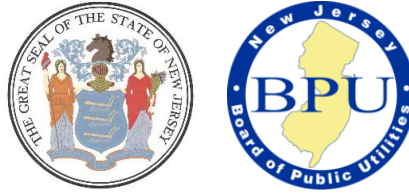


State of New Jersey
Governor Mikie Sherrill
Dr. Dale G. Caldwell

Board of Public Utilities



www.nj.gov/bpu/



Ben Hertz-Shargel
President

Christine Guhl-Sadovy
Michael Bange
Emma Rebhorn
Joseph Coviello
Commissioners

NOTICE¹

IN THE MATTER OF THE GARDEN STATE ENERGY STORAGE PROGRAM (GSESP) PHASE 2 – DISTRIBUTED ENERGY STORAGE PROGRAM

Docket No. [QO26040116](#)

Pursuant to the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq., Staff of the New Jersey Board of Public Utilities (“NJBP” or “Board”) hereby gives notice of a virtual stakeholder meeting to discuss the Straw Proposal for Distributed Storage Capacity Block 1 (“Block 1”) of Phase 2 of the Garden State Energy Storage Program (“GSESP”). The Straw Proposal document can be found [here](#).

New Jersey has established a statutory goal of deploying 2,000 megawatts (“MW”) of energy storage by 2030. The GSESP was developed to help achieve this goal by accelerating the deployment of energy storage resources that improve grid reliability, reduce electricity costs, address near-term capacity constraints, and support the State’s long-term clean energy objectives. While Phase 1 of GSESP focuses on incentivizing transmission-scale storage projects, Phase 2 focuses on deploying distribution-level energy storage systems that can deliver measurable system value by reducing peak demand during critical periods that drive capacity and transmission costs.

Informed by stakeholder input received in response to the Board’s May 6, 2026, Request for Information,² NJBP Staff has developed a Straw Proposal for the initial implementation of Block 1. As currently proposed, Block 1 would establish a near-term, performance-based incentive framework targeting up to 150 MW of behind-the-meter residential energy storage capacity. Block 1 would be administered by New Jersey’s Electric Distribution Companies (“EDCs”) under Board oversight and would compensate eligible resources based on demonstrated performance during EDC Dispatch Events, including PJM capacity and transmission peak hours, or Coincident Peaks (“CPs”), and other distribution-level grid stress conditions that may be identified by the EDCs.

The stakeholder meeting will cover the topics listed below:

- Topic 1, Eligibility and Technical Requirements for Block 1 participation: Includes residential customer eligibility, behind-the-meter system configuration, new project requirements, qualifying storage resources, participation by third-party owners, original equipment manufacturers, aggregators, or other authorized representatives, applicable

¹ Not a paid legal advertisement.

² [In re Advancing Virtual Power Plant \(VPP\) Program in the State of New Jersey et al., BPU Docket Nos. QO26030099, QO26040116, QO24020116, QO26030059, & QO24030199, Notice dated May 6, 2026, \[https://www.nj.gov/bpu/pdf/publicnotice/VPP%20RFI_April%202026-05-6.pdf\]\(https://www.nj.gov/bpu/pdf/publicnotice/VPP%20RFI_April%202026-05-6.pdf\).](#)

interconnection requirements, export-limited systems, safety standards, and recommended VPP-readiness and interoperability standards;

- Topic 2, EDC-administered program structure and enrollment framework: The role of EDCs includes program administration, application review, interconnection coordination, dispatch communication, performance tracking, incentive payment administration, tariff filings, cost recovery, reporting, the 150 MW Block 1 target, capacity allocation across EDCs, first-come, first-served open enrollment. This also includes the proposal to treat complete applications submitted during the same calendar week as having been submitted at the same time, waitlist procedures, reservation letters, project maturity requirements, and NJBPU's ability to reallocate unused capacity among EDCs if needed to support enrollment of the full 150 MW Block 1 target;
- Topic 3, Performance-based incentive structure: Includes the 10-year annual incentive term, the \$200/kW incentive rate, revenue certainty for Participants, cost-effectiveness for ratepayers, incentive pass-through to residential host customers;
- Topic 4, Dispatch Event and performance measurement framework: Includes EDC-directed dispatch, PJM 5 Coincident Peak and Transmission 5 Coincident Peak events, distribution-level thermal constraints, local congestion, emergency events, dispatch windows, event duration, annual event limits, advance notice, device-level metering, interval data, revenue-grade metering, Performance Intervals, Performance Factor calculations, audit and verification processes, and treatment of performance deviations resulting from EDC dispatch instructions;
- Topic 5, The relationship between GSESP Phase 2, Block 1 and the NJBPU's future Virtual Power Plant program, and;
- Topic 6, The proposed ratepayer impact and benefit-cost framework.

Board Staff seeks comments from members of the public and relevant stakeholders on the contents of the Straw Proposal and specifically, the questions listed in Section 9 of the Straw, which include the following:

1. Whether alternative metering and dispatch control systems would provide greater ratepayer saving than the performance-based incentives method currently contemplated for Block 1. If so, what are these alternative metering and control systems and how would they provide greater ratepayer savings than what is currently outlined in this Straw Proposal?
2. Should the Board have a role in defining the type of events resources should be dispatched for? If so, what purpose should dispatch events serve or how should dispatch events be defined?
3. Whether to require EDCs to direct, control, and dispatch energy storage systems in Block 1 of the program. Please provide feedback regarding both the benefits and drawbacks of requiring EDC control and dispatch of energy storage systems.
4. What detail and justification should be provided by the EDCs with respect to program administration costs?
5. Should the Board allow for small commercial customers to participate in Block 1 of the GSESP, if so are there rate structures that should be excluded, such as those that allow the individual customer to capture 100% of the benefit of the wholesale energy, capacity, and/or transmission charges they avoid through operation of a battery asset?

To assist Staff in reviewing and organizing stakeholder feedback, commenters are encouraged to identify the specific question number or topic area as described above.

NJBPU will hold one virtual stakeholder meeting as detailed at the top of this notice regarding the Phase 2 Block 1 Straw Proposal. The meeting will be conducted virtually. Registration information is available in the registration link.

STAKEHOLDER MEETING	
<u>General Stakeholder Meeting</u>	
DATE:	September 3, 2026
TIME:	10:00AM Eastern Time to 12:00PM Eastern Time
LOCATION:	Zoom Virtual Webinar
REGISTER:	https://us06web.zoom.us/webinar/register/WN_RdsVfAwjT3mcekU0QpPfOw

Stakeholders and members of the public may participate after registering by utilizing the link or dial-in information set forth above and may express their views. To encourage full participation, please submit requests for accommodations, such as interpreters and/or listening assistance, at least 48 hours prior to the meeting to the Secretary of the Board at board.secretary@bpu.nj.gov.

This public stakeholder meeting is a structured public comment session and provides an opportunity for members of the public, industry stakeholders, developers, customers, and other interested parties to provide feedback on the proposed program design. The webinar is intended to be a listening session, and, as such, Board staff will not engage in substantive dialogue during the session.

If you want to reserve a speaking opportunity (up to 3 minutes), speakers should request time during registration and may be asked to identify the subject of their comments in advance. After registering, you will receive a confirmation email containing information about joining the meeting and checking your system requirements in advance.

Questions on this stakeholder process may be directed to energy.storage@bpu.nj.gov.

Stakeholders and members of the public are encouraged to submit comments. The deadline for comments on this matter is 5:00 p.m. Eastern Time on September 10, 2026.

Please submit comments directly to the specific docket listed above using the “Post Comments” button on the [Board’s Public Document Search](#) tool. Comments are considered “public documents” for purposes of the State’s Open Public Records Act (“OPRA”). Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. In addition to hard copy submissions, confidential information may also be filed electronically via the Board’s e-filing system or by email to the Secretary of the Board. Please include “Confidential Information” in the subject line of any email. Instructions for confidential e-filing are found on the Board’s webpage: <https://www.nj.gov/bpu/agenda/efiling/>.

Emailed and/or written comments may also be submitted to:

Sherri L. Lewis

Sherri L. Lewis

Secretary of the Board
44 South Clinton Ave., 1st Floor
PO Box 350 Trenton, NJ
08625-0350 Phone: 609-292-1599
Email: board.secretary@bpu.nj.gov

Dated: August 17, 2026