



State of New Jersey  
DIVISION OF RATE COUNSEL  
140 EAST FRONT STREET, 4<sup>TH</sup> FL  
P.O. BOX 003  
TRENTON, NEW JERSEY 08625

MIKIE SHERRILL  
*Governor*

DR. DALE G. CALDWELL  
*Lt. Governor*

BRIAN O. LIPMAN  
*Director*

March 5, 2026

**Via Electronic Mail Only**

Sherri L. Lewis, Board Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, New Jersey 08625-0350  
[Board.Secretary@bpu.nj.gov](mailto:Board.Secretary@bpu.nj.gov)

**Re: I/M/O DEVELOPING INTEGRATED DISTRIBUTED  
ENERGY RESOURCE PLANS TO MODERNIZE NEW  
JERSEY'S ELECTRIC GRID  
BPU Docket No. QO24030199**

Dear Secretary Lewis:

The New Jersey Division of Rate Counsel (“Rate Counsel”) has the following preliminary comments on the above-referenced Request for Information (“RFI”), published by the New Jersey Board of Public Utilities (“Board”) on February 3, 2026, requesting that the four electric distribution companies (“EDCs”) in the State respond to five requests for data on or before March 5, 2026.<sup>1</sup> Rate Counsel is providing an electronic filing only. Kindly acknowledge receipt of this filing electronically for Rate Counsel’s records.

---

<sup>1</sup> Request for Information, BPU Docket No. QO24030199, Board of Public Utilities (Feb. 3, 2026).

In the RFI, the Board seeks data from the State's four EDCs, Atlantic City Electric, Jersey Central Power & Light, Public Service Electric & Gas, and Rockland Electric Company.<sup>2</sup> The data requests in the RFI are taken from Paragraph 7 of Executive Order 2.<sup>3</sup> The requests are as follows:

- a. Address how the company is endeavoring to achieve complete compliance with BPU's regulations at N.J.A.C. 14:8-5;
- b. Identify opportunities for the BPU to modify or waive existing regulations in order to improve efficiency and speed of interconnecting new projects;
- c. Address how the company can improve hosting capacity maps and ensure projects can connect to 34.5 kV distribution lines;
- d. Identify constrained circuits within the company's service territory that should be upgraded to expedite and support interconnection of DERs; and
- e. Address other means of supporting development of DERs on constrained circuits.

[Paragraph 7, Executive Order 2.]

The preamble of Executive Order 1, which is incorporated into Executive Order 2 by reference<sup>4</sup>, identifies electricity affordability as a critical problem and the issue to be targeted by this proceeding. The first sentence of Executive Order 1 ("EO 1") states: "the top priority of this Administration is to make New Jersey more affordable for all New Jersey residents, families, and businesses."<sup>5</sup> EO 1 continues by finding, among other things: (1)"the current cost of electricity has reached the point of crisis for many residents and families; (2) "retail electricity rates have risen dramatically; " and (3)"electricity rates in New Jersey are among the highest in the continental United States."<sup>6</sup> Further, EO 1 classifies electricity affordability as a "crisis"

---

<sup>2</sup> RFI at page 1.

<sup>3</sup> Executive Order No. 2 (Jan. 20, 2026) ("Executive Order 2").

<sup>4</sup> Executive Order 2 at page 1. "WHEREAS, the facts and circumstances of Executive Order No. 1 are incorporated by reference herein, including the facts and circumstances regarding the drivers of the electricity affordability crisis."

<sup>5</sup> Executive Order No. 1 (Jan. 20, 2026) ("Executive Order 1").

<sup>6</sup> Id at pages 1-4.

constituting a “state of emergency.”<sup>7</sup> Building on this foundation, Executive Order 2 recognizes that factors contributing to this energy affordability crisis range from the PJM capacity market, to rising demand for construction equipment, and long build times.<sup>8</sup>

Given the Governor’s clear focus on affordability, Rate Counsel is concerned that the current analysis misses on asking some of the fundamental questions needed for the Board to make any decisions on these issues. That is what is the cost of any of the projects to be proposed by the EDCs, and how will the benefits of those projects be quantified? It is easy to state that more supply will drive down prices, however, the full cost of that supply must be considered. To the extent this is to allow more solar buildout, solar is already subsidized, and any ratepayer funding of grid modernization to allow for additional solar is a subsidy to solar developers. These subsidies end up in rates and result in higher rates. Therefore, how much ratepayers will be asked to pay is an important line of inquiry. Similarly, there will be assertions that additional solar will drive down costs and potentially lower bills. The extent to which that is true needs to be discussed. It should be clear that if rates go up more than they go down, this endeavor is a failure. The Board must ensure that it has accurate information on both sides of the equation to ensure success. While EO 2 states that as a general rule increasing supply will decrease prices, as the regulatory body responsible for utility regulation, it is well within the Board’s authority to ensure the methods used conform to the Administration’s overall stated goal of controlling energy prices.

Since the stated goal of Executive Order 2 is to support energy affordability for the State’s residents in the face of challenges like a large supply-demand gap, it is important to keep

---

<sup>7</sup> Id at page 4.

<sup>8</sup> Executive Order 2 at page 3.

affordability in mind when evaluating responses from the EDCs. EO 2 specifically identifies clean energy sources, including solar, batteries, and demand response aggregation, as sources that can be built relatively quickly and help shorten the supply-demand gap the PJM region is facing.<sup>9</sup> However, the private, for-profit developers of these DERs must still be fully responsible for their fair share of the costs caused by their interconnection to the distribution system. Any cost borne by ratepayers is a subsidy that will increase both bills for ratepayers and profit margins for developers.

Importantly, the RFI does not acknowledge how PJM's Effective Load Carrying Capability ("ELCC") methodology and other factors are likely to impact the benefits seen from expediting the interconnection of renewable energy sources like solar. PJM currently utilizes ELCC to calculate the capacity contribution of each type of resource.<sup>10</sup> According to the PJM, ELCC "captures the expected performance" of various resources during tight RTO-wide system operation hours.<sup>11</sup> PJM's factsheet on ELCC specifically states that: "With more intermittent energy like wind and solar on the system, correlated outages and unavailability of resources has become an important risk factor in the operation of the power grid."<sup>12</sup> To that end, the ELCC ratings for solar are relatively low: in the 2026/27 Base Residual Auction, they were 8% for fixed-tilt solar and 11% for tracking solar; while in the 2027/28 Base Residual Auction they were 7% and 8%, respectively.<sup>13</sup> PJM explains that ELCC sets the capacity value of resources offering into the

---

<sup>9</sup> Executive Order 2 at pages 3-4.

<sup>10</sup> Effective Load Carrying Capability Measures Capacity Contribution of All Resources, PJM (Jan. 28, 2025), available at: <https://www.pjm.com/-/media/DotCom/about-pjm/newsroom/fact-sheets/elcc-measures-capacity-contribution-of-renewable-and-storage-resources.pdf>.

<sup>11</sup> Id.

<sup>12</sup> Id.

<sup>13</sup> See ELCC Class Ratings for the 2026/2027 Base Residual Auction, PJM, available at: <https://www.pjm.com/-/media/DotCom/planning/res-adeq/elcc/2026-27-bra-elcc-class-ratings.pdf>; see also ELCC Class Ratings for the

capacity market, and further explains that combining solar with an energy storage resource could result in a higher combined contribution.<sup>14</sup>

However, the ELCC methodology is just one example of how all megawatts are not created equal for purposes of driving down capacity prices; due to factors ranging from market forces, to frequent policy changes (like ELCC), to permitting, siting, and construction costs. Some megawatts are inherently less valuable to ratepayer relief than others.

The third data request asks the EDCs to improve hosting capacity maps so that projects can connect to 34.5 kV distribution lines. However, in evaluating the proposals, the Board should remain mindful that further subsidization of solar energy by ratepayers will not alleviate the affordability crisis identified in EO1. Rather, it will have the opposite effect by increasing costs on captive ratepayers for the benefit of private, for-profit solar developers. Solar developers and other DERs must remain financially responsible for the benefits received by virtue of having access to the grid through interconnection. This includes the utility system upgrade costs necessitated by their interconnection to the distribution system.

Similarly, the fourth request asks the EDCs to identify constrained circuits within the company's service territory that should be upgraded to expedite and support interconnection of DERs. When reviewing EDC responses, the Board Staff should keep in mind cost causation principles. Solar developers are in the best position to address the risks of construction costs and build times. Foisting these risks onto ratepayers that are already struggling to afford their current

---

2027/2028 Base Residual Auction, PJM, available at: <https://www.pjm.com/-/media/DotCom/planning/res-adeq/elcc/2027-28-bra-elcc-class-ratings.pdf>.

<sup>14</sup> Supra notes 5, 8 (Storage facilities have higher ELCC ratings than solar, ranging from 50% to 72% in the 2026/27 Auction and from 58% to 78% in the 2027/28 Auction).

Secretary Sherri L. Lewis

March 5, 2026

Page 6

electricity bills will not only be unfair, but also undercut the progress toward a more affordable energy future. In working to evaluate responses from the four EDCs, the Board should keep these factors in mind in order to more successfully meet the goals of Executive Orders 1 and 2.

Accordingly, Rate Counsel recommends that the Board consider the cost of various methods of interconnection and projects in the course of its analysis in order to better support the stated goals of Executive Orders 1 and 2.

Very truly yours,

BRIAN O. LIPMAN, DIRECTOR  
DIVISION OF RATE COUNSEL

By: */s/ David Wand*  
T. David Wand, Esq.  
Deputy Rate Counsel

TDW/dl

c: Service List

**I/M/O Developing Integrated DER  
Plans to Modernize NJ's Electric  
Grid**

**BPU Docket No. QO24030199**

**SERVICE LIST**

Sherri L. Lewis, Secretary  
Board of Public Utilities  
44 South Clinton Avenue, 1st Floor  
P.O. Box 350  
Trenton, NJ 08625  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Robert Brabston, Esq.  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625  
[Robert.Brabston@bpu.nj.gov](mailto:Robert.Brabston@bpu.nj.gov)

Stacy Peterson  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625  
[Stacy.Peterson@bpu.nj.gov](mailto:Stacy.Peterson@bpu.nj.gov)

Ava-Marie Madeam, Esq.  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625  
[Ava-Marie.Madeam@bpu.nj.gov](mailto:Ava-Marie.Madeam@bpu.nj.gov)

Pamela Owen, DAG  
Department of Law & Public Safety  
Division of Law  
R.J. Hughes Justice Complex  
25 Market Street, P.O. Box 112  
Trenton, NJ 08625  
[Pamela.Owen@law.njoag.gov](mailto:Pamela.Owen@law.njoag.gov)

Terel Klein, DAG  
Department of Law & Public Safety  
Division of Law  
R.J. Hughes Justice Complex  
25 Market Street, P.O. Box 112  
Trenton, NJ 08625  
[Terel.Klein@law.njoag.gov](mailto:Terel.Klein@law.njoag.gov)

Brian O. Lipman, Director  
Division of Rate Counsel  
140 East Front Street, 4th Fl.  
P.O. Box 003  
Trenton, NJ 08625  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

T. David Wand, Esq.  
Division of Rate Counsel  
140 East Front Street, 4th Fl.  
P.O. Box 003  
Trenton, NJ 08625  
[dwand@rpa.nj.gov](mailto:dwand@rpa.nj.gov)

Maura Caroselli, Esq.  
Division of Rate Counsel  
140 East Front Street, 4th Fl.  
P.O. Box 003  
Trenton, NJ 08625  
[mcaroselli@rpa.nj.gov](mailto:mcaroselli@rpa.nj.gov)

Lisa Littman, Esq.  
Division of Rate Counsel  
140 East Front Street, 4th Fl.  
P.O. Box 003  
Trenton, NJ 08625  
[llittman@rpa.nj.gov](mailto:llittman@rpa.nj.gov)

Robert Glover, Esq.  
Division of Rate Counsel  
140 East Front Street, 4th Fl.  
P.O. Box 003  
Trenton, NJ 08625  
[rglover@rpa.nj.gov](mailto:rglover@rpa.nj.gov)

Bethany Rocque-Romaine, Esq.  
Division of Rate Counsel  
140 East Front Street, 4th Fl.  
P.O. Box 003  
Trenton, NJ 08625  
[bromaine@rpa.nj.gov](mailto:bromaine@rpa.nj.gov)

Emily Lam, Esq.  
Division of Rate Counsel  
140 East Front Street, 4th Fl.  
P.O. Box 003  
Trenton, NJ 08625  
[elam@rpa.nj.gov](mailto:elam@rpa.nj.gov)

Debora Layugan  
Division of Rate Counsel  
140 East Front Street, 4th Fl.  
P.O. Box 003  
Trenton, NJ 08625  
[dlayugan@rpa.nj.gov](mailto:dlayugan@rpa.nj.gov)

Kenneth L. Wan, Esq.  
Atlantic City Electric Company  
500 N. Wakefield Drive  
P.O. Box 6066  
Newark, DE 19714-6066  
[kenneth.wan@exeloncorp.com](mailto:kenneth.wan@exeloncorp.com)

James Meehan, Esq.  
Jersey Central Power & Light  
Company  
300 Madison Avenue  
P.O. Box 1911  
Morristown, NJ 07960  
[jameehan@firstenergycorp.com](mailto:jameehan@firstenergycorp.com)

Aaron Karp, Esq.  
Public Service Electric & Gas  
Company  
80 Park Plaza, T5  
Newark, NJ 07102  
[Aaron.Karp@pseg.com](mailto:Aaron.Karp@pseg.com)

Enver Acevedo, Esq.  
Rockland Electric Company  
4 Irving Place  
Law Department, Room 1815-S  
New York, NY 10003  
[acevedoe@coned.com](mailto:acevedoe@coned.com)