

S 3183 -- Redline

Amended to Amended -- Modifies various provisions of State's renewable energy incentive programs; requires electric public utilities to consider interconnection applications for certain solar projects.*

Deletions ~~struck~~ · Insertions underlined

S3183 ~~2R3R~~ ~~[Second~~ [Third Reprint] SENATE, No.

GREENSTEIN District 14 (Mercer and Middlesex) ~~Assemblyman~~ Co-Sponsored ~~ROBERT by: J.~~

~~Senator KARABINCHAK McKeon District 18 (Middlesex) Assemblyman WAYNE SYNOPSIS. Modifies various provisions of State's renewable energy incentive programs;~~

DEANGELO District 14 (Mercer and Middlesex) Co-Sponsored by:

Senator McKeon, Assemblywomen Brennan, Swain and Assemblyman Tully SYNOPSIS Modifies various provisions of State's renewable energy incentive programs;

CURRENT VERSION OF TEXT As ~~amended~~ reported by the ~~Senate~~ Assembly Budget Committee on ~~March June 23, 28, 2026, 2026, with amendments.~~

1. (New section) a. As used in this section:

"Administratively determined incentive program" means the program for the award of SREC-IIs to small solar facilities pursuant to section 3 of P.L.2021, c.169 (C.48:3-116).

"Board" means the Board of Public Utilities.

"Co-location" means siting two or more SREC-II eligible solar facilities on the same property or on contiguous properties 1[, such that the individual facilities are eligible for a higher incentive value than they would be if they were combined into one single facility. In the case of net metered projects, SREC-II eligible solar facilities shall be not be deemed co-located if they serve separate net metering customers]1 .

"Community solar program" means the program established by the board pursuant to section 5 of P.L.2018, c.17 (C.48:3-87.11).

"Competitive solicitation incentive program" means the program for the award of SREC-IIs to solar facilities pursuant to section 4 of P.L.2021, c.169 (C.48:3-117).

"Contaminated site" means any currently contaminated portion of a property on which industrial or commercial operations were conducted and a discharge occurred, and its associated disturbed areas, where "discharge" means the same as the term is defined in section 23 of P.L.1993, c.139 (C.58:10B-1).

1 "Federal Energy Regulatory Commission" or "FERC" means the same as the term is defined in section 3 of P.L.1999, c.23 (C.48:3-51).1 ~~_____~~ "Garden State Energy Storage Program" means the program established pursuant to P.L.2025, c.136 (C.48:3-121.2 et al.).

"Mining site" means a sand mine, gravel pit, or mine, or former sand mine, gravel pit, or mine, 1or1 closed resource extraction facility 1[, or] on1 land classified as "extractive mining" in Level II of the modified Anderson classification system within the most recent Land Use-Land Cover geographic information system data layer produced by the Department of Environmental Protection.

"Remote net metering program" means the program established by the board pursuant to section 6 of P.L.2018, c.17 (C.48:3-87.12).

"Renewable energy facility" means the same as the term is defined in section 1 of P.L.2009, c.35 (C.40:55D-66.11).

"Renewable energy incentive program" means the competitive solicitation incentive program, remote net metering program, community solar program, administratively determined incentive program, TREC program, SREC-II program, or any other program administered by the board, which provides financial incentives to renewable energy projects or facilities.

"Solar renewable energy certificate" or "SREC" means the same as the term is defined in section 3 of P.L.1999, c.23 (C.48:3-51).

"Solar renewable energy certificate-II" or "SREC-II" means the same as the term is defined in section 3 of P.L.1999, c.23 (C.48:3-51).

"Transition renewable energy certificate" or "TREC" means a certificate issued by the board or its designee under the solar energy transition incentive program, which is designed to transition between the SREC program and the SREC-II program established pursuant to P.L.2021, c.169 (C.48:3-114 et al.).

b. Notwithstanding the provisions of section 38 of P.L.1999, c.23 (C.48:3-87), or any other law, rule, regulation, order, or board order to the contrary, 1[there shall be no prohibition on]1 ~~2there~~ 3[2there shall be no prohibition ~~on~~ 2on 2]3 the co-location of solar facilities either registered or seeking registration or participation in the administratively determined incentive program, the competitive solicitation incentive program, the community solar program, the remote net metering program, or any combination thereof 1[. Multiple solar facilities]1 ~~2-3[2.~~ Multiple solar facilities2facilities2]3 may be 2[1permitted by the board, upon a petition by the developer of the proposed]2 3permitted by the board, upon a petition by the developer of the proposed3 co-located 1[, either on the same property, or

on contiguous properties, so long as the facilities] 2[facility. Any petition submitted pursuant to this section shall include project details confirming that the proposed co-located projects] 1[~~3[~~, either on the same property, or on contiguous properties, so long as the facility, if the proposed co-located facilities2 are ~~1:1:1:1~~ ~~-(1)~~ (1) developed as separate projects or separate phases of the same project 1[, and] ;1 ~~2and23[2and2]3~~ (2) have separate interconnection facilities 2[1;

and (3) are being proposed for co-location as a result of interconnection constraints or available interconnection facilities and not for the purposes of seeking a higher solar incentive than if the projects were not co-located]2 ~~3[~~. 2Co-location shall not be permitted where the primary purpose or effect of the co-location is to obtain a higher incentive or more favorable incentive treatment than would be available if the facilities were developed ~~independently.2~~ independently.2] ~~—; — c. Notwithstanding the provisions of section 38 of P.L.1999, c.23 (C.48:3-87), or any other law, rule, regulation, order, or board order to the contrary, 1[there shall be no size or power output restriction for]1 solar facilities 1[with a capacity of up to 20 megawatts, as measured in alternating current (AC),1 that are located on 2commercial or industrial rooftops,2 landfills, brownfields, contaminated sites, or mining sites 1[for the purposes of eligibility for] shall be eligible for registration in1 the community solar program 1[for the remote net metering program] until December 31, 20281—.~~

(3) d. are Notwithstandingbeing theproposed provisionsfor ofco-location sections 38 of P.L.1999, c.23 (C.48:3-87), or any other law, rule, regulation, order, or board order to the contrary, any project sited on a 1commercialresult or industrial rooftop,1 landfill, brownfield, contaminated site, or mining site that is participating in the community solar program, the remote net metering program, or any combination thereof shall have no less than 33 months from the date of registrationinterconnection inconstraints; the applicable program to achieve commercial operation, as evidenced by a 1[permission to operate] permission to operate1 letter from the applicable electric public utility.

1[Theand 33-month(4) periodwill referencednot abovereceive shall be automatically extended, on a dayhigher forincentive dayor basis,more withoutfavorable theincentive needtreatment forthan additionalwould boardbe orderavailable orif other confirmation, in the eventfacilities ofwere utility-causeddeveloped delaysas regardinga interconnectionsingl ofproject, theunless project to the localboard electricfinds transmission or distribution system.] Projects that dothere notis achievea commercialunique, operationproject-specific byreason the deadline shall be allowed to re-register,provide regardlessa ofdifferent whetherincentive capacitylevel.3 limits ____ forc. Notwithstanding the programprovisions haveof beensection reached.138 — e. An electric public utility shall, upon receipt of aP.L.1999, completeC.23 application,(C.48:3-87), accept, process, and 2[approve] respond to2 interconnection applications for community solar or remote net metering facilities on any electricother line1law, thatrule, isregulation, sizedorder, 34.5 kilovolts or less, board —order f. to Anythe electriccontrary, line1[there maintainedshall bybe anno electricsize public utility that is sized at 34.5 kilovolts or lesspower shalloutput berestriction 2[consideredfor]1 3up to be]300 classifiedmegawatts, as2as 1a1measured distributionin 1[lines,]direct line,current, unlessof3 2[thesolar Federalfacilities Energy1with Regulatory Commission or a courtcapacity of3[of competentup] jurisdictionfrom hasfive mademegawatts3 at a final20 determinationmegawatts, thatas the measured electric line in question3[alternating iscurrent a(AC),1] transmissiondirect linecurrent,3 subjectthat to are FERClocated jurisdiction. on Any2commercial suchor electricindustrial line1]rooftops,2 thelandfills, electric3[brownfields,13 linecontaminated insites, questionor ismining asites transmission1[for facility subject to the jurisdictionpurposes of theeligibility Federalfor] Energyshall Regulatorybe Commission. eligible Anyfor electricregistration linein1 thatthe iscommunity classifiedsolar asprogram a1for distribution line2 shall be subject to the board'sremote jurisdiction,net andmetering 1[shall program] beuntil eligibleDecember for31, interconnection20281 by]13so anylong projectas participating in the communityfacility solar demonstrates program,that remoteit notis meterunable program, to theinterconnect competitivelyas determineda incentivePJM program,wholesale the market Gardenparticipant Statein EnergyTransition StorageCycle Program,2 or anyearlier other State-sponsored solar electricity incentive program or batteryas energya storageQualifying programFacility 1shallpursuant be allowed to interconnectapplicable toorders thefrom electricFERC line1and 2,the subject"Public toUtilities theRegulatory provisionsPolicies Act of subsection1978," g-Pub.L.

95-617. The board may establish reasonable procedures to track and allocate such capacity consistent with this subsection. Projects that registered or received awards under another New Jersey solar program prior to the effective date of P.L. ____, c. ____ (C. ____) (pending before the legislature as this bill) shall not be eligible to register in the community solar program pursuant to this subsection unless the board finds that there is a unique, project-specific reason to allow the project to transfer programs. Projects that submitted applications in the fourth solicitation of the board's competitive solar incentive program shall only be eligible to register in the community solar program pursuant to this subsection if they do not receive awards in that program3 .

d. 3The board may establish, via board order, differentiated incentive levels based on project size and project type for co-located projects and projects larger than five megawatts, as measured in direct current, in the community solar program, and may from time to time adjust the categories and incentive levels.

e.3 Notwithstanding the provisions of section 38 of P.L.1999, c.23 (C.48:3-87), or any other law, rule, regulation, order, or board order to the contrary, any project sited on a 1commercial or industrial rooftop,1 landfill, 3[brownfield,]3 contaminated site, or mining site that is participating in the community solar program, the remote net metering program, or any combination thereof shall have no less than 33 months from the date of registration in the applicable program to achieve commercial operation, as evidenced by a 1[permission to operate] permission-to-operate1 letter from the applicable electric public utility.

1[The 33-month period referenced above shall be automatically extended, on a day for day basis, without the need for additional board order or other confirmation, in the event of utility-caused delays regarding interconnection of the project to the local electric transmission or distribution system.] 3[Projects] Facilities3 that do not achieve commercial operation by the deadline shall be allowed to re-register, regardless of whether capacity limits for the program have been reached.1 3[e.] f.3 An electric public utility shall, upon receipt of a complete application, accept, process, and 2[approve] respond to2 interconnection applications for community solar or remote net metering facilities on any electric line that is sized 34.5 kilovolts or less. 3[f.] g.3 Any electric line maintained by an electric public utility that is sized at 34.5 kilovolts or less shall be 2[considered to be] classified as2 1a1 distribution 1[lines,] line, unless 2[the Federal Energy Regulatory Commission or a court of competent jurisdiction has made a final determination that the electric line in question is a transmission line subject to FERC jurisdiction. Any such electric line1 the electric line in question is a transmission facility subject to the jurisdiction of the Federal Energy Regulatory Commission. Any electric line that is classified as a distribution line2 shall be subject to the board's jurisdiction, and 1[shall be eligible for interconnection by]1 any project participating in the community solar program, remote net 3[meter] metering3 program, the competitively determined incentive program, the Garden State Energy Storage Program, or any other State-sponsored solar electricity incentive program or battery energy storage program 1shall be allowed to interconnect to the electric line1 2, subject to the provisions of subsection g.

2g, 3[2g.] h.3 Any application for interconnection submitted pursuant subsection3[subsection f. of of] to3 this section shall be reviewed and processed in accordance with the board's interconnection rules, rules N.J.A.C.3[,] under3 N.J.A.C.14:8-5, or any successor regulations. The applicant, developer, or owner of a solar facility or energy storage facility seeking to interconnect to an electric public utility's distribution system shall pay the full cost of any required interconnection study. Prior to the commencement of the study, the developer shall pay the estimated cost of the study. An electric public utility shall not be required to initiate or continue an interconnection study until full up-front payment has been received. The cost of the study shall be based on the 3electric public3 utility's actual cost to perform the study within the timeframe established by the board, including costs incurred through third party contractors. Upon completion of the study, the 3electric public3 utility shall recover from the 3applicant,3 developer 3, or owner of a solar facility3 any additional reasonable costs incurred beyond the estimated amount paid. The applicant, developer, or owner of a solar facility or energy storage facility seeking to interconnect to an electric public utility's distribution system shall also be responsible for all costs associated with the interconnection of such facilities, including, but not limited to, study costs, engineering costs, and the costs of any system upgrades or modifications required to accommodate the interconnection, as determined in accordance with the board's interconnection rules. Such costs shall not be borne by ratepayers and shall not be eligible for recovery through rates, except as otherwise permitted by the board in accordance with its interconnection rules.2 2. Section 1 of P.L.2009, c.35 (C.40:55D-66.11) is amended to read as follows:

~~14:8-5, or any successor regulations. The applicant, developer, or owner of a solar facility or energy storage facility seeking to interconnect to an electric public utility's distribution system shall pay the full cost of any required interconnection study. Prior to the commencement of the study, the developer shall pay the estimated cost of the study. An electric public utility shall not be required to initiate or continue an interconnection study until full up-front payment has been received. The cost of the study shall be based on the utility's actual cost to perform the study within the timeframe established by the board, including costs incurred through third party contractors. Upon completion of the study, the utility shall recover from the developer any additional reasonable costs incurred beyond the estimated amount paid. The applicant, developer, or owner of a solar facility or energy storage facility seeking to interconnect to an electric public utility's distribution system shall also be responsible for all costs associated with the interconnection of such facilities, including, but not limited to, study costs, engineering costs, and the costs of any system upgrades or modifications required to accommodate the interconnection, as determined in accordance with the board's interconnection rules. Such costs shall not be borne by ratepayers and shall not be eligible for recovery through rates, except as otherwise permitted by the board in accordance with its interconnection rules.2 2. Section 1 of P.L.2009, c.35 (C.40:55D-66.11) is amended to read as follows:~~

2. a. Notwithstanding any law, ordinance, rule or regulation to the contrary, a solar or photovoltaic

energy facility, battery storage, or renewable energy facility or structure associated with either a solar or photovoltaic energy or battery storage facility constructed and operated on the site of any ~~1commercial3[1commercial or industrialindustrial]3~~ rooftop, 1 landfill, brownfield, contaminated site, mining site, or closed resource extraction operation, shall be a permitted use within every municipality.

b. Notwithstanding any law, ordinance, rule or regulation to the contrary, a wind energy generation facility or structure constructed and operated on the site of any landfill or closed resource extraction operation, shall be a permitted use within every municipality outside the pinelands area as defined pursuant to section 3 of P.L.1979, c.111 (C.13:18A-3).

The Department of Environmental Protection may adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations as necessary to effectuate the purposes of this subsection.

P.L.2017, c.131, s.174) ~~5. Section 5. of P.L.2018, c.17 (C.48:3-87.12 5.~~
Section ~~6~~ of P.L.2018, c.17 (C.48:3-87.12) is amended to read as follows:

6. a.

A remote net metered solar energy project shall:

(1) have a capacity up to [five] ~~203[20] five3~~ megawatts, as measured in 1[direct] ~~alternating13[alternating1] direct3~~ current ~~1(AC)13[1(AC)1] (DC)3 :-;~~

(2) exclusively serve public entities certified by the board to act as receiving customers and located within the same electric distribution company service territory as the project;

(3) be located on any property owned, licensed, or leased by any public entity or on any suitable private property, including, but not limited to, rooftops of commercial 2or industrial2 buildings, parking lots, ~~brownfields3[brownfields]3~~ [for which a final remediation document has been issued, or properly closed sanitary landfill facilities] , contaminated sites, landfills, or mining sites 1, so long as:

(a) prior to commencing construction of the project: (i) for a ~~brownfield3[brownfield oror]3~~ contaminated site, a remedial action work plan has been approved by either the ~~department3[department] Department of Environmental Protection3~~ or a licensed site remediation professional pursuant to the regulations adopted under chapter 26C of ~~titleTitle~~ 7 of the New Jersey Administrative Code, and the regulations adopted under chapter 26E of ~~titleTitle~~ 7 of the New Jersey Administrative Code; and (ii) for a landfill, a closure plan has been approved by the ~~department;3[department] Department of Environmental Protection3 ;~~

and ~~—~~ (b) after the time the solar project construction is complete: (i) if required for a ~~brownfield3[brownfield oror]3~~ contaminated site, an engineering control has been installed and the ~~department3[department] Department of Environmental Protection3~~ has issued a remedial action permit; or (ii) the ~~department3[department] Department of Environmental Protection3~~ has deemed a landfill has been properly closed1 ;

(4) not be sited on:

(a) land preserved under the Green Acres Program;

(b) land designated as freshwater wetlands as defined pursuant to P.L.1987, c.156 (C.13:9B-1 et seq.), or coastal wetlands as defined pursuant to P.L.1970, c.272 (C.13:9A-1 et seq.);

(c) forested lands, as defined by the board in consultation with the Department of Environmental Protection;

or ~~—~~ [d]] (d) prime agricultural soils and soils of Statewide importance, as identified by the United States Department of Agriculture's Natural Resources Conservation Service, which are located in Agricultural Development Areas certified by the State Agricultural Development Committee;

(5) have a facility size calculated based upon the total aggregate electricity usage of the receiving public entity customer utility accounts to be served by the project, based on the total usage of each proposed customer account over the previous twelve months;

and ~~—~~ (6) be metered separately.

~~b. b.~~ The board shall establish a remote net metering application process to approve remote net metered solar energy projects and certify public entities to act as receiving customers for remote net metering generating capacity. The process shall be modeled after the relevant rules and regulations adopted by the board for the community solar energy program pursuant to section 5 of P.L.2018, c.17 (C.48:3-87.11), including, but not limited to, the calculation of the value of the net metering credit. An electric public utility shall be entitled to full and timely cost recovery, including the full value of public remote net metering credits provided to customers and billing system investments, associated with public remote net metering consistent with the Community Solar provisions pursuant to subsection e.

~~c. c.~~ (Deleted by amendment, P.L.2023, c.190) ~~d. d.~~ The electric distribution company that serves the location of a solar energy project approved pursuant to this section shall be responsible for reviewing and approving the interconnection of the solar energy project.

1e. For the purposes of this section, a solar facility located on a landfill, brownfield, contaminated site, or mining site may include associated or contiguous lands developed as part of the same project, and no limitation shall be imposed based on the proportion of such associated or contiguous lands relative to the total project area or capacity.¹ (cf:

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