure in a relatively seamless manner. (IREC)

RESPONSE: The Board appreciates the commenter's suggestion of the new term and is adopting amendments at recodified N.J.A.C. 14:8-5.4(k)

to define an RPA review process and timeline for level 1 interconnection applications. The Board believes that the requirement for the customer-generator applicant and their respective EDC to reach a consensus on an appropriate location for the interconnection and interoperability performance requirements to apply is a meaningful addition to the interconnection process.

20. COMMENT: The commenter recommends that the proposed rules define a timeline for customers to remedy deficiencies in their applications once the utility determines it to be incomplete. (IREC)

21. COMMENT: The commenter supports the requirements of timelines for applicants to respond and take certain actions in the proposed rules, though they request that the proposed interconnection rules grant EDCs the authority to remove non-responsive applicants from the queue after a certain length of time. (NJUA)

RESPONSE TO COMMENTS 20 AND 21: The Board appreciates the commenters' suggestion to define more timelines for customers/interconnection applicants and is proposing to amend the level 1 interconnection review, accordingly. The Board is adopting amendments at N.J.A.C. 14:8-5.4(i) to include a timeline of 15 business days for applicants to rectify their application after being notified by the EDC that it is incomplete. The Board is also adopting amendments at N.J.A.C. 14:8-5.4(q)3 to designate a timeline of 15 business days for applicants to communicate to the EDCs how they would like to proceed at the end of the level 1 interconnection process.

N.J.A.C. 14:8-5.5 Level 2 Interconnection Review

22. COMMENT: The commenter states that the Board should amend the proposed rules to require the EDCs and applicants to agree to an RPA early in the screening process. The commenter recommends supplementing the interconnection rules with a defined RPA review process for each of the interconnection review levels. The commenter proposes revisions to demonstrate how to integrate the RPA review into the existing level 2 procedure in a relatively seamless manner. (IREC)

RESPONSE: The Board appreciates the commenter's suggestion and is adopting amendments at N.J.A.C. 14:8-5.5(o) to define an RPA review process for level 2 interconnection applications. The Board believes that the requirement for the customer-generator applicant and their respective EDC to reach consensus on an appropriate location for the interconnection and interoperability performance requirements to apply is a meaningful addition to the interconnection process.

23. COMMENT: The commenter states that the Board should specify that screens evaluating fault current must use nameplate capacity. Export controls do not typically change the transient behavior of DERs and, thus, the fault current contribution from DER sites is an aggregate contribution of the individual DER nameplates. The screens specified at N.J.A.C. 14.8-5.5(e) should be amended to use nameplate capacity instead of "generation capacity." (IREC)

RESPONSE: The Board appreciates the commenter's feedback and agrees that nameplate rating and manufacturer's inverter specifications should be used for fault current calculations. Therefore, the Board is adopting amendments at N.J.A.C. 14.8-5.5(e), such that references to "generation capacity" are updated to "nameplate capacity" or "nameplate rating" instead, to provide necessary clarity.

24. COMMENT: The commenter recommends that the screening criteria specified at N.J.A.C. 14:8-5.5(f) be amended such that the threshold for aggregate generation capacity on a radial line section is based upon the minimum load, rather than the annual peak load, if the information is available. They recommend that N.J.A.C. 14:8-5.5(f) should read, as follows: "If a customer-generator facility is to be connected to a radial line section, the aggregate generation capacity connected to the electric distribution system by non-EDC sources, including the customer-generator facility, reduced by any export limited capacity achieved through non-exporting technology, shall not exceed the minimum load (or minimum daytime load for solar distributed generation) or when historic minimum load is not available [10] 15 percent (or [15] 25 percent for solar electric generation) of the total circuit annual peak load. For the purposes of this subsection, annual peak load, minimum load, and minimum daytime load shall be based on measurements taken over the 12 months prior to the submittal of the application, measured at the feeder supplying the customer-generator facility." (ACE)

RESPONSE: The Board appreciates the commenter's suggestion that the capacity threshold should be based on the minimum load rather than annual peak load and has, thus, added a new definition for "relevant minimum load" to add specificity to minimum load criteria. N.J.A.C. 14:8-5.5(f) has been amended to refer to "export capacity" and "relevant minimum" rather than "generation capacity" and "annual peak," respectively. The proposed definition of "relevant minimum load," which has been added at N.J.A.C. 14:8-5.1, specifies that for photovoltaic systems, the relevant minimum load is measured in the daytime, per the commenter's suggestion. Though these changes are not identical to those proposed by the commenter, the Board believes the information presented is effectively the same.

25. COMMENT: The commenter supports the amendments to proposed N.J.A.C. 14:8-5.5(f), which specify that a resource's export capacity shall be used in the penetration screen but also recommends that the Board provide additional clarity to the subsection. The commenter recommends that the Board amend the penetration screen to rely upon minimum load, instead of peak load, and that the transformer rating screen for level 2 (N.J.A.C. 14:8-5.5(i)) be amended to clarify that the threshold for this screen (that a resource may not exceed 30 kVA) is determined using either export capacity or nameplate rating. The threshold suggestion is due to the transformer rating screen being designed to evaluate the potential for reverse power flow to cause impacts, such that only export past the point of common coupling is relevant. (IREC)

RESPONSE: The Board appreciates the commenter's support and is adopting amendments to implement the commenter's recommendation at N.J.A.C. 14:8-5.5(f), such that it refers to "export" rather than "generation" capacity and a circuit's "relevant minimum load" as opposed to the "total annual peak load." The Board is also adopting amendments at N.J.A.C. 14:8-5.5(i) to specify that the threshold should be determined using export capacity. The Board thanks the commenter for its support and recommendations.

26. COMMENT: The commenters recommend that the proposed rules define a timeline for customers to remedy deficiencies in their applications once the utility determines it to be incomplete. (IREC and NJUA)

RESPONSE: The Board appreciates the commenters' suggestion to define more timelines for customers/interconnection applicants and is proposing to amend the level 2 interconnection review, accordingly. The Board is adopting amendments at N.J.A.C. 14:8-5.5(n) to include a timeline of 15 business days for applicants to rectify their application after being notified by the EDC that it is incomplete, or their application will be deemed withdrawn. The Board intends for this amendment to reduce the administrative burden on the EDCs.

27. COMMENT: The commenter requests clarification at N.J.A.C. 14:8-5.5(a)1, in which the maximum capacity eligibility requirement for systems in the level 2 interconnection review is listed as two MW direct current, while N.J.A.C. 14:8-5.2(a)2i states that level 2 projects are designated as two MW alternating current. They request that standard units of alternating current be promulgated in the new rules. (PowerFlex)

28. COMMENT: The commenter states that at N.J.A.C. 14:8-5.5, the Board has incorrectly used units of direct current. (JCP&L)

29. COMMENT: The commenter asserts that all units and measurements at levels 1, 2, and 3 should be in alternating current, including energy storage. (RECO)

30. COMMENT: The commenters recommend that the EDCs uniformly use alternating current (AC) values in interconnection processes and hosting capacity maps. (NAIOP, Piq Energy, and Solar Landscape)

31. COMMENT: The commenter states that the units of direct current should be changed to alternating current, with respect to customer generator facility size criteria, in order to keep consistency with the interconnection studies. (ACE)

32. COMMENT: The commenter refers to N.J.A.C. 14:8-5.5(a)1 and states that "the proposed rule states a resource's capacity is measured in direct current," which they believe is a mistake and, therefore, requests the Board amend the proposed rule to consistently state that a resource's capacity is measured in alternating current. (IREC)

RESPONSE TO COMMENTS 27 THROUGH 32: The Board appreciates the commenters' drawing attention to this inconsistency with

respect to units. The Board is amending N.J.A.C. 14:8-5.5(a)1, such that all units of power capacity are measured and reported in alternating current (AC), rather than direct current (DC).

33. COMMENT: Regarding N.J.A.C. 14:8-5.5(b), the commenter recommends inclusion of the following language "… or not required for the customer generator facility to conform with IEEE-1547-2018 (or latest approved, applicable IEEE standards)." (JCP&L)

RESPONSE: The Board appreciates the commenter's feedback and agrees that customer-generators should not be subjected to EDC studies that are neither described at N.J.A.C. 14:8-5, nor IEEE Standard 1547 (2018), and is adopting amendments at N.J.A.C. 14:8-5.5(b) pursuant to the commenter's suggestion.

34. COMMENT: With respect to recodified N.J.A.C. 14:8-5.5(p)4i, the commenter states that EDCs cannot consider a non-exporting technology without a definition with the appropriate standards and that mitigation of application failure cannot be made through export limiting until further definition and operation of this technology is made. (ACE)

RESPONSE: The Board appreciates the commenter's feedback and agrees that more clarity is required with respect to the utilization of export-limiting technology. The Board is, thus, adopting amendments at N.J.A.C. 14:8-5.2(l) to define specific parameters and offer guidance for EDCs and potential customer-generators with respect to the utilization of export controls, including acceptable export control methods for non-exporting and limited-export DERs.

N.J.A.C. 14:8-5.6 Level 3 Interconnection Review

35. COMMENT: The commenter expresses an unwillingness to hold an application in abeyance for 60 days until the scope is finalized. Instead, an applicant should only be given 30 days. (ACE)

RESPONSE: The Board appreciates the commenter's concern and is amending recodified N.J.A.C. 14:8-5.6(m) to remove the allowance for applicants to have their application be held in abeyance for 60 days.

36. COMMENT: Pertaining to N.J.A.C. 14:8-5.6(a)1, the commenters have pointed out that units of direct current have been used instead of alternating current. (JCP&L, ACE, and RECO)

RESPONSE: The Board appreciates the commenters for drawing attention to this inconsistency and is adopting amendments that change all units of current to AC, rather than DC.

37. COMMENT: The commenter states that the Board should amend the proposed rules to require EDCs and applicants to agree to an RPA early within the screening process. The commenter recommends supplementing the interconnection rules with a defined RPA review process for each of the interconnection review levels. The commenter proposes revisions to demonstrate how to integrate the RPA review into the existing level 3 procedure in a relatively seamless manner. (IREC)

RESPONSE: The Board appreciates the commenter's suggestion and is adopting amendments at recodified N.J.A.C. 14:8-5.6(l) to define an RPA review process for level 3 interconnection applications. The Board believes that the requirement for the customer-generator applicant and their respective EDC to reach consensus on an appropriate location for the interconnection and interoperability performance requirements to apply is a meaningful addition to the interconnection process.

38. COMMENT: The commenter is concerned that the $2,000 cap on the level 3 interconnection application fee could lead to ratepayers being responsible for potential additional costs of the respective EDC processing the application. While the application fees are structured to scale the application costs for differently sized projects, the $2,000 application fee cap effectively removes that structure. The commenter, thus, recommends that the interconnection costs be charged to the applicant requesting to connect their DER project to the grid and the proposed new rule should state that "[a]n application fee shall be set by the EDC based on its historic, actual costs incurred to process a level 3 application." Further, the commenter states that the application fees should cover all costs to the EDC to process the application and recommends revising proposed new N.J.A.C. 14:8-5.6(k) to add "[t]he Customer-generator will be responsible to pay the costs of any system upgrades needed to connect its proposed DER facility to the EDC's grid." (DRC) RESPONSE: The Board is sensitive to ratepayer cost concerns and is, therefore, adopting amendments to increase the application fee cap to $10,000 for level 3 projects. This cap, as expressed at recodified N.J.A.C. 14:8-5.6(k), only pertains to the initial fee for the application review, however, and is not reflective of the total interconnection cost. Recodified N.J.A.C. 14:8-5.6(k) already provides that the "application fee shall be in addition to charges for actual time spent on analyzing the proposed interconnection. Costs for EDC studies and facilities necessary to accommodate the applicant's proposed customer-generator facility shall be the responsibility of the applicant." Thus, the Board believes the commenter's suggested addition at N.J.A.C. 14:8-5.6(m) is redundant and declines to incorporate that amendment. The existing language also specifies applicants are responsible for incremental costs above this core fee. Thus, the Board declines to remove the application fee cap for level 3 interconnections because of the unintended result this could have of discouraging large customer-generator facilities from connecting to the distribution grid. Nonetheless, the Board appreciates the commenter's suggestion regarding application fees being based upon historic, actual costs. The Board does not currently monitor how many total hours of labor are required, and at what respective employee skill level, to process an interconnection application. Acquiring this information could enable the Board to set fees that better reflect the work required to process applications. Unfortunately, the Board believes that requiring such information at this time could put an undue administrative burden on the EDCs.

39. COMMENT: The commenters recommend that the proposed rules define a timeline for customers to remedy deficiencies in their application once the EDC determines it to be incomplete. (IREC and NJUA)

RESPONSE: The Board appreciates the commenters' suggestion to define more timelines for customers' interconnection applicants and is adopting amendments at N.J.A.C. 14:8-5.6(b) to include a timeline of 15 business days for applicants to rectify their application after being notified by the EDC that it is incomplete.

40. COMMENT: With respect to N.J.A.C. 14:8-5.6(q) (recodified in this notice as subsection (r)), the commenter states that the Board has not made clear that the costs of upgrades should not be recoverable from ratepayers. The commenter objects to cost-shifting because limiting the applicant's responsibility to pay for the costs it directly causes violates cost-causation principles of ratemaking. (DRC)

RESPONSE: The Board is implementing recodified N.J.A.C. 14:8-5.6(r), cost envelope in an effort to ensure that the EDCs give reasonable estimates to developers/applicants with respect to the necessary system upgrades to safely interconnect their DER. The Board believes that cost overruns exceeding 50 percent of the total upgrade cost would likely be the result of EDC imprudence and, thus, would not be recoverable from ratepayers. It is possible, however, that cost overruns of such a magnitude will not always be the result of EDC imprudence. Thus, based on the commenter's recommendation, the Board is adopting amendments that add the following sentence at recodified N.J.A.C. 14:8-5.6(r), in reference to the 50 percent cost overruns: "These costs overruns shall also not be borne by ratepayers unless the EDC demonstrates to the Board that its original cost estimate was reasonable under the circumstances and the subsequent cost overrun was not the result of its own imprudence."

N.J.A.C. 14:8-5.7 Interconnection Fees

41. COMMENT: The commenter objects to the proposed amendments to this section because it sets limits on the amounts that EDCs may charge for application fees, engineering review of applications, connecting to the grid, or operating a customer's facility. N.J.A.C. 14:8-5.7(b) limits the fee of reviewing a level 2 application. N.J.A.C. 14:8-5.7(c) limits the fee of reviewing a level 3 application. Further, the commenter states that N.J.A.C. 14:8-5.7(c) is not consistent with N.J.A.C. 14:8-5.5(j) because it does not include a $2,000 limit for level 3 application fees. Accordingly, the commenter recommends revising N.J.A.C. 14:8-5.7(a), (b), and (c) to remove the application fee cap and make N.J.A.C. 14:8-5.7(c) and 5.6(j) consistent, such that all references to the $2,000 application cost cap are removed. (DRC)

RESPONSE: Pursuant to the proposed amendments and new rules at N.J.A.C. 14:8-5, all applicants must cover the full cost of any system upgrades needed to facilitate their interconnection, and both level 2 and level 3 applicants must also cover the full cost of processing their applications. The new application fees for level 1 applications will also require level 1 applicants to start contributing to the cost of processing

their applications for the first time. Thus, the net effect of the proposed changes to application fees will be to reduce, rather than increase, the shifting of application processing costs to ratepayers. That said, the Board is adopting amendments at both N.J.A.C. 14:8-5.7(c) and 5.6(j) to implement a cost cap of $10,000 for level 3 initial applications, which is not inclusive of any electrical power system (EPS) upgrades required by the EDCs. The Board appreciates the commenter drawing attention to this inconsistency.

42. COMMENT: The commenter states that within the proposed rules, there is a conflicting provision at N.J.A.C. 14:8-5.6(j), which specifies a $2,000 maximum application fee, that is not reflected at N.J.A.C. 14:8-5.7(c). The Board should amend N.J.A.C. 14:8-5.7(c) to adopt the provision limiting the application fee to $2,000. (IREC)

RESPONSE: The Board is adopting amendments to remove the inconsistency at proposed N.J.A.C. 14:8-5.7(c) and 5.6(j), which refer to the initial application fees for a level 3 interconnection, by amending both N.J.A.C. 14:8-5.7(c) and 5.6(j), such that they provide for a maximum application fee of $10,000. The Board appreciates the commenter pointing out this inconsistency.

N.J.A.C. 14:8-5.8 Testing, Maintenance, and Inspection after Interconnection Approval

43. COMMENT: The commenter recommends that the Board amend N.J.A.C. 14:8-5.8(b), such that additional provisions for recordkeeping should be required to be in compliance with IEEE Standard 1547 (2018). At a minimum, any change to software, firmware, or hardware should be documented in a log, along with any test reports confirming that required settings have not been changed. (JCP&L)

RESPONSE: The Board appreciates the commenter's suggestion and believes this is a valuable addition, as it is the Board's intention for customer-generators to be in compliance with the IEEE Standard 1547 (2018). The Board is adopting amendments at N.J.A.C. 14:8-5.8(b) to require the compliance be with the IEEE Standard 1547 (2018) for three calendar years.

N.J.A.C. 14:8-5.11 Hosting Capacity Maps

44. COMMENT: The commenter requests clarity with respect to programs that implement a 120-day deadline to make a tariff or compliance filing. It is unclear whether the EDCs will be required to fully develop and implement these programs within four months, which is infeasible. The commenter recommends extending this deadline to one year. (PSE&G)

45. COMMENT: The language regarding implementation and related timeframes should be made clearer such that there is a consistent understanding that the EDCs must file a "plan" with the Board, rather than fully implement a plan within 120 days. (JCP&L)

46. COMMENT: The commenter requires more clarity on the imposed 120-day deadline. As proposed, it is unclear whether the rules require fully developed and implemented tariffs/compliance filings within this time frame or propose plans for such programs. The commenter recommends extending these deadlines to one year. (NJUA)

RESPONSE TO COMMENTS 44, 45, AND 46: Based on the commenters' concerns that 120 days is an insufficient time frame for implementing tariff filings, the Board is amending the timeline to 240 days. The Board does not deem it necessary to provide an entire year for the EDCs to implement tariffs and compliance filings due to the extensive period of time spent undergoing stakeholdering, specifically with the EDCs, preceding the notice of adoption and the understanding that the EDCs have been well aware of these pending requirements since at least February 2023 (https://njcleanenergy.com/renewableenergy/programs/gridmod).

47. COMMENT: The commenter recommends revising N.J.A.C. 14:8-5.11(c)2 to include the following, with new text designated in boldface: "A recommended and maximum amount of additional export capable generating capacity, defined as the maximum amount of power customer-generator facilities can export, after accounting for any non-exporting technology, that can be accommodated on each nearby open circuit without violating any reliability criteria, including, but not limited to, thermal, steady-state voltage, voltage fluctuation, and voltage protection criteria; **and maximum amount of additional import capacity, defined as the maximum amount of additional power demand that can be accommodated on any given circuit(s)**." (EDF)

RESPONSE: The Board appreciates the commenter's recommendation of specifying that hosting capacity maps should present import capacity information and is adopting amendments at N.J.A.C. 14:8-5.11(c)2, as recommended. This amendment will help applicants, customers, and developers make more informed choices of where to locate their future DER projects or customer-generator facilities.

2. Comments Received Upon Publication of Notice of Proposed Substantial Changes Upon Adoption to Proposed Amendments

SUBCHAPTER 5. INTERCONNECTION OF CLASS I RENEWABLE ENERGY SYSTEMS

General Comments

48. COMMENT: The commenter commends the Board for its efforts to improve the interconnection process and expresses appreciation for the new requirements that ensure fair treatment of applicants in the queue by addressing non-responsive projects. (JCP&L)

49. COMMENT: The commenter states that the proposed revisions will strengthen the State's interconnection policies "to the benefit of local residents, businesses, and solar developers," particularly by incorporating energy storage/export control methodologies and updating screening and eligibility criteria. If adopted, the proposed rules will increase New Jersey's "Freeing the Grid" interconnection score from a "D" to a "B" and lift New Jersey into the top ten of the nation on distributed energy resource (DER) interconnection policy. (IREC)

50. COMMENT: The commenter commends the Board for taking significant steps towards modernizing New Jersey's distribution grid, many of which reflect the commenter's previous recommendations, as well as those made by other clean energy stakeholders. Further, the commenter recognizes the Board's timely response to rising electricity rates attributed to PJM capacity market constraints and to recent Federal and State-level policy developments. (CCSA)

51. COMMENT: The commenter commends the Board for proposing substantial changes to the rulemaking. (DRC)

RESPONSE TO COMMENTS 48 THROUGH 51: The Board thanks the commenters for their support and feedback with respect to this rulemaking.

52. COMMENT: The commenter recommends that the Board should adopt all proposed language concerning energy storage, export control provisions, and updated screens. (IREC)

RESPONSE: The Board thanks the commenter for their feedback and is adopting all proposed language concerning energy storage, export control provisions, and updated screens. The Board especially thanks the commenter for their detailed recommendations for the export control provisions at N.J.A.C. 14:8-5.2.

53. COMMENT: The commenter states that the Board should establish a working group process within the Grid Modernization Forum to address IEEE 1547-2018 standard adoption, hosting capacity analyses, and screening practices. (IREC)

RESPONSE: The Board appreciates the commenter's feedback and intends to incorporate this feedback into the Grid Modernization Forum (GMF) proceedings.

54. COMMENT: The commenter suggests that the Board should establish an expedited HR 1 proceeding to streamline interconnection procedures to help New Jersey leverage expiring Federal tax credits. The impact of State DER interconnection procedures on project costs and approval timelines is of critical importance and the interconnection process poses a significant risk to the timely eligibility for Federal tax credits. (IREC)

RESPONSE: The Board appreciates the commenter's feedback and agrees with the commenter that the interconnection process can be a significant source of delay, some of which can be mitigated through the adoption of this rulemaking. The Board intends to hold further discussions within the context of the Grid Modernization Forum in an upcoming working group aimed at implementing a streamlined, flexible queue process. The Board will also consider holding a public stakeholder proceeding, such as a technical conference, to better understand which

specific actions should be taken, such that as many developers in New Jersey can utilize Federal tax credits while they are still available.

55. COMMENT: The commenter states that the Board should allow EDCs and developers to utilize "EDC-approved third-party engineers and constructors" to do work pertaining to interconnecting DERs. Through this model, EDCs would maintain control of designs, protection settings, safety standards, and final acceptance of the work, while developers handle procurement and construction. This model would accelerate timelines, improve cost and schedule control, ease supply-chain risk, and reduce EDC burden. The Board should look to Massachusetts and Maine as examples and adopt a uniform, Statewide process with the following guardrails: a prequalified contractor list; standard agreements, inspection, commissioning processes, quality assurance/quality control requirements, insurance, and bonding; and transparent cost true-ups. The commenter further states that EDCs should be held accountable for delays of impact or facilities studies by partially refunding developers the associated fees, such that developers may hire qualified third-party engineers to perform said studies. If such third-party studies are allowed, EDCs should be required to provide required asset information within a reasonable timeframe. (Solar Landscape)

RESPONSE: The Board appreciates the commenter's feedback with respect to enhancing the EDC's impact and facilities study practices. The Board must also acknowledge the potential safety and reliability risks associated with opening up the performance of facilities and impact studies to third parties outside the EDCs and that moving forward with such a recommendation at this time without further stakeholdering and discussions with the EDCs would be irresponsible. The Board appreciates the suggestion that, if a reasonable and appropriate mechanism can be established to allow third-party engineering entities to complete EDC-required system impact and feasibility studies, that EDCs should be required to refund developers for severe delays and provide necessary asset information such that developers can acquire approved third-party engineering entities to complete the EDC-required studies. As the Board requires further information from EDCs and other stakeholders on how to establish such a mechanism, the Board declines to implement the commenter's feedback at this current time, but intends to incorporate the concept of allowing third-party contractors and engineers to perform studies and decrease the burden of the EDCs into the Grid Modernization Forum for further deliberations, as this feedback is worthy of further consideration.

The Board does not necessarily agree with the commenter, however, that allowing third-party contractors to perform work pertaining to DER interconnection would have any impact on the risk associated with the supply-chain for substation equipment, as it would neither decrease demand nor increase the supply of such products.

56. COMMENT: The commenter appreciates the Board's integration of some previously proposed changes but remains concerned with affordability, operational efficiency, and effective implementation while aligning with State clean energy goals. The commenter also encourages the Board to meet with EDCs and the developer community to convey specific outcomes the Board aims to achieve and then work with the Board to modify tracking and reporting requirements, as necessary, to align with State goals without imposing an unnecessary burden. (NJUA)

RESPONSE: The Board appreciates the commenter's acknowledgement of the changes made in the notice of proposed substantial changes (NOPSC). The Board disagrees, however, that further EDC and developer stakeholder sessions need to be held before the provisions at N.J.A.C. 14:8-5 are adopted, as stakeholders, especially the EDCs, have had numerous opportunities to work with the Board and provide feedback on the rule amendments. Before the notice of proposal (NOP) of amendments and new rules at N.J.A.C. 14:8 was published in the New Jersey Register on June 3, 2024, the Board held five separate stakeholder meetings to discuss the proposed revisions and provide rationale for doing so. A request for comments, including the Straw Proposal, which is the basis of the NOP, was published on January 27, 2023 on the Board's website. Staff held a stakeholder meeting on February 10, 2023. The deadline for comments on the Straw Proposal was March 3, 2023. Attendees included the New Jersey Division of Rate Counsel; all four EDCs; and representatives from the solar, energy storage, electric vehicle, and fuel cell industries. Twenty-two comments were filed regarding the Straw Proposal. Staff then held three meetings with the EDCs on August 16, 2023, August 24, 2023, and September 9, 2023. There was a single non-EDC meeting for solar industry stakeholders, including the Mid-Atlantic Solar & Storage Industry Association, which was held on August 8, 2023. After the NOP was published, there was a 60-day comment period, during which the Board received 15 individual sets of comments from stakeholders, including all four New Jersey EDCs and the New Jersey Utilities Association.

Further, meeting with the EDCs and developer community is an important aspect of the Grid Modernization Forum (GMF), which is ongoing. The Board agrees that it would be worthwhile to discuss the EDCs' implementation of the new provisions at N.J.A.C. 14:8-5 within the GMF and intends to do so.

Further still, the reporting requirements included in the NOP at N.J.A.C. 14:8-5.9 have already been adopted through the notice of adoption published on July 7, 2025, so, technically, feedback on these specific reporting requirements are outside the scope of this document responding to comments arising from the notice of proposed substantial changes.

57. COMMENT: The commenter states that EDCs should be required to publish clear and uniform timelines for studies, invoices, payments, and other critical milestones in collaboration with developers. The commenter also states that the Board should levy fines for EDCs consistently missing deadlines and incurring other significant delays for which the EDCs are at fault. The Board should hire an additional staff member to monitor and enforce penalties for continued delays at the fault of the EDCs. (Solar Landscape)

RESPONSE: The Board appreciates the commenter's feedback and suggestions, especially on additional information that EDCs can provide to aid developers seeking interconnection. It is the Board's intent for the CIAP web portal to significantly improve and streamline the interface between developers and EDCs with respect to tracking timelines, invoices, payments, and other milestones (that is, performance data). Technically, EDCs already have clear and uniform timelines for studies and payment as defined at N.J.A.C. 14:8-5, such that it should not be necessary for EDCs to identify and post their own separate timelines. The Board understands, however, that the EDCs are not necessarily fully compliant with these timelines and intends to utilize the CIAP data of each utility to better monitor compliance with these set timelines and pursue further action, if appropriate. As the CIAP-generated automated data will help provide additional information with respect to EDC performance, the Board disagrees that it is necessary to acquire additional staff at this time specifically for the purpose of monitoring timeline compliance. The Board also intends to investigate and discuss how artificial intelligence or machine learning could be utilized to further streamline the interconnection application process in the Grid Modernization Forum.

58. COMMENT: The commenter states that EDC maps and studies do not consistently use units of alternating current (AC), despite the grid operating on alternating current, which complicates development between multiple EDC territories. Thus, all EDCs should be required to use AC ratings for their hosting capacity maps and facilities and system impact studies, while allowing developers to reference direct current (DC) size for informational purposes. (Solar Landscape)

RESPONSE: The Board appreciates the commenter bringing light to this issue and understands the importance of consistency between EDCs, especially with respect to units of power. A better understanding of specific discrepancies between EDCs reporting values in AC or DC is needed before such a requirement can be considered. The Board intends to bring this topic to the Grid Modernization Forum to gain a better understanding of such and engage both the EDCs and the developer community in further discussions.

59. COMMENT: The commenter states that the Board should require EDCs to review Permission to Operate (PTO) requests for completeness within two business days and issue decisions for PTOs within five business days, as post-construction delays in PTOs hinder timely project energization. Further, when infrastructure upgrades delay full energization, interim PTOs for curtailed generation should be issued. There should be standardized easement policies for early identification, commercially reasonable template agreements, and clear resolution timelines. (Solar Landscape)

RESPONSE: The Board appreciates the commenter's feedback with respect to further expediting the interconnection process. As the Board has already implemented a number of additional timelines and requirements on the EDCs through this rulemaking, the Board disagrees that further timelines need to be added at this time, so as to not administratively overburden the EDCs. The Board intends to bring this feedback of implementing further times and allowing curtailed generation, such as is allowed in the Texas interconnection process, to the Grid Modernization Forum for further discussion.

60. COMMENT: The commenter states that EDCs' delayed invoicing and procurement for infrastructure upgrades are a consistent cause of delay in developer timelines. Thus, the Board should require EDCs to issue invoices within 30 business days of the scope agreement and that procurement must be initiated immediately upon payment, with order dates and delivery timelines posted on the CIAP web portal for transparency. The commenter states that letters of credit and bonds should be accepted for interconnection deposits, as is a customary practice in other utility territories. Further, the Board should require EDCs to publish an interconnection refundability schedule with clear milestones, deadlines, and payment amounts to provide more transparency and clarity to developers. Such measures will assist in keeping projects on track and lower financial risk. (Solar Landscape)

RESPONSE: The Board appreciates the commenter's feedback with respect to further expediting the interconnection process. As the Board has already implemented a number of additional timelines and requirements on the EDCs through this rulemaking procedure, the Board disagrees that further timelines need to be added at this time, so as to not administratively overburden the EDCs. Further, more discussion is needed with the EDCs before allowing applicants to utilize letters of credit or bonds for interconnection deposits. Though it may occur in other utility practices, the Board does not currently have a good understanding of how this change may impact the EDCs in New Jersey and their accounting of interconnection fees. The Board intends to bring this feedback of implementing further timelines and considering alternative payment methods for interconnection fees to the Grid Modernization Forum for further discussion.

61. COMMENT: The commenter states that EDCs should deploy Distributed Energy Resource Management Systems (DERMS) and fully enable smart inverters to utilize advance functionality such as "ride through" for minor voltage or frequency disturbances. The full utilization of smart inverter functions in conjunction with DERMS will reduce grid strain, improve flexibility and reliability, and enhance DER integration into the distribution grid. (Solar Landscape)

RESPONSE: The Board appreciates the commenter's feedback regarding requirements for EDCs to acquire DERMS and to fully utilize the advanced functions of inverters that are compliant with the IEEE 1547-2018 standard (smart inverters). The inclusion of both of these requirements is already the topic of discussion within the Board's Grid Modernization Forum in the Integrated Distributed DER (IDDER) Workgroup proceeding (Docket No. QO24030199), which is intended to outline requirements for EDC's proactive system upgrade plans in a separate rulemaking proceeding. As this requirement is still the subject of stakeholder discussion, the Board declines to incorporate a requirement for DERMS in the current rule proceeding.

62. COMMENT: The commenter states that the Board's administrative rules should align with the New York Public Service Commission's Standard Interconnection Requirements. A uniform, flexible queue with a "first ready, first through" approach will ensure that viable projects are not held up by inactive projects. (Solar Landscape)

RESPONSE: The Board appreciates the commenter's feedback. Through this rulemaking, it was the Board's intention to drive removal of inactive or infeasible projects as early as possible within the interconnection process by introducing a number of early verification methods and customer timelines. The Board does agree, however, that further action, especially with respect to queue reform, is needed. Queue reform is already a planned topic of discussion within a workgroup under the Grid Modernization Forum, as described in the Board Order from November 9, 2022, at Docket No. QO21010085 (In the Matter of Modernizing New Jersey's Interconnection Rules, Processes, and Metrics) accepting the Guidehouse recommendations for modernizing New Jersey's distribution grid. The New York Public Service Commission's Standard Interconnection Requirements (SIR) adopts FERC Order No. 2023 and effectively implements a readiness-focused queue process, rather than a serial queue process as is the status quo in New Jersey and many other states. The Board agrees with the commenter that there are feasible alternatives to the current serial interconnection queue process, which has always been an intended point of discussion within the Grid Modernization Forum. As such, the Board declines to implement further amendments with respect to queue reform in the current rulemaking, especially without further stakeholdering as the New York SIR process was created for New York State, which differs from New Jersey in many ways, specifically with respect to the distribution- and transmission-scale electric sector. The Board believes that valuable lessons can be learned from the New York SIR process and intends to utilize the process as a discussion point within the Grid Modernization Forum while considering future interconnection process improvements.

63. COMMENT: The commenter states that the Board should replace the term "non-exporting technology" with "export controls" throughout the rule text to improve accuracy and clarity. The current usage of "non-exporting technology" in the rules is unclear as the term is not specifically defined. (IREC)

RESPONSE: The Board appreciates the commenter's feedback on improving clarity with regard to customer-generators utilizing export controls and notes that much clarity has already been added, specifically at N.J.A.C. 14:8-5, due to the commenter's previous comments with respect to export-limiting technologies. As proposed, there are four total instances of the phrase "non-exporting technology" at N.J.A.C. 14:8-5. The term is defined at N.J.A.C. 14:8-5.1 as meaning "an electric device that is designed to ensure that a customer-generator facility is a non-exporting customer-generator facility or that limits the amount of injection past the point of common coupling." At N.J.A.C. 14:8-5.3(d), the phrase "non-exporting technology" is utilized in a list of interface components. At recodified N.J.A.C. 14:8-5.4(q)1, the phrase "non-exporting technology" is used in reference to mitigation measures that "either reduce the customer-generator facility's capacity or restrict its ability to export." Lastly, at N.J.A.C. 14:8-5.11(c)2, the phrase "non-exporting technology" is utilized with respect to circuit-level hosting capacity being displayed on public-facing EDC hosting capacity maps. The Board will change N.J.A.C. 14:8-5.3(d), 5.4(q)1, and 5.11(c)2 to replace the term "non-exporting technology" with "export controls" pursuant to the commenter's request.

64. COMMENT: The commenter states that the substantial rule changes feature the following deficiencies, which violate the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq. (APA): a description of the changes between the rule as originally proposed and the new proposed changes; specific reasons for proposing additional changes; and a standard of clarity such that the document is easily readable, understandable, complete, and informative. The commenter asserts that a description of the changes between the rule as originally proposed and the new proposed changes is absent due to the full text of the codified rule not being included "in one place." The commenter states that the separation of items into sections and general format of the notice "rendered the notice confusing and unusable," therefore, failing to comply with the APA. (DRC)

RESPONSE: The Board appreciates the commenter's feedback and acknowledges that a concatenated copy of all amendments proposed in the original NOP, which was published on June 3, 2024, at 56 N.J.R. 993(a), and substantial proposed changes in the NOPSC would provide stakeholders with a more transparent view of the overall changes proposed. Publication of such, however, is not strictly required for adherence to the APA. The Board organized the NOPSC according to the format prescribed by the Office of Administrative Law (OAL), the agency responsible for publications in the New Jersey Register, where these proposed substantial changes were published. This format prescribes that, after publication of an NOP, any changes to the original NOP must be documented in a specific format and organized into the sections of the original NOP that are being impacted. If, for example, an agency publishes an NOP that proposes changes to subsections (l), (m), and (n) of a given section and the agency that issued the NOP receives feedback that the proposed changes to subsection (l) could be vastly improved by

adding a few lines of additional text, the agency should move forward with an NOPSC that only includes subsection (l) to indicate the change from what was proposed in the NOP and what is being proposed in the NOPSC. Inclusion of subsections (m) and (n) within the NOPSC would not align with OAL's formatting guidelines, as it would indicate that further changes are being proposed to those sections. The commenter is correct in that, to get a complete view of all changes being proposed throughout the proceeding, a reader must take subsection (l) from the NOPSC and subsections (m) and (n) from the NOP. However, this formatting convention ensures clarity that no further changes are being proposed to subsections (m) and (n).

Further, in its responses to comments in the summary of public comments and agency responses section of the NOPSC, in each instance where the Board agreed with a commenter's request to make a change, the Board provided a description of the proposed change from the originally proposed text, as well as the Board's specific reasons for proposing the additional changes. This section of the NOPSC was arranged by rule provision, allowing a reader to clearly identify the comments and responses pertaining to each rule provision. For changes that were not made in response to specific comments, the Board included a description of the proposed changes in the Summary of Agency-Initiated Changes section. The Board provided substantive responses to all comments, and all descriptions of the changes were written in a reasonably simple and understandable manner, without unnecessary jargon or convoluted phrasing that would hinder the public's understanding of the subject matter. Finally, the NOPSC included the full text of the amended rule text reflecting all the proposed changes.

As the Board formatted and organized the NOPSC in accordance with the guidelines given by the agency that publishes the New Jersey Register, described all changes in reasonably simple and understandable language, and provided the text of all proposed changes in accordance with the standard formatting used for all New Jersey rule publications (including an explanation of this formatting), the Board respectfully disagrees with the commenter that the NOPSC lacks a description of the changes between the rule as originally proposed and the new proposed changes, as well as specific reasons for proposing additional changes.

65. COMMENT: The commenter takes issue with the language in the NOPSC in which the Board explained that it "intends for this notice of substantial changes to increase the amount of renewable, storage, and DER capacity in New Jersey to help alleviate growing shortages of generation capacity due to the combination of recent generator retirements and dramatic increases in forecasted electricity demand driven by advances in artificial intelligence." The commenter suggests that the Board appears to be changing the stated purpose of these rule amendments with this language. The commenter points to the fact that "artificial intelligence" was not mentioned in the Board's previous rulemaking. Moreover, the commenter asserts that it would be impermissible to address resource adequacy concerns through this rulemaking proceeding because those issues are being addressed in different Board proceedings. Particularly, the commenter cites *In the Matter of New Jersey's Renewed Investigation Surrounding Resource Adequacy* (Docket No. QO25060358), whose purpose is to evaluate alternatives to the PJM capacity market, as well as a recent joint senate resolution from August 15, 2025, S.J. Res. 154, 221st Leg. (N.J. 2025) (enacted), which directs the Board to examine PJM's capacity market and collaborate with neighboring states to urge market reforms and that the Board has not established a formal proceeding that directly results from this legislative directive. The commenter states it is premature for the Board to state that these rule changes may "help alleviate" generation capacity, because the proceeding at Docket No. QO25060358 has not yet reached a determination on how New Jersey should ensure the provision of adequate energy resources and there has been no official Board action as a result of the Senate Joint Resolution No. 154. Additionally, the commenter has concerns that stakeholders in this Grid Modernization proceeding are not necessarily identical to those in the Resource Adequacy proceeding and certain stakeholders would not have the opportunity to comment on rules that impact resource adequacy that otherwise should have. (DRC)

RESPONSE: The Board appreciates the commenter's feedback but believes the language used in that section was an appropriate description of the original purpose of this rulemaking proceeding overall. While the Board does not intend this rulemaking to be the sole or primary means of addressing the resource adequacy problem, it is certainly the intent of the Board that increasing the amount of renewable, storage, and DER capacity in New Jersey would help alleviate resource adequacy concerns. The intention of the Board's overall grid modernization program is to cost-effectively bring the electric distribution grid up to speed with the current technologies utilized and enjoyed by New Jersey residents, agencies, and industries, as well as proactively prepare the grid for future energy market transformations which will allow electricity customers to have more control and choices over their supplier. The inclusion of certain phrases like "artificial intelligence" was not meant to change the overall scope or purpose of this proceeding, but to reflect another example of why the overall goal of increasing capacity through Grid Modernization is necessary.

The purpose of this rule proceeding, which informally began on November 9, 2022, when the Board accepted the nine recommendations for modernizing New Jersey's electric distribution grid, has always been to remove stakeholder-identified sources of inefficiency and delay within the interconnection request process by implementing timelines related to explicitly defined actions required from all participants; improve transparency through enhanced methods of communication between EDCs and applicants; and lay the foundation for a flexible and "smart" grid by requiring that customer-generator facilities be compliant with the IEEE 1547-2018 standard. These provisions, most of which have now been adopted, lay essential groundwork for a broader modernization initiative at the distribution level to increase interconnection capacity and, importantly to ensure resource adequacy by enabling additional DER compensation mechanisms beyond government subsidies.

66. COMMENT: The commenter cited the APA requirement for an agency to post rulemaking proposals on the agency's internet website and acknowledges that the Board did post the rulemaking proposal on its website but did not post the notice on the Board's Public Document Search, Public Notices, or Grid Modernization pages. The commenter, thus, requests that the Board "re-draft and re-notice" the proposed substantial changes to comply with the APA. (DRC)

RESPONSE: The Board appreciates the commenter's feedback. The Board acknowledges that the Division of Clean Energy's (DCE) Grid Modernization web page at https://www.njcleanenergy.com/renewable-energy/programs/gridmod is out of date which may have caused some difficulty in finding the NOA and NOPSC that were published in the New Jersey Register on July 7, 2025. The DCE website is being redesigned pursuant to Docket No. QO19121507, *In the Matter of the BPU Clean Energy Program for (RFP) Web Design, Development Hosting and Maintenance*, and, thus, some of the individual program pages have not been updated. The Board apologizes for this inconvenience and intends for the updated DCE-specific website to be launched before the end of 2025.

The Board disagrees that the rulemaking is noncompliant with the APA, however, because the notice was indeed posted to the Rules page of the Board's website at https://www.nj.gov/bpu/agenda/rules/ under the heading "Chapter 8-Renewable Energy and Energy Efficiency." The APA specifies that an agency must post rulemaking proposals on their internet website but does not specify that an agency must post notices to all of their affiliated websites. The DCE web page is an affiliate official website.

Further, the public document search page for Docket No. QO21010085 (*In the Matter of Modernizing New Jersey's Interconnection Rules, Processes, and Metrics*) has been updated with the NOA and NOPSC, which were published to the New Jersey Register on July 7, 2025, upon receipt of the commenter's feedback.

67. COMMENT: The commenter encourages the Board to consider affordability concerns and potential costs to implement solutions that provide value to customers at reasonable costs, aiming for a workable process that balances grid integrity with an improved, affordable interconnection process. (PSE&G)

RESPONSE: The Board appreciates the commenter's feedback. The issues of customer affordability and grid integrity are at the forefront of the Board's focus, as stated in the Board's mission statement:

"To ensure that safe, adequate, and proper utility services are provided at reasonable, non-discriminatory rates to all members of the public who desire such services. To develop and regulate a competitive, economically

cost-effective energy policy that promotes responsible growth and clean renewable energy sources while maintaining a high quality of life in New Jersey. "

Promoting "responsible growth and clean renewable energy sources" requires the EDCs to implement solutions that, inevitably, have capital and operational costs. The EDCs do have control over customer affordability by developing and integrating standards-based solutions, encouraging third-party involvement that can defer capital-intensive solutions, and being responsible and judicious on the rate of return they request for implementing these solutions.

68. COMMENT: The commenter encourages the Board to convene workshops that allow Board staff to work together with EDCs and other stakeholders to address how the proposed DER Interconnection rules would address the needs of EDCs and Distributed Energy Resource Aggregators (DERAs) pursuant to FERC Order No. 2222. (NJUA)

RESPONSE: The Board appreciates the commenter's feedback and is currently utilizing the Grid Modernization Forum to work together with EDCs and other expert industry stakeholders on first identifying what is needed to facilitate a robust aggregated DER market in New Jersey that can most effectively enable compensated participation by interconnected DER. This compensation can be secured through participation in the wholesale energy market pursuant to FERC Order No. 2222, or through monetizing valuable retail grid flexibility services. This rule proceeding precedes FERC Order No. 2222 and by no measure addresses all of the EDCs' and third-party DER aggregators' needs, nor was it the Board's intention for this rule proceeding to do so. This proceeding does, however, lay a critical foundation for a future DER aggregation market by requiring DERs to be compliant with the IEEE 1547-2018 "smart" inverter standard, defining and allowing for power export control, and incorporation of energy storage. Compliance with this standard ensures that newly interconnected DERs have the capability to "communicate" with EDCs, which is necessary in order for them to aggregate and participate in energy markets, both at the wholesale and retail level.

69. COMMENT: The commenter encourages Board staff to host continued deliberation among the relevant parties through ongoing working groups and informal stakeholder meetings to clarify the variety of technical provisions included in the proposed interconnection rules. (NJUA)

RESPONSE: The Board thanks the commenter for their feedback and intends to continue deliberating such topics in the Grid Modernization Forum.

70. COMMENT: The commenter notes that the rules should, at a minimum, allow for an opportunity for EDCs to defer incremental costs for recovery in their next base rate case, with appropriate carrying charges, and ideally should not exclude the opportunity for full and timely recovery through a rider mechanism that may be agreed to by relevant parties. (JCP&L)

RESPONSE: The Board appreciates the commenter's feedback but disagrees with the commenter that further opportunities for cost recovery from captive ratepayers are necessary in any capacity, and encourages vigilant consideration of customer affordability by developing and integrating standards-based solutions, encouraging third-party involvement that can defer capital-intensive solutions, and being responsible and judicious on the rate of return they request for implementing any eventual recoverable expenditure.

71. COMMENT: The commenter recommends that the Board ensures comprehensive consideration of cost impacts and properly assesses the impacts of the proposed rule, specifically considering that "the increased rates resulting from this rule will have an economic impact and will likely impact housing, as higher electric rates will lead to higher rents and costs for those owning a home. These cost impacts must be considered when a new rule is proposed". Rate Counsel incorporates by reference its August 2, 2024 comments on the Board's statutorily required impact analyses, which the commenter previously deemed to lack sufficient evidentiary basis. (DRC)

RESPONSE: The Board appreciates the commenter's feedback. The Board proposed substantial changes in order to incorporate feedback from the commenter to specifically reduce any potential economic impacts that would result from allowing the EDCs to rate-base CIAP installation costs by requiring the EDCs to recover the costs of implementing the CIAP from developer application fees. Besides the potential five percent under-recovery between costs recovered through increased application fees and the actual costs of establishing and implementing the CIAP web portal, there is no definitive evidence that the rulemaking will have any direct effects on electric rates in New Jersey and, therefore, the commenter's assertion that this proposed rule will increase electric rates is unfounded.

N.J.A.C. 14:8-5.1 Interconnection Definitions

72. COMMENT: The commenter requests that the definition of CIAP clarify that a new CIAP process and interconnection agreement are required for a customer installing an additional exporting DER even if they have an existing interconnected DER. (JCP&L)

RESPONSE: The Board appreciates the commenter's feedback but disagrees that such a provision should be hard-coded into the definition of the term CIAP at N.J.A.C. 14:8-5.1, as the definition is intended to provide clarity on the web portal interface which will host applications and their related timelines rather than a specification of when a new application may be required. The Board will consider amending other provisions at N.J.A.C. 14:8-5 that refer to the CIAP upon further discussion within the GMF.

73. COMMENT: The commenter recommends removing the definition of "distributed energy resource" and consistently using "customer-generator facility" throughout the regulations to avoid ambiguity and potential disputes over facility classification. (ACE)

RESPONSE: The Board appreciates the commenter's feedback that the utilization of both "DER" and "customer-generator facility" terms could potentially lead to confusion. The Board disagrees, however, that the definition of DER should be removed, as it is necessary to define such a commonly-used term in the interconnection space. The terms "DER" and "customer-generator facility" are used in different contexts, as a customer-generator facility is, effectively, a DER owned by a customer/applicant who is either trying to interconnect or is interconnected to the electric distribution grid. Furthermore, explicitly citing generation leaves out an important flexibility component of future DER aggregations which is load management (or demand response). Due to the differing contexts in which these definitions are utilized, and the desire to fully capitalize on demand flexibility for Grid Modernization, the Board declines to remove the definition of DER and solely utilizes the term "customer-generator facility."

74. COMMENT: The commenter recommends revising the definition of "inadvertent export" to specify that it is an "undesired or unscheduled momentary" power export; list a number of potential causes; and describe that multiple devices could cause damage if inadvertently exporting simultaneously. The proposed definition is as follows:

> "Inadvertent export" means an undesired or unscheduled momentary export of electrical apparent power at the point of common coupling into the EDC electrical system that is generally caused by electrical disturbances such as faults, electrical transients, or changes in a customer load or the output of a customer-generator facility. Multiple customer-generator facilities may have an aggregated inadvertent export impact to the EDC system.

The commenter states that this definition more accurately reflects that it can occur during fault or transient conditions and cause an aggregated impact to the electrical distribution system. (ACE)

RESPONSE: The Board appreciates the commenter's feedback and insight on additional circumstances through which inadvertent export may occur. The definition proposed in the Notice of Proposed Substantial Changes is as follows:

> "Inadvertent export" means the unscheduled export of active power from a DER or customer-generator facility, exceeding a specified magnitude and for a limited duration, generally due to fluctuations in load-following behavior.

The Board declines to amend the definition, as proposed by the commenter, for two reasons. First, the Board questions the use of the word "undesired" in the definition proposed by the commenter, as it lacks clarity and disagrees that definitions should contain normative adjectives passing any kind of judgement. The current adjective "unscheduled" is sufficient and maintains objectivity. Second, the inclusion of the last sentence is a non-sequitur that does not belong in a definition. Though the

commenter is correct that multiple facilities may have an aggregated impact to the EDC system, this is not the type of description that is necessary in a definition.

75. COMMENT: The commenter suggests the definition of "relevant minimum load," that the EDC can use the most recent load data available to be more clear and to avoid reliance on outdated information when assessing project impact. (JCP&L)

RESPONSE: The Board appreciates the commenter's feedback. The Board does not interpret the current definition of "relevant minimum load," as forbidding the EDCs from utilizing up to date load data and, therefore, declines to amend the definition at this time without further discussion in the Grid Modernization Forum.

76. COMMENT: The commenter suggests the definition of "inadvertent export" should either define "limited duration" or explicitly state that it is at EDC's discretion to define "limited duration," given the potential damaging effects on the electric distribution system. (JCP&L)

RESPONSE: The Board appreciates the commenter's feedback and acknowledges that the term "limited duration" could be interpreted in a number of ways. The current definition does not preclude the EDCs from determining a specific temporal value for "limited duration" and as such the Board does not agree that the definition must be amended to specifically allow the EDCs to make such a determination.

77. COMMENT: The commenter recommends revising the proposed rules to include a clear definition of "minor system modifications" to avoid disputes, ensure consistent application, and remove subjectivity. The commenter proposes the following language: "a change to the distribution system: (a) Located between the service tap on the distribution circuit and the meter serving the applicant; or (b) That the utility estimates will entail less than 4 hours of work and less than $1,500 in materials." (ACE)

RESPONSE: The Board appreciates the commenter's feedback and suggestion with respect to creating a new definition of "minor system modifications." The Board agrees that it could be worthwhile to amend N.J.A.C. 14:8-5.1 to add such a definition, but requires input from the other three EDCs to ensure consensus on the number of working hours and material costs before hard-coding such information into a new definition. As such, the Board declines to adopt the commenter's proposed change.

78. COMMENT: The commenter suggests that the definition of "directional power protective function" should clarify that it is limited to export controls and cannot be construed as applying to load-modifying devices or systems. (JCP&L)

RESPONSE: The Board appreciates the commenter's feedback but notes that the term "directional power protective function" is only utilized at N.J.A.C. 14:8-5.2(l), which specifically outlines acceptable export control methods. As such, the Board disagrees that such a misunderstanding is likely to occur.

79. COMMENT: The commenter recommends that the definition of "CIAP" be clarified to imply that electric distribution companies may have similar, but not identical, application processes, aligning with the idea that the process need not be identical across all EDCs and contradicting requirements for a single joint CIAP developer. (RECO)

RESPONSE: The Board appreciates the commenter's feedback, but declines to amend the definition of "CIAP" at N.J.A.C. 14:8-5.1 in such a manner that it would directly contradict requirements stated at N.J.A.C. 14:8-5.13, as that would be confusing and unclear.

80. COMMENT: The commenter incorporates their previous comments pertaining to N.J.A.C. 14:8-5.1 (DRC): The commenter is concerned about the potential of inappropriate cost-shifting from the definition of "EDC grid flexibility services." As proposed, there is no description of said flexibility services, such as who will pay, who will benefit, etc. They recommend adding additional guidance such that these, potentially uncapped, costs do not fall upon ratepayers. (DRC)

RESPONSE: The Board appreciates the commenter's feedback. The purpose of adding this definition at N.J.A.C. 14:8-5.1 is to help create a consistent vocabulary for grid modernization processes going forward. The compensation mechanism of grid flexibility services will be outlined further in future rulemaking proceedings after discussions within the Grid Modernization Forum, but the inclusion of this definition in the current rulemaking serves to encourage DER investors and future aggregators, and promote market adoption by envisioning an acceptable formation, orchestration, and compensation mechanism for their services. N.J.A.C. 14:8-5.2(k) clearly refers to a future grid flexibility services program. As such, a program does not currently exist, and any such future program will be subject to extensive stakeholder input and public rulemaking, there should be minimal concern that customer-generators will expect to be compensated solely as a result of this rulemaking proceeding. The Board appreciates the commenter's point and intends to discuss and deliberate the value of grid flexibility services and further guidance within the Grid Modernization Forum to ensure that such services do not negatively impact ratepayers.

N.J.A.C. 14:8-5.2 General Interconnection Provisions

81. COMMENT: The commenter supports the Board's revised approach to cost transparency and cost allocation for the CIAP set forth at proposed N.J.A.C. 14:8-5.2(n) and the Board's requirement for each EDC to provide a detailed cost estimate for the "development, implementation, and ongoing operation and maintenance of the required CIAP portal" prior to expending funds, subject to Board approval. The commenter also supports the decision to recover prudently incurred CIAP portal costs over a period of five years through application and PAVE fees, rather than through base rates or surcharges. (DRC)

RESPONSE: The Board appreciates the commenter's support for this amendment, which was proposed in response to the commenter's feedback on the notice of proposal for this rulemaking.

82. COMMENT: The commenter recommends adding language at N.J.A.C. 14:8-5.2(k) to ensure contractual assurance that the customer will not alter the export limit or duration times after executing the interconnection agreement, for system reliability and safety. The proposed addition is: "The EDC and customer shall agree to and specify in the interconnection agreement or as an attachment to the interconnection agreement the export limit and the export open loop response time and/or trip times." (ACE)

RESPONSE: The Board appreciates the commenter's concerns with respect to customer alteration of export limit or duration times but disagrees that further language needs to be added at this time, as N.J.A.C. 14:8-5.2(l) currently includes a provision that the "export capacity specified by the interconnection customer in the application will subsequently be included as a limitation in the interconnection agreement." The Board deems this provision to be an adequate accountability measure for the customer-generator's control of export from their facility. If evidence to the contrary is provided at a future time, the Board will reconsider the commenter's proposed addition.

83. COMMENT: The commenter states that export limits certified pursuant to UL 1741 should be binding for interconnection purposes. (Solar Landscape)

RESPONSE: The Board appreciates the commenter's feedback and intends to bring this feedback to the Grid Modernization Forum for further discussion on acceptable certifications. The Board declines to change N.J.A.C. 14:8-5 to incorporate the commenter's feedback at this time, as a greater understanding on UL 1741 certification is required to implement any further changes.

84. COMMENT: The commenter recommends that the interconnection rules authorize them to recover in a full and timely manner all incremental costs incurred as a result of compliance, including personnel costs and operations and maintenance expenses arising from the many new requirements of the proposed interconnection rules. (NJUA)

RESPONSE: The Board appreciates the commenter's feedback requesting further EDC cost recovery provisions, but declines to incorporate such amendments without having a more comprehensive understanding of the compliance costs to protect the interests of ratepayers. Appropriately updating tariffs, conforming to timelines, and sharing relevant and useful information with developers and potential customer-generators through public-facing hosting capacity maps is all within the scope of the EDCs' obligation for regular operations and maintenance.

85. COMMENT: The commenter recommends amending N.J.A.C. 14:8-5.2(l) to allow the export capacity to be specified in an attachment to the customer's interconnection agreement, rather than within the body of the agreement itself. (ACE)

RESPONSE: The Board appreciates the commenter's feedback, but declines to implement this proposed amendment at this time as the requirement of an additional export capacity attachment would create more work for the applicant and it is not clear what the EDC would gain from this additional attachment.

86. COMMENT: The commenter recommends removing the phrase "or active" from N.J.A.C. 14:8-5.2(l)2ii(B) (specifically "active or apparent power ratings") because equipment nameplates reflect maximum power without damage, and implying only active power reduction can change nameplates is misleading, posing reliability and safety risks. (ACE)

RESPONSE: The Board thanks the commenter for their feedback, but disagrees with the commenter that N.J.A.C. 14:8-5.2(l)2ii(B) is misleading, as it specifically directs the reader to "Table 28 of IEEE Standard 1547, as described in subclause 10.4." The subclause includes the following sentence: "Changes to the configuration setting shall be made with mutual agreement between the DER system operator and Area EPS operator." Further, N.J.A.C. 14:8-5.2(l) states that "The export capacity specified by the interconnection customer in the application will subsequently be included as a limitation in the interconnection agreement." Both of these provisions ensure that the export limiting methodology must be agreed upon and acceptable to both the customer-generator/applicant and the EDC, such that the commenter will have the full ability to reject a proposal of export limitation by solely reducing active power.

IEEE Std 1547-2018
IEEE Standard for Interconnection and Interoperability of Distributed Energy Resources with Associated Electric Power Systems Interfaces

Table 28—Nameplate information

Parameter	Description
Active power rating at unity power factor (nameplate active power rating)	Active power rating in watts at unity power factor
Active power rating at specified over-excited power factor	Active power rating in watts at specified over-excited power factor
Specified over-excited power factor	Over-excited power factor as described in 5.2
Active power rating at specified under-excited power factor	Active power rating in watts at specified under-excited power factor
Specified under-excited power factor	Under-excited power factor as described in 5.2
Apparent power maximum rating	Maximum apparent power rating in voltamperes
Normal operating performance category	Indication of reactive power and voltage/power control capability. (Category A/B as described in 1.4)
Abnormal operating performance category	Indication of voltage and frequency ride-through capability Category I, II, or III, as described in 1.4
Reactive power injected maximum rating	Maximum injected reactive power rating in vars
Reactive power absorbed maximum rating	Maximum absorbed reactive power rating in vars
Active power charge maximum rating	Maximum active power charge rating in watts
Apparent power charge maximum rating	Maximum apparent power charge rating in voltamperes. May differ from the apparent power maximum rating
AC voltage nominal rating	Nominal AC voltage rating in RMS volts
AC voltage maximum rating	Maximum AC voltage rating in RMS volts
AC voltage minimum rating	Minimum AC voltage rating in RMS volts
Supported control mode functions	Indication of support for each control mode function
Reactive susceptance that remains connected to the Area EPS in the *cease to energize* and trip state	Reactive susceptance that remains connected to the Area EPS in the *cease to energize* and trip state
Manufacturer	Manufacturer
Model	Model
Serial number	Serial number
Version	Version

87. COMMENT: The commenter recommends deleting the phrase "set by other means" at N.J.A.C. 14:8-5.2(l)2ii(B) regarding export capacity settings, as it is too broad and open to interpretation. Alternatively, the Board could add "with the approval of the EDC," at the end of the sentence to ensure system integrity. (JCP&L)

RESPONSE: The Board appreciates the commenter's feedback. The last sentence at N.J.A.C. 14:8-5.2(l) states that "the export capacity specified by the interconnection customer in the application will subsequently be included as a limitation in the interconnection agreement," meaning that if the export capacity is limited "by other means," it would be a part of the interconnection agreement. The provision at N.J.A.C. 14:8-5.2(l)2ii(B) allows the EDC to determine if another means of export limiting can be accepted. If the commenter does not elect to accept export limiting "by other means," it has the right to not accept the interconnection agreement. The Board, therefore, declines to change the provision, as suggested by the commenter.

88. COMMENT: The commenter contends that the proposed 240-day (eight-month) tariff implementation timeline for energy storage and solar inverter interconnection procedures, system impact study procedures, common Level 3 interconnection review screens, common hosting capacity maps, and the dispute resolution process is still too short and encourages the Board to further extend it. The commenter encourages the Board to remove the requirement to make changes to the EDCs' tariffs in relation to these new rules. (NJUA)

89. COMMENT: The commenter believes that the Pre-Application Verification/Evaluation (PAVE) process can satisfy most developer needs, and an effective PAVE process would reduce the need for unnecessarily detailed hosting capacity maps embedded in tariffs. The commenter suggests a requirement for EDCs to post their PAVE process on their website, where improvements or changes can be readily addressed without requiring a tariff change. (PSE&G)

RESPONSE TO COMMENTS 88 AND 89: The Board appreciates the commenters' feedback with respect to tariff implementation and timelines, but disagrees that the PAVE process will fill the needs of most developers, as it is only for projects greater than 500 kW. The process is also behind a paywall of $300.00, whereas public facing hosting capacity maps are accessible to projects of all sizes at no charge. As such, the Board declines to remove the requirement that EDCs must incorporate the PAVE process into their tariffs. Further, the proposed requirement for each EDC to "make a tariff filing to implement a common hosting capacity mapping process to aid applicants" ensures that they have Board-approved, public rules specifying exactly how they will handle interconnection issues. This will minimize any potential excuses for not processing interconnection applications or updating hosting capacity maps in a timely manner while also giving the EDCs some agency over the minute details which are not codified within this subchapter. Due to the importance of aligning EDC tariffs with the new regulations at N.J.A.C. 14:8-5, the Board declines to further extend the implementation timeline beyond 240 days.

The Board agrees with the commenter, however, that having each EDC post their PAVE process on their website would be helpful to developers and fully encourages the commenter to do so.

90. COMMENT: The commenter opposes amending their electric tariffs to include details about the proposed interconnection protocols and instead encourages the Board to memorialize these changes in Board Orders, similar to previous practices, to avoid the time-consuming, cumbersome process of tariff revisions, especially given the evolving nature of DER interconnection rules. (NJUA)

RESPONSE: The Board appreciates the commenter's feedback, but declines to remove the provisions requiring EDCs to update their tariffs to align with these rules at N.J.A.C. 14:8-5 for two reasons. First, it is crucial for the interconnection process to be as standardized as possible to minimize friction and time spent by developers, customer-generators, and applicants to navigate the process. Making the process clear, consistent, and predictable renders it easier to navigate, which, in turn, will likely decrease the amount of time it takes for the process to be completed and increase the number of successfully interconnected projects. Second, directing tariff filings, rather than increasing the specificity in formal rules, allows the EDCs some flexibility in how they develop these protocols while still retaining Board oversight through Board approval of the proposed tariffs. This decreases the chance of "hard coding" requirements that creates an undue burden on the EDCs with little gain and enables the Board to leverage the EDCs' greater familiarity with their own day-to-day practicalities. Further, if changes need to be implemented to EDC tariffs, such alterations can be accomplished with far less effort compared to that of a full rulemaking.

91. COMMENT: The commenter primarily recommends removing N.J.A.C. 14:8-5.2(l)2iii entirely, as it is duplicative and creates confusion, given that N.J.A.C. 14:8-5.2(l)2ii already addresses export control methods for limited-export customer-generator facilities. The commenter recommends including a minimum import standard (similar to N.J.A.C. 14:8-5.2(l)2i) to allow EDCs to maintain system reliability and safety, and clarifying the phrase "NRTL testing to the UL Power Control System Certification Requirement Decision shall be accepted" to avoid confusion and disputes, if N.J.A.C. 14:8-5.2(l)2iii is retained. (ACE)

RESPONSE: The Board appreciates the commenter's feedback. N.J.A.C. 14:8-5.2(l)2iii includes additional methods for limiting export, such as the use of certified power control systems or agreed-upon means with the relevant EDC. The Board declines to remove this provision, as it is not totally duplicative, but intends to bring this topic to the Grid Modernization Forum to gain a better understanding of the implementations that may be precluded by amending N.J.A.C. 14:8-5.2(l)2iii in a future rulemaking. The Board questions how the repetition of text defining a minimum import standard at N.J.A.C. 14:8-5.2(l)2i(B)

would benefit the rule text, as there are no set restrictions on EDCs' maintenance of system reliability and safety.

92. COMMENT: The commenter recommends the language for "relative distributed energy resource rating" at N.J.A.C. 14:8-5.2(l)2i(C) should clearly state that the EDC has discretion to determine "verifiable minimum host load" and the necessary documentation for its verification, to ensure no negative system impacts. (JCP&L)

RESPONSE: The Board appreciates the commenter's feedback. The provision at N.J.A.C. 14:8-5.2(l)2i(C) states that "[a] customer-generator may choose to specify its customer-generator facility's export capacity as zero if the customer-generator facility's nameplate rating is no greater than 50 percent of the customer-generator's verifiable minimum host load during relevant hours over the past 12 months and the customer-generator facility will not interconnect to an area network or spot network." The Board agrees with the commenter that the customer-generator's minimum host load should be verifiable by the EDC, but disagrees that specific language needs to be added to this effect, as the EDCs should have complete access to a customer-generator's load, if the customer-generator has had a "host load" over the past 12 months in the relevant EDC's service territory. As such, the Board declines to change the language to further specify or incorporate the suggested amendment at this time.

93. COMMENT: The commenter recommends that an EDC should simply be able to document findings of potential harm to the system to the customer within the CIAP, with documentation provided to Board staff only in the event of a disagreement, to reduce administrative burden on both the Board and EDCs. (JCP&L)

RESPONSE: The Board appreciates the commenter's feedback, but declines to remove the provision requiring the EDCs to notify the Board of findings that could potentially harm the electric distribution system, as this is pertinent information that will allow the Board to better understand the set thermal and voltage limits within each EDC territory and at what point a proposed interconnection poses harm to the system. This also provides critical information for a full evaluation of future technology innovations, which could mitigate such barriers and drive more flexibility into the interconnection and operation of the interconnected DER.

94. COMMENT: The commenter recommends allowing EDCs the flexibility to operate and maintain their CIAP portals based on their respective customer and system needs. This position contradicts the requirement for all EDCs to enter into a joint contract to retain the same CIAP developer, especially since the commenter already has an established CIAP portal that meets the proposed rules' objectives and allows for the most cost-effective service. (RECO)

RESPONSE: The Board appreciates the commenter's feedback and that the commenter does already operate a web portal for interconnection requests, as this was a crucial aspect behind this requirement. It is, unfortunately, not the case that all EDCs in New Jersey have taken the same steps as the commenter. The Board hopes that the commenter will share lessons learned about establishing a web portal for the other EDCs who have not yet done so.

95. COMMENT: The commenter notes that the provision limiting EDC recovery of CIAP costs from ratepayers to five percent (if fees are insufficient) is problematic. EDCs should be allowed to collect prudently incurred costs to the greatest extent possible from applicants, with any under/over-collection recovered through the RGGI rider. (JCP&L)

RESPONSE: The Board appreciates the commenter's feedback and asserts that the provisions at N.J.A.C. 14:8-5 already allow the EDCs to recover prudently incurred costs from applicants in the form of fee increases. The EDCs will have direct control over the uniform percent increase in application and PAVE fees and may utilize this provision to ensure that they do not under-recover the costs associated with establishing their individual CIAPs. In the interest of protecting ratepayers, the Board declines to allow the EDCs to recover the costs associated with establishing a CIAP web portal from ratepayers any more than five percent of under collected fees.

96. COMMENT: The commenter opposes newly introduced exceptions allowing EDCs to recover up to five percent of CIAP costs from ratepayers if application and PAVE fees fall short. They assert that captive ratepayers should not be exposed to any CIAP costs. Rather, if the fees collected through application and PAVE fees are inadequate, the Board should require EDC to revise their fee structure. (DRC)

RESPONSE: The Board appreciates the commenter's feedback, but declines to remove the provision that EDCs may recover up to five percent of the difference between the actual costs of implementing their respective CIAP web portals and the amount recovered from application and PAVE fees from ratepayers. This attempts to make a reasonable compromise by offsetting some risk to the EDC with a very minor potential impact to ratepayers.

N.J.A.C. 14:8-5.3 Certification of Customer-Generator Interconnection Equipment

97. COMMENT: The commenter incorporates their previous comments on N.J.A.C. 14:8-5.3 (DRC):

> The commenter does not support "directing the Board to approve equipment for operation" utilizing the California Rule 21 process. This would be inappropriate as "Rule 21" is a regulation of the California Public Utilities Commission and as such, relying on this regulation would violate the Board's scope, rulemaking obligations, and due process obligations. Accordingly, the commenter respectfully recommends revising proposed new N.J.A.C. 14:8-5.3(a)3 to remove its reliance on Rule 21.

RESPONSE: The Board appreciates the commenter's feedback and agrees that it is not appropriate to refer to another state's regulatory process. The Board believes, however, that the commenter is referring to an artifact subsection from the straw proposal, as there was no N.J.A.C. 14:8-5.3(a)3 included in either the NOP or NOPSC. Legislative and regulatory proceedings from other states, such as California and Hawaii, form key discussion topics in the ongoing Grid Modernization Forum.

N.J.A.C. 14:8-5.4 Level 1 Interconnection Review

98. COMMENT: The commenter supports the Board's proposals to amend the Level 1 interconnection review to include a 15-business-day timeline for applicants to rectify incomplete applications after notification by the EDC. PSE&G also supports a 15-business-day timeline for applicants to communicate to the EDCs how they would like to proceed at the end of the Level 1 interconnection process. These changes are seen as crucial to prevent a "log jam" of stalled applications that can hold system capacity. (PSE&G)

99. COMMENT: The commenter commends the Board for amendments at N.J.A.C. 14:8-5.4(q)1 to allow minor project modifications for Level 1 projects. (IREC)

100. COMMENT: The commenter supports the Board's proposed amendments at N.J.A.C. 14:8-5.4(i) and (q)3, to include a 15-business-day timeline for applicants to rectify incomplete Level 1 applications and to communicate their preferred course of action at the end of the Level 1 interconnection process, respectively. (NJUA)

RESPONSE TO COMMENTS 98, 99, AND 100: The Board thanks the commenters for their support.

101. COMMENT: The commenter suggests the requirement for notifying applicants of Level 1 application completeness through three different methods (writing, email, CIAP portal) is inefficient. Email and writing should only be required until the CIAP is fully in place, after which the CIAP portal should be the primary communication method. (JCP&L)

RESPONSE: The Board appreciates the commenter's feedback, but declines to remove this provision that the EDCs must utilize multiple methods of notifying and updating applicants, given the financial obligations associated with holding a place in the EDC's queue. Especially as additional timelines for applicants are being adopted within this rulemaking, failure to comply with which will effectively withdraw the application, the Board deems it reasonable for the EDC to provide notifications and updates to the applicant through more than one method to best ensure that the applicant is made aware of such notifications and updates, unless if the applicant has opted out of such additional methods of communication.

102. COMMENT: The commenter recommends for denied Level 1 applications (subsection (q)), any mitigation measures, export controls, or capacity reduction to address a failed screen should be subject to the discretion and approval of the EDC, to ensure such measures do not negatively impact the electric grid. (JCP&L)

RESPONSE: The Board appreciates the commenter's feedback and agrees that the EDC should ultimately be able to deny any project applications that will negatively impact the electric grid or otherwise compromise the grid's safety and reliability. The provision at N.J.A.C. 14:8-5.4(q)1 states that the applicant may resubmit an amended level 1 application with mitigation measures, such as export controls or capacity reduction, that will be subject to expedited review by the EDC. During this additional review process, the EDC may deny the project application again if the proposed mitigation measures do not reduce the risk of the project negatively impacting the electric grid.

103. COMMENT: The commenter recommends reconsidering the proposed expansion of the Level 1 interconnection threshold to facilities with a nameplate rating of 50 kilowatts (kW) or less and an export capacity of 25 kW or less. This expansion could significantly increase the volume of Level 1 applications, challenging the commenter's ability to adequately evaluate the new generation with existing resources, and the addition of export as a consideration adds administrative complexity and delays. The commenter recommends setting the Level 1 threshold at a more modest 20 kW nameplate capacity and striking export as a considered value in determining the application level. This threshold could potentially be revisited in a future rulemaking. The commenter recommends further discussions with EDCs regarding the resources required to process such applications to ensure a cost/benefit to customers, if the BPU decides to expand Level 1 applications as a policy goal. (PSE&G)

104. COMMENT: The commenter suggests that the Level 1 interconnection threshold be set at 25 kW nameplate, which is a 15 kW increase from the status quo, instead of the proposed 50 kW nameplate, to avoid administrative complexity and delay. The commenter suggests striking all requirements that evaluations be made based on export value instead of a nameplate for Level 1 interconnection, as considering both load reduction and export is important for EDC evaluation, and using export value adds administrative complexity. (NJUA)

RESPONSE TO COMMENTS 103 AND 104: The Board appreciates the commenters' feedback. The Board intends to discuss the new adopted provisions with the EDCs within the context of the Grid Modernization Forum. The Board declines to incorporate the commenter's suggestion of amending the Level 1 interconnection threshold to only 20 kW nameplate and striking the consideration of export capacity in the determination of application level. A 20 kW threshold is five kW lower than the nameplate capacity proposed in the notice of proposal. The Board also declines to amend the Level 1 threshold to only 25 kW nameplate, as originally proposed. The intention of increasing this threshold is to allow more applications to flow through the less administratively complex Level 1 interconnection process. Increasing the threshold for Level 1 applications to 25 kW export capacity and 50 kW nameplate capacity will bring New Jersey's interconnection process up to speed with states such as New Mexico and New York, which have recently updated their interconnection processes in 2023 and 2025, respectively. New Mexico and New York have also been praised by the Interstate Renewable Energy Council and assigned "Freeing the Grid" grades of A and B, respectively, signifying that these states represent current best practices with respect to interconnection policies.

The establishment of the CIAP web portal in New Jersey should significantly decrease the EDC's administrative burden as it will streamline the interconnection process for all levels. Commitment and capability to limit export is a significant advancement in this rule which will permit optimally sized DER systems to be installed in anticipation of future electrification loads such as heat pumps, EV chargers, induction stoves, etc. As distribution systems are modernized, these same larger capacity DERs might be utilized for valuable grid flexibility services that could expand further hosting capacity without large ratepayer impact.

Further, evaluating DERs, especially those below 50 kW, solely on nameplate capacity has the potential to disincentivize behind the meter solar projects to add energy storage systems, which does not align with the Board's interests through the Garden State Energy Storage Program Phase II (See *In the Matter of the Garden State Energy Storage Program (GSESP) Pursuant to P.L. 2018, C. 17,* Docket No. QO22080540). Allowing behind the meter projects to pair with storage also strengthens the resilience and reliability of New Jersey's electric grid system, mitigate electric capacity supply constraints that cause dramatic rate increases for ratepayers, and support the State's clean energy transition.

105. COMMENT: The commenter states that the Board should revise the Level 1 shared secondary transformer screen to improve clarity. The Board appropriately updated N.J.A.C. 14:8-5.5(i), such that the shared secondary transformer screen is based on export capacity for Level 2 projects and the same changes should be made at N.J.A.C. 14:8-5.4(f). Particularly, the commenter recommends that the phrase "aggregate export capacity," be used instead of "aggregate generation capacity." (IREC)

RESPONSE: The Board appreciates the commenter's feedback and has incorporated this change.

106. COMMENT: The commenter opposes the inclusion of a fixed interconnection application fee of $100.00 at N.J.A.C. 14:8-5.4(b) and instead recommends that application fees be set by the EDC "based on historic, actual costs incurred to process a Level 1 application" to prevent shifting any cost recovery onto the ratepayers. (DRC)

RESPONSE: The Board appreciates the commenter's feedback. The Board agrees that, theoretically, application fees should be updated to match the EDCs' actual and historic costs of processing interconnection applications and intends to gain a better understanding of the relative spread of processing costs, performing studies, and upgrading infrastructure within the Grid Modernization Forum. As proposed, the rules at N.J.A.C. 14:8-5.4(b) and 5.7(a) increase application fees for Level 1 projects from $0.00 to $100.00 and establish that this value may be changed "by Board order." As the Board has already added sufficient provisions within the rule text to amend the application fee values through Board Order, the Board declines to implement the commenter's feedback at this time.

N.J.A.C. 14:8-5.5 Level 2 Interconnection Review

107. COMMENT: The commenter supports the establishment of an expiration date for incomplete or non-compliant applications at N.J.A.C. 14:8-5.5. (PSE&G)

RESPONSE: The Board appreciates the commenter's support and intends for this provision to increase efficiency within the interconnection queue.

108. COMMENT: The commenter suggests that the Board provides the same level of transparency for Level 2 as is provided for Level 1 projects by amending N.J.A.C. 14:8-5.5(p) in the same manner as N.J.A.C. 14:8-5.4(q)1. Exclusion of this language from the Level 2 review process creates uncertainty and possible delays. (IREC)

RESPONSE: The Board appreciates the commenter's feedback and agrees that developers and applicants would benefit from increased transparency with respect to the Level 2 interconnection process and potential mitigation methods. Due to the variance in size of projects that may be submitted through a Level 2 process, between 25 and 2,000 kW export capacity, the Board declines to add such mitigation options at N.J.A.C. 14:8-5.5 at this time because of the complexity this could add to the EDC review process.

109. COMMENT: The commenter recommends providing a process for conducting a facilities study when a customer-generator facility requires substantial modifications to achieve interconnection, consistent with the approach under Level 3 review (N.J.A.C. 14:8-5.6). This would offer a clear path and transparency for Level 2 projects failing screening. (ACE)

RESPONSE: The Board appreciates the commenter's feedback and intends to discuss such a process modification within the Grid Modernization Forum. For the current time, the BPU believes that sufficient process data capture is in place between both the CIAP workflow and any formal dispute resolution documentation that will reveal any longer-term need for this specific modification.

110. COMMENT: The commenter recommends amending N.J.A.C. 14:8-5 to explicitly state that the EDC will not commence additional review for minor system modifications until it receives the payment for the cost of any additional review from the applicant, to ensure cost recovery and prevent issues encountered in practice. (ACE)

RESPONSE: The Board appreciates the commenter's feedback and concern with respect to fee payments and understands that the commenter has previously encountered challenges in recovering payment when

interconnection work has been performed prior to payment being received. The Board, however, declines to include this amendment for cost-recovery in the rules at this time, as the EDCs may refuse to commence additional review for minor system modifications if the applicant has not yet paid the appropriate fees. The Board acknowledges that, for the time being, this may cause queue clogging due to applicants' lack of payment. The Board intends to bring this issue to the Grid Modernization Forum for further discussion before incorporating an appropriate provision in a future rulemaking.

111. COMMENT: The commenter suggests the term "EPS," used at subsection (p) needs to be defined within the rules. (JCP&L)

RESPONSE: The Board appreciates the commenter's feedback and agrees that complex terms, such as "electric power system," warrant appropriate definitions. The Board requires further discussion with EDCs and other stakeholders in the context of the Grid Modernization Forum to identify what an appropriate definition would look like. As such discussion has not yet occurred, the Board declines the recommendation to incorporate a definition of "electric power system," at N.J.A.C. 14:8-5.1 at this time.

112. COMMENT: The commenter suggests the requirement for "three or more" available four-hour inspection appointments for Level 2 rules, paragraph (s)2, should be aligned with the Level 1 rules' requirement of "two or more," to streamline processes and create a more uniform experience. (JCP&L)

RESPONSE: The Board appreciates the commenter's feedback. The Board declines to reduce the number of inspection appointments the EDCs must offer to Level 2 applicants and disagrees that interconnection applicants would value uniformity in the number of options given them for an inspection appointment. The commenter also has not made it clear that any administrative burden will be increased by offering one additional inspection appointment option to projects that can range up to 2,000 kW.

113. COMMENT: The commenter recommends the clause "shall not be unreasonably delayed" at paragraph (s)3 regarding inspection times is overly broad and should be deleted, as existing rules (N.J.A.C. 14:8-5.5) already specify appointments no later than 15 business days. (JCP&L)

RESPONSE: The Board appreciates the commenter's feedback. The commenter has misunderstood the proposed changes at N.J.A.C. 14:8-5.5(s)3. The previous specification that appointments offered shall be "no later than 15 business days after the EDC offer the appointments" has been replaced with the provision that inspection times "shall be based on the EDC's scheduling process, and shall not be unreasonably delayed" which arguably provides the EDCs additional leverage.

114. COMMENT: The commenter states that the Board should require the EDCs to provide detailed screening results for Level 2 projects, as was proposed for Level 1 projects at N.J.A.C. 14:8-5.4(q). The commenter states that N.J.A.C. 14:8-5.5(p) should be amended similarly. The additional information will help customers and developers better understand how to modify their projects. (IREC)

RESPONSE: The Board appreciates the commenter's feedback. Due to the relative simplicity of Level 1 projects compared to Level 2 projects, this additional requirement may put an additional burden on the EDCs. As such, the Board declines to incorporate this feedback within this rulemaking, but intends to revisit this suggestion in a future rulemaking to fully investigate the impact.

115. COMMENT: The commenter incorporates by reference its August 2, 2024 comments related to N.J.A.C. 14:8-5.5 (DRC):

> The commenter objects to the provision at N.J.A.C. 14:8-5.5(n), which would allow customer-generator applicants to make changes to their Level 2 application after receiving a PAVE report without incurring an additional expense. Application fees are not structured to cover the additional costs EDCs may incur by the pre-application process.

RESPONSE: The Board appreciates the commenter's feedback and notes that PAVE reports, which are generated before the submission of an interconnection application, do have their own associated fees and that the fees recovered through application fees are not intended to offset the costs incurred by EDC staff facilitating a pre-application PAVE process. The Board intends to revisit the PAVE fees and establish an alternate fee structure, if appropriate, through Board Order as allowed at N.J.A.C. 14:8-5.10(a).

N.J.A.C. 14:8-5.6 Level 3 Interconnection Review

116. COMMENT: The commenter supports the establishment of an expiration date for incomplete or non-compliant applications at N.J.A.C. 14:8-5.6. (PSE&G)

RESPONSE: The Board appreciates the commenter's support and intends for this provision to increase efficiency within the interconnection queue.

117. COMMENT: The commenter disagrees with the requirement that EDCs must provide recommendations to help redesign or modify projects submitted through incomplete or unsafe applications at N.J.A.C. 14:8-5.6(c)2. This requirement should be deleted as it diverts EDC personnel from processing properly completed applications and is susceptible to abuse. (JCP&L)

RESPONSE: It was the Board's intention that the provision at N.J.A.C. 14:8-5.6(c)2 would allow developers to: 1) remedy any areas of incompleteness in their applications that they may have been unaware of; and/or 2) gain a better understanding of appropriate mitigation measures and alternative options in the case that their project, as proposed, cannot be safely interconnected to the EDC's EPS before their application is rejected outright. There are a vast number of instances in which either 1 or 2 may occur. The Board added this provision to allow a mitigation pathway for projects that are close to being acceptable for safe interconnection, by utilizing export controls, for example, to prevent those projects from being outright rejected and forced to go through the entire interconnection process again, a time burden on both the developer and respective EDC. It was not the Board's intention for this provision to be overly onerous for the EDCs, or for this provision to require EDCs to provide free consulting services to interconnection applicants. The required "recommendations" specified at N.J.A.C. 14:8-5.6(c)2 are not explicitly defined, and therefore, do not need to be rigorous. It is the Board's opinion that this provision gives EDCs more control to provide developers with insight into acceptable mitigation measures and save time in the long run, which could also save EDCs administrative costs in the long run. Therefore, the Board declines to remove this provision.

118. COMMENT: The commenter recommends that additional extensions to the system impact study process be allowed at the mutual agreement of the applicant and the EDC, beyond the current 30 business days plus an optional 15 business days for upgrades. (JCP&L)

RESPONSE: The Board appreciates the commenter's feedback. At N.J.A.C. 14:8-5.6(n), the Board requires the EDCs to conduct a system impact study "within 30 business days of the applicant's delivery of the executed system impact study agreement" and payment. The Board has already implemented a provision allowing the EDCs to "extend the study process by an additional 15 business days" and declines to incorporate any further extensions at this time to protect the vested financial interests of applicants and developers who have reached this point in the interconnection process.

119. COMMENT: The commenter suggests the rules should be modified to allow EDCs to charge upfront upgrade costs based on study estimates without a mandatory "true up" (reconciliation) of actual costs, while still accommodating EDCs that choose to perform reconciliation. (JCP&L)

RESPONSE: The Board appreciates the commenter's feedback requesting upfront payment of upgrade costs without reconciliation. The Board disagrees that the rules should be modified in this way to protect the financial interests of applicants and developers while creating a stronger need for EDCs to increase their estimation's accuracy and project management and documentation diligence. Allowing EDCs to charge estimated costs upfront without mandatory reconciliation would clearly incentivize EDCs to over-estimate and over-charge applicants, which has enormous potential to hurt the renewable energy sector in New Jersey and would be disadvantageous towards accomplishing the State's renewable energy goals.

120. COMMENT: The commenter opposes the inclusion of fixed interconnection application fees of "$100.00 plus $10.00 per kW of the export capacity up to a maximum of $10,000" at N.J.A.C. 14:8-5.6(k) and recommends that specific dollar amounts be removed from the rule. Instead, fees should be established by Board Order and updated based upon historic and actual costs incurred for processing applications. (DRC)

RESPONSE: The Board appreciates the commenter's feedback. The Board agrees that, theoretically, application fees should be amended to match the EDCs' actual and historic costs of processing interconnection applications and intends to gain a better understanding of the relative spread of processing costs, performing studies, and upgrading infrastructure within the Grid Modernization Forum. As proposed, the rules at N.J.A.C. 14:8-5.7(a) increase application fees for Level 1 projects from $0.00 to $100.00 and establish that this value may be changed "by Board order." N.J.A.C. 14:8-5.7(b) does not amend the specified dollar amount of "$50.00 plus $1.00 per kilowatt" of export capacity, but does specify that this is an "initial" application fee which may be amended by Board Order. Proposed N.J.A.C. 14:8-5.7(c) increases the previously specified dollar amount of $100.00 plus $2.00 per kilowatt to $100.00 plus $10.00 per kilowatt export capacity, granted, with a cap of $10,000 which may be amended through Board Order, as is also the case for proposed N.J.A.C. 14:8-5.6(k). N.J.A.C. 14:8-5.7(b) and (c), pertaining to interconnection fees for Level 2 and Level 3 applications, respectively, have both been amended to specify that these fees are "initial" and that the applicant may be charged for additional studies and work done to process the interconnection application. As the Board has already added sufficient provisions within the rule text to amend the application fee values through Board Order at N.J.A.C. 14:8-5.6(k) and 5.7(b) and (c), the Board declines to remove the fixed application fee values from the rule text at this time. The Board intends to gain a better understanding of the real and actualized costs of processing interconnection requests and upgrading infrastructure through a future working group within the Grid Modernization Forum.

121. COMMENT: The commenter expresses concerns that proposed N.J.A.C. 14:8-5.6(r) could result in ratepayers bearing the brunt of poorly managed projects, as EDCs are allowed to deviate from initial estimates without sufficient consequences. Instead, the commenter recommends that EDCs be required to absorb any cost overruns above the 50 percent threshold unless a request is filed to the Board, subject to stakeholder comment and evidentiary review, demonstrating the prudence of the overrun. (DRC)

RESPONSE: The Board appreciates the commenter's feedback and added language to the effect that cost overruns shall not be borne by ratepayers "unless the EDC demonstrates to the Board that its original cost estimate was reasonable under the circumstances and the subsequent cost overrun was not the result of its own imprudence." The Board does not believe that EDCs would be incentivized to under-collect from developers, as the companies would still be responsible for 95 percent of the difference. A mismatch of great enough proportions such that New Jersey ratepayers would be noticeably affected would mean enormous financial repercussions for the EDCs. Based upon this significant risk, it is not within the EDCs' best interest to under-recover the CIAP implementation costs, which will then be credited back to developers.

N.J.A.C. 14:8-5.7 Interconnection Fees

122. COMMENT: The commenter supports the provisions at N.J.A.C. 14:8-5.7(f), which requires that interconnection application and PAVE fees are adjusted to prudently recover costs incurred by the CIAP portal, ensuring appropriate alignment between cost causation and cost recovery and mitigating the risk of ratepayer subsidies. (DRC)

123. COMMENT: The commenter opposes the Board's new proposal to require EDCs to recover interconnection portal and hosting capacity map costs through additional application and PAVE fees paid by developers and applicants over five years. They argue these fees are intended to cover application processing, and this redirection could eliminate existing EDC revenue, create a funding gap for regular operations and maintenance, increase EDC debt, potentially impact credit ratings and cost of capital, and ultimately shift costs to all customers. (NJUA)

124. COMMENT: The commenter suggests the Board should clarify that newly adopted PAVE fees are intended to offset the expense of providing the PAVE service itself, and should not be redirected to cover CIAP implementation, to prevent shifting these costs from applicants to all ratepayers. The commenter further opposes the change to redirect existing application fees to the CIAP, as it reduces existing EDC revenue for processing interconnection applications and may result in an additional shift of these costs to all ratepayers. (JCP&L)

RESPONSE TO COMMENTS 122, 123, AND 124: The Board appreciates the commenters' feedback. N.J.A.C. 14:8-5.7(f) states that:

> "an EDC shall adjust the size of the application and PAVE fees assessed pursuant to this section, as necessary, to ensure recovery of the prudently incurred costs of developing and implementing the CIAP application portal from applicants ... All adjustments to fees made pursuant to this subsection shall take the form of a uniform percentage increase or decrease to all level 1, 2, and 3 interconnection application fees, the maximum level 3 interconnection application fee, and PAVE fees (for example, a 50 percent increase in all level 1, 2, and 3 interconnection application fees, the maximum level 3 interconnection application fee, and PAVE fees). An EDC shall change its application and PAVE fee levels to match the amounts specified at (a), (b), and (c) above, as they may be adjusted by any applicable Board order, once the EDC has recovered the prudently incurred costs of developing and implementing its CIAP application portal."

The Board does not intend for the EDCs to redirect any existing application fees towards the recovery of CIAP costs and disagrees with the commenters that any EDC revenue would be eliminated in this manner. After each EDC's CIAP web portal is established, the provision at N.J.A.C. 14:8-5.7(f) allows each EDC to increase the application and PAVE fees by a percentage that will allow prudently incurred CIAP establishment costs to be recovered from developers and other applicants over a period of five years. As such, the Board declines to remove this provision.

125. COMMENT: The commenter strongly disagrees with the proposed language limiting EDC recovery of CIAP development costs solely through additional application fees paid by developers over five years. The commenter instead recommends allowing EDCs to petition for full recovery of all prudently incurred costs to implement these rules, including personnel and operations costs, through the traditional review process associated with a base rate case or other approved mechanism, asserting that capping recovery could negatively impact a utility's fiscal health and chill potential investment. The commenter notes that the CIAP fee structure must be established before knowing the number of applications, making it impossible to ensure full cost recovery through initial application fees. If the BPU desires further evaluation of CIAP fees, the commenter recommends that the language be clear that this is not intended as a cap or limit on the recovery of other prudent expenses to implement these rules. (PSE&G)

RESPONSE: The Board appreciates the commenter's feedback, but declines to amend the rules at N.J.A.C. 14:8-5 to allow the EDCs to recover the costs of establishing their CIAP web platforms through base rate cases or other mechanisms that would burden New Jersey ratepayers. The Board acknowledges the commenter's concern with respect to establishing a forward-looking application-based fee structure and encourages the commenter to utilize historical data on interconnection applications in their territory to assist in this calculation. This is part of the reason why the Board's provision at N.J.A.C. 14:8-5.7(f) allows recovery over a period of five years. If an EDC under-recovers their incurred CIAP costs during the first year of the recovery period, it is within the EDC's purview to increase its application and PAVE fees by an additional percentage.

126. COMMENT: The commenter states that EDCs should issue final, itemized invoices within 60 days of energization, reconcile actual versus estimated upgrade costs, and refund overpayments within 30 days. Further, the use of cost contingencies above 20 percent should be prohibited unless adequately justified. EDCs should also be required to publish anonymized annual data comparing estimated and actual infrastructure upgrade costs. (Solar Landscape)

RESPONSE: The Board appreciates the commenter's feedback and has instituted a number of additional timelines upon the EDCs within this rulemaking with the intention of increasing efficiency across the entire interconnection process. The Board disagrees with the commenter that such additional timelines need to be added at this time, so as to not put undue administrative burden on the EDCs. It is the Board's intention that

the implementation of the CIAP web portal, with its timestamp requirements, will provide the Board with more granular information to better monitor the EDCs' compliance with the timelines required pursuant to N.J.A.C. 14:8-5. The Board intends to reconsider these timelines once such granular information becomes more readily available.

The Board has already proposed limitations on EDCs' cost contingencies to 50 percent at N.J.A.C. 14:8-5.6(r) and declines to implement further cost contingency restrictions at this time. The Board also intends to gain additional information about predicted and actual infrastructure upgrade costs through a future working group in the Grid Modernization Forum.

127. The commenter states that it should be clarified whether EDCs are allowed to use PAVE fees to cover already incurred costs associated with establishing their interconnection portals. (JCP&L)

RESPONSE: The Board appreciates the commenter's feedback. The Board declines to change N.J.A.C. 14:8-5.7 to explicitly allow EDCs to utilize PAVE fees to cover already incurred costs associated with establishing their interconnection portals at this time because the Board does not have sufficient information to define what "already incurred" means. Two of New Jersey's four EDCs already have web-based interconnection application portals and have recovered the costs of establishing them. Allowing the commenter's provision could allow those EDCs to unnecessarily re-recover those costs at the detriment of applicants and developers.

128. COMMENT: The commenter opposes all fixed application fees for Levels 1, 2, and 3, as described at N.J.A.C. 14:8-5.7(a), (b), and (c), respectively. The commenter states that these fixed amounts could result in application costs being shifted from applicants to ratepayers, violating cost-causation principles. (DRC)

RESPONSE: The Board appreciates the commenter's feedback and refers the commenter to the Board's Response to Comment 120.

N.J.A.C. 14:8-5.8 Testing, Maintenance, and Inspection After Interconnection Approval

129. COMMENT: The commenter incorporates by reference its August 2, 2024 comments on N.J.A.C. 14:8-5.8. (DRC)

RESPONSE: DRC did not have any comments on N.J.A.C. 14:8-5.8.

N.J.A.C. 14:8-5.11 Hosting Capacity Maps

130. COMMENT: The commenter cites the importance of hosting capacity maps with respect to siting solar projects and recommend that the Board require the EDCs to publish circuit and substation names to remove anonymity; update the maps monthly; and include minimum load data, jurisdictional status, and all queued DERs by location, size, and queue date. Further, the commenter states that JCP&L should be required to publish its rationale for limiting interconnections at 34.5 kV feeders and clarify which feeders are FERC-jurisdictional. The commenter cites the Board Order from August 13, 2025 (*In the Matter of the Community Solar Energy Program et al*., Docket No. QO22030153 et al.) as reference for why hosting capacity maps should be posted monthly, rather than quarterly. (Solar Landscape)

131. COMMENT: The commenter recommends that the Board revise N.J.A.C. 14:8-5.11, upon adoption, to require monthly hosting capacity map updates, rather than quarterly. This increased frequency of updates will help ensure that developers and other stakeholders have accurate and transparent siting information, as outdated information can lead to misaligned investments, queue congestion, and unnecessary studies. The commenter points out the inconsistency between the interconnection rules only requiring quarterly updates and the Board Order established August 13, 2025 (*In the Matter of the Community Solar Energy Program et al*., Docket No. QO22030153 et al.), which requires hosting capacity maps to be updated monthly. The commenter underscores the importance of adequately updated hosting capacity maps based on the following reasons: improved accuracy for siting interconnection applications; enhanced transparency into current grid conditions; and alignment with other states' best practices. The commenter further states that there is a need for additional "jurisdictional clarity" to be featured within these maps, to the effect that developers can understand whether certain sections of the grid fall under Federal, State, or utility-specific jurisdictions. (CCSA)

RESPONSE TO COMMENTS 130 AND 131: The Board appreciates the commenters' feedback. N.J.A.C. 14:8-5.11(b) indicates that EDCs "shall post distribution system hosting capacity maps on its website, update them at least once every quarter, or other time interval as indicated by Board order," such as that established on August 13, 2025. As the Board Order-related provision at N.J.A.C. 14:8-5.11(b) anticipated a potential reconsideration of the quarterly time interval requirement, the Board disagrees that N.J.A.C. 14:8-5.11 needs to be further amended at this time to replace the quarterly hosting capacity map updating requirement with a monthly requirement. The Board intends to bring the commenters' suggestions of including jurisdictional circuit information and specific feeder limitations to the Grid Modernization Forum to gain a better understanding of the effort and cost implications associated with requiring this information. A deeper understanding of the specific jurisdiction for certain power lines is also needed by the Board in order to require such information to be publicly displayed and warranted further discussion through the GMF. As such, the Board declines to add any further provisions regarding the granularity or type of information presented in EDCs' hosting capacity maps at this time.

132. COMMENT: The commenter contends that the proposed 240-day (eight-month) implementation timeline for energy storage and solar inverter interconnection procedures, system impact study procedures, common Level 3 interconnection review screens, common hosting capacity maps, and the dispute resolution process is still too short and encourages the Board to further extend it. The commenter encourages the Board to remove the requirement to make changes to the EDCs' tariffs in relation to these new rules. (NJUA)

133. COMMENT: The commenter appreciates the extension of the proposed implementation timeline from 120 days to 240 days, but notes that these timelines remain aggressive for fulfilling obligations such as planning, developing, and implementing energy storage and solar inverter interconnection processes, system impact study procedures, common Level 3 interconnection review screens, common hosting capacity maps, and the dispute resolution process. The commenter recommends extending the implementation timelines for these deliverables to at least one year following final adoption. The commenter reiterates its concern with requiring EDCs to include details about proposed interconnection protocols and hosting capacity maps in their tariffs. Amending an EDC's tariff is described as a lengthy, cumbersome, and arguably unnecessary process that could add time, administrative, and fiscal burdens. (PSE&G)

134. COMMENT: The commenter disagrees with the proposal to amend EDC tariffs to include details about interconnection protocols and hosting capacity maps. The commenter recommends that the Board implement these changes through the issuance of Board Orders, as amending tariffs is a time-consuming process that can introduce delays and complications in interconnecting DERs. (RECO)

RESPONSE TO COMMENTS 132, 133, AND 134: The Board appreciates the commenters' feedback. The Board asserts that the EDCs have been well aware of these impending changes since the straw proposal was published on February 10, 2023. Further, timelines associated with establishing a dispute resolution process are adopted and comments regarding such are outside the scope of this document.

The Board declines to remove the provisions requiring EDCs to update their tariffs to align with these rules at N.J.A.C. 14:8-5 for two reasons. First, it is crucial for the interconnection process to be as standardized as possible to minimize friction and time spent by developers, customer-generators, and applicants to navigate the process. Making the process clear, consistent, and predictable renders it easier to navigate, which, in turn, will likely decrease the amount of time it takes for the process to be completed and increase the number of successfully interconnected projects. Second, directing tariff filings, rather than increasing the specificity in formal rules, allows the EDCs some flexibility in how they develop these protocols while still retaining Board oversight through Board approval of the proposed tariffs. This decreases the chance of "hard coding" requirements that creates an undue burden on the EDCs with little gain and enables the Board to leverage the EDCs' greater familiarity with their own day-to-day practicalities. Further, if changes need to be implemented to EDC tariffs, such alterations can be accomplished with far less effort compared to that of a full rulemaking. Due to the importance

of aligning tariffs with the regulations at N.J.A.C. 14:8-5, the Board declines to further extend the tariff filing timeline to more than 240 days.

135. COMMENT: The commenter expresses security and implementation concerns with the proposed new language adding additional criteria to hosting capacity maps, specifically the requirement to proactively calculate the "maximum amount of additional import capacity" for any given circuit(s). The commenter argues that calculating this for all potential sites and circuits is administratively infeasible and would require significant allocation of critical engineering and planning resources away from active requests. (PSE&G)

RESPONSE: The Board appreciates the commenter's feedback. As can be seen from Comments 130 and 131, there are consistent requests for hosting capacity maps to provide more information to applicants. The Board acknowledges the commenter's assertion of the work that will need to be performed in order to provide such information, but higher quality hosting capacity maps will have the benefit of "weeding out" inviable projects and decrease the overall number of applications and the burden on EDC staff of processing such inviable requests. It is the Board's intention that the implementation and establishment of the CIAP web portal will significantly reduce the burden on EDC staff by automating many aspects of the interconnection request process.

136. COMMENT: The commenter recommends against requiring quarterly updates for hosting capacity maps, as this is deemed an unnecessary use of resources and time that does not provide useful information due to the infrequency of significant system changes and the resource-intensive nature of the update process. (RECO)

137. COMMENT: The commenter recommends that hosting capacity maps continue to be updated on their current cadences as set by each EDC, rather than establishing new requirements such as quarterly reporting. (NJUA)

RESPONSE TO COMMENTS 136 AND 137: The Board appreciates the commenters' feedback, but declines to remove the provision that EDCs must update their public-facing hosting capacity costs on a quarterly basis. The Board also disagrees with the commenter's assertion that increasing the frequency with which hosting capacity maps are updated is unnecessary and lacks usefulness. Ensuring that relatively up-to-date information is available to developers and potential applicants effectively saves time and resources for both applicants and the EDCs by minimizing the number of infeasible projects submitted to areas that have reduced or unavailable hosting capacity. The Board refers the commenter to Comments 151, 152, 153, and 154 within the notice of adoption pertaining to this rulemaking, published at 57 N.J.R. 1420(b), on July 7, 2025, which request that the EDCs be required to provide additional information within these maps at an increased cadence of monthly, rather than quarterly updates. These comments demonstrate the respective importance and utility of the information presented in these maps.

138. COMMENT: The commenter opposes the requirement for a common hosting capacity calculation and presentation, viewing it as an unnecessary cost for customers, given that the commenter has an existing, refined map that provides relevant information to developers. If a common hosting capacity calculation is mandated, the commenter recommends a more realistic timeframe of approximately three years, with one year for alignment on calculation and presentation, and two years for necessary information technology investments. (ACE)

139. COMMENT: The commenter recommends that any collaborative approach to developing a common methodology for hosting capacity maps consider the input of stakeholders, balance the capabilities and data availability of each EDC, account for differences in electric grids, and ensure that existing robust hosting capacity maps are not made less effective. (RECO)

140. COMMENT: The commenter seeks clarification that hosting capacity map changes required by the recently adopted rules are not required until after the submission of the tariff filing mandated pursuant to these proposed rules. (JCP&L)

RESPONSE TO COMMENTS 138, 139, AND 140: The Board appreciates the commenter's feedback. As proposed, N.J.A.C. 14:8-5.11(b) states, "The available hosting capacity values for each circuit shall be calculated using common methodology and presented in a consistent manner across all EDCs' websites." The purpose of amending the rules to include this provision is to ensure that applicants and developers are getting consistent and understandable information about circuits with available hosting capacity, regardless of EDC territory. The Board does not disagree that the commenter does have an existing public-facing hosting capacity map that provides relevant information to developers, but rather asserts that the relevant information provided on these maps can differ significantly between EDC territories. Hosting capacity is effectively an estimate of the amount of DERs that can be accommodated on the distribution system without adversely impacting reliability or power quality under existing control configurations and without requiring infrastructure upgrades. Based on differing control configurations utilized in different EDC territories, a project that does not exceed the threshold of requiring infrastructure upgrades in JCP&L territory may exceed the threshold in ACE territory because the thresholds themselves are different. As DER developers and applicants face the brunt of costs for upgrading the EDC's distribution infrastructure, the Board does not deem it unreasonable to have a most consistent understanding of those thresholds and how they are calculated, regardless of EDC territory. As such, the Board declines to remove the provision that EDCs display hosting capacity values, which have been calculated using a common methodology and displayed in a consistent manner. The EDCs must display these commonly calculated hosting capacity maps after filing their tariff, which will be required within 240 days of the effective date of this rulemaking. The Board has already doubled the timeline for filing this tariff and complying with these rules, from 120 days to 240 days, between the NOP and the NOPSC and declines to further increase the timeline in order to protect the interests of interconnection applicants. The Board notes that the requirement of a common hosting capacity calculation method has been an aspect of the proposed rule changes since the publication of the notice of proposal and stakeholder meeting regarding the straw proposal on February 10, 2023, and that the EDCs could have utilized the period between then and now to begin methodology alignment.

141. COMMENT: The commenter opposes requiring ratepayers to pay for hosting capacity maps and grid upgrades and incorporates by reference its August 2, 2024, comments on this section. (DRC)

RESPONSE: The Board appreciates the commenter's feedback. The Board acknowledges that there may be some cost implications to the improved updating of hosting capacity maps but anticipates that the corresponding visibility and situational analysis offered to interconnection applicants will ensure more efficient EDC operation and, thus, offset other downstream costs that would impact ratepayers. The Board disagrees with the commenter that ratepayers would be directly impacted by "grid upgrades" in the context of this rulemaking.

142. COMMENT: The commenter recommends the establishment of a single hosting capacity map website for the entire State, rather than EDCs having maps on their individual websites. (DRC)

RESPONSE: The Board agrees with the commenter that a single, unified hosting capacity map website would be more useful to developers than allowing the EDCs to display hosting capacity maps on their separate websites but declines to implement the requirement at this time due to the software infrastructure requirements established within this rulemaking to establish common CIAP portals and the requirement to have EDCs align on their hosting capacity analysis methods. As the Board understands from previous stakeholdering and Comments 145, 146, 147, and 148, it is cost prohibitive to transition from standalone EDC websites to shared websites with pooled data.

N.J.A.C. 14:8-5.13 Common Interconnection Application Process (CIAP)

143. COMMENT: The commenter supports the Board's requirement at N.J.A.C. 14:8-5.13(a) that all EDCs jointly procure an independent third-party developer through a competitive bidding process, as it will ensure the EDCs achieve most efficient and cost-competitive price and highest level of consistent functionality for customer-generator applicants. Further, the commenter supports the establishment of a uniform CIAP platform, as detailed at N.J.A.C. 14:8-5.13, noting that it will help streamline the interconnection process, enhance transparency for DER developers, and is expected to reduce administrative costs for both utilities and applicants. (DRC)

RESPONSE: The Board thanks the commenter for their support.

144. COMMENT: The commenter objects to the requirement for EDCs to enter into a joint contract to retain a third-party developer for a common CIAP at N.J.A.C. 14:8-5.13(a), arguing it contradicts the intent for portals to be "based on the needs of the EDC and its applicants," is inefficient, risks existing EDC investments, could increase costs for customers, and delay rollout. The commenter suggests the rules should simply require EDCs to establish portals that meet the "core functional requirements" at N.J.A.C. 14:8-5.13(d) and provide for full and timely recovery of prudently incurred costs. (JCP&L)

145. COMMENT: The commenter opposes the mandate for EDCs to jointly contract with a third-party developer for the CIAP, citing concerns about efficiency, fiscal prudence, potential delays, and impacts on electric grid safety and customer information security. Instead, the commenter encourages the Board to retain flexibility, allowing EDCs to develop their own CIAPs or consider an enabling provision for joint development only if clear efficiencies or cost savings can be identified. (PSE&G)

146. COMMENT: The commenter strongly opposes the requirement that EDCs retain a Statewide CIAP vendor, advocating that "common" should refer to similarities in the application process itself, not a mandate to use the same application software. The commenter argues that a single vendor introduces unnecessary burdens on customers, limits competition, risks operational interruptions (including cyber-security breaches), and would require significant financial and resource investment to overhaul RECO's existing robust PowerClerk® system without added benefit. (RECO)

147. COMMENT: The commenter opposes the requirement for a new CIAP, arguing it would burden customers with duplicative and unnecessary costs, as ACE already has an established and enhanced portal that meets or exceeds most requirements. ACE believes evolving the current portal is more cost-effective. (ACE)

148. COMMENT: The commenter opposes the requirement for EDCs to jointly retain and contract with a third party to develop a CIAP web and mobile platform, deeming it unnecessary, needlessly expensive, and potentially challenging for safeguarding customer confidential information, especially since most EDCs already have a CIAP in place or are developing it. The commenter encourages the Board to allow EDCs to each retain their individual application portals and hosting capacity maps provide for more consistency between customer experiences by making adjustments to these existing, already paid-for systems, which would still achieve the Board's goal of a consistent customer experience. (NJUA)

RESPONSE TO COMMENTS 144, 145, 146, 147, AND 148: The Board thanks the commenters for their feedback. The provisions outlined pursuant to N.J.A.C. 14:8-5.13 require all four EDCs to competitively procure a single third-party contractor with web design expertise to assist in either the alteration or ground-up design of four separate web portals, one for each EDC, to ensure that potential new customer-generators who request that their DERs be connected to the distribution grid in New Jersey have a consistent, efficient experience with clear timelines and pathways forward, regardless of utility territory. As noted above, some EDCs already have interconnection application portals which work well to streamline the process both on the side of the applicant and the EDC. Some EDCs, however, do not. This has led to a sizable difference in customer/applicant experiences requesting interconnection across the State, which is unnecessary, cumbersome, and avoidable. The Board is requiring the EDCs to competitively bid for a third-party contractor who will assess the current state of all four EDCs with regard to their currently existing, pending, or non-existent individual interconnection application web portals and assist the EDCs in either: making small changes/expand functionality to ensure compliance with the functional requirements outlined at N.J.A.C. 14:8-5.13(d); advising on and continuing software development that is already underway to ensure compliance with the functional requirements outlined at N.J.A.C. 14:8-5.13(d); or assisting with the creation of a web portal from the bottom up that fully complies with the functional requirements outlined at N.J.A.C. 14:8-5.13(d). EDCs that have developed or are developing an existing portal may continue to use it, if it complies with N.J.A.C. 14:8-5.13. The Board acknowledges that each EDC is in a unique position with respect to their establishment of a secure, easy to use web platform to assist both applicants and EDC staff in the process of requesting interconnection and processing the requests, respectively. The Board is requiring the EDCs to work together to jointly procure a third-party contractor through a competitive bidding process to reduce the incurred costs.

149. COMMENT: The commenter notes that once the CIAP has been implemented by each EDC, the rules should explicitly make it clear that all required communications with applicants, by default, will be through the CIAP. (JCP&L)

RESPONSE: As detailed at N.J.A.C. 14:8-5.13(d)4iv(2), EDCs must communicate with applicants through both the CIAP and by email to ensure that applicants are adequately notified of all milestone requirements and deadlines, especially as provisions at N.J.A.C. 14:8-5.4(i) for level 1, 5.5(n) for level 2, and 5.6(b) for level 3 interconnection institute new deadlines for applicant responses.

150. COMMENT: The commenter recommends that the Board help facilitate the process for EDCs to align on details and that the one-year timeline be extended as it is too short to jointly bid, design, and fully implement a CIAP while simultaneously developing common hosting capacity maps, reformatting interconnection applications, and implementing other rulemaking requirements. (NJUA)

RESPONSE: The Board acknowledges that further guidance may be required to ensure the EDCs are aligned with respect to functional aspects of the CIAP and hosting capacity calculations and intends to open an avenue for further discussion within the Grid Modernization Forum.

151. COMMENT: The commenter recommends against requiring a new mobile app, as existing mobile access through a browser provides the same benefits without additional design, testing, maintenance, and update costs for iOS and Android apps. (ACE)

RESPONSE: The Board appreciates the commenter's feedback, but declines to remove this requirement due to the importance of increasing accessibility to the information within the CIAP.

152. COMMENT: The commenter recommends that any costs related to the CIAP portal be fully recoverable, as they are distinct and incremental to PAVE and application processing costs. The commenter strongly opposes the provision limiting EDC recovery of prudently incurred CIAP portal costs to five percent of the investment or the difference between costs and fee revenue. (ACE)

RESPONSE: The Board disagrees with the commenter that ratepayers should be responsible for the CIAP costs in a greater capacity than five percent of the difference between prudently incurred costs and the fee revenue. Ratepayers in New Jersey have already shouldered considerable cost burdens for a number of reasons and the Board declines to increase their financial burden in the way proposed by the commenter. As the developers and customer-generator applicants will be the direct beneficiaries of the CIAP implementation in the short term, the Board deems the cost recovery mechanism reasonable and appropriate.

153. COMMENT: The commenter suggests the Board should explicitly provide that EDCs can recover prudently incurred investments and expenses made to date on their own interconnection application portals, if the Board proceeds with the third-party developer approach for CIAP. (JCP&L)

RESPONSE: It was the Board's intention for any existing software and technology infrastructure to be considered by both the EDCs and the third-party contractor in order to prevent duplicative efforts and costs, wherever possible. As stated at N.J.A.C. 14:8-5.13(b): "The developer shall develop a CIAP web and mobile platform that retains commonality between EDCs while minimizing software infrastructure investments by recognizing and accommodating any existing software, web, or mobile capabilities." The Board declines to implement the commenter's suggestion that an administrative mandate to establish a web portal (as specified at N.J.A.C. 14:8-5.2 and 5.13) makes previous investments to establish a web portal any more worthy of cost recovery than initially planned. If anything, the commenter's work to date on their interconnection application portal demonstrates the portal's necessity. The Board hopes that the previous investments made towards establishing a web portal will proportionately decrease the funding needed for the commenter's CIAP.

154. COMMENT: The commenter notes that the requirement for a single or shared CIAP developed by a third-party creates data security and liability concerns regarding customer data. This requirement should be eliminated, allowing EDCs to continue developing their own portals while meeting Board requirements. (JCP&L)

RESPONSE: The Board appreciates the commenter's feedback. It is not the Board's intention for a third party to develop a single web portal for all four EDCs to share. Rather, a contracted consultant will help each EDC establish their own CIAP web portal, or expand the functionality of their already existing web portal, to be in compliance with N.J.A.C. 14:8-5.13.

155. COMMENT: The commenter notes that the requirements for 99 percent CIAP uptime during weekday business hours and an administrator page with quarterly uptime metrics are unnecessary and add administrative work without benefit. A report should be provided only at the BPU's request if concerns arise. (JCP&L)

RESPONSE: The Board included this provision to ensure that each EDC's CIAP portal would be fully accessible to customers and developers, which the Board believes is necessary to serve its intended purpose. As such, the Board declines to adopt the commenter's proposed change.

156. COMMENT: The commenter states that developers should be able to provide feedback on the CIAP through a CIAP Developer Advisory Group, established by the Board. Public comment should be required for significant platform changes and EDCs should be mandated to publish annual reports on CIAP expenditures and outcomes. (Solar Landscape)

RESPONSE: The Board thanks the commenter for their feedback and suggestions for ensuring that the CIAP best serves those who will be paying for and utilizing it. The Board intends to incorporate such an advisory group under the umbrella of the Grid Modernization Forum so that developers can be made aware of any significant platform changes and voice concerns, though the Board does not agree that a requirement for public comment is necessary at this time.

157. The commenter states that nonprofit and LMI-targeted projects should receive reduced or waived CIAP fees. (Solar Landscape)

RESPONSE: The Board appreciates this feedback and intends to consider the suggestion further within the Grid Modernization Forum to determine how reduced CIAP fees would be implemented and selection criteria for those developers, if any, should be eligible for such a fee reduction.

Summary of Agency-Initiated Changes:

The Board is making formatting changes at N.J.A.C. 14:8-5.4(q) and (r) to increase clarity on customer options with respect to resubmitting amended level 1 applications and the timeline for resubmission. The 10-day timeline for applicants to provide a response to the EDC, or else their application will be withdrawn, was proposed in the NOPSC published on July 7, 2025, and is being adopted as new N.J.A.C. 14:8-5.4(r).

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. This rulemaking has no Federal analogue and is 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 adopted amendments and new rules.

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

(**Agency Note**: The text of this notice of adoption below reflects the adoption published at 57 N.J.R. 1420(b) and is indicated, as appropriate, as existing rule text.)

SUBCHAPTER 5. INTERCONNECTION OF CLASS I RENEWABLE ENERGY SYSTEMS

14:8-5.1 Interconnection definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise. Additional definitions that apply to this subchapter can be found at N.J.A.C. 14:3-1.1 and 14:8-1.2.

. . .

"Area network" means a type of electric distribution system served by multiple transformers interconnected in an electrical network circuit, which is generally used in large metropolitan areas that are densely populated, in order to provide high reliability of service. This term has the same meaning as the term "secondary grid network" as defined in IEEE Standard 1547 Section 4.1.4, which is incorporated herein by reference, or in any subsequent standard as identified in a Board order.

"Authority governing interconnect requirements" or "AGIR" means the agency that has authority for setting interconnection rules to the State-jurisdictional electric system, as set forth in IEEE Standard 1547 or a subsequent standard as identified in a Board order. The term AGIR is functionally equivalent to the term "Relevant Electric Retail Regulatory Authority" as used in FERC's Order No. 2222.

"Certified power control systems" means devices or systems that enable directional power protection for limiting or preventing current flow from inverter-based DER resources.

"Common interconnection *[agreement]* ***application*** process" or "CIAP" means a common EDC application that allows customer-generators to apply for and manage the interconnection process electronically through a portal-based software application platform capable of tracking key information throughout the subsequent interconnection application process, documenting generation type and capacity, and incorporating schedules and budgets for upgrade commitments and construction timelines.

"Community energy system" means a community solar facility and/or energy storage device that is located in geographical proximity to an energy-consuming community and connected to the distribution grid for delivery of power to that designated community through an approved EDC tariff.

"Community solar facility" shall have the same meaning as set forth at N.J.A.C. 14:8-9.2.

"Community solar project" shall have the same meaning as set forth at N.J.A.C. 14:8-9.2.

"Customer-generator" means an electricity customer that generates electricity either on the customer's side of the meter or in front of the meter using a class I renewable energy source, the owner or operator of a community solar facility, or the owner or operator of a community energy system.

"Customer-generator facility" means the equipment used by a customer-generator to generate, manage, store, and/or monitor electricity. A customer-generator facility typically includes an electric generator and/or interconnection equipment that connects the customer-generator facility directly to the customer or the distribution grid.*

"DER aggregation" means a grouping of discrete interconnected customer-generator facilities or behind the meter load-modifying resources working as a combined or coordinated group for purposes of providing energy, grid services, or other value streams, on an aggregated basis, for the purposes of participating in either retail or wholesale markets.

["Distributed energy resource" or "DER" means an inverter-based, electricity-producing resource, an energy storage device, or a controllable load that is connected to an electric public utility's distribution infrastructure.]

"Directional power protective function" means the application of power electronics and control systems that can be utilized to mitigate or eliminate current flow on the distribution system.

"Distributed energy resource" or "DER" means the equipment used by an interconnection customer to generate and/or store electricity that operates in parallel with the electric distribution system. A DER may include, but is not limited to, an electric generator and/or energy storage system, a prime mover, or combination of technologies with the capability of injecting power and energy into the electric distribution system, which also includes the interconnection equipment required to safely interconnect the facility with the distribution system.*

"Distribution system upgrade" means a required addition or modification to the electric distribution system to accommodate the safe and reliable interconnection of the distributed energy resource (DER) facility and to enable grid flexibility service calls to the facility during its operation. Distribution upgrades do not include interconnection facilities.

"EDC grid flexibility services" are control capabilities procured from a customer-generator, which may be compensated by the EDC, that help to maintain distribution system reliability and safety, whether separately or as part of a DER aggregation.

"Electrical power system" or "EPS" means facilities that deliver electric power to a load and has the same meaning as is assigned to this term in IEEE Standard 1547, which is incorporated herein by reference, or any subsequent standard as identified in a Board order.

"Enhanced PAVE process" is a real-time meeting between an EDC and a prospective community solar facility or community energy system applicant in which the EDC reviews and walks through a PAVE report. The enhanced PAVE process is an optional addition to the normal PAVE process.

"Export capacity" means the amount of power that can be transferred from a DER or customer-generator facility to the distribution system. Export capacity is either the nameplate rating, or a lower amount, if limited, using an acceptable means identified in this subchapter.

"Facilities study" means a study that determines the cost and timeline associated with upgrading the EDC's electrical power system to safely and reliably accommodate a proposed customer-generator facility.

"Good utility practice" has the same meaning as assigned to this term in the Amended and Restated Operating Agreement of PJM Interconnection, which is incorporated herein by reference, as amended and supplemented, or in any subsequent standard, as identified in a Board order. The Operating Agreement can be obtained on the PJM Interconnection website at https://agreements.pjm.com/oa/4534. As of December 14, 2023, the Operating Agreement defines this term as "any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good utility practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather is intended to include acceptable practices, methods, or acts generally accepted in the region; including those practices required by Federal Power Act Section 215(a)(4)."

"Grid supply solar facility" means the same as the term is defined in section 3 at P.L. 1999, c. 23 (N.J.S.A. 48:3-51).

"Hosting capacity" means the amount of aggregate generation capacity that can be accommodated on the electrical power system, or a specific electrical power system circuit, without requiring distribution system upgrades.

"Hosting capacity analysis" means the methodology used to calculate, publish, and evaluate the ability to increase the available hosting capacity of a given circuit.

"IEEE Standard 1547" means IEEE Standard 1547-2018, which was approved in 2018 and amended in 2020, or any future updated version of the IEEE Standard 1547, as may be identified in a Board order.

. . .

"Inadvertent export" means the unscheduled export of active power from a DER or customer-generator facility, exceeding a specified magnitude and for a limited duration, generally due to fluctuations in load-following behavior.

"Interconnection agreement" means an agreement between a customer-generator and an EDC, which governs the connection of the customer-generator facility to the electric distribution system, as well as the ongoing operation of the customer-generator facility after it is connected to the system, whether the facility operates singly, or as part of a DER aggregation. An interconnection agreement shall follow the standard form agreement developed by the Board and available from each EDC.

"Interconnection equipment" means a group of components connecting an electric generator with an electric distribution system and includes all interface equipment, including switchgear, inverters, or other interface devices. Interconnection equipment may include an integrated generator, energy storage device, or electric source.

"Interconnection Ombudsman" means a member of Board staff designated to address interconnection issues and work with applicants and EDCs to ensure a fair and transparent interconnection process.

"Nameplate rating" or "nameplate capacity" means the sum total of maximum rated power output of all of a DER or customer-generator facility's constituent generating units and/or energy storage systems as identified on the manufacturer nameplate, regardless of whether it is limited by any approved means.

"Non-exporting customer-generator facility" means a customer-generator facility that is designed to prevent or limit export of electricity past the point of common coupling from the customer-generator facility to the EDC's electrical power system.

"Non-exporting technology" means an electric device that is designed to ensure that a customer-generator facility is a non-exporting customer-generator facility or that limits the amount of injection past the point of common coupling.

"Party" or "parties" means the customer-generator, the EDC, or both.

"Point of common coupling" means the point in the power system at which the EDC and the customer interface occurs and has the same meaning as assigned to this term in IEEE Standard 1547, or any future updated version of the IEEE Standard 1547, as may be identified in a Board order. Point of common coupling has the same meaning as point of interconnection.

"Pre-application verification/evaluation process" or "PAVE process" means a process designed to provide a prospective customer-generator an opportunity to receive actionable feedback from the EDC about the technical aspects of an interconnection request, including electrical feasibility, processing timeline, and other technical and procedural matters at the beginning of the interconnection process.

"Reference point of applicability" (RPA) means a location proximate to the customer-generator facility where the interconnection and interoperability performance requirements, as specified at IEEE Standard 1547, apply.

"Relevant minimum load" means the lowest measured circuit or substation load coincident with the DER or customer-generator facility's production, and for solar photovoltaic DERs or customer-generator facilities with no energy storage, the lowest measured circuit or substation load between the hours of 10:00 A.M. and 4:00 P.M. for fixed panel systems and between the hours of 8:00 A.M. and 6:00 P.M. for systems utilizing tracking.*

"Solar permitting application software" is a scalable software platform designed by a national lab or other entity designed to be deployed in a municipality or other local entity to significantly automate and compress solar/storage permit application and processing times. One example of solar permitting application software is the SolarAPP+, developed by the National Renewable Energy Laboratory.

"Spot network" means a portion of an electric distribution system that uses two or more inter-tied transformers to supply an electrical network circuit and has the same meaning as assigned to the term pursuant to IEEE Standard 1547- 2018, or any future updated version of the IEEE Standard 1547, as may be identified in a Board order. A spot network is generally used to supply power to a single customer or a small group of customers.

"System impact study" means an engineering analysis of the probable impact of a customer-generator facility on the safety and reliability of the EDC's electric distribution system.

14:8-5.2 General interconnection provisions

(a) Each EDC shall provide the following three review procedures for applications for interconnection of customer-generator facilities:

1. Level 1: An EDC shall use this review procedure for applications to connect inverter-based customer-generator facilities *[which]* ***that*** have a *[power]* ***nameplate*** rating***, as measured in alternating current, of 50 kilowatts (kW) or less and an export capacity*** of 25 kW or less, as measured in alternating current, and *[which]* ***that*** meet the certification requirements at N.J.A.C. 14:8-5.3. Level 1 interconnection review procedures are set forth at N.J.A.C. 14:8-5.4;

2. Level 2: An EDC shall use this review procedure for applications to connect customer-generator facilities *[which]* ***that*** meet the certification requirements at N.J.A.C. 14:8-5.3 and that:

i. *[Are]* ***Have an export capacity of*** two ***megawatts*** (MW) or less, as measured in alternating current;

ii. Do not qualify for level 1 interconnection review procedures; or

iii. Did not pass a level 1 process. Level 2 interconnection review procedures are set forth at N.J.A.C. 14:8-5.5; and

3. Level 3: An EDC shall use this review procedure for applications to connect customer-generator facilities that:

i. Are greater than two MW, as measured in alternating current;

ii. Do not qualify for either the level 1 or level 2 interconnection review procedures; or

iii. Did not pass a level 2 process. Level 3 interconnection review procedures are set forth at N.J.A.C. 14:8-5.6.

(b)-(j) (No change.)

(k) In determining the appropriate interconnection level and performing the related studies, the EDC shall allow a prospective generator to limit its ability to export power to the grid to less than its nameplate rating *[, including the utilization of non-exporting technology that prevents the export of electricity past the point of common coupling, either in whole or in part,]* ***pursuant to (l) below*** or by enrolling in a Board-approved EDC grid flexibility services program. The net export capacity of the customer-generator facility shall form the basis for the appropriate studies, unless the EDC determines, using good utility practice, that the applicant's proposal would potentially harm the integrity of the EDC system and documents such findings to the Board.

***(l) Export control methods: If a customer-generator facility uses any configuration or operating mode at (l)2 below to limit the export of electrical power across the point of common coupling, then its export capacity shall be the maximum amount of power it can export when using the relevant configuration or operating mode (not including any inadvertent export). To prevent impacts on system safety and reliability, any inadvertent export from a customer-generator facility must comply with the limits identified in this subsection. The export capacity specified by the interconnection customer in the application will subsequently be included as a limitation in the interconnection agreement.**

1. An application proposing to use a configuration or operating mode to limit the export of electrical power across the point of common coupling shall include proposed control and/or protection settings.

2. Acceptable export control methods include:

i. Export control methods for non-exporting customer-generator facilities, as follows:

(A) Reverse power protection (Device 32R11): To limit export of power across the point of common coupling, a customer-generator may implement a reverse protective function using a utility grade protective relay. The default setting for this protective function shall be 0.1 percent export of the service transformer's nominal base nameplate rating, with a maximum 2.0 second time delay to limit inadvertent export;

(B) Minimum power protection (Device 32F): To limit export of power across the point of common coupling, a customer-generator may implement a minimum import protective function using a utility grade protective relay. The default setting for this protective function shall be five percent (import) of the DER's total nameplate rating, with a maximum 2.0 second time delay to limit inadvertent export; and

(C) Relative distributed energy resource rating: A customer-generator may choose to specify its customer-generator facility's export capacity as zero if the customer-generator facility's nameplate rating is no greater than 50 percent of the customer-generator's verifiable minimum host load during relevant hours over the past 12 months and the customer-generator facility will not interconnect to an area network or spot network.

ii. Export control methods for limited-export customer-generator facilities are as follows:

(A) Directional power protection (Device 32): To limit export of power across the point of common coupling, a customer-generator may implement a directional power protective function using a utility grade protective relay. The default setting for this protective function shall be the export capacity value, with a maximum 2.0 second time delay to limit inadvertent export; and

(B) Export capacity: A customer-generator may use a reduced output power rating that utilizes an export capacity setting to ensure the DER does not generate power beyond its export capacity. The export capacity setting must correspond to the active or apparent power ratings in Table 28 of IEEE Standard 1547, as described in subclause 10.4. A local DER communication interface shall not be required to utilize the export capacity setting, as long as it can be set by other means. The reduced power rating may be indicated by means of a nameplate rating replacement, a supplemental adhesive nameplate rating tag to indicate the reduced nameplate rating, or a signed attestation from the customer-generator confirming the export capacity.

iii. Export control methods for non-exporting DER or limited-export DER are as follows:

(A) Certified power control systems: A customer-generator may use certified power control systems to limit export. Customer-generator facilities utilizing this option must use a power control system and inverter certified pursuant to UL 1741 by a nationally recognized testing laboratory (NRTL) with a maximum open loop response time of no more than 30 seconds to limit inadvertent export. NRTL testing to the UL Power Control System Certification Requirement Decision shall be accepted until similar test procedures for power control systems are included in a standard. This option is not available for interconnection to area network or spot networks; and

(B) Agreed-upon means: DER may be designed with other control systems and/or protective functions to limit export and inadvertent export if mutual agreement is reached with the relevant EDC. The limits may be based on technical limitations of the interconnection customer's equipment or the electric distribution system equipment. To ensure inadvertent export remains within mutually agreed-upon limits, the interconnection customer may use an uncertified power control system, an internal transfer relay, energy management system, or other customer facility hardware or software if approved by the relevant EDC.*

[(l)] ***(m)*** By *[(120 days of the Board's effective date of this rulemaking)]* ***May 5, 2026***, each EDC shall make a compliance filing to allow existing customer-generator facilities to add an energy storage device and/or upgrade to a UL 1741-compliant smart inverter without additional study through the appropriate interconnection process on all circuits that can host greater distributed energy storage capacity.

[(m)] ***(n)*** By *[(one year of the effective date of this rulemaking)]* ***January 5, 2027***, each EDC shall establish a secure common interconnection *[agreement]* ***application*** process (CIAP) that will provide a structured approach for submitting interconnection applications, tracking key information throughout the interconnection application process, and monitoring the interconnection process electronically. ***The minimum core functional requirements for the CIAP are listed at N.J.A.C. 14:8-5.13.*** Each EDC's CIAP-compliant portal shall be developed based on the needs of the EDC and its applicants and maintain a consistent customer experience for applicants across ***all*** EDC service territories. The *[cost of implementing]* ***EDCs shall provide a detailed cost estimate for the development, implementation, and ongoing operation and maintenance of the required CIAP portal. EDCs may only expend funds to implement the CIAP portal after submitting cost estimates for achieving the minimum functionality required at N.J.A.C. 14:8-5.13 to the Board and receiving Board approval to proceed with implementation. The EDCs shall recover the prudently incurred costs of*** the CIAP portal *[and related costs shall be recovered by each EDC as part of its base rates or through an approved Infrastructure Investment Program pursuant to N.J.A.C. 14:3-2A.2. Each CIAP shall, at a minimum:

1. Include a portal-based application form that requires the following types of information:

i. Basic information regarding the customer-generator involved;

ii. Information regarding the type and specifications of the customer-generator facility;

iii. Information regarding the contractor who will install the customer-generator facility;

iv. Certifications and agreements regarding utility access to the customer-generator's property, emergency procedures, liability, compliance with electrical codes, proper operation and maintenance, and receipt of basic information;

v. Include a check box to indicate whether the applicant has previously requested the PAVE process;

vi. Include a check box to indicate whether the applicant has previously requested the Enhanced PAVE process and has been granted an Enhanced PAVE process meeting; and

vii. Other similar information, as needed to determine the compliance of a particular applicant with this chapter;

2. Include standardized online forms for required applicant information, the ability to save all work in progress for application completion at a later time, a visual "thermometer bar" indicator of progress through the full process, options for email and phone/text status change notifications, and other such administrative requirements that the Board may establish via Board order either following a joint EDC proposal or on its own initiative;

3. Integrate with a solar permitting application software platform, such as SolarAPP+ or other similar solar permitting tool selected and implemented jointly by the EDCs, and approved by the Board;

4. Document generation type and capacity, timelines, schedule and budget for upgrade commitments, when upgrade payments or deposits are due or have been paid, and construction timelines, and other comparable requirements that the Board may establish through Board order either following a joint EDC proposal or on its own initiative;

5. Provide automatic email and online notifications to the applicant with the goal of enforcing clearly defined tariff timelines and reducing the turnaround time for missing data. The software should be designed to improve the accuracy and consistency of data entry and facilitate cross-department intake of application information and to identify missing data upon submission or as soon as practicable after submission to minimize the number of incomplete applications;

6. Enable each EDC to customize the forms while maintaining a consistent customer experience;

7. Enable each EDC to provide key performance indicators regarding interconnection processing, including the number of applications with missing data, applications with complete information, and achieved timelines for all interconnection applications at all interconnection levels.

8. Allow for a fully virtual interconnection process, including allowing for the upload of files and documents; and

9. Include a Frequently Asked Questions (FAQ) webpage to provide guidance useful to interconnection customers engaging in the interconnection process that clearly presents context and instructions for interacting with the electronic application tracking system.]* ***over a five-year period through application and PAVE fees collected by each EDC. On an annual basis, the fees collected will be adjusted to enable the EDCs to recover their prudently incurred costs by the end of the fifth year.**

1. In the event an EDC does not fully recover its prudently incurred costs of the CIAP portal through application and PAVE fees, it may recover the lesser of the difference between its prudently incurred costs of the CIAP portal and the revenue it raised through application and PAVE fees or five percent of its prudently incurred costs of the CIAP portal from its ratepayers.

2. In the event that an EDC recovers more than its prudently incurred costs of the CIAP portal through application and PAVE fees, it shall credit the lesser of the difference between its prudently incurred costs of the CIAP portal and the revenue it raised through application and PAVE fees or five percent of its prudently incurred costs of the CIAP portal from its ratepayers. Any remaining over-recovery shall then be credited to the parties that paid application and/or PAVE fees to the EDC on a pro-rata basis.*

[(n)] ***(o)*** Each EDC shall develop an interconnection dispute resolution process as set forth at N.J.A.C. 14:8-5.12, to be included on the EDC FAQ webpage. As part of a dispute resolution process, the EDCs should identify an ombudsman to handle customer interconnection complaints. If an applicant disagrees with an EDC's determination of fact or need regarding matters covered in this subchapter, or if any person has a complaint regarding matters covered in this subchapter, the applicant or other person may file an initial informal complaint with the Board's interconnection ombudsman pursuant to N.J.A.C. 14:1-5.13, or may file a formal petition with the Board pursuant to N.J.A.C. 14:1-5.

[(o)] ***(p)*** Any applicant may request that the EDC take into account any significant anticipated changes in load associated with contemporaneous installation of the customer-generator facility and any of the following:

1. Electric vehicle charging infrastructure, including any vehicle-to-grid bidirectional capabilities;

2. Building electrification upgrades;

3. Deployment of energy efficiency upgrades; or

4. Verifiable increases in load, which the EDC shall not unreasonably refuse to consider. The EDC may require the applicant to delay energization or re-start the interconnection process if the contemplated contemporaneous changes are not completed prior to the planned energization of the system.

[(p)] ***(q)*** In administering the deadlines in this chapter, the EDC shall make reasonable efforts to meet all established timelines. If the EDC cannot meet a timeline, the EDC shall notify the applicant and Board staff, in writing, within three business days after the missed deadline by email or another methodology established by Board order. The notification shall explain the reason for the EDC's failure to meet the deadline and provide an estimate of when the step will be completed. The EDC shall keep the applicant and Board staff updated of any changes in the expected completion date.

[(q)] ***(r)*** The applicant may request, in writing, the extension of a deadline established pursuant to this chapter. The requested extension may be for up to one-half of the time originally allotted (for example, a 10-business-day extension for a 20-business-day timeframe). The EDC shall not unreasonably refuse this request. If further deadline extensions are necessary, the applicant may request an extension through the CIAP portal or from the EDC's interconnection ombudsman, who shall grant the request, if it is reasonable, or otherwise, deny it, within three business days, and notify the applicant on the CIAP-compliant automated portal and a message to all associated email address(es) on file.

(s) Any facilities needed to accommodate the interconnection of grid supply solar facilities or energy storage systems shall conform to applicable electric code construction standards, EDC construction standards, and any other applicable safety standards or code requirements. Each EDC shall use commercially reasonable efforts to work collaboratively with grid supply solar facility and energy storage system operators to develop new construction standards, where necessary, to ensure that any facilities needed to accommodate their interconnection do not adversely affect the safe and reliable operation of the electric distribution system.

[(r)] ***(t)*** By *[(120 days of the effective date of this rulemaking)]* ***September 2, 2026***, each EDC shall file a compliance tariff that sets forth standardized protocols governing the conduct of system impact studies, facility studies, related agreements, and a pro forma interconnection agreement, as well ***as*** a detailed description of the various elements of a system impact study it would typically undertake pursuant to N.J.A.C. 14:8-5.6, along with, and including:

1. A load-flow analysis;

2. A short-circuit analysis;

3. A circuit protection and coordination analysis;

4. Information regarding the impact on system operation of the electric distribution system;

5. A stability analysis (and the conditions that would justify including this element in the system impact study);

6. A voltage-collapse analysis (and the conditions that would justify including this element in the system impact study); and

7. Any additional analyses the EDC would undertake prior to or as part of the system impact study.

14:8-5.3 Certification of customer-generator interconnection equipment

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

(c) If the interconnection equipment has been tested and listed in accordance with this section as an integrated package that includes an electrical power system facility or a customer-generator facility, the interconnection equipment shall be deemed certified and the EDC shall not require further design review or testing ***beyond that which is required pursuant to IEEE Standard 1547***.

(d) If the interconnection equipment includes only the interface components (switchgear, inverters, *[non-exporting technology]* ***export controls***, or other interface devices), an applicant shall show that the generator or other electric source being utilized with the interconnection equipment is compatible with the interconnection equipment and consistent with the testing and listing specified for the equipment. If the generator or electric source being utilized with the interconnection equipment is consistent with the testing and listing performed by the OSHA-approved nationally recognized testing laboratory or alternative testing protocols permitted pursuant to this section, the interconnection equipment shall be deemed certified and the EDC shall not require further design review, testing, or additional equipment ***beyond that which is required pursuant to IEEE Standard 1547***.

14:8-5.4 Level 1 interconnection review

(a) Each EDC shall adopt a level 1 interconnection review procedure. The EDC shall use the level 1 review procedure only for an application to interconnect a customer-generator facility that meets all of the following criteria:

1. The facility is inverter-based and has smart inverter capability;

2. The facility has a ***nameplate rating, as measured in alternating current, of 50 kilowatts (kW) or less and an export*** capacity of 25 kW or less; and

3. (No change.)

(b) (No change.)

(c) The aggregate *[generation]* ***nameplate*** capacity on the line section to which the customer-generator facility will interconnect, including the capacity of the customer-generator facility, shall not contribute more than 10 percent to the distribution circuit's maximum fault current at the point on the high voltage (primary) level that is nearest the proposed point of common coupling.

(d) (No change.)

(e) If a customer-generator facility is to be connected to a radial line section, the aggregate *[generation]* ***export*** capacity connected to the circuit, including *[that]* ***the export capacity*** of the customer-generator facility, *[reduced by any export limited capacity achieved through non-exporting technology,]* shall not exceed *[15 percent (25 percent for solar electric generation)]* ***100 percent*** of the circuit's *[total annual peak]* ***relevant minimum*** load, as most recently measured at the substation.

(f) If a customer-generator facility is to be connected to a single-phase shared secondary, the aggregate *[generation]* ***export*** capacity connected to the shared secondary, including the ***export capacity of the proposed*** customer-generator facility, shall not exceed 30 kilovolt-amps (kVA).

(g)-(h) (No change.)

(i) Within three business days after receiving an application for level 1 interconnection review, the EDC shall notify the applicant, in writing, through email and through the CIAP portal that it received the application and that the application is either complete or incomplete. If the application is incomplete, the written notice shall include a list of all of the information needed to complete the application. ***The applicant must provide the requested information within 15 business days or the application will be deemed withdrawn.***

(j) Within five business days after the EDC notifies the applicant that the application is complete, it shall notify the applicant if the RPA denoted in the application is appropriate and should provide the applicant five business days to revise the application to amend the RPA location. If the applicant does not identify a new RPA within five business days of receiving notice from the EDC that its proposed RPA is inappropriate, the application will be deemed withdrawn.*

[(j)] ***(k)*** Within 10 business days after the EDC notifies the applicant that the application is complete pursuant to (i) above ***(or 12 business days if the RPA needs to be amended pursuant to (j) above)***, the EDC shall notify the applicant that:

1. The customer-generator facility meets all of the criteria at (c) through (g) above that apply to the facility, and the interconnection will be finally approved upon completion of the process set forth at *[(k) through (o)]* ***(l) through (p)*** below;

2. The customer-generator facility has failed to pass one or more of the applicable screens at (c) through (g) above, and the interconnection application is denied, subject to the resubmittal options set forth at *[(p)]* ***(q)*** below; or

3. *[That the]* ***The*** customer-generator facility is proposing to connect to a spot network or an area network, and the EDC requires additional time to determine whether the interconnection is technically feasible.

[(k)] ***(l)*** If the EDC notifies the customer-generator pursuant to *[(j)1]* ***(k)1*** above that the facility will be approved, the EDC shall, within three business days after sending the notice pursuant to *[(j)1]* ***(k)1*** above, do both of the following:

1. Notify the applicant through the CIAP portal and by email or other writing of whether an EDC inspection of the customer-generator facility is required prior to energizing the facility; or that the EDC waives inspection; and

2. Return to the applicant Part 1 of the original application, signed by the appropriate EDC representative, through the CIAP portal and by email or other writing.

[(l)] ***(m)*** Once an applicant receives Part 1 of the application with the EDC signature in accordance with *[(k)]* ***(l)*** above, and has installed and interconnected the customer-generator facility, the applicant shall obtain approval of the facility from the appropriate construction official, as defined at N.J.A.C. 5:23-4.1.

[(m)] ***(n)*** (No change in text.)

[(n)] ***(o)*** If inspection of the customer-generator facility was waived pursuant to *[(k)1]* ***(l)1*** above, the EDC shall, within five business days after receiving the submittal required pursuant to *[(m)]* ***(n)*** above, notify the customer-generator that it is authorized to energize the facility. The notice to the customer-generator shall be provided through the CIAP portal and by email or other writing.

[(o)] ***(p)*** If inspection of the customer-generator facility was not waived pursuant to *[(k)1]* ***(l)1*** above, the following process shall apply:

1. The customer-generator shall submit documentation of the construction official's successful inspections and permit closing, as well as a signed Part 2 of the application as required at *[(m)]* ***(n)*** above, and inform the EDC that the customer-generator facility is ready for EDC inspection;

2. Within five business days after the customer-generator notifies the EDC pursuant to *[(o)1]* ***(p)1*** above that the facility is ready for inspection, the EDC shall offer the customer-generator two or more available four-hour inspection appointments (for example, February 4th from noon to 4:00 P.M. or February 6th from 10:00 A.M. to 2:00 P.M.);

3. The appointments offered pursuant to *[(o)2]* ***(p)2*** above shall be no later than 10 business days after the EDC offers the appointments (that is, within 13 business days after the customer-generator submittal pursuant to *[(m)]* ***(n)*** above);

4. (No change.)

5. Within five business days after successful completion of the EDC inspection, the EDC shall notify the customer-generator that it is authorized to energize the facility through the CIAP portal and by email;

6. The applicant shall not begin operating the customer-generator facility until after the inspection and testing is completed; and

7. Unauthorized system interconnection or operation will result in no payment for excess generation credits. The EDC has the right to disconnect unauthorized interconnections, and must notify the customer-generator facility operator within four hours of such action being taken.

[(p)] ***(q)*** If an application for level 1 interconnection review is denied because it does not meet one or more of the applicable

requirements in this section, the EDC shall provide *[direct evidence of which screens were failed and why.]***, in writing, the specific screens that the application failed, including the technical reason for failure. The EDC shall provide information and detail about the specific system threshold or limitation causing the application to fail the screen.*** In response, an applicant may either:

1. Resubmit an amended level 1 application for expedited review with appropriate mitigation measures that either reduce the customer-generator facility's capacity or restrict its ability to export past the point of common coupling through the addition of non-exporting technology. The EDC shall also allow an applicant to address a failed screen by adding energy storage or increasing its proposed load, provided that such mitigation measures are paired with *[non-exporting technology]* ***export controls*** and/or a reduction in the customer-generator facility's capacity; *[or]*

2. Resubmit the application pursuant to the level 2 or level 3 interconnection review procedure, as appropriate*[.]***; or**

3. Withdraw the application.

(r) The applicant shall notify the EDC of how they want to proceed within 10 business days after receipt of the screen results. If no response is received, the application will be deemed withdrawn.*

14:8-5.5 Level 2 interconnection review

(a) Each review procedure. The EDC shall use the level 2 interconnection review procedure for an application to interconnect a customer-generator facility that meets the following criteria:

1. The facility has *[a]* ***an export*** capacity of two megawatts or less, as measured in *[direct]* ***alternating*** current;

2. The facility has been certified in accordance with N.J.A.C. 14:8-5.3; and

3. The facility does not qualify for the level 1 interconnection review procedure or an applicant that qualifies for the level 1 interconnection review opts to use the level 2 interconnection review procedure.

(b) For a customer-generator facility described at (a) above, the EDC shall approve interconnection pursuant to the level 2 interconnection review procedure if the customer-generator facility meets all of the applicable screening requirements at (c) through (l) below. An EDC shall not impose additional requirements not specifically authorized pursuant to this section ***or not required for the customer-generator facility to conform with IEEE Standard 1547 (or any successor IEEE standard the Board may by order direct EDCs to use)***.

(c) The aggregate *[generation]* ***nameplate*** capacity on the line section to which the customer-generator facility will interconnect, including the ***nameplate*** capacity of the customer-generator facility, shall not cause any distribution protective equipment (including, but not limited to, substation breakers, fuse cutouts, and line reclosers) or customer equipment on the electric distribution system, to exceed 95 percent of the short circuit interrupting capability of the equipment. In addition, a customer-generator facility shall not be connected to a circuit that already exceeds 95 percent of the short circuit interrupting capability, prior to interconnection of the facility.

(d) (No change.)

(e) The aggregate *[generation]* ***nameplate*** capacity connected to the line section, including the customer-generator facility, shall not contribute more than 10 percent to the line section's maximum fault current at the point on the high voltage (primary) level nearest the proposed point of common coupling.

(f) If a customer-generator facility is to be connected to a radial line section, the aggregate *[generation]* ***export*** capacity connected to the electric distribution system by non-EDC sources, including the ***export capacity of the*** customer-generator facility, *[reduced by any export limited capacity achieved through non-exporting technology,]* shall not exceed *[15 percent (or 25 percent for solar electric generation)]* ***100 percent*** of the *[total circuit annual peak]* ***circuit's relevant minimum*** load. For the purposes of this subsection, annual *[peak]* ***relevant minimum*** load shall be based on measurements taken over the 12 months prior to the submittal of the application, measured at the substation nearest to the customer-generator facility.

(g)-(h) (No change.)

(i) If a customer-generator facility is to be connected to a single-phase shared secondary, the aggregate *[generation]* ***export*** capacity on the shared secondary, including the customer-generator facility***'s export capacity***, shall not exceed 30 kilovolt-amps (kVA).

(j)-(m) (No change.)

(n) Within three business days after receiving an application for level 2 interconnection review, the EDC shall notify the applicant through the CIAP portal and by email that it received the application and that the application is either complete or incomplete. If the application is incomplete, the notice shall include a list of all of the information needed to complete the application. ***The applicant must provide the requested information within 15 business days or the application will be deemed withdrawn.***

(o) Within five business days after the EDC notifies the applicant that the application is complete, it shall notify the applicant whether the RPA denoted in the application is appropriate. If the EDC determines the RPA is not appropriate, it shall inform the applicant of the reasons why and provide the applicant five business days to propose a new RPA in a revised application. If the RPA is not appropriately identified within five business days, the application will be withdrawn.*

[(o)] ***(p)*** Within 15 business days after the EDC notifies the applicant that the application is complete pursuant to (n) above, the EDC shall notify the applicant through the CIAP portal and by email of one of the determinations at *[(o)1]* ***(p)1*** through *[4]* ***3*** below, as applicable. During the 15 business days provided pursuant to this subsection, the EDC may, at its own expense, conduct any studies or tests it deems necessary to evaluate the proposed interconnection and arrive at one of the following determinations:

1. The customer-generator facility passes the applicable screening requirements at (c) through (l) above or passes an EDC-conducted power flow analysis that demonstrates the interconnection poses no adverse impacts to the EPS. In this case:

i. The EDC shall notify the applicant, through the CIAP portal and by email, that the interconnection will be finally approved upon completion of the process set forth at *[(p) , (q), and (r)]* ***(q), (r), and (s)*** below; and

ii. Within three business days after the notice at *[(o)1i]* ***(p)1i*** above, the appropriate EDC representative shall sign Part 1 of the original application and the EDC shall return the signed Part 1 to the applicant through the CIAP portal and by email or other writing;

2. The customer-generator facility has failed to meet one or more of the applicable screening requirements at (c) through (l) above, but the EDC has nevertheless determined that the customer-generator facility can be interconnected consistent with safety, reliability**,** and power quality. In this case:

i. The EDC shall notify the applicant through the CIAP portal and by email that the interconnection will be finally approved upon completion of the process set forth at *[(p)]* ***(q)***, *[(q)]* ***(r)***, and *[(r)]* ***(s)*** below; and

ii. Within five business days after the notice at *[(o)2i]* ***(p)2i*** above, the appropriate EDC representative shall sign Part 1 of the original application and the EDC shall return the signed Part 1 to the applicant through the CIAP portal and by email or other writing;

3. The customer-generator facility has failed to meet one or more of the applicable screening requirements at (c) through (l) above, but the initial review indicates that additional review may enable the EDC to determine that the customer-generator facility can be interconnected consistent with safety, reliability, and power quality. In such a case:

i. The EDC shall notify the customer-generator, through the CIAP portal, of which screening requirements were not met and offer to perform additional review to determine whether minor modifications to the electric distribution system (for example, changing meters, fuses, or relay settings) would enable the interconnection to be made consistent with safety, reliability, and power quality. The EDC notice shall provide to the applicant a nonbinding, good faith estimate of the costs of such additional review, and/or such minor modifications, at the +25 percent/-25 percent level, as well as the expected timeline for the additional analysis;

ii. Within 15 business days after the EDC offers to perform additional review and/or modifications, the customer-generator shall notify the EDC

if the customer-generator consents to pay for the review and/or modifications. The EDC shall undertake the review and/or modifications within 15 business days after this notice from the customer-generator, or within a longer period agreed to by the customer-generator and the EDC in writing. Any required payments for the additional review shall be received within 30 days after invoicing. If such deposits or payments are not made, the EDC may make the interconnection capacity available to other potential customer-generators and may require the applicant to re-start the interconnection process; and

iii. Within 15 business days after the additional review or modifications are complete, the appropriate EDC representative shall sign Part 1 of the original application and the EDC shall return the signed Part 1 to the customer-generator through the CIAP portal and by email or other writing; or

4. The customer-generator facility has failed to meet one or more of the applicable screening criteria at (c) through (l) above, and the initial review indicates that additional review would not enable the EDC to determine that the customer-generator facility could be interconnected consistent with safety, reliability, and power quality. In such a case, the EDC shall notify the customer-generator that its facility has failed one or more screening criteria. The EDC shall further include a written explanation of which screens were failed and why within the notice, and provide the following options for the applicant to choose from:

i. Receive a list of additional information and/or modifications to the customer-generator's facility that would be required to obtain an approval pursuant to level 2 interconnection procedures. The EDC shall further provide guidance to the customer-generator on submission of an amended level 2 application with appropriate mitigation measures that may include:

(1) Reduction in the size of the proposed customer-generator facility that would allow the EDC to interconnect the facility;

(2) Addition of energy storage or active demand management that would allow the EDC to interconnect the facility; and

(3) Elimination of injections onto the grid through addition of non-exporting technology, power relays, or other comparable means.

ii. Resubmit the application pursuant to the level 3 interconnection review procedure.

[(p)] ***(q)*** Once a customer-generator receives Part 1 of the application with the EDC signature in accordance with *[(o)1]* ***(p)1***, 2, or 3 above, and has installed and interconnected the customer-generator facility to the EDC's distribution system, the customer-generator shall obtain approval of the facility from the appropriate construction official, as defined at N.J.A.C. 5:23-1.4.

[(q)] ***(r)*** (No change in text.)

[(r)] ***(s)*** The EDC may require an EDC inspection of a customer-generator facility prior to operation, and may require and arrange for witness of commissioning tests as set forth at IEEE Standard 1547 in accordance with the following:

1. The customer-generator shall submit the construction official's approval and the signed Part 2 of the application pursuant to *[(q)]* ***(r)*** above and inform the EDC that the customer-generator facility is ready for EDC inspection;

2. Within five business days after the customer-generator informs the EDC *[under (r)1]* ***pursuant to (s)1*** above that the customer-generator facility is ready for inspection, the EDC shall notify the customer-generator of three or more available four-hour inspection appointments (for example, February 4th from noon to 4:00 P.M., February 6th from 10:00 A.M. to 2:00 P.M., or February 7th from 1:00 P.M. to 5:00 P.M.);

3. The inspection times offered pursuant to *[(r)2]* ***(s)2*** above shall be based on the EDC's scheduling process, and shall not be unreasonably delayed;

4. (No change.)

5. Within five business days after successful completion of the EDC inspection, the EDC shall notify the customer-generator that it is authorized to energize the facility. The notice shall be provided in the format required pursuant to N.J.A.C. 14:8-5.2(i);

6. The applicant shall not begin operating the customer-generator facility until after the inspection and testing is completed; and

7. Unauthorized system interconnection or operation will result in no payment for excess generation credits. The EDC has the right to disconnect unauthorized interconnections, but must notify a customer-generator facility operator within four hours of taking such action.

14:8-5.6 Level 3 interconnection review

(a) By *[(120 days of the effective date of this rulemaking)]* ***May 5, 2026***, each EDC shall adopt a common set of level 3 interconnection review screens. An EDC shall use the level 3 review screens for applications to connect customer-generator facilities that:

1. Are greater than two MW, as measured in *[direct]* ***alternating*** current;

2. Do not qualify for either the level 1 or level 2 interconnection review procedures; or

3. Did not pass the level 1 or level 2 interconnection review procedures set forth at N.J.A.C. 14:8-5.4 and 5.5.

(b) Within 15 business days after receiving an application for level 3 interconnection review, the EDC shall notify the applicant through the CIAP portal and by email that it received the application and that the application is either complete or incomplete. If the application is incomplete, the notice shall include a list of all the information needed to complete the application. ***The applicant must provide the requested information within 15 business days or the application will be deemed withdrawn.***

(c) Each EDC shall accept, process, and approve any level 3 interconnection application for interconnection to that EDC's electric distribution or transmission system for any grid supply solar facility or energy storage facility with a capacity of 20 megawatts or less, measured in alternating current, except as otherwise provided in this subsection.

1. An EDC may decline to accept, process, or approve a level 3 interconnection application for a grid supply solar facility or an energy storage system seeking interconnection to its electric distribution or transmission system if the EDC:

i. Finds the application to be incomplete, based on application criteria and protocols developed by the utility that are consistent with any applicable Board orders and the requirements of this subchapter; or

ii. Deems the interconnection to be unsafe or a risk to the stability, reliability, or power quality of the EDC's electric distribution or transmission system.

2. If an EDC determines that the application is incomplete in accordance with (c)1i above, then, the EDC, in response to the application, shall provide recommendations to the applicant as to how to modify the application to make it complete for review. If, after receipt of a complete application, an EDC determines that the proposed interconnection is unsafe or a risk to the stability, reliability, or power quality of the utility's electric distribution or transmission system in accordance with (c)1ii above, then the EDC, in response to the application, shall provide recommendations to the applicant as to how to reconfigure, adjust, downsize, or otherwise modify the proposed grid supply solar facility, energy storage facility, or point of interconnection so that it is not unsafe or a risk to the stability, reliability, or power quality of the EDC's electric distribution or transmission system and allow the applicant to resubmit the application following such modifications.*

Recodify existing (c)-(g) as ***(d)-(h)*** (No change in text.)

[(h)] ***(i)*** If the commissioning tests are not satisfactory, the customer-generator shall repair or replace the unsatisfactory equipment and reschedule a commissioning test pursuant to *[(f)]* ***(g)*** above.

[(i)] ***(j)*** (No change in text.)

[(j)] ***(k)*** An application fee not to exceed $100.00 plus $10.00 per kW of the *[nameplate rating]* ***export capacity*** up to a maximum of *[$2,000]* ***$10,000 or other value as determined by Board order*** shall accompany any application and an application shall not be deemed complete until the application fee is received. The application fee shall be in addition to charges for actual time spent on analyzing the proposed interconnection. Costs for EDC studies and facilities necessary to accommodate the applicant's proposed customer-generator facility shall be the responsibility of the applicant.

[(k)] ***(l)*** Within 30 days of a completed application, the EDC shall conduct an initial review that includes a scoping meeting with the

applicant. The scoping meeting shall take place in person, by telephone, or electronically, by a means mutually agreeable to the parties. At the scoping meeting, the EDC shall provide additional relevant and non-confidential information to the applicant that was not already provided as part of the PAVE report, including items such as the available fault current at the proposed interconnection location, the existing peak loading on the lines in the general vicinity of the customer-generator facility, and the configuration of the distribution lines at the proposed point of common coupling. ***The EDC shall also identify if the RPA denoted by the application is appropriate. If not, the EDC should specify why and require the applicant to update the application with the proper RPA within 10 business days.*** By mutual agreement of the parties, the scoping meeting or system impact study may be waived in writing.

[(l)] ***(m)*** Within five business days of the completion of the scoping meeting (or five business days after the EDC receives a completed application if the scoping meeting is waived), the EDC shall provide a draft system impact study agreement to the applicant, which shall include a good faith cost estimate of the cost and time for an impact study to be performed by the EDC. The applicant shall execute the impact study agreement within 10 business days, along with any deposit required by the EDC*[; provided that the applicant may request that the EDC hold the draft agreement in abeyance for up to 60 calendar days to allow for negotiation of the scope of the system impact study or to engage in dispute resolution procedures as specified at N.J.A.C. 14:8-5.12]*.

[(m)] ***(n)*** Once an applicant delivers to the EDC an executed system impact study agreement and payment in accordance with that agreement, the EDC shall conduct the system impact study. The system impact study shall be completed within 30 business days of the applicant's delivery of the executed system impact study agreement; provided that if system upgrades are required, the EDC may elect to extend the study process by an additional *[20]* ***15*** business days. The system impact study provided to the applicant shall include a description of the EDC's analysis, conclusions, and the reasoning supporting those conclusions.

Recodify existing (n) through (p) as ***(o) through (q)*** (No change in text.)

[(q)] ***(r)*** Once the applicant executes the facilities study agreement and pays the EDC pursuant to the terms of that agreement, the EDC shall conduct the facilities study. The facilities study shall include a detailed list of necessary electrical power system upgrades and an itemized cost estimate, breaking out equipment, labor, operation, maintenance, and other costs, including overheads, for completing such upgrades. If the EDC commences construction of actual upgrades, the EDC may not charge the applicant for any portion of cost overruns that exceed 50 percent of the total estimated upgrade cost. ***These costs overruns shall also not be borne by ratepayers, unless the EDC demonstrates to the Board that its original cost estimate was reasonable under the circumstances and the subsequent cost overrun was not the result of its own imprudence.*** The facilities study shall also indicate the milestones for completion of the applicant's installation of its customer-generator facility and the EDC's completion of any electrical power system modifications, and the milestones from the facilities study (if any) shall be incorporated into the interconnection agreement. The facilities study shall be completed within 45 business days of the applicant's delivery of the executed facilities study agreement and receipt of any necessary deposits. If the applicant fails to execute the facilities study agreement or make the required deposits within 60 business days after receipt of the facilities study agreement from the EDC, the EDC may make the interconnection capacity available to other potential customer-generators and may require the applicant to re-start the interconnection process.

Recodify existing (r)-(t) as ***(s)-(u)*** (No change in text.)

14:8-5.7 Interconnection fees

(a) (No change.)

(b) For a level 2 interconnection review, the EDC may charge initial application fees of up to $50.00 plus $1.00 per kilowatt of the customer-generator facility's *[nameplate rating]* ***export capacity***, or any alternative value established by Board order. In addition to the initial application fee, the EDC may charge the applicant for the cost of any minor modifications to the electric distribution system or additional review, if required pursuant to N.J.A.C. 14:8-5.5. Costs for such minor modifications or additional review shall be based on EDC estimates and shall be subject to case-by-case review by the Board, or its designee. The EDC shall bill an applicant only for the actual costs, including reasonable overhead, of engineering work done as part of any additional review. An application shall not be deemed complete until the EDC receives the initial application fee.

1. (No change.)

(c) For a level 3 interconnection review, the EDC may charge initial application fees of up to $100.00 plus $10.00 per kilowatt of the customer-generator facility's *[nameplate rating]* ***export capacity, with a maximum of $10,000 or other value as determined by Board order***. In addition to the initial application fee, the EDC may charge the applicant for actual time spent on any impact and/or facilities studies required pursuant to N.J.A.C. 14:8-5.6. The EDC shall bill an applicant only for the actual costs, including reasonable overhead, of engineering work done as part of a system impact study or facilities study. If the EDC must install facilities in order to accommodate the interconnection of the customer-generator facility, the cost of such facilities shall be the responsibility of the applicant. An application shall not be deemed complete until the initial application fee is received.

1. For a level 3 interconnection review of a community solar facility or community energy system for which an applicant requests an Enhanced PAVE process, the EDC may charge another fee of $700.00, in addition to the normal fee for a level 2 PAVE report.

(d)-(e) (No change.)

(f) Notwithstanding anything in this section to the contrary, an EDC shall adjust the size of the application and PAVE fees assessed pursuant to this section, as necessary, to ensure recovery of the prudently incurred costs of developing and implementing the CIAP application portal from applicants within the five-year period specified at N.J.A.C. 14:8-5.2(n). All adjustments to fees made pursuant to this subsection shall take the form of a uniform percentage increase or decrease to all level 1, 2, and 3 interconnection application fees, the maximum level 3 interconnection application fee, and PAVE fees (for example, a 50 percent increase in all level 1, 2, and 3 interconnection application fees, the maximum level 3 interconnection application fee, and PAVE fees). An EDC shall change its application and PAVE fee levels to match the amounts specified at (a), (b), and (c) above, as they may be adjusted by any applicable Board order, once the EDC has recovered the prudently incurred costs of developing and implementing its CIAP application portal. After the CIAP has been implemented, EDCs will recover the prudently incurred costs of operating the CIAP through developer application fees.

14:8-5.8 Testing, maintenance, and inspection after interconnection approval

(a) (No change.)

(b) When a customer-generator facility approved through a level 2 or level 3 review undergoes maintenance or testing in accordance with the requirements of this subchapter, the customer-generator shall retain written records documenting the maintenance and the results of testing***, in compliance with IEEE Standard 1547,*** for three calendar years. No recordkeeping is required for maintenance or testing performed on a customer-generator facility approved through a level 1 review.

(c)-(d) (No change.)

14:8-5.11 Hosting capacity maps

(a) By *[(120 days of the effective date of this rulemaking)]* ***September 2, 2026***, each EDC shall make a tariff filing to implement a common hosting capacity mapping process to aid applicants. Hosting capacity maps shall indicate locations on each EDC's distribution system with spare capacity and locations which are likely to require additional upgrades if a customer-generator facility interconnects there.

(b) An EDC shall post distribution system hosting capacity maps on its website, update them at least once every quarter, ***or other time interval as indicated by Board order,*** and include both circuit and substation level data in the maps. The available hosting capacity values for each circuit shall be calculated using common methodology and presented in a consistent manner across all EDCs' websites. An EDC shall post a written

summary of all significant changes to hosting capacity maps on its website and simultaneously distribute them to a subscriber email listserv at least once every quarter. Each EDC shall clearly label its maps with detailed legends explaining what the data means and ensure its map legends use a nomenclature common to all EDCs.

(c) To the greatest extent permitted pursuant to the North American Electric Reliability Council standards, applicable Federal and State laws, rules, and regulations, and internal EDC physical and cybersecurity policies, all hosting capacity maps shall be integrated with GIS systems, visually present all system data for substations, feeders, and related distribution assets, and allow potential applicants to easily determine, based on an entered street address, the following information:

1. (No change.)

2. A recommended and maximum amount of additional export capable generating capacity, defined as the maximum amount of power customer-generator facilities can export, after accounting for any *[non-exporting technology]* ***export controls***, that can be accommodated on each nearby open circuit without violating any reliability criteria, including, but not limited to, thermal, steady-state voltage, voltage fluctuation, and voltage protection criteria; ***and maximum amount of additional import capacity, defined as the maximum amount of additional power demand that can be accommodated on any given circuit(s);***

3.-9. (No change.)

(d) (No change.)

14:8-5.12 Dispute resolution

(a) By *[(120 days of the effective date of this rulemaking)]* ***May 5, 2026***, each EDC shall make a tariff filing to implement a standardized dispute resolution process to govern disputes between the EDC and a customer-generator, including, but not limited to, disputes involving issues with interconnection studies, cost estimates for necessary upgrades, queue priority, the development of the interconnection agreement, billing, fees, or any related matters. The Board shall accept a standardized dispute resolution tariff filing upon a finding that the proposed dispute resolution process conforms to the requirements of this section and will enable the EDC to fulfill its duties pursuant to this section.

(b)-(h) (No change.)

***14:8-5.13 Common Interconnection Application Process (CIAP)**

(a) All EDCs shall enter into a joint contract to retain a third-party developer of a CIAP. The contract shall be competitively bid to ensure the most efficient and cost competitive price and highest level of consistent functionality to ensure a common experience for customer-generator applicants regardless of which EDC's service territory into which they request interconnection.

1. The developer shall be independent of any electricity supplier or EDC that may submit interconnection applications pursuant to this subchapter, and any affiliate, investor, and/or employee thereof of the foregoing entities.

(b) The developer shall develop a CIAP web and mobile platform that retains commonality between EDCs while minimizing software infrastructure investments by recognizing and accommodating any existing software, web, or mobile capabilities.

(c) The total cost of the implementation of the CIAP web and mobile platforms across all EDCs shall be allocated pro rata to each EDC, based on each EDC's share of total annual New Jersey load. The EDCs shall recover the costs in accordance with N.J.A.C. 14:8-5.7(f).

(d) Each EDC's CIAP web and mobile platform shall meet the following core functional requirements, which may be amended through a Board order:

1. CIAP configuration.

i. Platform type-the CIAP shall be hosted and operated on a secure web-based platform with an integrated data base as well as a web and mobile device user interface;

ii. User account-the platform shall allow individual applicants to access all relevant application data and process steps related to one or more user specific applications under a single secure account compilation view; and

iii. Notification and messaging-the platform shall provide for automated messaging of key events and milestones, and permit users to opt in or out of email, text, or phone call notifications.

2. Authentication/access.

i. The CIAP web and mobile platform shall have a user authentication system that has multifactor authentication, secure login protocols, and any other authentication functionality consistent with generally accepted cybersecurity best practices;

ii. The CIAP web and mobile platform must have functionality to assign role-based access to various levels of functionalities to ensure data security and appropriate access;

iii. The CIAP web and mobile platform must support secure file viewing and transfer, including both applicant submissions of multiple file types including, but not limited to: PDF, CSV, Word documents, and Excel files and downloadable EDC postings of all reports, authorizations, and other process documents; and

iv. The CIAP web and mobile platform must implement functionality to ensure data confidentiality, integrity, and accessibility within a data privacy, security, and risk assessment framework.

3. System reliability/availability.

i. The CIAP web platform shall have an uptime of no less than 99 percent during weekday business hours (8:00 A.M. through 8:00 P.M. EST) as consistent with best commercial practices; and

ii. An administrator page shall be available for public view with metrics of portal uptime, as reported on a quarterly basis.

4. Workflow Management.

i. Timestamp-the CIAP web platform shall record all key workflow handoff points with a date and time stamp to document the completion of the workflow step. At a minimum, the time at which each of the following workflow steps were completed shall be recorded with timestamps:

(1) Request for PAVE report (if applicable);
(2) Initial application submission;
(3) Accepted application;
(4) Part 1 interconnection agreement signed/completed;
(5) System impact study completed;
(6) Customer fees received;
(7) Facilities study completed;
(8) System upgrade estimate completed;
(9) Upgrade agreement signed;
(10) Certification inspection completed;
(11) Part 2 interconnection agreement signed/completed;
(12) EDC overpayment refunds (if applicable);
(13) Dispute petition filed (if applicable); and
(14) Dispute disposition filed (if applicable);

ii. The CIAP web and mobile platform shall enable users to track and process payments at various stages of the interconnection process and must provide updates to users on the following payment status:

(1) Applicant fees outstanding, with due and overdue dates;
(2) Applicant payments credited; and
(3) EDC refunds/overpayments credited;

iii. Data validation.

(1) The CIAP web and mobile platform shall utilize data validation to minimize erroneous and incomplete interconnection applications, to determine whether submitted applications are complete; and

iv. Progress/status reporting.

(1) The CIAP web platform shall provide a visual progress indicator for each application to indicate relative position along the interconnection application process;

(2) The CIAP web platform shall generate automatic email, text, and online notifications to the customer to facilitate and enforce clearly defined tariff timelines, and reduce the turnaround time for missing data elements; and

(3) The CIAP web platform shall allow applicants to opt in or out of receiving all pushed notifications.*