

ASSEMBLY COMMERCE, ECONOMIC DEVELOPMENT AND
AGRICULTURE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5264

STATE OF NEW JERSEY

DATED: MARCH 6, 2025

The Assembly Commerce, Economic Development and Agriculture Committee reports favorably Assembly Bill No. 5264.

This bill expedites the review and approval of projects to install most types of residential solar energy systems. The bill proposes to accomplish this by requiring the Commissioner of Community Affairs (commissioner) to establish and administer the State Smart Solar Permitting Platform within one year of the bill's date of enactment. Establishment of the State Smart Solar Permitting Platform will enhance the ability of a local enforcing agency: to review permit applications and permit revisions instantly for safety and code compliance, and to release permits and permit revisions instantly for residential solar energy systems, residential energy storage systems, main electric panel upgrades, and main electric panel derates.

The State Smart Solar Permitting Platform is to automatically perform plan review of applications to construct a residential solar energy system, and instantly release permits or permit revisions to construct code-compliant residential solar energy systems. Under the bill, the term "application to construct a residential solar energy system" includes applications to construct a residential solar energy storage system submitted together with an application to perform a main electric panel upgrade, a main breaker derate, or both.

The bill requires the State Smart Solar Permitting Platform to:

- perform robust code compliance checks to evaluate proposed residential solar energy systems to determine whether they comply with the requirements of the State Uniform Construction Code;
- produce construction documents to be used for inspection and recordkeeping purposes under the code;
- instantly release a permit or permit revision to construct a residential solar energy system that complies with the code;
- be designed to process 75 percent of residential solar energy system permit applications submitted;
- be available for applicants to use 24 hours a day, except when the platform is down for an upgrade or maintenance;
- be provided to the department at no-cost or low-cost if provided by a third party;

- allow the use of electronic signatures on all applications and submitted materials necessary for issuance of a permit.

The bill directs the commissioner to fully implement the State Smart Solar Permitting Platform and provide for its use within one year after the bill is enacted.

The bill requires each local enforcing agency to either allow for the submission of applications to construct a residential solar energy system through the State Smart Solar Permitting Platform or through an alternative automated solar permitting platform that satisfies the requirements set forth in the bill for the State platform. If a local enforcing agency opts to implement an alternative automated solar permitting platform, the bill requires the local enforcing agency to enable access to the alternative automated solar permitting platform within 18 months of the bill's effective date.

The bill requires each local enforcing agency that chooses to provide an alternative platform to the State Smart Solar Permitting Platform to submit a compliance report to the Department of Community Affairs (DCA) within 60 days of implementation of the alternative platform. The bill requires a local compliance report to include: the date of compliance, the software used for compliance, and documentation showing that the alternative platform satisfies the requirements set forth in the bill in an equivalent manner as the State Smart Solar Permitting Platform.

The bill provides that if the DCA determines that documentation submitted with a local compliance report is insufficient to verify that the alternative platform satisfies the bill's requirements, the bill requires the local enforcing agency to provide the DCA with access to the alternative platform.

The bill also requires a local enforcing agency that implements an alternative platform to submit an annual report to the DCA that complies with departmental guidelines and provides the following statutorily required information:

- the number of permits released by the enforcing agency for residential solar energy systems through the alternative automated solar permitting platform and relevant characteristics of those systems;
- the number of permits released by the enforcing agency for residential solar energy systems through means other than the alternative automated solar permitting platform and relevant characteristics of those systems; and
- documentation showing that the alternative platform satisfies the other requirements set forth in the bill.

If the DCA determines that documentation submitted by a local enforcing agency is insufficient to verify that the alternative platform meets the bill's requirements, the bill requires the local enforcing agency to provide the DCA access to the platform.

If the DCA determines that a local enforcing agency does not allow for submission of applications to construct a residential solar energy system through either the State Smart Solar Permitting Platform or through an alternative platform, the bill directs the DCA to impose a penalty upon, and collect penalty amounts from, the local enforcing agency, which amounts are to be allocated to the Low Income Home Energy Assistance Program.

Additionally, the bill empowers the DCA to condition or deny direct funding to a local unit from any program it administers if the DCA determines that the local unit's enforcing agency is not in compliance with the bill's requirements.

The bill directs DCA to provide training opportunities concerning the use of the State Smart Solar Permitting Platform for employees of local enforcing agencies and authorizes the DCA to charge solar permit surcharge fees. Monies collected by a local enforcing agency through solar permit surcharge fees are to be remitted to the DCA to defray the cost of developing and administering the State Smart Solar Permitting Platform.