SENATE, No. 3308

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MAY 20, 2024

Sponsored by:
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District 22 (Somerset and Union)
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SYNOPSIS

Requires electric public utilities to implement certain improvements to the interconnection process for certain grid supply solar facilities.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 6/13/2024)

AN ACT concerning certain grid supply solar facilities and supplementing Title 48 of the Revised Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. a. As used in this section:

"Board" means the Board of Public Utilities.

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

"Electric public utility" means the same as the term is defined in section 3 of P.L.1999, c.23 (C.48:3-51).

"Electric transmission or distribution system" means the intrastate electric power grid, maintained by an applicable electric public utility in the State that is subject to the jurisdiction of the board.

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

"Interconnection facilities" means dedicated electric facilities between a renewable energy generator or renewable energy generating facility and the electric transmission or distribution system, including any modification, additions, or upgrades that are necessary to physically and safely interconnect the renewable energy generator or renewable energy generating facility to the electric distribution or transmission system. "Interconnection facilities" does not include electric distribution lines that are used to deliver electricity to end-use customers.

"Level 3 interconnection application process" means the procedure, criteria, and protocols established for applications to connect renewable energy generation facilities to the transmission and distribution system that are greater than two megawatts in size, or that do not meet certain certification requirements, as developed by the board pursuant to P.L.1999, c.23 (C.48:3-49 et al.).

"PJM Interconnection, L.L.C." or "PJM" means the same as the term is defined in section 3 of P.L.1999, c.23 (C.48:3-51).

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

"State incentives" means Class I RECs, SRECs, SREC-IIs, TRECs, or any other applicable State renewable energy certificate, credit, or incentive.

"State incentive program" means any State incentive program whereby solar energy production facilities are eligible to receive state incentives.

"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).

b. Notwithstanding the provisions of P.L.1999, c.23 (C.48:3-49 et al.), P.L.2021, c.169 (C.48:3-114 et al.), or any other law, rule, regulation, or order to the contrary, each electric public utility shall accept, process, and approve any Level 3 interconnection application for interconnection to that electric public utility's electric distribution or transmission system for any grid supply solar facility with a capacity of 20 megawatts or less, measured in alternating current, unless the utility: (1) finds the application to be incomplete, based on application criteria and protocols developed by the utility; or (2) deems the interconnection to be unsafe or a risk to the stability of the utility's electric distribution or transmission system. If an electric public utility determines that the application is incomplete in accordance with (1) above, then the electric public utility, 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 electric public utility determines that the proposed interconnection is unsafe or a risk to the stability of the utility's electric distribution or transmission system in accordance with (2) above, then the electric public utility, 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 so that it is not unsafe or a risk to the stability of the utility's electric distribution or transmission system and allow the applicant to resubmit following such modifications.

c. An electric public utility shall timely process any complete interconnection applications received pursuant to this section in accordance with the electric public utility's Level 3 interconnection application process and its applicable tariff.

d. A grid supply solar facility for which a application is submitted pursuant to this section shall be permitted to interconnect to the electric public utility's transmission or distribution system in the State, provided that (1) the owner or developer of the grid supply solar facility complies with the electric public utility's applicable tariff and Level 3 interconnection application process, and (2) the owner or developer of the grid supply solar facility agrees to pay all required interconnection costs as identified by the electric public utility.

e. A grid supply solar facility that is connected to the electric transmission or distribution system pursuant to this section shall be compensated for the electricity supplied by the facility by the applicable electric public utility, on a real-time basis, based on the point of interconnection.

f. An electric public utility shall, upon application by the owner or operator of a grid supply solar facility, extend interconnection facilities, at the sole cost and expense of the applicant, to the applicable grid supply solar facility so that such facility may be

connected to the electric distribution system. Any applicant for such an extension shall comply with the electric public utility's standard interconnection application process. Any such interconnection facilities shall conform to applicable electric code construction standards, electric public utility construction standards, and any other applicable safety standards or code requirements. Each electric public utility shall use commercially reasonable efforts to work collaboratively with solar energy generators to develop new construction standards where needed such that any line extensions do not adversely affect the safe and reliable operation of the electric distribution system.

g. A grid supply solar facility that is connected to the electric transmission or distribution system pursuant to this section shall be fully eligible for any applicable State incentives, provided that the facility obtains the board's approval for participation in the State incentive program.

h. No later than 120 days after the effective date of this act, the board shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations as necessary for implementing the provisions of this section, which shall be based on existing rules located at N.J.A.C.14:3-8.1 et seq.

2. This act shall take effect immediately.

STATEMENT

This bill would require each electric public utility in the State to accept, process, and approve applications for interconnection to that electric public utility's electric distribution or transmission system for any grid supply solar facility with a capacity of 20 megawatts or less, unless the utility: (1) finds the application to be incomplete, based on application criteria and protocols developed by the utility; or (2) deems the interconnection to be unsafe or a risk to the stability of the utility's electric distribution or transmission system.

As used in the bill, "grid supply solar facility" means a solar electric power generation facility that sells electricity at wholesale and is connected to the State's electric distribution or transmission systems. "Grid supply solar facility" does not include: (1) a net metered solar facility; (2) an on-site generation facility; (3) a facility participating in net metering aggregation pursuant to section 38 of P.L.1999, c.23 (C.48:3-87); (4) a facility participating in remote net metering; or (5) a community solar facility.

The bill would also require that grid supply solar facilities that are approved for interconnection under the bill be permitted to interconnect to the electric public utility's transmission or distribution system in the State, provided that (1) the owner or developer of the grid supply solar facility complies with the electric

public utility's applicable tariff and Level 3 interconnection application process, and (2) the owner or developer of the grid supply solar facility agrees to pay all required interconnection costs as identified by the electric public utility. Furthermore, grid supply solar facilities that are interconnected under the bill would be required to be compensated by the applicable electric public utility for the electricity supplied on a real-time basis, based on the point of interconnection.

Finally, the bill would require electric public utilities, upon application by an owner or operator of a grid supply solar facility, to extend interconnection facilities, at the sole cost and expense of the applicant, to the applicable grid supply solar facility so that such facility may be connected to the electric distribution system. As defined in the bill, "interconnection facilities" means dedicated electric facilities between a renewable energy generator or renewable energy generating facility and the electric transmission or distribution system, including any modification, additions, or upgrades that are necessary to physically and safely interconnect the renewable energy generator or renewable energy generating facility to the electric distribution or transmission system.