

ASSEMBLY TELECOMMUNICATIONS AND UTILITIES
COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 3308

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 9, 2024

The Assembly Telecommunications and Utilities Committee reports favorably and with committee amendments Senate Bill No. 3308 (1R).

As amended and reported, this bill requires each electric public utility in the State to accept, process, and approve applications for Level 3 interconnection to that electric public utility's electric distribution or transmission system for any grid supply solar facility or energy storage 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 that are consistent with any applicable board orders and rules and regulations; or (2) deems the interconnection to be unsafe or a risk to the stability, reliability, or power quality of the utility's electric distribution or transmission system. Electric public utilities are required to process any complete interconnection application received under the bill in a timely manner and are required to provide an initial feasibility study for the applicant's review within 90 days of receiving a complete interconnection application.

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; (4) a facility participating in remote net metering; or (5) a community solar facility. In addition, under the bill, "energy storage facility" means a facility that is capable of absorbing energy from the grid or from a Class I renewable energy facility; storing it for a period of time using mechanical, chemical, or thermal processes; and, thereafter, discharging the energy back to the grid or directly to an energy using system to reduce the use of power from the grid.

The bill also requires that grid supply solar facilities and energy storage 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 or energy storage 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 or energy storage facility agrees to pay all required interconnection costs as identified by the electric public utility.

In addition, grid supply solar facilities that are interconnected under the bill are to be compensated by the applicable electric public utility for the electricity supplied on a real-time basis, based on the point of interconnection. However, if the compensation of a grid supply solar facility under the bill qualifies as a sale of electric energy at wholesale in interstate commerce under the "Federal Power Act," any compensation under the bill is to be executed in compliance with the federal "Public Utility Regulatory Policies Act of 1978," including any regulations it implements.

Finally, the bill requires electric public utilities, upon application by an owner, developer, or operator of a grid supply solar facility or energy storage facility, to extend interconnection facilities to the applicable grid supply solar facility or energy storage facility, utilizing the electric public utility's existing infrastructure, which includes, but is not limited to, poles and rights of way, so that the facility may be connected to the electric distribution system. Any line extensions or upgrades are to be at the sole cost and expense of the applicant, unless a board order issued after the bill's effective date modifies the interconnection cost allocation methodology, in which case the applicant is to abide by the modified methodology. 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.

As amended and reported by the committee, Senate Bill No. 3308 (1R) is identical to Assembly Bill No. 4513, which was also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) define "energy storage facility" to mean a facility that is capable of absorbing energy from the grid or from a Class I renewable energy facility; storing it for a period of time using mechanical, chemical, or thermal processes; and, thereafter, discharging the energy back to the grid or directly to an energy using system to reduce the use of power from the grid;

(2) define “grid services compensation” to mean any payment to a Class I renewable energy facility or energy storage facility for providing services that support or enhance the functioning or the capabilities of the electric transmission or distribution system made pursuant to terms established by board orders or rules and regulations;

(3) update the definition of “State incentives”;

(4) apply the bill’s provisions to energy storage facilities, in addition to grid supply solar facilities, with the exception that energy storage facilities do not qualify for compensation by an electric public utility for supplying electricity;

(5) clarify that the application criteria and protocols developed by an electric public utility for the evaluation of a Level 3 interconnection application under the bill are to be consistent with any applicable board orders and rules and regulations;

(6) require electric public utilities to provide an initial feasibility study for the applicant’s review within 90 days of the applicant’s submission of a complete interconnection application;

(7) require an electric public utility to compensate a grid supply solar facility for electricity supplied by the facility to a utility’s electric transmission or distribution system;

(8) clarify that any compensation under the bill by an electric public utility to a grid supply solar facility is required to comply with certain provisions of federal law;

(9) allow developers, in addition to owners and operators, of grid supply solar facilities and energy storage facilities to submit an interconnection application under the bill;

(10) require an electric public utility to extend interconnection facilities to an approved applicant, using the utility’s existing infrastructure, including, but not limited to, poles and rights of way;

(11) clarify that any line extension or upgrade made pursuant to the bill is to be done at the sole cost and expense of the applicant, unless a board order issued after the bill’s effective date modifies the interconnection cost allocation methodology, in which case the applicant is to follow the modified methodology;

(12) require approval from the board for grid services compensation;

(13) require the board to adopt rules and regulations to implement the bill’s provisions within 210 days, instead of 120 days, after the bill’s effective date, which rules and regulations are to be based on N.J.A.C.14:8-5.1 et seq., rather than N.J.A.C.14:3-8.1 et seq.;

(14) permit the board to make changes to proposed rules and regulations upon adoption that are necessary to implement the provisions of the bill without filing a new notice of proposal or following certain procedures pursuant to N.J.S.A.52:14B-4.10;

(15) update the bill’s title and synopsis; and

(16) make technical changes.