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**DIVISION OF CONSUMER AFFAIRS
OFFICE OF WEIGHTS AND MEASURES
Standard Containers for Farm Products; Weights
and Measures**

Readoption: N.J.A.C. 13:47G

Proposed: March 3, 2025, at 57 N.J.R. 441(a).

Adopted: June 4, 2025, by David Freed, Acting State
Superintendent, Office of Weights and Measures.

Filed: June 5, 2025, as R.2025 d.080, **without change**.

Authority: N.J.S.A. 51:1-61.

Effective Date: June 5, 2025.

Expiration Date: June 5, 2032.

Summary of Public Comment and Agency Response:

The official comment period ended May 2, 2025. The Office of Weights and Measures (Office) received a comment from Michael D. DeLoreto, Esq., Director, Gibbons P.C.

COMMENT: The commenter requests the Office to adopt new regulations to allow tolerances for moisture loss for farm products sold by net weight. The commenter contends that N.J.S.A. 51:1-17 permits non-bulk fruits and vegetables to be sold by “standard container,” “bunch,” or uniformly sized “dry measure” containers. The commenter contends that N.J.A.C. 13:47G uses volume by dry measure as the basis for determining a “standard container.” The commenter also contends that the Office does not address moisture loss for farm products in its rules and that this can result in farm products being determined to be “short-weight” during inspection, leading to fines pursuant to N.J.A.C. 13:47K-5.2. The commenter recommends that the Office adopt new rules for the inspection of farm products. The new rules would, if a farm product is sold by weight, follow moisture allowance procedures pursuant to the National Institute of Standards and Technology (NIST) Handbook. The recommended new rules would also, when a farm product is labeled with both gross weight and volume by dry measure, allow a retailer to select which unit of measure it will utilize to sell the product and by which an inspection will be performed. The recommended new rules would allow prepackaged fruits and vegetables to be sold by count or item, as long as the fruit or vegetable is packaged in translucent material that allows a consumer to inspect the fruit or vegetable before purchase. Finally, the recommended new rules would require municipal and county inspectors to report manufacturer information provided on a container to the Office if a violation has been found.

RESPONSE: The new rules proposed by the commenter constitute substantial changes to N.J.A.C. 13:47G that could not be made upon adoption. The Office believes that the existing rules at N.J.A.C. 13:47G provide a legal standard to ensure consistency for both consumers and those who package farm products in standard containers. The Office is not convinced the recommended new regulations provide the same protections as the existing rules or that it is appropriate to propose them.

Federal Standards Statement

A Federal standards analysis is not required because the readopted rules are subject to State statutory requirements and are not subject to any Federal requirements.

Full text of the readopted rules can be found in the New Jersey Administrative Code at N.J.A.C. 13:47G.

PUBLIC UTILITIES

(b)

BOARD OF PUBLIC UTILITIES**Renewable Energy and Energy Efficiency****Adopted Amendments: N.J.A.C. 14:8-4.2 and 5****Adopted New Rules: N.J.A.C. 14:8-5.10, 5.11, and 5.12**

Proposed: June 3, 2024, at 56 N.J.R. 993(a).

Adopted: May 21, 2025, by the New Jersey Board of Public
Utilities, Christine Guhl-Sadovy, President, Dr. Zenon
Christodoulou, Ph.D. and Michael Bange, Commissioners.

Filed: May 22, 2025, as R.2025 d.078, with **non-substantial changes** not requiring additional public notice and comment (see N.J.A.C. 1:30-6.3), and with proposed N.J.A.C. 14:8-5.1; 5.2(a), (k), (m), and (r); 5.3(c) and (d); 5.4(a)2, (e), (f), (i) through (l), (o), and (p); 5.5(a)1, 5.5(b), (c), (e), (f), (i), (n), (o), (p), and (r); 5.6(a)1, (b), (h), (j), (k), (l), (m), and (q); 5.7(b) and (c); 5.8(b); and 5.11(a), (b), and (c)2 **not adopted, but still pending**.

Authority: N.J.S.A. 48:2-13 and 48:3-87.

BPU Docket Number: QO21010085.

Effective Date: July 7, 2025.

Expiration Date: February 27, 2026.

Summary of Public Comments and Agency Responses:

The New Jersey Board of Public Utilities (Board) received written comments from: Atlantic City Electric Company (ACE); Coalition for Community Solar Access (CCSA); Environmental Defense Fund (EDF); Interstate Renewable Energy Council (IREC); Jersey Central Power & Light Company (JCP&L); NAIOP New Jersey the Commercial Real Estate Association (NAIOP); New Jersey Division of Rate Counsel (DRC); New Jersey Utilities Association (NJUA); Piq Energy; Powerflex Inc. (PowerFlex); Public Service Electric and Gas Company (PSE&G); Robert Erickson; Rockland Electric Company (RECO); Solar Landscape; and Sunnova Energy International (Sunnova).

General Comments

1. COMMENT: The commenter supports the Board’s efforts to streamline and enhance the interconnection process in an effort to modernize New Jersey’s electric grid. (PSE&G)

2. COMMENT: The commenter supports the timelines detailed in the proposed amendments at N.J.A.C. 14:8-5. The commenter also supports the incorporation of previous comments and suggestions into the proposed rules. The commenter also supports the implementation of an online portal to manage the interconnection process, as it will provide greater transparency. (PowerFlex)

3. COMMENT: The commenter appreciates the Board setting out specific timelines for utilities and applicants to meet to keep the flow of applications moving. The commenter agrees that the Proactive System Upgrade Planning docket (meaning Integrated Distribution of Distributed Energy Resources (IDDER) Working Group) is a good venue to work through a more reliable and transparent process for consumers and small business installers alike. (Sunnova)

4. COMMENT: The commenter conveys appreciation to the Board for integrating a number of the changes that were proposed in prior comments. (NJUA)

5. COMMENT: The commenter agrees with the Board that procedural improvements would benefit all parties involved with distributed energy resources (DER) interconnections. (JCP&L)

6. COMMENT: The commenter supports the Board in its endeavor to modernize the grid. (RECO)

RESPONSE TO COMMENTS 1 THROUGH 6: The Board thanks the commenters for their support.

7. COMMENT: The commenter found the proactive system upgrade planning process, which was outlined in earlier versions of this rulemaking, to be vital. The commenter recommends that the section be reinserted into the current rules, as its omission does not reflect stakeholder consensus. (CCSA)

RESPONSE: The Board appreciates the commenter's feedback. Based on extensive stakeholding, the Board has determined the inclusion of requirements for proactive system upgrade planning, without first properly developing a consensus stakeholder view on specific elements and functional interoperability needing expression in the electric distribution company (EDC) plan, will lead to a suboptimal and overly conservative grid modernization effort. These requirements will be introduced in a later rulemaking that will be informed by the IDDER Working Group, which is participating in the Board proceeding, *In the Matter of Developing Integrated Distributed Energy Resource Plans to Modernize New Jersey's Electric Grid*, BPU Docket No. QO24030199.

8. COMMENT: The commenters recommend that the EDCs leverage Distributed Energy Resource Management Systems (DERMS) and smart inverters to optimize grid performance and facilitate the integration of distributed energy resources (DERs). Clear timelines should be established. (NAIOP, Piq Energy, and Solar Landscape)

9. COMMENT: The commenters recommend that the Board require EDCs to utilize historical data and predictive modeling to proactively plan grid upgrades and anticipate changes in load patterns before they occur. (NAIOP, Piq Energy, and Solar Landscape)

RESPONSE TO COMMENTS 8 AND 9: The Board appreciates the comments and is in agreement with the commenters that the EDCs should proactively plan grid upgrades and utilize DERMS and smart inverters within their plans. The requirement for proactive upgrade plans and incorporation of DERMS and smart inverters in the current rulemaking, however, is premature. The Board is currently holding working group sessions with EDCs, industry experts, developers, and other stakeholders to determine appropriate requirements for the EDCs to include in their plans to integrate DERs into their distribution system. Smart inverters and DERMS are already being discussed within the IDDER Working Group, as these useful tools require more deliberation and discussion before the Board sets forth a requirement for their utilization.

10. COMMENT: The commenters support the requirements of EDCs implementing a flexible queue process that is uniform and adopts a "first ready, first through" approach. (Piq Energy and Solar Landscape)

11. COMMENT: The commenter recommends that New Jersey should establish a "first ready, first through" queuing process and consider the New York Public Service Commission's Standard Interconnection Process as a model. (NAIOP)

RESPONSE TO COMMENTS 10 AND 11: The Board appreciates the commenters' support and emphasizes the importance of striving toward uniformity and flexibility to optimize the hosting capacity for DERs on the legacy distribution grid. The Board appreciates the commenters' suggestions, but does not deem it prudent to reform the queuing process before deliberating with the EDCs. The Board intends to utilize the Grid Modernization Forum, a collection of expert working groups run by Board staff, to discuss additional interconnection reform topics, such as queue reform.

12. COMMENT: The commenter states that the EDCs should implement standardized, software-based application platforms to track interconnection requests and the system should automatically notify applicants of missing information. (NAIOP)

RESPONSE: The Board thanks the commenter for their response, but declines to implement any further changes, as this was the Board's intent by requiring the Common Interconnection Application Process (CIAP) as described in the original notice of proposal. The CIAP will serve as a mechanism to track interconnection requests and notify applicants of missing information, among other functional requirements. For discussion related to the cost impact of software selection and implementation, please see Comment 8 and the Board's response in the notice of proposed substantial changes upon adoption, published elsewhere in this issue of the New Jersey Register.

13. COMMENT: The commenter recommends that the interconnection process should be streamlined by having the EDCs install/upgrade to a software-based application platform to track applications and notify customers of any missing information. (Piq Energy)

14. COMMENT: The commenter recommends that the EDCs install or upgrade to a software-based application platform to track key information throughout the application process, which should be uniform across all EDCs serving the State. (Solar Landscape)

RESPONSE TO COMMENTS 13 AND 14: The Board agrees with the implementation of a software-based application platform and pursued this direction in the current notice of proposal, noting that the term "Common Interconnection Application Process" or "CIAP" was created and defined. It is the Board's intent to require these platforms to be "common" rather than "uniform," such that customers and applicants will have similar user experiences without requiring absolute uniformity from the EDCs. The Board also recommends the commenters review the notice of proposed substantial changes upon adoption that is published elsewhere in this issue of the New Jersey Register, as it proposes new text that responds to some of their concerns.

15. COMMENT: The commenter requests that the Board require the EDCs to share information annually with customers about the Community Solar Energy Program and how to participate. (Solar Landscape)

RESPONSE: The Board appreciates the commenter's suggestion with respect to spreading awareness of the Board's programs, but disagrees that doing so is the responsibility of the EDCs. The Board shares all relevant information about the community solar energy program on the Division of Clean Energy's website, which can be accessed at: <https://www.njcleanenergy.com/renewable-energy/programs/susi-program/csep> and <https://njcleanenergy.com/renewable-energy/programs/CS>.

16. COMMENT: The commenter recommends that the draft interconnection rules refer to Institute of Electrical and Electronics Engineers (IEEE) 1547, UL 1741, and any other generally accepted national standards, where available. (RECO)

RESPONSE: This is the intent of the current rulemaking, and particularly, the recent IEEE Standard 1547-2018 version cited. As no proposed rule sections were specified, the Board declines to make this recommendation.

17. COMMENT: The commenter requests that the Board implement some form of enforcement mechanism on the EDCs to comply with the new rules. (Powerflex)

18. COMMENT: The commenter states that the current proposed rules do not feature a method of accountability for utilities and cites recent legislation from Colorado that enforces monetary penalties for retail electric utilities for failing to "provide timely service and adhere to timelines ... [such that] the retail electric utility may be subject to penalties of up to two thousand dollars per day for each day that the violation occurred." (Sunnova)

RESPONSE TO COMMENTS 17 AND 18: The Board appreciates the commenters' suggestions, but declines to implement an enforcement mechanism at this time. Any monetary penalty would place an additional burden on non-benefitting ratepayers. Additionally, the additional evaluation of alternative cost-related process changes will be a part of the Grid Modernization Forum, which will be used to inform future rulemaking proceedings.

19. COMMENT: The commenter states that the EDCs should establish clear timeframes for the study, payment, and other crucial aspects of the process in collaboration and consultation with developers. (Solar Landscape)

RESPONSE: The Board declines to implement further timelines in addition to those which are already outlined in the notice of proposal. Based on extensive stakeholding, the Board has determined that imposing additional timelines would be too much of an administrative burden on the EDCs, the cost of which would, in turn, be passed on to captive ratepayers.

20. COMMENT: The commenter states the proposed rules appear to inappropriately shift the cost of DER development from project developers to ratepayers, thereby forcing the latter to further subsidize an already heavily subsidized industry. This is primarily because the rulemaking fails to ensure that the proposed interconnection fees cover the actual costs of interconnection. The likely result is that captive

ratepayers will pay the potentially large difference between the fees charged to DER interconnection customers and the sums raised by interconnection fees. Such a result is contrary to both cost causation principles and a competitive energy market. An appropriate cost allocation framework would instead charge DER developers and participating customers fees based on ratemaking principles, such as cost causation. At the very least, the Board should quantify and substantiate estimates of the likely size of the interconnection costs that may be shifted to ratepayers and simultaneously and holistically reevaluate the subsidies currently being provided. (DRC)

RESPONSE: The Board believes the commenter has misunderstood the nature of the proposed application fees. The application fees adopted in this rulemaking are in addition to, and separate from, any payments to cover interconnection costs, as they are intended to help defray the cost of processing interconnection applications, rather than the costs of designing and building electrical infrastructure. Neither the application fees nor any part of the proposed rules will alter the existing cost allocation regime for distribution system upgrades necessary to accommodate the interconnection of DERs. For example, Section 15.1 of the PSE&G electric tariff issued on October 10, 2024 (as well as similar provisions in other EDC tariffs) require customer-generators that qualify for net metering to bear all interconnection costs. Such EDC tariff provisions will remain in effect. Consequently, the proposed application fees will not shift the cost of interconnecting DERs to ratepayers and, therefore, will not violate cost causation or competitive energy market principles. The absence of any interconnection cost shift likewise means there is no need to quantify its potential size and substantiate such estimates. Though the Board shares the commenter's ratepayer impact concerns and is actively considering ways to control the costs and maximize the ratepayer benefits of clean energy incentive programs, the Board believes a comprehensive re-evaluation of all relevant incentive programs is beyond the scope of this rulemaking.

21. COMMENT: The commenter recommends that the Board clarify its intention regarding cost recovery and allocation for all DER interconnection costs, including CIAP, the pre-application verification and evaluation (PAVE) process, and hosting capacity maps. The commenter also recommends the estimation of costs for new CIAP, PAVE, and hosting capacity maps by the EDCs and changes to the proposed cost recovery mechanism and cost allocation for CIAP in the final rulemaking. (DRC)

RESPONSE: The Board appreciates the commenter bringing attention to the allocation of costs for these proposed features, though the Board is of the opinion that these features should not be conflated with respect to cost.

With respect to implementing the PAVE process, the Board disagrees with the commenter that the PAVE process and report development will create any substantial cost for the EDCs, as this information is already predicated on detailed distribution grid information that should be readily accessible to the EDCs. It can be reasonably assumed that this information already exists for each EDC and that the data should be easily retrievable from its legacy system. Thus, the Board does not anticipate that the PAVE process will have a significant enough economic impact on the EDCs to warrant special cost allocation treatment. Additionally, the intent of implementing the PAVE process is to reduce the administrative burden on the EDC's behalf by improving the quality of projects in the application queue and avoiding unnecessary evaluation work by the EDCs.

With respect to implementing a CIAP, it is the Board's intention to minimize ratepayer impact as much as possible, as outlined in the notice of proposed substantial changes upon adoption that is published elsewhere in this issue of the New Jersey Register.

With respect to hosting capacity maps, the Board is of the opinion that presenting relatively current information is already in the purview of EDCs. All four New Jersey EDCs presently display public-facing hosting capacity maps that they may update at their own discretion because there is no current requirement for update intervals or a reporting requirement of the frequency. As a result of this, the Board is unable to estimate how many more times per year the utilities will have to update their maps in order to reach the proposed quarterly update requirement. Regardless, the Board believes the fact that the EDCs already have this information and publicizing it to a certain extent means the cost of complying with this

requirement will not be significant enough to warrant special cost allocation treatment.

22. COMMENT: The commenter asserts that the Board must include more extensive descriptions of the Social, Economic, Jobs, Agriculture Industry, and Housing Affordability impact statements than the notice of proposal provided. The commenter argues that the impact statements were required to acknowledge and quantify numerous economic and social effects that would result from shifting substantial costs to ratepayers. The commenter asserts the source of the cost shift that should have been acknowledged included limiting applicants' cost responsibility for system upgrades related to interconnection, interconnection application review, and the costs of developing the CIAP platform. The commenter asserts that these cost shifts render the Board's claim that the proposed rules will have minimal economic impacts and impose only *de minimis* costs on ratepayers is patently incorrect. The commenter asserts that failure to provide a more detailed Economic Impact violates the commenter's and ratepayers' substantive Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq. (APA), rights to a description of the Board's position on the economic impacts of the proposed rules and is contrary to the Appellate Division decision *In re Board's Review of the Applicability & Calculation of a Consol. Tax Adjustment*, 2017 N.J. Super. Unpub. LEXIS 2315, *25-26 (Sept. 18, 2017). The commenter further argues that the Social, Jobs, Agricultural Industry, and Housing Affordability impact statements are similarly deficient because the Board failed to describe how the substantial electricity cost increases resulting from the cost shift will negatively affect ratepayers, employment levels, agricultural competitiveness, and housing affordability. (DRC)

RESPONSE: The Board disagrees with the commenter's position that these impact statements were insufficient. The commenter's position appears to be based on their mistaken belief that the Board is proposing to limit applicants' cost responsibility for interconnection-related system upgrades and reduce applicants' contribution towards the cost of processing their applications.

All applicants seeking to interconnect Class I renewable resources will remain responsible for the cost of all necessary system upgrades. Consequently, the proposed rules will not shift the cost of any system upgrades. Furthermore, the proposed rules would increase some application fees, thereby requiring applicants to contribute more to the cost of processing their interconnection requests. The EDCs are currently prohibited from charging level 1 applicants any application fees pursuant to N.J.A.C. 14:8-5.7(a); the Board's proposed amendments at N.J.A.C. 14:8-5.4(b) would authorize them to charge level 1 applicants fees of up to \$100.00. The Board is also modifying the language at N.J.A.C. 14:8-5.7(b) to ensure level 2 applicants cover the full cost of any additional costs required to complete a level 2 application review, pursuant to N.J.A.C. 14:8-5.5, which effectively increases level 2 fees as well. Similarly, as originally proposed N.J.A.C. 14:8-5.6(j) would cap the initial level 3 application fee at \$2,000, the Board is also proposing language in both that subsection and at N.J.A.C. 14:8-5.7(c) that ensures level 3 applicants continue to pay for the full cost of processing their applications. The Board is also proposing changes to the initial level 3 application fee cap, as described within the notice of proposed substantial changes upon adoption, published elsewhere in this issue of the New Jersey Register. Though the proposed application fees may not necessarily guarantee that level 1 applicants would cover the full cost of processing their applications, the new level 1 fees will serve to reduce, rather than increase, any potential cost shift. As such, the proposed modifications to the application fees will not result in any additional cost shift or electric cost increase relative to the status quo. That in turn obviated any need for the impact statements to discuss or quantify such a nonexistent cost shift.

Furthermore, the Economic Impact's acknowledgment of the CIAP platform's potential impact was sufficient and did not violate the APA. Specifically, the statement noted that the development of the proposed CIAP platform could increase costs to EDCs, and, thus, by extension to ratepayers, and further provided the Board's position that this cost increase would be *de minimis*. Having determined that the economic impact would be *de minimis* and, thus, have no material Social, Jobs, Agricultural Industry, or Housing Affordability impacts, the Board was not required to discuss what effect the development of the CIAP platform might have on these other impact statements. The Board also met its

obligations pursuant to the case law the commenter cites by providing its assessment that the economic effect of developing the CIAP platform would be *de minimis* in the notice of proposal. See 56 N.J.R. 993(a). This ensured that the commenter and others were fully informed of the Board's position on the proposed rules' economic impact and enabled the commenter to consider the Board's claim and contest it by providing a contrary argument on the record. The Board's discussion of the CIAP platform's economic impact, therefore, did not violate the APA.

The Board also notes that it is declining to adopt the relevant CIAP provisions at this time. The Board is now proposing significant modifications to these provisions in the notice of proposed substantial changes upon adoption, published elsewhere in this issue of the New Jersey Register, due in part to the commenter's concerns about how CIAP development costs would be allocated.

For these reasons, the Board affirms that the Social Impact adequately described the direct, societal, non-economic effects of the proposed amendments and new rules. The Board also affirms that adequate descriptions of the Economic Impact were disclosed in the notice of proposal. The Board affirms that an adequate description of the proposed amendments and new rules' impacts on jobs in New Jersey has been provided. The Board affirms that an adequate description of the nature and extent of the proposed rules on the agricultural industry has been provided. Finally, the Board affirms that an adequate description of the proposed rule's effect on housing affordability in New Jersey has been provided.

23. COMMENT: The commenter recommends the EDCs report actual historical DER interconnection costs as compared to cost collection through DER interconnection fees for level 1, 2, and 3 installations. Further, the commenter recommends obtaining testaments from each EDC that the proposed DER interconnection fees will cover all costs of DER interconnection. (DRC)

RESPONSE: The Board agrees that obtaining additional information about the costs associated with processing interconnection applications would be beneficial to the Board and intends to specifically focus on the evaluation and verification of EDC costs, such as interconnection applications and interconnection upgrades within the Grid Modernization Forum. The Board believes, however, that the commenter has misunderstood the purpose of the interconnection application fees and that the proposed rules represent an increase to application fees for levels 1 and 2, rather than a decrease. For example, upon adoption of these rules, the fee for level 1 interconnection applications will increase from zero dollars to \$100.00. This change is proposed to increase efficiency within the interconnection queue by disincentivizing developers from submitting unfeasible applications. The application fees are not designed to cover interconnection upgrade costs, which are recovered through separate payments. The Board, therefore, declines to require EDC testaments that application fees will cover all interconnection-related costs.

24. COMMENT: The commenter appreciates the requirement for utilities to provide additional information on how a specific system can avoid an electrical upgrade. Additionally, the commenter recommends that "interim measures" be taken to avoid unnecessary skyrocketing in project costs without a process for mediation between utilities and solar customers. The commenter refers to Colorado's Modernize Energy Distribution Systems bill, which established a \$300.00 short-term cost cap for upgrades required for systems 25 kilowatts (kW) and under. (Sunnova)

RESPONSE: The Board appreciates the commenter's support, but declines to implement further guidelines with respect to costs for this rulemaking proceeding, as any cap on cost would place an additional financial burden on non-benefitting ratepayers. It is the Board's intent to further evaluate alternative cost-related process changes in the ongoing Grid Modernization Forum.

25. COMMENT: The commenter asserts that the Board needs to convene working groups to address the Board's current interconnection rules, a common hosting map methodology, the implementation of Federal Energy Regulatory Commission (FERC) Order No. 2222, and unresolved topics such as the aggregation of DERs. (RECO)

RESPONSE: The convening of working groups pursuant to the Grid Modernization Forum has been initiated and is advancing discussion for further consideration of support for DER aggregation and removing any barriers to its successful participation in these PJM markets. For further

details on the Board's proceedings with respect to implementing FERC's Order No. 2222, please see BPU Docket # EO24020116, *In the Matter of New Jersey's Distributed Energy Resource Participation in Regional Wholesale Electricity Markets*.

26. COMMENT: The commenter points out that the term "common" is used throughout the rules without being explicitly defined. They recommend clarifying that "common" should be interpreted as the EDCs working together to create alignment where feasible, but does not require uniformity. (NJUA)

RESPONSE: The Board acknowledges the lack of definition for the word "common," which was an intentional choice. The word was chosen specifically based on previous EDC feedback that opposed requiring identical implementation, that is, for the CIAP portal, as this was deemed infeasible. The use of the word "common" to describe EDC requirements, especially in presenting visual information, is intended to communicate the goal of achieving alignment between EDCs, while not being overly restrictive and burdensome.

Subchapter 4. Net Metering for Class I Renewable Energy Systems

N.J.A.C. 14:8-4.2 Net Metering Definitions

27. COMMENT: The current definition of "customer-generator" lacks guidance on how to ensure that only output from Class I energy sources is counted as a net energy metering credit. The current definition could be interpreted as allowing a customer to store fossil fuel generated energy in their system, then export the energy back to the grid and receive a net metering credit. They recommend that the Board convene further working group discussions to address this. (JCP&L)

RESPONSE: The requested amendments to the definition of "customer-generator" are over prescriptive for a definition and such distinctions are better suited for other sections pursuant to N.J.A.C. 14:8-4, which pertains to net metering. The current rulemaking is intended to better inform the guidance for applicants seeking interconnection to the distribution grid, not the specifics of net energy metering policies. The Board encourages the commenter to check periodically the Board's website at <https://www.njcleanenergy.com/renewable-energy/programs/net-metering-and-interconnection> or *In the Matter of Net Metering for Class I Renewable Energy Systems*, BPU Docket No. QO24090723, for future opportunities to provide feedback with respect to net energy metering matters.

28. COMMENT: The commenter recommends using the term "energy storage system" instead of the term "energy storage device" in the interconnection rules to be clearer about the configurations of those systems and exclude the limitation that it be behind the customer's meter, and to remove any confusion as to whether the net energy metering definitions govern interconnection and to clearly provide that energy storage can stand alone or be part of a DER system. (IREC)

RESPONSE: The Board has changed the term "energy storage device" to "energy storage system" upon adoption, as the commenter recommended, in order to provide further clarity to this definition in the ways described by the commenter. As the full system enables energy storage, the Board agrees that the term "energy storage system" is more appropriate than "energy storage device."

29. COMMENT: The commenter recommends altering the definition of "customer-generator facility" to clarify that non-injecting resources, such as charging-only capable electric vehicles (EVs), are not subject to the proposed rule's requirements. They are concerned that the definitions of "customer-generator facility" and "energy storage device" could be interpreted as including EVs and could result in EV owners to unnecessarily have to go through an interconnection request simply to charge their vehicles. The commenter acknowledges the future implementation of vehicle-to-grid technologies and is not referring to vehicles with bidirectional capabilities. They recommend the definition of "customer-generator facility" be amended as follows:

"Customer-generator facility" means the equipment used by a customer-generator to generate, store, manage, and/or monitor electricity. A customer-generator facility typically includes an electric generator, energy storage device, vehicle-to-grid devices, not including electric vehicle chargers and/or electric vehicles that are not configured to discharge energy back to the

grid, and/or interconnection equipment that connects the customer-generator facility directly to the customer, whether the equipment is aggregated or not. (EDF)

RESPONSE: The Board appreciates the commenter's feedback but declines to change the definition of "customer-generator facility" as the commenter recommended. The Board does not anticipate that EV owners will be required to go through the interconnection process unless the vehicle has bidirectional charging capabilities, which unfortunately are not yet commonplace. The Board intends to revisit this definition in the future when vehicle-to-grid capabilities are prevalent to the extent that this amendment would be required.

30. COMMENT: The commenter recommends using different terms between the interconnection and net energy metering rules and that N.J.A.C. 14:8-5 should refer to DERs instead of "customer-generator facility" to be clearer. The commenter states that the interconnection rules lack a definition of "customer-generator" and "customer-generator facility," despite these terms being used consistently throughout the rules. The commenter also recommends replacing the term "customer-generator" with "applicant" within the body of the rule. (IREC)

RESPONSE: The Board refers the commenter to the notice of proposed substantial changes upon adoption, published elsewhere in this issue of the New Jersey Register and the Board's Response to Comments 1 and 2, which addresses the lack of definitions for "customer-generator" and "customer-generator facility" within the interconnection rules. The Board declines to fully replace the term "customer-generator facility" with "DER" because of the possibility of a mismatch between the two definitions. The term "DER" is defined, as discussed within the notice of proposed substantial changes upon adoption, published elsewhere in this issue of the New Jersey Register, and both terms are referred to within the proposed rule text. The Board declines to make the change in terminology from "customer-generator" to "applicant" at this time to ensure continuity with the term "customer-generator facility."

Subchapter 5. Interconnection of Class I Renewable Energy Systems

N.J.A.C. 14:8-5.1 Interconnection Definitions

31. COMMENT: The commenter proposes a number of additional definitions to include concepts that they deem vital to control energy export, are necessary to better review DERs that can control their export to the grid, that reflect current terminology used in industry standards such as IEEE Standard 1547, and that clarify limitations that exist in terms as proposed. The commenter proposes the rule be amended to include each of the following: "non-export" or "non-exporting" to mean when the DER is sized, designed, and operated, such that the output is used for host load only and no electrical energy (except for any inadvertent export) is transferred from the DER to the distribution system; "host load" to mean electrical power, less the DER auxiliary load, consumed by the customer at the location where the DER is connected; "limited export" to mean the exporting capability of a DER whose generating capacity is limited by the use of any configuration or operating mode described at N.J.A.C. 14:8-5.2(l); and "power control system" or "PCS" to mean systems or devices that electronically limit or control steady state currents to a programmable limit. (IREC)

RESPONSE: The Board declines to add the definitions "non-export" or "non-exporting" and "limited export" at this time because it does not deem these terms necessary in conjunction with existing terms "non-exporting customer-generator facility" and "non exporting technology." The Board also declines to add the definitions "host load" and "power control system" at this time because these terms are already generally understood and specific definitions are not needed at this time, though the possible future inclusion of these terms may be discussed further within the Grid Modernization Forum. The Board further recommends the commenter review the notice of proposed substantial changes upon adoption, published elsewhere in this issue of the New Jersey Register, which proposes other changes that respond to the commenter's concerns over the necessary inclusion of additional definitions pertaining to the control of energy export.

32. COMMENT: The commenter recommends an alternative definition for the term "facilities study": "'facilities study' means an engineering study conducted by the EDC to determine the required

upgrades to the EDC's electrical power system, including the cost to build and install such upgrades as necessary to accommodate an interconnection request. The EDC may conduct a facilities study in combination with other required studies. Nothing in this chapter shall preclude a facilities study and a system impact study from being conducted together, or as one study." (RECO)

RESPONSE: The Board declines to make the commenter's recommendation at this time as the proposed amended definition is too prescriptive and overly focused on the temporal relation of facilities studies with other studies. Facilities studies are generally undertaken after system impact studies, if deemed necessary, but N.J.A.C. 14:8-5 does not explicitly disallow EDCs from conducting such studies simultaneously; therefore, the Board does not see the necessity of including this in the definition.

33. COMMENT: The commenter has an alternative proposed definition for the term "pre-application verification/evaluation" process: PAVE is a pre-application verification/evaluation process designed to provide a prospective applicant or customer-generator an opportunity to receive available information from the EDC prior to submitting a formal application. (RECO)

RESPONSE: The Board declines to make the commenter's recommendation because of the lack of specificity, irrelevance of the information's availability, and removal of the phrase "actionable feedback." The purpose of introducing the PAVE process is to give prospective customer-generators an opportunity to take action and make changes to their proposed facility ahead of the formal application process.

34. COMMENT: The commenter asserts that non-exporting technology should be a device designed to "restrict export" and conform with IEEE Standard 1547 and UL 1741 standards and that the definition of a non-exporting, customer-generator facility definition is unclear. They propose a new definition as follows: "non-exporting customer-generator facility is a customer-generator facility that does not export electricity past the point of common coupling." (RECO)

RESPONSE: The Board declines to amend the definition of "non-exporting customer-generator facility" based on the commenter's suggestion and does not agree that the current definition is unclear. The current proposed definition is that a "non-exporting customer-generator facility" is "designed to prevent or limit export of electricity past the point of common coupling from the customer-generator facility to the EDC's electrical power system." The commenter's proposed definition is more limited and the Board prefers to retain flexibility with respect to this definition that the facility may either "prevent or limit" export so as not to limit the scope of customer-generator facilities that may fall under this category.

35. COMMENT: The commenter recommends removing the reference to "processing timeline[s]" and other procedural requirements from the PAVE definition, because these are not delineated further at N.J.A.C. 14:8-5.10, as processing timelines cannot be determined/guaranteed ahead of time without extensive technical screening. (ACE)

RESPONSE: The Board declines to make the commenter's recommendation at this time, but intends to further delineate aspects of PAVE within the Grid Modernization Forum. The Board acknowledges the commenter's feedback with respect to processing timelines, but declines to remove them from the proposed text due to the importance and relevance of processing timelines to applicants.

36. COMMENT: The commenter asserts that the definition of the enhanced PAVE process, as provided at N.J.A.C. 14:8-5.1, is unclear. (RECO)

RESPONSE: The Board appreciates the commenter's feedback with respect to this definition. The purpose of this definition is to create a mechanism for which customer-generator facilities whose projects fall into certain Board programs to have additional assistance with their application, if needed. The Board intends to further discuss the utilization of this mechanism within the Grid Modernization Forum and, therefore, declines to change the definition of the enhanced PAVE process at this time.

37. COMMENT: The commenter seeks clarification that the definition of "interconnection agreement" does not preclude a new interconnection agreement for an approved, interconnected DER that subsequently joins an aggregation. The EDC should have the opportunity to conduct new

studies and require a new interconnection agreement in such a case. (JCP&L)

RESPONSE: The Board is sensitive to the commenter's concern that DER aggregations may require a different interconnection process from standalone DERs. The definition of "interconnection agreement," as proposed, does not prevent a new interconnection agreement for an approved, interconnected DER to subsequently join an aggregation. The Board has been considering the implications of DERs joining aggregations through *In the Matter of New Jersey's Distributed Energy Resource Participation in Regional Wholesale Electricity Markets*, BPU Docket No. EO24020116, and encourages the participation of standalone DERs in aggregations and overall participation in the PJM wholesale market.

38. COMMENT: With respect to the "non-exporting customer-generator facility" and "non-exporting technology" definitions, the commenter appreciates the deletion of the CA Rule 21 Provision, but recommends that the Board engage in a stakeholder process with engineering experts to establish operational parameters that it can adopt in a subsequent order. The proposed rules should be modified to account for the process of defining "non-exporting technologies." For example, see Illinois rules Section 466.75-Limited-Export and Non-Exporting Distribution Energy Resources Facilities. (JCP&L)

39. COMMENT: The commenter recommends that the definition of "non exporting technology" be deferred to a working group within the Grid Modernization Forum, or else more detail should be added to limit the definition. (ACE)

RESPONSE TO COMMENTS 38 AND 39: The Board appreciates the commenter providing such a reference, as the Board appreciates opportunities to learn from other states' initiatives. The Board intends to discuss definitional changes within the Grid Modernization Forum, as the commenter suggests. The Board declines to incorporate changes to the definitions of "non-exporting customer-generator facility" and "non-exporting technology" until further discussion can take place.

40. COMMENT: The commenter recommends that references to storage be removed from the proposed interconnection rules and studied separately by a stakeholder working group, including how storage impacts interconnection studies. (RECO)

RESPONSE: The Board declines to adopt the commenter's recommendation because the exclusion of references to energy storage systems would be a mistake, given the Board's ongoing development of a Storage Incentive Program (*In the Matter of the New Jersey Energy Storage Program*, BPU Docket No. QO22080540).

41. COMMENT: The commenter states that the EDC grid flexibility services definition should be deleted as it is premature to incorporate such services, and they should not be referred to at N.J.A.C. 14:8-5.2(k). (RECO)

42. COMMENT: The commenter prefers that the definition of EDC grid flexibility services be deleted, as the Board and EDCs have not yet determined the mechanism for offering such services. (JCP&L)

43. COMMENT: The commenter is concerned about the potential of inappropriate cost-shifting from the definition of EDC grid flexibility services. As proposed, there is no description of said flexibility services, such as who will pay, who will benefit, etc. They recommend adding additional guidance such that these, potentially uncapped, costs do not fall upon ratepayers. (DRC)

RESPONSE TO COMMENTS 41, 42, AND 43: The Board disagrees with the commenters and declines to make the suggested changes. The purpose of adding this definition at N.J.A.C. 14:8-5.1 is to help create consistent vocabulary for grid modernization processes going forward. The compensation mechanism of grid flexibility services will be outlined further in future rulemaking proceedings after discussions within the Grid Modernization Forum, but the inclusion of this definition in the current rulemaking serves to encourage DER investors and promote market adoption by foreshadowing a compensation mechanism for their services. N.J.A.C. 14:8-5.1(k) clearly refers to a future grid flexibility services program. As such a program does not currently exist, there should be minimal concern that customer-generators will expect to be compensated solely as a result of this rulemaking proceeding. The Board appreciates the commenters' point. The value of grid flexibility services is going to

be discussed and deliberated within a future working group within the Grid Modernization Forum.

44. COMMENT: The commenter requests that the Board remove the definition of "solar permitting application software" due to irrelevance in that this type of software is not available in New Jersey. (ACE)

RESPONSE: The Board declines to remove this definition because it adds necessary clarity to the use of the term and is merely an example of software that is generally recognizable to stakeholders.

45. COMMENT: The commenter recommends that the definition of "hosting capacity" be revised to include requirements for these maps to provide both generation and load data as follows: "the amount of aggregate generation and import capacity that can be accommodated on the electrical power system, or a specific electrical power system circuit, without requiring distribution system upgrades." (EDF)

RESPONSE: The Board appreciates the commenter's suggestion, but declines to make the suggested change because it is not necessary for both generation and load data to be displayed on a hosting capacity map. Such a requirement may pose too much of an administrative burden on EDCs.

46. COMMENT: Within the definition for "interconnection agreement," the commenter requests that the phrase, "whether the facility operates singly, or as part of a DER aggregation," be deleted. Further, the proposed rules should not include DER aggregation because the PJM compliance filings on FERC Order No. 2222 are still pending at the Federal Energy Regulatory Commission (FERC). (RECO)

47. COMMENT: The commenter states that PJM's pending Compliance Filing for FERC Order No. 2222 includes some new DER definitions that have yet to be approved by FERC. The commenter states that these new definitions, when implemented by FERC, may require the Board to reconsider some of the definitions in these proposed rules to ensure there are no conflicts and that the proposed rules align with PJM's processes. (JCP&L)

RESPONSE TO COMMENTS 46 AND 47: The Board declines to make the commenters' recommendation due to the impending implementation of FERC Order No. 2222 (Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators, 85 Fed. Reg. 67,094 (Oct. 21, 2020) (codified at 18 CFR Part 35)), which will allow for DER aggregations. It is the Board's intent for policy to be forward-thinking in order to help New Jersey best prepare for a clean energy future by retaining references to aggregated distributed energy resources in the rules. The Board appreciates the commenters' suggestion of ensuring that the definitions at N.J.A.C. 14:8-5.1 are in accordance with FERC Order No. 2222 and assures the commenter that appropriate steps are being taken to ensure compliance. Please see *In the Matter of New Jersey's Distributed Energy Resource Participation in Regional Wholesale Electricity Markets*, BPU Docket No. EO24020116 for further information on the Board's actions with respect to FERC Order No. 2222.

48. COMMENT: The commenter offers clarification that hosting capacity information is not "published" and, therefore, the word "publish" should be removed from the definition of "hosting capacity analysis." (RECO)

RESPONSE: The Board does not agree with the commenter and declines to make the proposed change, as this change would diminish the importance of the EDCs making the hosting capacity information publicly available on their respective websites.

N.J.A.C. 14:8-5.2 General Interconnection Provisions

49. COMMENT: The commenter states that the rules should provide direct guidance on the adoption of the IEEE Standard 1547 and recommends that the Board include three specifications in the proposed rules: the implementation date and transition period; the normal performance category; and the abnormal performance category based on the DER type. The commenter also suggests specific language amendments to achieve these specifications. (IREC)

RESPONSE: The Board appreciates the commenter's feedback and specific suggestions and agrees that the EDCs should follow IEEE Standard 1547. The Board declines, however, to be as prescriptive as the commenter suggests, especially with respect to additional EDC reporting requirements beyond what has already been proposed at this time. Within this rulemaking, the Board is already implementing new reporting

requirements on the EDCs and is reticent to further prescribe the requirements described by the commenter due to the risk of adding an excessive administrative burden on the EDCs, the costs of which are directly passed down to ratepayers. The Board does intend to discuss these suggestions further within the Grid Modernization Forum and confer further with the EDCs before mandating such requirements.

50. COMMENT: The commenter suggests that the Board should replace the “reasonable efforts” standard utilized in the proposed rule at N.J.A.C. 14:8-5.2(p) with binding requirements for adherence to the timelines in the rules. The Board should adopt a framework to hold utilities accountable for compliance with the timelines, as FERC has recently done due to the reasonable efforts standard not providing “adequate incentive for transmission providers to complete interconnection studies on time.” The commenter suggests that the Board should instead adopt a penalty structure that “reasonably incentivizes transmission providers to ensure the timely processing of interconnection requests.” (IREC)

RESPONSE: The Board appreciates the commenter’s suggestions of removing the specification that EDCs shall use “reasonable efforts” to meet all timelines within the subchapter and instead adopt a penalty structure for enforcing the aforementioned timelines. The Board acknowledges that the “reasonable efforts” standard as defined by FERC in the context of transmission-level interconnections became meaningless and that FERC abolished it in FERC Order No. 2023 (Improvements to Generator Interconnection Procedures and Agreements, 88 Fed. Reg. 61,014 (Sept. 6, 2023) (codified at 18 CFR Part 35)) for that reason. This was because FERC construed the standard as allowing virtually unlimited delays on the part of utilities, and, therefore, never found that a utility violated the standard no matter how long the delay was. The Board intends to enforce a more robust version of the “reasonable efforts” standard that holds utilities accountable for extreme delays that lack a compelling justification. Nonetheless, if the Board determines that the “reasonable efforts” language is hindering effective DER integration, the Board can always reconsider the commenter’s recommendation during a future rulemaking proceeding which will have been informed by a focused Grid Modernization Forum working group debate. It is premature for the Board to codify a penalty structure for EDCs missing timelines and, thus, declines to change the “reasonable efforts” standard at this time.

51. COMMENT: The commenter suggests that the Board consider establishing a statement about how queue positions are established and maintained. Typically, interconnection applicants do not obtain a queue position until their application is deemed complete. Currently, if a customer fails level 1 or level 2 reviews, the rules require the applicant to resubmit the application pursuant to the next review level. Instead, the rules should allow customers to “roll” into the next available study process if they submit the necessary fee for that level. This allows applicants to avoid needing to go through a completeness review again and to maintain their queue position. (IREC)

RESPONSE: The Board appreciates the commenter’s suggestion and agrees that applicants and customer-generators could benefit from further information on how to obtain and maintain an interconnection queue position. The Board does not deem it appropriate to codify the ability of applicants to retain their queue position between application levels without further discussion with the EDCs of their current queue maintenance policies and any issues that could potentially arise from amending the interconnection rules in this way. The Board intends to discuss the interconnection queue process further within the Grid Modernization Forum to better understand the perspectives of customers, developers, industry experts, and the EDCs on the implications of maintaining a queue position between interconnection levels.

52. COMMENT: The commenter encourages broadening cost recovery beyond CIAP related costs, as it is important for the EDCs to have appropriate mechanisms for cost recovery. The commenter also recommends inclusion of a “rider mechanism,” in addition to a base rate case, or an approved Infrastructure Investment Program (IIP) as a cost recovery mechanism which they claim, “is more consistent with the Board’s statutory authority for cost recovery for renewable energy programs pursuant to N.J.S.A. 48:3-98.1.” (ACE)

RESPONSE: The Board declines to propose a “rider mechanism” in addition to a base rate case or an approved IIP as a cost recovery mechanism in order to protect the interests of ratepayers.

53. COMMENT: The commenter asserts that the definition of the enhanced PAVE process, as provided at N.J.A.C. 14:8-5.2(i), is unclear. (RECO)

RESPONSE: The Board refers the commenter to the Response to Comment 36.

54. COMMENT: With respect to N.J.A.C. 14:8-5.2(f), the commenter states that the proposed rules should not include references to DER aggregation. (RECO)

RESPONSE: The Board declines to remove language referring to DER aggregation in order to be forward-thinking in its policies and ensure that New Jersey’s EDCs are prepared for the Federal Energy Regulatory Commission’s Order No. 2222, which will allow DERs to participate in the wholesale energy market as aggregated resources.

55. COMMENT: The commenter asserts that utilities generally post additional technical interconnection requirements in a document, beyond what is overseen by the Board. The commenter recommends that all relevant utility technical requirements, and, at a minimum, all information needed to fully implement IEEE Standard 1547, be stored in the same document and receive Board oversight. (IREC)

RESPONSE: The Board appreciates the commenter’s insight into the accessibility and regulation of utilities’ technical interconnection requirements, but declines to adopt the commenter’s suggestion at this time due to the possibility of excessive reporting requirements for the EDCs. The additional transparency and oversight can be discussed further within the Grid Modernization Forum.

56. COMMENT: The commenter agrees that consistent labeling across the EDCs may facilitate the identification of closed circuits by interested parties, but requests that the Board require all EDCs to provide timely information on any closed circuits and to set a date by which all EDCs will provide the information required by this proposed rule. (DRC)

RESPONSE: The Board appreciates the commenter’s support, but declines to make this request to specifically require EDCs to provide temporal data on closed circuits, as it is the Board’s intention that the updated hosting capacity map requirements will convey this information to applicants.

57. COMMENT: The commenter is in favor of cost sharing of interconnection upgrades among EDCs, ratepayers, and developers, as cost sharing will lower energy costs in the long term. Ratepayers should only have to pay for capital upgrades if there is a direct benefit to them. (Solar Landscape)

RESPONSE: It is within the Board’s purview to protect the interests of captive ratepayers within New Jersey. Unfortunately, a theoretical cost sharing mechanism between EDCs, developers, and ratepayers is functionally identical to cost sharing between developers and ratepayers. Currently, developers benefit immensely from the Board’s subsidies on clean energy and the Board declines to further incentivize through cost sharing of the interconnection upgrades required for a solar developer to install (and profit off of) their customer-generator facility.

58. COMMENT: The commenter appreciates the inclusion of language to provide cost recovery to the EDCs for the CIAP through base rates or the IIP. The commenter also recommends that the interconnection rules authorize the EDCs to recover all incremental costs incurred as a result of compliance in a timely manner. They also recommend that the Board explicitly provide the opportunity for an EDC to defer incremental expenses for recovery in its next base rate case. (NJUA)

59. COMMENT: The commenter supports the language providing for cost recovery through base rates or the IIP for the CIAP. The proposed rules should allow, at a minimum, the opportunity for a utility to defer incremental expenses for utility recovery in its next base rate case but ideally should allow for any full and timely option recovery mechanisms. (JCP&L)

RESPONSE TO COMMENTS 58 AND 59: The Board appreciates the commenters’ support, though this proposed amendment has been altered, in response to an objection as explained in the notice of proposed substantial changes upon adoption, published elsewhere in this issue of the New Jersey Register.

60. COMMENT: The commenter states that the type of information found at N.J.A.C. 14:8-5.2(r) should not be included in an EDC's tariff. The commenter agrees that development of standardized protocols governing the various studies, timelines, and related agreements will establish certainty and set reasonable expectations for developers and the EDCs. They disagree that they should be included in tariffs filings. (RECO)

61. COMMENT: The commenter agrees that standardized protocols will assist in streamlining the interconnection process, but requiring the inclusion of protocols in EDC tariffs will needlessly extend the timeline and increase the administrative burden on both the EDCs and the Board, for approval of inevitable updates. (NJUA)

RESPONSE TO COMMENTS 60 AND 61: The Board declines to remove the requirements outlined at N.J.A.C. 14:8-5.2(r)1 through 7. This information on system impact studies, facility studies, and interconnection agreements will inform the Board in future decisions and rulemaking proceedings with respect to DER interconnection. Further, developers rely on these instructions to efficiently plan, pursue, and build their systems.

62. COMMENT: The commenter states that N.J.A.C. 14:8-5.2(p) unnecessarily involves the Board in the interconnection process and does not recognize that emergencies arise where notice of a missed deadline is not feasible. The commenter recommended the following new language:

In administering the deadlines in this chapter, the EDC shall make reasonable efforts to meet all established timelines. If the EDC cannot meet a timeline, the EDC shall notify the Applicant through the CIAP, within three (3) business days, wherever feasible, after the missed deadline. The notification shall explain the reason for the EDC's failure to meet the deadline and provide an estimate of when the step will be completed. The EDC shall notify the Applicant through the CIAP and Board staff, in writing, of any changes in an expected completion date for authorization to energize. (RECO)

RESPONSE: The Board declines to remove the language requiring the EDCs to report to the Board if they are missing the deadlines outlined in this chapter, such that the Board can be adequately informed of any process barriers or inefficiencies in the current rulemaking in order to make changes in future rulemakings and to adequately inform the relevant Grid Modernization Forum working groups.

63. COMMENT: The commenter objects to the provisions at N.J.A.C. 14:8-5.2(o)1 through 4 and proposes the following new language:

Any Applicant or Customer-generator may request that the EDC review the impact of any significant anticipated changes in load associated with the Applicant installing any of the following contemporaneously with the Facility: (i) electric vehicle charging infrastructure, including any electric vehicle-to-grid bidirectional capabilities; (ii) building electrification upgrades; (iii) deployment of energy efficiency upgrades; or (iv) verifiable increases in load; The EDC may require the Applicant to delay energization or re-start the interconnection process if contemplated contemporaneous installations are not completed prior to the planned energization of the system. (RECO)

RESPONSE: It is not clear to the Board what benefits these proposed amendments provide, as reasoning has not been supplied by the commenter. The Board, therefore, declines to make the proposed change because the purpose of doing such is not apparent.

64. COMMENT: The commenter states that proposed N.J.A.C. 14:8-5.2(l) should be deleted and that the use of "compliance filing" is inappropriate here. (RECO)

65. COMMENT: The commenter states that proposed N.J.A.C. 14:8-5.2(l) should be deleted or clarified, so that EDCs can require re-application or additional study to protect the integrity of the electrical system. (JCP&L)

RESPONSE TO COMMENTS 64 AND 65: The Board declines to remove N.J.A.C. 14:8-5.2(l), which designates that the EDCs shall make a compliance filing to allow existing customer-generator facilities to add energy storage or to upgrade to a smart inverter without additional study. The purpose of requiring filings is to ensure the EDCs have codified public rules specifying exactly how they will handle interconnection issues. This gives the EDCs agency over their own processes and the small

details of implementing the Board's rulemaking. Moreover, the aforementioned DERs should pose no threat to the EDCs' system, and the EDCs will be demonstrating their compliance with N.J.A.C. 14:8-5.2. Therefore, the Board disagrees with the commenter that the requirement for a compliance filing at N.J.A.C. 14:8-5.2(l) is inappropriate.

66. COMMENT: The commenter states that, at N.J.A.C. 14:8-5.2(k), the phrase "documents such findings to the Board," should be removed. The commenter proposes the following language:

In determining the appropriate interconnection level and performing the related studies, the EDC may allow an applicant to limit its ability to export power to the grid to less than its nameplate rating, including by utilizing non-exporting technology that is certified pursuant to N.J.A.C. 14:8-5.3. The net export capacity of the customer-generator facility or Facility shall form the basis for the appropriate studies, unless the EDC determines, that the Applicant's proposal would potentially harm the integrity of the EDC's electric power system and shall include such findings in the System Impact Study report. (RECO)

RESPONSE: The Board believes it should be notified if the EDCs receive an interconnection proposal that has the potential, as determined by the EDC, to harm the integrity of the EDC system. The Board, therefore, declines to make the commenter's recommendation.

67. COMMENT: With respect to N.J.A.C. 14:8-5.2(q), the commenter requests that the Board establish consequences for an applicant's failure to meet deadlines. (RECO)

68. COMMENT: The commenter requests that the Board establish an expiration date for applications that are stalled in the queue because they are incomplete or non-compliant with the rules. (PSE&G)

69. COMMENT: The commenter supports the implementation of timelines for applicant response or action, but encourages the Board to implement additional timelines for applicants with respect to installation approval, that is, approval to install should be time-limited to two years with a one-year extension. (JCP&L)

RESPONSE TO COMMENTS 67, 68, AND 69: The Board appreciates the commenters' feedback, but declines to adopt additional applicant deadlines at N.J.A.C. 14:8-5.2 at this time due to a lack of information about delays on the customer end. The additional timelines added in the notice of proposal were based on information gleaned from the Board's contracted consultant on repeated instances of EDC delays within the interconnection process, which can be seen in *In the Matter of Modernizing New Jersey's Interconnection Rules, Processes, and Metrics*, BPU Docket No. QO21010085 (Order Accepting the Grid Modernization Consultant Final Report and Initiating Rulemaking (Nov. 9, 2022)). The Board does not currently have such data with respect to delays on the customer/applicant end.

70. COMMENT: With respect to N.J.A.C. 14:8-5.2(p), the commenter supports the inclusion of language that recognizes that issues outside of the EDC's control, such as the occurrence of storm events, may sometimes interfere with the ability to meet rigid timelines. The requirement of EDCs to notify Board staff within three days is not always feasible and recommends that "this timeline be met where 'feasible.'" The commenter recommends the deletion of requirement "... Board Staff ... updated of any changes in the completion date." (JCP&L)

RESPONSE: The Board appreciates the commenter's support, but declines to make the suggested change of effectively removing time requirements for EDCs to communicate with the Board as this provides critical information on the EDC's process and timeline with respect to interconnection requests.

71. COMMENT: The Board should require EDCs to establish clear timeframes for the study, payment, and other aspects of the interconnection application process to assist developers. (Piq Energy)

RESPONSE: The Board appreciates the comment, and notes that this clarity has been partially implemented within the notice of proposed substantial changes upon adoption, published elsewhere in this issue of the New Jersey Register, while more extensive process automation and improved transparency and accountability are envisioned for the Grid Modernization Forum working group discussion and debate which will drive evolution of future compliance terms.

72. COMMENT: The commenter suggests that the Board convene a yearly workshop on the technical interconnection and interoperability requirements (TIIR) to review the existing requirements and determine if any updates are needed based on field experience to date with the settings and other requirements. (IREC)

RESPONSE: The Board appreciates this suggestion, though it is not technically within the scope of the current rulemaking proceeding and, thus, declines to make the suggested amendments.

73. COMMENT: The commenter states that the IEEE Standard 1547 (2018) does not limit its applicability to DERs sized 10 MVA or less, as IEEE Standard 1547 (2003) did. Therefore, the interconnection rules can and should apply equally to DERs sized over 10 MVA. (IREC)

RESPONSE: The latest standard of IEEE Standard 1547 (2018) specifies the 10 MVA size for synchronous generator-based DERs. The Board believes that removing the limitation would lead to confusion and, thus, defers this comment to a working group within the Grid Modernization Forum for additional discussion.

74. COMMENT: The commenter points out that the term “smart inverter” is not technically defined and asserts that any DER (inverter or otherwise) that complies with IEEE Standard 1547 (2018) could be considered “smart” and reference to the standard is sufficient to establish the necessary capabilities. (IREC)

RESPONSE: The Board appreciates the commenter pointing this out, but does not deem it necessary to define the word “smart inverter” or remove the specific phrase from the language because it is generally understood within the industry that a “smart” inverter is one that has the communication capabilities required by the 2018 version of the IEEE Standard 1547.

75. COMMENT: At proposed N.J.A.C. 14:8-5.2, the EDCs are granted the authority to require a DER to “install additional controls or external disconnect switches not included in the interconnection equipment, to perform or pay for additional tests, or to purchase additional liability insurance” at the utility’s discretion when required to maintain the safety, power quality, or reliability of the EDC’s electrical power system (EPS). This language is fraught with the potential to introduce excessively conservative requirements and potentially untenable costs. (IREC)

RESPONSE: The Board believes that the present language is a reasonable approach to ensure effective DER integration while ensuring safe and reliable operation of the electric grid and, therefore, declines to adopt the suggested language. If the Board determines that this language unduly hinders effective DER integration, the commenter’s recommendation can be reconsidered in a future rulemaking proceeding.

76. COMMENT: The commenter suggests that the Board consider adopting additional language in the proposed rules specifying that PAVE report requirements be made consistent with other recommended changes that reflect the difference between nameplate capacity and export capacity. Requiring the utilities to provide information about both the aggregate nameplate and the aggregate export capacity already connected will make the results more meaningful. (IREC)

RESPONSE: The Board does not deem it necessary at this time to be overly prescriptive with the PAVE reporting requirements because the process is new. It is reasonable for the rules to accurately refer to export capacity versus nameplate capacity, but the Board needs data points from the implementation of the PAVE process before adding additional reporting requirements.

77. COMMENT: The commenter states that the elements of system impact studies should not be prescribed by rule, as they are driven by individual applicant needs. Further, they state that the integration of solar permitting software into their CIAP is premature and costly, and that the requirement should be removed. (ACE)

RESPONSE: The Board declines to remove elements of the System Impact Study process, specifically those indicated at N.J.A.C. 14:8-5.2(m)3, which illustrates the need for developing future process efficiencies and open standard interfaces for the CIAP platform, while retaining Board discretion to determine the cost effectiveness of the function.

78. COMMENT: The commenter requests that the portal be used as the single source of communication between applicants and EDCs, as opposed to the applicant receiving notifications by text/email in addition to notifications in the portal. The commenter also requests further vetting

and clarity of “non-exporting controls” as used in the rules. Further, the commenter requests that the PAVE payment options be expanded for alternatives to not using the portal, while also asserting that the portal should be utilized as a single source of communication. (ACE)

RESPONSE: The Board declines to implement the suggested change of using the portal as a single source of communication and does not believe that programming automatic email send-outs as part of the CIAP portal process is unfeasible. Giving applicants more than a single source of notice is intended to ensure prompt applicant response and not stall applicant progress in cases of applicants not frequently checking the CIAP portal for updates. The Board refers the commenter to the notice of proposed substantial changes upon adoption, published elsewhere in this issue of the New Jersey Register, where the Board addresses the issue of clarification of “non-exporting controls” at proposed N.J.A.C. 14:8-5.2.

79. COMMENT: The commenter states that N.J.A.C. 14:8-5 should make further designations between DERs and guide the selection between normal categories (A or B) and abnormal categories (I, II, and III) for inverter-based DERs. This addition will specify what is expected of inverters, as compared to rotating machines, in terms of category assignment and the subsequent compliance protocols. N.J.A.C. 14:8-5 should make clear that Category B is required for inverter-based DERs, as this brings an extended set of voltage capabilities designed to offset the impacts of high penetrations of DER, or DER with widely time-varying outputs. The commenter, thus, recommends such assignment be specified in the interconnection rules, while details on functional settings can be included in a TIIR document after discussion in a working group, such as the Grid Modernization Forum. (IREC)

RESPONSE: The Board appreciates the commenter’s suggestion of discussing this topic in the Grid Modernization Forum and intends to do so to determine the normal and abnormal category and the appropriate category that should be applied to each generation type. It is expected that the EDCs will determine normal and abnormal category assignments. It would be premature to include this in the rules until the category assignments are determined. The recommendations developed by the working group will be considered for future rulemaking proceedings.

80. COMMENT: The commenter suggests that the Board direct the implementation of voltage regulation and other smart inverter settings through a stakeholder working group made up of Board staff, EDCs, DER developers, DER advocates, consumer advocates, IEEE Standard 1547 experts, and technical experts. The working group should address IEEE Standard 1547 topics, determine formal guidance, and, accordingly, go through necessary protocols to establish such guidance. (IREC)

RESPONSE: The Board appreciates the commenter’s feedback and is already undergoing such discussions pursuant to the Grid Modernization Forum, of which the commenter is a member. It is the Board’s intent to continue doing so and prepare adequate guidance documents, as outlined by the commenter. The first working group pertains to the integration of DERs in the EDCs’ distribution upgrade plans (IDDER) and is already making headway in determining formal guidance on the use of smart inverters, specifically with regard to voltage regulation. The Board encourages the commenter to continue engaging in the IDDER Working Group and to check the Board’s public document search tool at <https://publicaccess.bpu.state.nj.us/> periodically for updates on the IDDER Working Group pursuant to *In the Matter of Developing Integrated Distributed Energy Resource Plans to Modernize New Jersey’s Electric Grid*, BPU Docket No. QO24030199.

N.J.A.C. 14:8-5.3 Certification of Customer-Generator Interconnection Equipment

81. COMMENT: The commenter urges the Board to clarify the certification requirements for customer-generator interconnection equipment when facilities do not qualify for level 1 interconnection. (NAIOP)

RESPONSE: The certification language applies to both the level 1 and the level 2 interconnection review procedures described at N.J.A.C. 14:8-5.4 and 5.5. The Board has determined that no further clarification is required at this time.

82. COMMENT: The commenter requests that the phrase “or alternative testing protocols permitted pursuant to this [chapter/section]” be removed from N.J.A.C. 14:8-5.3(b) and (d). (RECO)

RESPONSE: The phrase “or alternative testing protocols permitted pursuant to this chapter” was added at N.J.A.C. 14:8-5.3(b) and (d) to incorporate forward-thinking flexibility into the requirements of certifying customer-generator interconnection equipment. It is not the Board’s intention to exclude any testing protocols in this rulemaking, so the Board declines to remove the phrase.

83. COMMENT: The commenter requests that reference to Supplement SA should be removed from N.J.A.C. 14:8-5.3(a)2. (JCP&L)

RESPONSE: The Board declines to remove this language from the proposed rules, as it refers to the specific operational performance capabilities of device type. The purpose of proposed N.J.A.C. 14:8-5.3(a) is to define specific standards that customer-generator facilities must be in compliance with. Supplement SA and SB inverters, converters, and controllers are included pursuant to the UL 1741 standard. Supplement SB was implemented in California to allow for utility control of inverters. The deletion of the option to comply with Supplement SA may restrict the options of which inverters customer-generators choose to utilize. The Board does not deem it appropriate to potentially restrict the customer’s inverter options without further deliberation and understanding of any risks posed by this specific type of inverter.

14:8-5.4 Level 1 Interconnection Review

84. COMMENT: The commenter supports the amendments proposed at N.J.A.C. 14:8-5.4(a), which increases the maximum size of level 1 projects from 10 kW to 25 kW. The commenter also supports and appreciates the establishment of a fee of \$100.00 per level 1 application at N.J.A.C. 14:8-5.4(b). The commenter also appreciates maintenance of existing requirements that preclude interconnection to a “transmission line” as outlined at N.J.A.C. 14:8-5.4(b). (JCP&L)

RESPONSE: The Board appreciates the commenter’s support.

85. COMMENT: The commenter requests that the Board revise the proposed rules at N.J.A.C. 14:8-5.4(k)2 to eliminate the requirement for a signed interconnection agreement for approved projects at the time conditional approval is issued, instead allowing for the conditional approval to act as the EDC’s concurrence. This would enable more flexibility for EDCs. (Piq Energy)

86. COMMENT: The commenter proposes revising N.J.A.C. 14:8-5.4(k)2 to eliminate the requirement for a signed interconnection agreement for approved projects at the time conditional approval is issued; instead, conditional approval should be allowed to act as the EDC’s concurrence to the terms of the agreement. (Solar Landscape)

RESPONSE TO COMMENTS 85 AND 86: The Board declines to replace the requirement of a signed interconnection agreement with a conditional approval at this time because it is a necessary part of the process and designates a milestone after which point the applicant gains a queue position. The Board has also set a first timeline of three days for the respective EDC to provide this signed agreement.

87. COMMENT: The commenter objects to language at N.J.A.C. 14:8-5.4(i) and (k)1, which requires EDCs to notify the applicants of their progress through the application through the portal as well as through email, citing that “duplicate notices are not necessary.” (RECO)

RESPONSE: The Board declines to make this suggested change and does not believe that programming automatic email send-outs as part of the CIAP portal process is unfeasible. Giving applicants more than a single source of notice is intended to ensure prompt applicant response and not stall applicant progress in cases of applicants not frequently checking the CIAP portal for updates.

88. COMMENT: The commenter recommends removing the expedited review process for level 1 projects as it “creates the potential for undue preference in the interconnection process, disadvantaging other applicants.” The commenter states that mitigating a level 1 review failure through export limiting requires additional criteria and standards and that upon failure, customer-generators submitting a reapplication should go to the end of the queue. (ACE)

RESPONSE: The Board declines to remove the expedited review process for level 1 projects, in which an applicant can resubmit their application with export-limiting technology without it being deemed a completely new application. The Board appreciates the commenter’s concerns with respect to an equal interconnection process, but the intent of this amendment is to reduce the administrative burden on EDCs for

processing and then reprocessing applications for the same customer-generator facility. Further, it is very unlikely that the electrical power system (EPS) would be affected by any inadvertent export from facilities with an export capacity of less than 25 kilowatts. The Board believes that the ability to mitigate the load through export-limiting technologies is ready to be implemented, especially for projects that fall into the level 1 size category. As discussed in the Response to Comment 51, further queue reform may be a topic of discussion within the Grid Modernization Forum.

89. COMMENT: The commenter recommends that the Board clarify the cost allocation responsibility for developers seeking to interconnect level 1 projects if they do not wish to install batteries or reduce their system size. (Sunnova)

RESPONSE: If a developer has a customer-generator facility that does not meet level 1 size criteria and does not wish to install batteries or otherwise reduce their system size, they should refer to N.J.A.C. 14:8-5.5, which details level 2 application requirements. The Board declines to add cost allocation terms for individual projects that may incur system interconnection costs, as the broader topic of Cost Estimation, Verification, Allocation, and Recovery is the subject of a future Grid Modernization Forum working group.

90. COMMENT: The commenter requests more clarification in the proposed rules with respect to what is required by developers if their facilities/equipment/projects do not qualify as a level 1 interconnection. (Piq Energy)

91. COMMENT: The commenter requests more clarity with respect to what would be required if a facility does not qualify for interconnection as a level 1 project and emphasizes that it should be clear in the rules if the developer should expect to be responsible for performing a study. (Solar Landscape)

RESPONSE TO COMMENTS 90 AND 91: It is the Board’s intent to have developers apply for a level 2 or level 3 interconnection application if their project does not qualify as level 1. The Board refers the commenter to N.J.A.C. 14:8-5.5 and 5.6 for further information.

92. COMMENT: The commenter requests that the Board consider relaxing the EDCs’ requirements of additional equipment and/or express feeders, as this inhibits the construction of smaller projects. (Piq Energy)

93. COMMENT: The commenter recommends that the Board review and relax the EDCs’ distribution planning criteria to avoid excessive equipment requirements that hinder smaller project development. (NAIOP)

RESPONSE TO COMMENTS 92 AND 93: The Board believes that this rulemaking will primarily drive uniformity and consistency in the EDC process for interconnection and, in some limited sense, will relax certain criteria threshold to allow for more simple applications to be evaluated as level 1. In addition, the update requires consideration of allowable mitigation through power export limiting and integrated energy storage. Adding substantial hosting capacity through express feeders or other line upgrades, or significantly changing the operational parameters of interconnection screens, requires expert debate of the type currently underway in the Grid Modernization Forum working groups.

94. COMMENT: The commenter asserts that the phrase “direct evidence” should be deleted from N.J.A.C. 14:8-5.4(p), and the phrase “expedited review” should be deleted from N.J.A.C. 14:8-5.4(p)1 because they are not defined. The commenter recommends the following language for N.J.A.C. 14:8-5.4(p)1: “Resubmit an amended level 1 application for review with appropriate mitigation measures that may include: a. Reduction in capacity or export capability; or b. Restrict export past the Point of common coupling through an addition of a non-exporting technology.” The commenter also recommends removing the specification that the review should be “expedited.” (RECO)

RESPONSE: The Board agrees that the term “direct evidence” is not sufficiently defined and is proposing changes at N.J.A.C. 14:8-5.4(p) within the notice of proposed substantial changes upon adoption, which is proposed to be relocated to (q) and is published elsewhere in this issue of the New Jersey Register. The Board does not agree to modify the term “expedited review” in the first sentence at N.J.A.C. 14:8-5.4(p)1 because without that modifier the failed application will essentially just re-enter as a new application. The Board explicitly retains the second sentence as

written, to emphasize the option of adding energy storage as a potential failure mitigation.

95. COMMENT: The commenter asserts that the proposed requirement for EDCs (N.J.A.C. 14:8-5.4(o)7) to give the customer-generator notice that their facility has been disconnected within four hours is insufficient and affirms its inability to notify customers within the same time interval. (ACE)

RESPONSE: The Board declines to expand this time window. The notification window does not apply to the disconnection action, simply to the communication to the customer that the disconnection has taken place. This should be as close to a fully integrated (and even automated) process as possible, and the Board deems four hours sufficient, even for a fully manual process.

N.J.A.C. 14:8-5.5 Level 2 Interconnection Review

96. COMMENT: The commenter states that the proposed rules fail to define the precise manner in which utilities must conduct “additional review” and recommends that the Board adopt its proposed standard screens for supplemental review. (IREC)

RESPONSE: It is the Board’s intention for level 2 interconnection requirements for “additional review” to be flexible due to the variance of potential project sizes. As the export capacity requirement for level 2 is 25 to 2,000 kW, it should be up to the discretion of the EDCs to determine which additional studies may be needed for a given customer-generator facility. The Board, therefore, declines to implement the commenter’s suggested changes.

97. COMMENT: The commenter states that it is common practice to delineate a threshold for level 2 eligibility that varies based on line voltage and proximity to substations rather than a static size threshold. For example, if a line voltage is greater than or equivalent to five kilovolts (kV), regardless of location, the threshold for DER interconnection should be a maximum of one megawatt (MW), or two MWs, if within a 2.5-mile proximity of the substation. (IREC)

RESPONSE: With respect to the suggested thresholds based on line voltage, the Board deems this change to be premature and potentially confusing to both applicants and EDCs. It would be more appropriate to propose such a change, to varying thresholds for level 2 based on the line voltage, after adequate discussion with the EDCs.

98. COMMENT: The commenter objects to language at N.J.A.C. 14:8-5.5(o), which requires EDCs to notify the applicants of their progress through the application through the portal as well as through email, citing that “duplicate notices are not necessary.” (RECO)

RESPONSE: The Board declines to make this suggested change and does not believe that programming automatic email send-outs as part of the CIAP portal process is unfeasible. Giving applicants more than a single source of notice is intended to ensure prompt applicant response and not stall applicant progress in cases of applicants not frequently checking the CIAP portal for updates.

99. COMMENT: With respect to N.J.A.C. 14:8-5.5(q), the commenter states that “Commissioning is not a singular event.” Ideally, the rules would state “(q) At least 10 business days prior to starting commissioning and testing [operation] ...” Further, the commenter encourages the Board to consider, at the least, confirming through the proposed rules or in response to these comments that the commissioning provisions found in the IEEE standards are to be followed. (JCP&L)

RESPONSE: It is the Board’s intent to require the conformation with IEEE Standard 1547 (2018) with respect to all testing, screening, commissioning, and other such processes for customer-generator facilities. The Board believes the addition of the suggested phrase at N.J.A.C. 14:8-5.5(q) could be used to unnecessarily delay the commissioning process. The only proposed change in this rulemaking with respect to N.J.A.C. 14:8-5.5(q) is that the items listed pursuant to N.J.A.C. 14:8-5.5(q) shall be communicated “through the CIAP portal.” The Board is not proposing to amend the timeline and, therefore, declines to make the commenter’s suggested change.

100. COMMENT: The commenter states that the cost estimate of system upgrades precision is not achievable without a detailed system impact study. Narrowing the cost estimate to fall within a +/-25 percent margin is subject to full understanding of all required system upgrade costs if additional review is needed. (ACE)

RESPONSE: The Board acknowledges the difficulty in exactly predicting the costs of system upgrades and the large number of parameters and assumptions necessary to provide a customer with such an estimate. The Board, however, needs to ensure that developers have a certain amount of information to adequately ensure they have funding for their proposed projects. Without an upgraded cost estimate, developers may not be able to adequately prepare funding for their projects. The provision for EDCs to provide developers/customers/potential customer-generators with reasonably accurate cost information is necessary to continue installing these larger projects.

101. COMMENT: The commenter states that the Board should require a supplemental review process option with defined screens and transparent results that are available to interconnection applicants. The current rules provide EDCs with the option of doing additional review, but do not require it, nor do the rules define the process or expectations for that review. The proposed rules should be amended to instead state explicitly that applicants have a right to proceed to a supplemental review after failing a level 2 review. (IREC)

RESPONSE: The Board appreciates the commenter’s suggested amendments of a supplementary review process for level 2 projects to help alleviate the risk of projects unnecessarily being moved into the level 3 process, which involves further studies and is more costly and time consuming. The Board believes, however, that such supplemental screens to effectively provide a “workaround” upon failure of current level 2 screens, should undergo significant stakeholder review, especially by the EDCs, before being proposed for addition to the New Jersey Administrative Code. The incorporation of such a supplemental review process would be more appropriate after discussion within the Grid Modernization Forum.

102. COMMENT: The commenter has concerns about the language proposed at N.J.A.C. 14:8-5.5, which would allow the utility to utilize the results of a “power flow analysis” to determine whether a project “poses no adverse impacts to the EPS,” instead of relying on the screen results. This would be an appropriate topic to discuss in the forthcoming Grid Modernization Forum. (IREC)

RESPONSE: The Board appreciates the commenter’s suggestions of topics to discuss in the ongoing Grid Modernization Forum and intends to consider these very topics. The Board declines to make the suggested language, however, as the present language is a reasonable approach to ensure effective DER integration while ensuring safe and reliable operation of the electric grid. If the Board determines that the “power flow analysis” language is unduly hindering effective DER integration, the recommendation can be reconsidered during a future rulemaking.

103. COMMENT: The commenter recommends that the Board consider whether, and how, “effective grounding” should be specified for rotating machines with respect to adopting the screen in this format. This is because the primary interconnection type is not the only determining factor for whether a rotating machine is effectively grounded. The important fact to note is that the term “effective grounding” as historically used to apply to rotating machines can be misinterpreted when applied to inverters. (IREC)

RESPONSE: The Board believes that depending on the size of the installation, the grounding is used for protective devices, such as relays and auxiliary equipment, such as potential transformers (PTs) and current transformers (CTs). Proper grounding is also required for metering the output and input. General public safety, such as step potential, needs to be ensured. The Board declines to make this suggested change because this level of technical detail is not appropriate for this rulemaking proceeding.

104. COMMENT: The commenter states N.J.A.C. 14:8-5.5(o)3ii should begin “Within 15 business days after the EDC offers to perform the additional review referenced in (o)3i ...” The commenter states it is the customer-generator that makes the modifications, not the EDC. The commenter further states the phrase, “If such deposits or payments are not made, the EDC may make the interconnection capacity available to other potential customer-generators and may require the applicant to re-start the interconnection process,” should be revised to make it clear that the applicant is removed from the queue. (RECO)

105. COMMENT: With respect to N.J.A.C. 14:8-5.5(o)3ii, the commenter requests that the rule be amended to specify that EDCs will not commence a review process until “payment has been made.” Further,

the commenter requests that the rule specify that the applicant's failure to make a payment will result in the applicant's removal from the interconnection queue and recommends the subparagraph read as follows:

Within 15 business days after the EDC offers to perform additional review and/or modifications, the customer-generator shall notify the EDC if the customer-generator consents to pay for the review and/or modifications. The EDC shall undertake the review and/or modifications within 15 business days after payment from the customer-generator, or within a longer period agreed to by the customer-generator and the EDC, in writing. Any required payments for the additional review shall be received within 30 days after invoicing. If such deposits or payments are not made, the EDC may remove the customer-generator from the interconnection queue and make the interconnection capacity available to other applicants. (ACE)

RESPONSE TO COMMENTS 104 AND 105: The Board declines to add the caveat that the EDCs will only undergo the additional review after the applicant has paid because this is in direct opposition to the next sentence at N.J.A.C. 14:8-5.5(o)3ii, which states, "Any required payments for the additional review shall be received within 30 days after invoicing." The Board deems this already specified time interval for the applicant to provide payment of an adequate mechanism for the EDCs to recover the costs of the additional review. Further, the Board believes the last sentence at N.J.A.C. 14:8-5.5(o)3ii is already sufficiently clear that an applicant's place in the interconnection queue will be lost upon a lack of payment.

106. COMMENT: The commenter states that the existing screens at proposed N.J.A.C. 14:8-5.5(g) and (h) are out of date and use imprecise wording, which could lead to confusion. Similar wording has been improved in Illinois' interconnection rule. New Jersey should make the following changes to the current screens to reflect this evolution: "(g) If a customer-generator facility is to be connected to three-phase, three wire primary EDC distribution lines, a three-phase or single-phase generator shall use a phase-to-phase primary connection"; and "(h) If a customer-generator facility is to be connected to three-phase, four wire primary EDC distribution lines, a three-phase or single-phase generator shall use a grounded line-to-neutral primary connection." (IREC)

RESPONSE: The Board agrees with the commenter in principle but believes further discussion with the EDCs is needed about potential implementation challenges before codifying such a provision in the rules. Thus, the Board defers the suggestion for review in a Grid Modernization Forum working group and potential adoption in a future rulemaking.

107. COMMENT: The commenter states that the notification window of four hours specified at N.J.A.C. 14:8-5.5(r)7 for "unauthorized system . . . operation" is too extreme and that the EDCs need 48 hours to give such a notification. (ACE)

RESPONSE: The notification window does not apply to the disconnection action, simply to the communication to the customer that the disconnection has taken place. This should be as close to a fully integrated (and even automated) process as possible, and four hours is deemed sufficient even for a fully manual process.

N.J.A.C. 14:8-5.6 Level 3 Interconnection Review

108. COMMENT: The commenter objects to language at N.J.A.C. 14:8-5.6(b), which requires EDCs to notify the applicants of their progress of their application through the portal, as well as through email, citing that "duplicate notices are not necessary." (RECO)

RESPONSE: The Board declines to make this suggested change and does not believe that programming automatic email send-outs as part of the CIAP portal process is unfeasible. Giving applicants more than a single source of notice is intended to ensure prompt applicant response and not stall applicant progress in cases of applicants not frequently checking the CIAP portal for updates.

109. COMMENT: The commenter states that N.J.A.C. 14:8-5.6(n) sets certain limits on the costs that the interconnection applicant must pay for a system impact study and system upgrades required to accommodate the proposed interconnection. This language, pursuant to N.J.A.C. 14:8-5.6(n), creates a broad and inadequately defined exception that could unreasonably impose costs on ratepayers. They recommend that the exception should include specific criteria and standards, which the utilities should be required to demonstrate. (DRC)

RESPONSE: The Board believes that this comment may be based on a misunderstanding and, thus, declines to make the commenter's recommendation. N.J.A.C. 14:8-5.6(n), which refers to system impact studies, states that "the system impact study will state the scope and cost of the modifications identified in its results" and that "[m]odifications are considered not substantial if . . . [t]he total cost is below \$200,000," among other things. This language does not put a \$200,000 limit on studies or system upgrades but rather is a method to categorize how significant the necessary EPS upgrades will be. According to this language, upgrades that cost less than \$200,000 are considered "not substantial." If the commenter is referring to the exception that non-substantial EPS upgrades do not require a facilities study, the Board does not see how a potential avenue for the EDCs to perform fewer studies could "unreasonably impose costs on ratepayers." The Board, therefore, declines to make the commenter's proposed change.

110. COMMENT: N.J.A.C. 14:8-5.6(a) should use the term "studies" or "procedures" rather than "screens" to accurately reflect what will be required to ensure proper review of interconnections at this level. Accordingly, the timeframe of 120 days of the effective date of the rulemaking for joint EDC development of such "screens" is inadequate. The commenter proposes changing the timeline to one year instead. (JCP&L)

RESPONSE: The Board disagrees with the commenter that the reviews detailed in this rulemaking are inaccurately referred to as "screens" and, thus, declines to adopt the recommended change because, semantically, "screens" and "studies" have the same meaning. The Board also declines to give the EDCs more than 120 days due to the importance of developing a consistent procedure for reviewing applications. All four EDCs have been very involved with the development of this rulemaking, which has been in progress for over a year, and, thus, the Board believes that the EDCs should have adequate time to develop a consistent set of screens for level 1, level 2, and level 3 projects.

111. COMMENT: The commenter expresses concerns about the proposed timeframe for initiating and completing studies for level 3 applications. For example, they state that they require 10 business days to draft an impact study agreement. The commenter also states that these studies should only commence after the applicant submits payment. They state that the proposed timelines for providing the applicant with the system impact study are infeasible. Additionally, if a facilities study is recommended, an EDC should not be required to provide an estimate of the proposed modification and the timeline to complete it. The commenter requests that the final accounting period be extended to 120 days due to the complex audit and compilation process. The commenter also asserts that interconnection upgrade costs should be fully paid before any construction begins. Further, cost overruns on upgrades should not be the responsibility of the EDC because it adds financial risk to the public utility. The commenter reaffirms that the timelines to complete studies, including facility studies, are impractical. The commenter also expresses concern over the lack of exceptions to the provision that EDCs must be responsible for cost overruns that exceed 50 percent of the total estimated upgrade costs. Finally, the commenter recommends that monthly billing should only apply to applicants with projects requiring material or substantial upgrades, that is, projects with upgrades of over \$200,000. (ACE)

RESPONSE: The Board declines to increase the proposed time period from 60 to 120 calendar days. The Board disagrees that two months is an unreasonable time interval for the utility to provide the applicant with a final accounting report. The Board is also sensitive to the fact that developers need a reasonable cost estimate to secure project funding and, thus, proposes that the EDCs use their historical interconnection upgrade costs to inform estimates such that they will not exceed 50 percent of the total estimated upgrade cost. Based on the order of magnitude of potential interconnection upgrade costs, a 50 percent cost allowance is generous, and cost overruns being borne by the EDC are not unreasonable. Further, the Board does not see a reason to exclude a monthly billing option for costs up to \$200,000, as this is still a significant financial commitment, and, thus, declines to amend the rules to accommodate this suggestion. The Board declines to give the utilities more time to complete the required studies, as these timelines were already the subject of extensive stakeholdering with the EDCs and agreed upon by all parties. The Board

does not see the value in requiring the upgrade costs to be paid before construction commences beyond an unreasonably quick cost recovery on behalf of the EDCs. An acceptable method of applicant payment for said upgrades is already defined at proposed N.J.A.C. 14:8-5.2.

112. COMMENT: The commenter states that the level 3 review process delineated in the proposed rules is quite confusing and difficult to follow. The commenter suggests the Board reorganize N.J.A.C. 14:8-5.6 sequentially in a manner that mirrors the actual review process. (IREC)

RESPONSE: The Board appreciates the commenter bringing attention to this organization detail, but does not agree that such an overhaul is necessary or worth delaying the adoption of this rulemaking. The requirements of pursuing a level 3 interconnection application are outlined in a sufficiently understandable format. Thus, the Board declines to make the suggested changes at this time, but may implement the commenter's suggestions in a future rulemaking.

113. COMMENT: With respect to N.J.A.C. 14:8-5.6(f), the commenter states that commissioning is not a singular test. The commenter encourages the Board to consider, at the least, confirming through the proposed rules or in response to these comments that the commissioning provisions found in the IEEE standards are all to be followed. Additionally, at N.J.A.C. 14:8-5.6(i), the commenter states that the proposed rules should allow for an additional extension at the mutual agreement of the applicant and the EDC, because 30 days is insufficient for the system impact study. (JCP&L)

RESPONSE: The Board disagrees that the proposed language at N.J.A.C. 14:8-5.6(f) refers to commissioning as a singular test as the language reads that the EDC "shall arrange to witness any required commissioning tests," using the plural "tests" instead of singular "test." These tests are "pursuant to IEEE Standard 1547"; thus, the commenter should interpret this language as a requirement that commissioning provisions found in the IEEE standards are all to be followed. With respect to the timeline of the system impact study discussed at N.J.A.C. 14:8-5.6(m), not (i), the proposed rules already include an optional extension of 20 days to perform the system impact study.

114. COMMENT: With respect to N.J.A.C. 14:8-5.6(q), the commenter requests that this timeline be expanded to at least 90 business days. The commenter appreciates the language that has been added to this section providing that if the applicant fails to take certain steps within 60 business days, their application will be deemed withdrawn. With respect to N.J.A.C. 14:8-5.6(r), the commenter states that the period of time allowed for a start date for commercial operations of within 36 months of the applicant's execution of the interconnection agreement should be shortened to 12 months. With respect to N.J.A.C. 14:8-5.6(s) and (t), the commenter states that the rules should allow for EDCs to charge applicants upfront for facilities studies. Additionally, the revised deposit process should be made permissive for those EDCs who do engage in a reconciliation of costs but not be required. (JCP&L)

RESPONSE: The Board appreciates the commenter's support for the addition of timelines for applicants to keep the queue moving. As the commenter has not cited plausible reasons for needing an additional 45 days to complete a facilities study, the Board declines to make the recommended change at N.J.A.C. 14:8-5.6(q). The Board deems a 12-month time cap for customer-generators to have their level 3 (over two megawatts in capacity) facility ready to operate overly restrictive and, thus, declines to make the recommended change at N.J.A.C. 14:8-5.6(r). With respect to N.J.A.C. 14:8-5.6(s) and (t), the Board declines to allow the EDCs to charge applicants upfront for facilities studies because of the cost burden this could put on developers. The Board deems it appropriate to allow for monthly billing options for developers, rather than requiring upfront payments. As stated in the Response to Comment 111, the Board does not see a reason to exclude a monthly billing option for developers due to the magnitude of costs for studies and EPS upgrades other than an unnecessarily fast cost recovery for the EDCs.

115. COMMENT: To provide greater clarity, the commenter suggests the proposed rules, at N.J.A.C. 14:8-5.6(e), use a more specific description of how the cost estimate shall be itemized. The rules should be amended to require utilities to provide "an itemized quote, breaking out equipment, labor, operation, and maintenance, and other costs, including overheads, for any required electrical power system modifications or interconnection facilities." (IREC)

RESPONSE: The Board appreciates the commenter's recommendation suggesting a more prescriptive cost itemization requirement for EDCs but declines to make the change at this time. It is essential to understand whether the EDCs' accounting systems have the capability to provide the recommended level of information and, in the cases where EDCs do not have such capability, the cost implications for upgrading their accounting systems. As such, the Board believes the EDCs should carry out this recommendation with reasonable efforts or best commercial practices based on existing accounting systems. A more complete review of Cost Estimation, Validation, Allocation, and Recovery (CEVAR) methodologies is currently being addressed within a Grid Modernization Forum working group, which may lead to the promulgation of more extensive rules in the future.

116. COMMENT: The commenter opposes the proposed rules' inclusion of a 50 percent threshold for the cost envelope (N.J.A.C. 14:8-5.6(q)), which is widely out of step with the cost envelopes adopted by other states. The commenter recommends the Board amend the proposed rules to include a maximum limit of 30 percent above the cost estimate provided by the utility. In addition, the rules should specify that the utility shareholders, not the ratepayers, are responsible for any costs over the cap. (IREC)

RESPONSE: As noted in Comment 111, the Board's response thereto, the proposed 50 percent threshold for the cost envelope for interconnection upgrades has been the topic of much discussion. The Board declines to adopt the commenter's recommendation to reduce the cost envelope to ± 30 percent at this time. Setting a threshold too low could negatively impact ratepayers if the EDCs are unable to recover the costs from the developer. The Board further recommends that the commenter review the concurrently published notice of proposed substantial changes upon adoption, published elsewhere in this issue of the New Jersey Register, for a proposed change to this subsection that limits EDCs' ability to recover these costs from ratepayers.

117. COMMENT: The commenter recommends that the reporting requirements track the estimates and final costs closely to ensure that the adoption of the cost envelope does not result in inflated estimates. (IREC)

RESPONSE: The Board acknowledges that the adoption of the 50 percent threshold for cost overruns may result in inflated estimates, but does not deem this to be a significant concern. The balance of the actual costs of upgrades compared to the applicant's total payments based on the estimates will be returned to the applicant. Further discussion on the estimation, validation, allocation, and recovery of EDC-imposed costs will be held within the Grid Modernization Forum, through the CEVAR working group. The Board will pursue further rule amendments as a result of the Grid Modernization Forum, if necessary. The Board, therefore, declines to make the commenter's recommended change at this time.

118. COMMENT: The commenter states the proposed rules at N.J.A.C. 14:8-5.6(b) require utilities to notify applicants whether an application for level 3 review is complete or incomplete within 15 business days of receiving the application and allowing 15 business days for simple completeness review is unreasonable. The commenter recommends the Board amend the rules to require utilities to finish a completeness review within 10 business days. (IREC)

RESPONSE: The Board declines to make the commenter's suggested change regarding a 10-day timeline, as it is arbitrary. The EDCs should have adequate time to review an application, and decreasing the required amount of time for an application review could increase the cost of the interconnection process for EDCs.

119. COMMENT: The commenter expresses concern over the proposed rules' lack of reference to "inadvertent export" or a process by which the EDCs can evaluate potential grid impacts from a DER's inadvertent export. The commenter proposes an inadvertent export screen consisting of two parts: a size threshold and a further test for systems above the size threshold. If the nameplate rating minus the export capacity of a project is under 250 kW, it should be safe to assume that inadvertent export from acceptable export control systems will not result in voltage violations. The further test is to evaluate whether the voltage change at the primary level closest to the DER's point of interconnection is under three percent. The commenter recommends that the Board adopt this additional screen, along with the other changes recommended by the commenter with respect to existing interconnection screens in order to have a clearer

and more thorough protocol to address the evaluation of projects with export limiting capabilities. (IREC)

RESPONSE: The Board appreciates the commenter's recommendations with respect to a specific screen for inadvertent export from customer-generator facilities. The recommended screen, however, has not yet undergone stakeholder review and the Board is of the opinion that this change ought not to be proposed until further deliberations can take place in the Grid Modernization Forum. That said, the Board has proposed a new defined term of "inadvertent export" and associated language that addresses some of the commenter's concerns in the notice of proposed substantial changes upon adoption, published elsewhere in this issue of the New Jersey Register.

N.J.A.C. 14:8-5.7 Interconnection Fees

120. COMMENT: The commenter requests that the Board implement a ceiling cost or adopt a reasonable fixed fee structure to provide developers with transparency and accurate expectations of total interconnection application costs. (PowerFlex)

121. COMMENT: The commenter recommends that the Board adopt a \$2,500 fixed fee for conducting a supplemental review. The proposed rules require the EDCs to provide a "good faith estimate of the cost of additional review." (IREC)

RESPONSE TO COMMENTS 120 AND 121: Due to the variation in the supplemental review studies that may be required, the Board deems it inappropriate to adopt ceiling costs for supplemental review studies across all four EDCs at this time. The determination of a ceiling cost by the Board would unnecessarily expose ratepayers to the risk of bearing the additional costs imposed by unexpected study costs. Thus, the Board declines to adopt a ceiling cost for supplemental review costs, at least until further analysis and/or consideration in the Grid Modernization Forum can establish the likely magnitude of such costs.

122. COMMENT: The commenter recommends the implementation of a cost-sharing mechanism for interconnection upgrades among EDCs, ratepayers, and developers. They cite that removing the burden of interconnection upgrade costs from developers would help the deployment of DERs. They also cite that ratepayers should only have to pay for capital upgrades if they are directly benefitted by said upgrade. Developers should have the option to choose cost sharing in the interconnection application process to allow for financing flexibility. (Piq Energy)

123. COMMENT: The commenter encourages the Board to explore opportunities for cost-sharing interconnection upgrade expenses among EDCs, ratepayers, and developers, though any cost allocation to ratepayers should be directly linked to received benefits. (NAIOP)

RESPONSE TO COMMENTS 122 AND 123: The proposed cost-sharing mechanism between EDCs, ratepayers, and developers is not feasible as written due to the business model of EDCs. Costs that are "borne by EDCs" are functionally borne by their captive ratepayers. The Board believes it is inappropriate to charge ratepayers for the cost of interconnection-related system upgrades absent evidence that ratepayers themselves benefit from those upgrades and there is insufficient evidence to sustain a finding that the ratepayers generally benefit from such system upgrades at this time. The Board does intend to discuss cost evaluation and verification in a future working group within the Grid Modernization Forum. Cost-sharing interconnection upgrades would be a worthwhile agenda thread. Additionally, within the ongoing IDDER Working Group (*In the Matter of Developing Integrated Distributed Energy Resource Plans to Modernize New Jersey's Electric Grid*, BPU Docket No. QO24030199), the Board intends to ensure capital upgrades by using non-wire alternatives (NWA) to traditional "poles and wires" solutions to increase hosting capacity.

124. COMMENT: The commenters advocate for EDCs to accept a promise-to-pay all costs rather than upfront payment for projects. (Piq Energy and Solar Landscape)

RESPONSE: The Board declines to adopt a promise-to-pay cost structure in the current rulemaking to protect ratepayers, by ensuring a reasonable cost recovery timeline for the EDCs.

N.J.A.C. 14:8-5.9 Interconnection Reporting Requirements for EDCs

125. COMMENT: The commenter states that the EDCs appreciate the changes the Board has made to the reporting requirements section since prior drafts. (NJUA)

126. COMMENT: The commenters support the notice of proposal, which requires EDCs to provide key performance indicators to developers in processing and reporting applications. (Solar Landscape and Piq Energy)

RESPONSE TO COMMENTS 125 AND 126: The Board appreciates the commenters' support.

127. COMMENT: The commenter believes that the new data collection, tracking, reporting, and retention requirements will create additional costs while offering minimal benefit, though the commenter appreciates that the Board did make some changes in response to prior comments. The commenter, particularly, does not understand what the Board wishes to gain from key performance indicators. Additionally, at N.J.A.C. 14:8-5.9(c)2, the term "successfully interconnected" is not elsewhere defined and should be replaced to comport with terminology set out in the existing and proposed rules, such as "submitted a signed Part 2 of the application to the EDC." (JCP&L)

RESPONSE: The Board has proposed to require EDCs to report key performance indicators to better understand the actual timelines, milestones, and stumbling blocks within the interconnection application process. It is within the Board's purview to determine which information is useful to adequately regulate the EDCs. In accordance with the commenter's suggestion, the Board is changing N.J.A.C. 14:8-5.9(c)2, such that "successfully interconnected" will be "obtained permission to operate," and this will add the necessary clarity. The phrase suggested by the commenter, "submitted a signed Part 2 of the application to the EDC," does not have the same meaning as it indicates that the applicant is still awaiting final approval from the EDC.

128. COMMENT: The commenter states that N.J.A.C. 14:8-5.9 is not clear in whether it requires a standardized reporting format for the data to allow comparison between EDCs. The commenter states that the tracking and verification of EDC performance would be facilitated by the submission of interconnection tracking metrics in a standardized spreadsheet file. The commenter further states that reporting requirements should include maximum, mean, and median processing times from receipt of request to issuance of a report for each level of applications. (DRC)

RESPONSE: The Board declines to make any further changes at N.J.A.C. 14:8-5.9 based upon the commenter's recommendation. When the EDCs have all implemented an electronic CIAP system, the commenter's recommendation will become more feasible. It is currently not feasible for all the EDCs to provide this level of detail with their current application tracking systems.

129. COMMENT: The commenters request that the Board require the EDCs to report their status to the developer in procuring the necessary materials for each application. (Solar Landscape and Piq Energy)

RESPONSE: The Board declines to make the commenters' recommendation. The Board has determined that sufficient reporting requirements have already been outlined in the rulemaking and that additional requirements, such as the procurement of specific application materials, would impose too much of an administrative cost on the EDCs.

130. COMMENT: With respect to N.J.A.C. 14:8-5.9(c)10, the commenter suggests that the required reporting should specify whether individual components of projects are export-limited or otherwise constrained to meet level 1, 2, or 3 approvals. With respect to N.J.A.C. 14:8-5.9(d), the commenter requests that the EDCs report application fee payments, as compared to the actual costs associated with implementation of interconnection applications, CIAP development and operation, PAVE processes, hosting capacity map preparation and updates, engineering studies, and grid upgrades. Additionally, the commenter recommends that EDCs be required to make a statement regarding whether the proposed DER interconnection fees will cover DER interconnection review expenses for each interconnection level. (DRC)

RESPONSE: Regarding N.J.A.C. 14:8-5.9(c)10, the Board does not agree with the commenter that the EDCs should be required to report to the Board on what components of hybrid customer-generator facilities are

constrained in terms of power export. As long as the export-limiting factors are compliant with the relevant EDC's grid security measures, the presence of export-limiting technologies is not relevant to the Board. Additionally, regarding N.J.A.C. 14:8-5.9(d), the Board does not agree that providing cost information on DER interconnection review expenses is necessary at this time. This rulemaking seeks to achieve consistency and improved transparency across EDCs, though complete transparency may be a future goal. Obtaining further metrics beyond those outlined in the notice of proposal are not within the scope of this rulemaking. Finally, the Board also reiterates that pursuant to the proposed rules, both level 2 and level 3 applicants will be required to cover the costs of reviewing their interconnection requests, regardless of whether their initial application fee fully covers those costs. As such, this renders reporting on whether the initial application fees by themselves cover those costs unnecessary. As for level 1 applications, the Board believes it would be unduly burdensome for EDCs to track and report on whether level 1 fees fully cover the cost of such simple reviews.

131. COMMENT: With respect to proposed N.J.A.C. 14:8-5.9(e), the commenter states that they do not perform any recurring testing on legacy interconnected customers/generators. (JCP&L)

132. COMMENT: With respect to proposed N.J.A.C. 14:8-5.9(c)4, 9, and 13, as well as (d) and (e), the commenter recommends removal due to extensive and "burdensome" reporting requirements. The commenter specifically deems N.J.A.C. 14:8-5.9(c)4 unnecessary, as applicants are required to resubmit incomplete applications. (ACE)

RESPONSE TO COMMENTS 131 AND 132: The Board appreciates the commenters' feedback that they do not currently perform testing on legacy interconnected customers/generators. Despite this caveat, the Board declines to remove the language at N.J.A.C. 14:8-5.9(e) as it is possible that other EDCs within New Jersey do perform testing on legacy systems, in which case, N.J.A.C. 14:8-5.9(e) would be relevant. The Board also declines to remove N.J.A.C. 14:8-5.9(c)4, 9, and 13, as well as (d), because this information is intended to provide the Board and the EDCs' customers with relevant information about recently processed applications, how well the application process is working, and potential application stumbling blocks.

133. COMMENT: The commenter encourages the Board to meet with the EDCs and the developer community to convey what specific outcomes the Board is aiming to achieve with the proposed data collection, tracking, reporting, and data retention requirements. (NJUA)

RESPONSE: The Board held four stakeholder meetings from August to September of 2023, three of which were for EDCs and the remaining for non-EDC developer stakeholders, to convey and discuss the Board's intentions with respect to the proposed amendments and new rules. As such, the Board does not deem it necessary, nor an effective use of time to hold an additional stakeholder session with respect to this topic. The overall purpose of the proposed reporting requirements at N.J.A.C. 14:8-5.9 is to increase transparency, accountability, and consistency between New Jersey's EDCs for the benefit of developers, other potential applicants, and the Board. The proposed additional requirements pursuant to N.J.A.C. 14:8-5.9(a) through (e) benefit the Board by requiring each EDC to track key performance indicators such as, but not limited to: the number of customers that applied and were granted approval for interconnection; the number of customers who applied and were not approved for interconnection; the number of applicants who undertook a PAVE process; the number of applications that were processed within the timelines established pursuant to N.J.A.C. 14:8; and the number of applications that were not able to be processed within those timelines. Such information is crucial for the Board to assess the relative success of New Jersey's interconnection process and identify areas where improvement is needed, which, in turn, benefits developers and other interconnection applicants.

134. COMMENT: The commenter suggests that the proposed rulemaking should specify what information utilities must include in public interconnection queues (N.J.A.C. 14:8-5.9(a)), including queue number, nameplate rating, export capacity, and categories. At N.J.A.C. 14:8-5.9(c), EDCs should be required to include detailed cost data in quarterly reports, including study costs, facility upgrade costs, and information showing how often actual costs exceed EDC estimates of the overrun amount. (IREC)

RESPONSE: The Board appreciates the commenter's feedback, but believes such reporting requirements have significant potential cost implications that the Grid Modernization Forum should evaluate before the Board proposes rules that would implement these suggestions. Thus, the Board declines to make the commenter's recommendation in the current rulemaking.

N.J.A.C. 14:8-5.10 Pre-Application Verification/Evaluation (PAVE) Process

135. COMMENT: The commenter supports the Board's efforts to implement a strong framework for hosting capacity mapping and analysis, as having uniform hosting capacity maps. (EDF)

RESPONSE: The Board appreciates the commenter's support.

136. COMMENT: The commenter appreciates that the Board is proposing to implement a pre-application process for projects of at least 500 kW and for making community solar projects eligible for the enhanced PAVE process. (Piq Energy)

137. COMMENT: The commenter applauds the Board for creating a pre-application process for projects 500 kW and greater and for making community solar projects eligible for an enhanced PAVE process. (Solar Landscape)

RESPONSE TO COMMENTS 136 AND 137: The Board appreciates the commenters' support.

138. COMMENT: The commenter supports a requirement that the EDCs make available to applicants a PAVE process. At N.J.A.C. 14:8-5.10(b), however, the commenter objects to the inclusion of language describing the CIAP as a tool for "screening" or as a "configurator." (JCP&L)

RESPONSE: The Board thanks the commenter for their support with respect to the proposed PAVE process. The Board declines to change the language with respect to the CIAP, as it is not clear what benefits will arise from this change.

139. COMMENT: With respect to N.J.A.C. 14:8-5.10(c)3, the calculation of hosting capacity depends on the characteristics of each EDC's electrical power system. The commenter asserts that if the Board requires a common methodology of calculating hosting capacity, a working group of stakeholders should convene to determine what common factors should be included in the calculation. (RECO)

RESPONSE: The purpose of N.J.A.C. 14:8-5.10(c)3 is to ensure that applicants have adequate information to site their project. The Board understands that the utilities use different mechanisms to calculate hosting capacity, which is exactly why the proposed rules prescribe that the EDCs present the hosting capacity as the "total capacity less the sum of existing and queued generating nameplate capacity, accounting for all load served by existing and queued generators" to ensure that potential customer-generators are getting consistently computed information, regardless of which service territory they are applying to. The Board does not deem a working group necessary solely for the calculation of hosting capacity, though it is possible that this computation method and respective "common factors" may be revisited within the Grid Modernization Forum.

140. COMMENT: The commenter objects to proposed new N.J.A.C. 14:8-5.10(a), which limits the amounts an EDC may charge interconnection applicants for the PAVE process. The commenter is concerned that these fees may be less than the actual cost for the EDC to complete the PAVE process and that these additional costs will be imposed upon ratepayers. (DRC)

RESPONSE: The overall intent of this new process is to reduce the number of infeasible projects stuck within the EDC's interconnection queue by providing bigger projects (above 500 kW) with additional information outlined at N.J.A.C. 14:8-5.10. It is also the Board's intent for this process to be automated as much as possible through the implementation of the Common Interconnection Application Process. It is possible, at least in the short term, that the limited PAVE fees may not cover the entirety of the cost for the EDC to perform the PAVE process, but the Board finds that setting fixed fees is necessary and appropriate to encourage the use of a process that could avoid more substantial costs and administrative burdens further along the interconnection process. The Board, therefore, declines to make the commenter's proposed change.

141. COMMENT: Multiple commenters request that the Board clarify the criteria for a project to undergo an enhanced PAVE process. Pursuant to N.J.A.C. 14:8-5.10(d), all PAVE applicants are to be offered “a meeting with the potential applicant to review the findings [of the PAVE report].” (NAIOP, Piq Energy, and Solar Landscape)

142. COMMENT: It is unclear to the commenter how a meeting could be anything other than “real-time.” Thus, there does not appear to be a distinction between an “un-enhanced” PAVE and an “enhanced PAVE.” (JCP&L)

RESPONSE TO COMMENTS 141 AND 142: The Board appreciates the commenters for drawing attention to this detail. The enhanced PAVE process is an optional addition to the interconnection application, designated specifically for potential community solar projects before formally applying for interconnection. Regarding JCP&L’s comment, the enhanced PAVE process, at this point in time, is simply an additional in-person or virtual meeting between the potential customer-generator and an EDC representative. Within the current proposed rules, the difference between the “un-enhanced” and enhanced PAVE processes is minimal, but the Board recognizes the need for future opportunities to add enhancements for certain programs with the creation of this definition and, thus, defers the issue to a future rulemaking, as needed.

N.J.A.C. 14:8-5.11 Hosting Capacity Maps

143. COMMENT: The commenter states that terms, such as “in a consistent manner” are subject to some interpretation, and the proposed rules should make clear that while EDCs should collaborate on methodology, terminology, and presentation, there is not a requirement that hosting capacity maps be identical across EDCs. They also state that including the nameplate capacity on hosting capacity maps could publicly display information about individual customers without their consent. Additionally, it is not clear what the Board means by “closed” at N.J.A.C. 14:8-5.11(c)1 or “uniform load” at N.J.A.C. 14:8-5.11(c)6. (JCP&L)

RESPONSE: The Board’s intent for using the phrase “in a consistent manner” with respect to hosting capacity maps is exactly as described by the commenter above: EDCs should collaborate on methodology, terminology, and presentation of their maps. This terminology arose in stakeholder meetings preceding these proposed amendments and new rules, pursuant to the EDCs’ request. As the Board believes the intended meaning of this phrase is clear as proposed, it declines to make the commenter’s recommendation. Proposed N.J.A.C. 14:8-5.11(c)9 states that hosting capacity maps should identify “the available hosting capacity [for each feeder], as well as existing energy storage nameplate capacity, PV nameplate capacity, and any non-PV distributed generation nameplate capacity” and is the only paragraph in which customers’ nameplate capacities are mentioned. At this time, the Board does not deem nondescript nameplate capacity as personally identifiable information that could harm customers upon being viewed. The term “closed” at N.J.A.C. 14:8-5.11(c)1 should be interpreted to mean that the circuit does not have any available hosting capacity. The term “uniform load” at N.J.A.C. 14:8-5.11(c)6 should be interpreted to mean the levelized electricity demand on a circuit at a given time.

144. COMMENT: The commenter states that hosting capacity analyses (HCA) should be run, and results provided, on at least a 288-hour basis for both load and generation to enable future scheduling of DERs and to illustrate how constraints change on a monthly and hourly basis. (IREC)

RESPONSE: The Board appreciates the commenter’s suggestion of specific temporal granularity for HCAs, but believes this requirement is premature and may impose additional administrative costs on the EDCs, which could negatively impact New Jersey ratepayers. The current proposed rules require the EDCs’ hosting capacity maps to be updated at least quarterly, with the option for the Board to change the requirement in the future. The Board intends to revisit this comment, as well as many others pertaining to the frequency of HCAs, if situations arise in which it would be reasonable to reassess the frequency.

145. COMMENT: With respect to N.J.A.C. 14:8-5.11(a), the commenter states that this type of information should not be included in an EDC’s tariff. (RECO)

146. COMMENT: The commenter states that the process of establishing hosting capacity maps should not require a tariff filing, as it is burdensome and inefficient. The commenter also believes that there is

a limited benefit of providing developers with the proposed level of detail in hosting capacity maps because their current hosting capacity maps provide information that developers would need pre-application. (PSE&G)

RESPONSE TO COMMENTS 145 AND 146: The Board has included the proposed requirement that “each EDC shall make a tariff filing to implement a common hosting capacity mapping process to aid applicants” in order for them to have Board-approved, public rules specifying exactly how they will handle interconnection issues. This will minimize any potential excuses for not processing interconnection applications or updating hosting capacity maps in a timely manner while also giving the EDCs some agency over the minute details which are not codified within this subchapter. The level of detail required by the hosting capacity maps serve to benefit those with smaller DER projects that may not require a Pre-Application Verification/Evaluation (PAVE) report.

147. COMMENT: The commenter states that N.J.A.C. 14:8-5.11(c)2 and 5 should be deleted. The term “uniform load” at N.J.A.C. 14:8-5.11(c)6 is not defined and not clear. The requirement at N.J.A.C. 14:8-5.11(c)8 should be deleted. The phrase “fully open” at N.J.A.C. 14:8-5.11(c)1 should be deleted. (RECO)

RESPONSE: The Board proposed N.J.A.C. 14:8-5.11(c)2, 5, and 8 to provide developers with necessary infrastructure and monetary information to appropriately site their projects, ideally before going through the Pre-Application Verification/Evaluation (PAVE) process. Requiring the level of detail outlined in this subsection is intended to reduce the administrative burden on the EDCs by reducing the number of infeasible projects in the application queue. The Board refers the commenter to the Response to Comment 143 with respect to the term “uniform load” at N.J.A.C. 14:8-5.11(c)6. The phrase “fully open” at N.J.A.C. 14:8-5.11(c)1 should be interpreted to mean the circuit having a high level of available hosting capacity. Therefore, the Board declines to make the commenter’s proposed changes.

148. COMMENT: The commenter opposes requiring ratepayers to pay the costs to prepare and update hosting capacity maps and to upgrade the electric grid or replace equipment to subsidize unregulated DER projects. The commenter also suggests that the EDCs explore the option of having all hosting capacity maps featured on one single site for the entire State, as it could reduce costs and be more convenient and economical. (DRC)

RESPONSE: The Board intends to implement a cost evaluation and verification working group within the Grid Modernization Forum. At the present time, facilitating the rapid interconnection of new generation resources on both the transmission level and distribution level is critical to controlling ratepayer costs. Updating hosting capacity maps is necessary to move towards that goal. The Board believes that ratepayer benefits of facilitating faster interconnections will outweigh the costs of preparing HCA maps. Though the Board sees merit in potentially requiring interconnection customers or project developers to pay for such maps in the future, the Board believes that the ratepayer costs of delaying HCA map implementation while a cost allocation methodology is conducted would outweigh the resulting savings to ratepayers.

The Board agrees with the commenter that utilizing a single website to display hosting capacity information at the Statewide level could be beneficial. However, based on extensive stakeholdering and engagement with the EDCs, the Board is concerned that requiring the EDCs to all share one web platform could potentially pose a cybersecurity risk. The Board intends to discuss this matter further within the Grid Modernization Forum and, thus, declines to make the commenter’s recommendations at this time.

149. COMMENT: With respect to N.J.A.C. 14:8-5.11(c), the commenter appreciates the Board’s recognition that physical and cyber security concerns limit what types of system components, constraints, and data can and should be shown on public-facing maps. The commenter also encourages further dialogue before adoption of this subchapter. (JCP&L)

RESPONSE: The Board thanks the commenter for their support and deems that the rule, as proposed, should be adequately flexible to ensure physical and cyber security for the EDCs and their customers while also displaying pertinent information to potential customer-generators. The Board conducted over four stakeholder meetings with the utilities to ensure appropriate considerations were made on their behalf and believes additional meetings are unnecessary.

150. COMMENT: The commenter states that hosting capacity maps do not need to be calculated using a common methodology. Also, the following language at N.J.A.C. 14:8-5.11 is unclear: "An EDC shall post a written summary of all significant changes to hosting capacity maps on its website and simultaneously distribute them to a subscriber email listserve at least once every quarter." If this language requires that the EDC summarize changes in capacity every quarter, it is an unnecessary use of resources and time that does not supply useful information. (RECO)

RESPONSE: The Board directs the commenter to the Response to Comment 143 with respect to the common calculation of hosting capacity. The Board disagrees with the commenter that describing the changes in capacity would not provide useful information to current and future applicants and, thus, declines to make the suggested changes.

151. COMMENT: The commenters suggest that the Board require EDCs to update their hosting capacity maps on a monthly basis, rather than quarterly. (CCSA, Sunnova, Solar Landscape, and IREC)

152. COMMENT: The commenter states that the utilities should develop a system to identify which feeders and substations have had changes in the previous month (namely, feeders with newly submitted interconnection applications, known changes to load, or distribution system changes) and run only those feeders that have changed each month. (IREC)

153. COMMENT: The commenters specify that the hosting capacity maps should include higher voltage feeder data and clear circuit visualizations to indicate available capacity and the statuses of queued projects to enable developers to accurately plan and site projects. (NAIOP and Solar Landscape)

RESPONSE TO COMMENTS 151, 152, AND 153: It is the Board's intention to require the EDCs to provide more information to developers about available capacity to assist in planning and siting, while remaining sensitive, however, to the feasibility of implementing such changes and their potential effects on ratepayer costs. The Board has determined that the requirement of quarterly updates to hosting capacity maps should be adequate for interconnection customers while also minimizing additional administrative and study costs for EDCs. Two of New Jersey's EDCs already update their hosting capacity maps on a quarterly basis and, thus, this new requirement has been proposed to establish consistent EDC practices. The Board, likewise, declines to require that high voltage feeder data and clear circuit visualizations be presented in all hosting capacity maps until further discussion can occur within the Grid Modernization Forum about the relative costs and benefits of such a requirement.

154. COMMENT: The commenter agrees with the Board that hosting capacity maps are the best metric for determining feasible locations to interconnect DERs to the grid. They assert, however, that these maps are built with static information and that instead they should enable on-demand pre-application simulations for projects and provide up-to-date information. (Piq Energy)

RESPONSE: The Board appreciates the commenter's suggestion, though it is premature for implementation in the current rulemaking. Requiring the EDCs to provide dynamic hosting capacity maps is not currently feasible without imposing significant cost burdens onto ratepayers.

155. COMMENT: The Board should require public building electrification (BE) capacity maps for all local distribution lines from all New Jersey electric utilities by no later than 2025. The BE capacity maps should list, for each local distribution line down to each local transformer, the current capacity available, expected growth rates and demand by year, and how the local utility will meet this demand by year. Further, the Board should require that the public BE capacity maps "drill down" to every local distribution line and transformer. The Board should require utilities to make clear how much of the remaining capacity is devoted to BE as compared to fast chargers or solar capacity. The Board should require that the public BE maps factor in all aspects of the forthcoming Smart Grid. The Board should require that the BE maps model weatherization initiatives, including projected impact by local distribution line. Likewise, the conversion of resistance electric heating to "cold climate" heat pumps should be covered. (Robert Erickson)

RESPONSE: The Board appreciates the commenter's valuable feedback and suggestions for improving the EDC's public-facing hosting capacity maps. The purpose of the current rulemaking is to increase

consistency and transparency across all four of New Jersey's EDCs with respect to interconnecting distributed energy resources (DERs). Though the commenter's suggestions are in line with this goal, the Board does not think these suggestions can be feasibly incorporated into the rules at this time without incurring significant costs upon ratepayers. It is the Board's intent, however, to bring this feedback to the ongoing Grid Modernization Forum, which will inform future rulemakings and deliberate on which of the suggested elements can feasibly be incorporated into EDC hosting capacity map requirements.

156. COMMENT: The commenter states that the proposed HCA rules are flawed in that utilities are not required to model the HCA, and provide results, at the nodal or line section level. Proposed N.J.A.C. 14:8-5.11(b) requires the utilities to post maps that include both circuit and substation level data. The commenter suggests that the rules should be amended to require that the utilities utilize an HCA methodology/software that is capable of modeling and displaying results at the nodal level and make those results available for download. This will enable potential applicants to select the exact site they are evaluating and see what the hosting capacity is at that point. (IREC)

RESPONSE: The Board has convened stakeholders within the Grid Modernization Forum and has learned that most EDCs already display sufficiently granular hosting capacity data to meet the needs of applicants. The current problem with hosting capacity maps is the frequency in which they are updated, not the granularity. The commenter's recommendation that the rules require EDCs to display such a level of granularity would benefit developers and interconnection customers, but could have significant cost implications for the few EDCs which do not already display hosting capacity information at the nodal level. This additional cost would be borne by ratepayers and is not worth the resulting incremental benefits at this time.

157. COMMENT: With respect to N.J.A.C. 14:8-5.11(c), the commenter agrees with the Board that "the HCA results be integrated with a GIS system that will present the data on a map," but that there is a caveat proposed by the EDCs, which requires this to be done only to the "greatest extent permitted pursuant to the North American Electric Reliability Council standards, applicable Federal and State laws, rules, and regulations, and internal EDC physical and cyber security policies." While protecting grid assets from physical and cyber attacks is critical, this language is overly broad and places too much discretion in the hands of the utilities to interpret the laws and adopt policies that may unnecessarily hinder grid transparency. To the extent the EDCs want to limit publication of HCA data, they should be required to identify the specific concern, supporting law or policies, and explain in detail why publication of the data would result in a risk. (IREC)

RESPONSE: The Board recognizes that each EDC has unique security policies against physical and cyber attacks, which are in place to protect New Jersey's electric grid and ratepayer information. Though it is possible the EDCs' current policies may inhibit transparency, such concerns must be carefully balanced against security needs. The Board, therefore, believes stakeholders should discuss any additional disclosure requirements in the Grid Modernization Forum before those requirements are embedded in rules. The Board, thus, declines to impose this additional requirement on the EDCs at this time.

158. COMMENT: The commenter states that the proposed rules require the utilities to identify the "recommended and maximum" amount of export capacity that can be accommodated "without violating any reliability criteria, including, but not limited to, thermal, steady-state voltage, voltage fluctuation, and voltage protection criteria," but do not require that the results be published in a manner that identifies the limitations for each of those criteria. The commenter states that the rules should require the utilities to publish the HCA limit for each of the technical criteria evaluated. They should not only identify what the most limiting criteria are, but also show the specific limit for each of the criteria (for example, three MW thermal, 2.7 MW for steady state voltage, five MW for protection, etc.). To adequately identify the limitations as required by the proposed rules, the utilities must have this capability in their models. Requiring them to publish the full results will not be considerably more onerous. (IREC)

RESPONSE: The Board sees merit in the commenter's recommendation, but believes it may have significant cost implications

for the EDCs. The Board defers this recommendation to a working group within the Grid Modernization Forum to review and assess the feasibility of such a requirement. The recommendations developed by the working group will be considered in the future proceedings, but the Board declines to make the commenter's recommended change in the current rulemaking.

N.J.A.C. 14:8-5.12 Dispute Resolution

159. COMMENT: With respect to N.J.A.C. 14:8-5.12(f)3, the commenter expresses their support for the establishment of a formalized dispute resolution process for interconnections; however, they do not think the rulemaking should establish a new third-party mediation process. (JCP&L)

RESPONSE: The Board appreciates the commenter's support, but declines to remove the option of requesting mediation from a third-party mediator by mutual agreement from the rules. If the parties do not have a mutual agreement to request a third-party mediation process, then proposed N.J.A.C. 14:8-5.12(f)3 is not applicable.

Federal Standards Statement

N.J.S.A. 52:14B-1 et seq., requires State agencies that adopt, readopt, or amend State rules exceeding any Federal standards or requirements to include in the rulemaking document a Federal standards analysis. This rulemaking has no Federal analogue and is not promulgated pursuant to the authority of, or in order to implement, comply with, or participate in any program established pursuant to Federal law or pursuant to a State statute that incorporates or refers to Federal law, Federal standards, or Federal requirements. Accordingly, N.J.S.A. 52:14B-1 et seq., does not require a Federal standards analysis for the adopted amendments and new rules.

Full text of the adoption follows (additions to proposal indicated in boldface with asterisks ***thus***; deletions from proposal indicated in brackets with asterisks ***[thus]***):

SUBCHAPTER 4. NET METERING FOR CLASS I RENEWABLE ENERGY SYSTEMS

14:8-4.2 Net metering definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise. Additional definitions that apply to this subchapter can be found at N.J.A.C. 14:3-1.1 and 14:8-1.2.

...

"Community solar facility" shall have the same meaning as set forth at N.J.A.C. 14:8-9.2.

"Community solar project" shall have the same meaning as set forth at N.J.A.C. 14:8-9.2.

"Customer-generator" means an electricity customer that generates electricity on the customer's side of the meter using one or more class I renewable energy sources and/or stores energy on the customer's side of the meter using an energy storage device. An electricity customer that meets these criteria is a customer-generator regardless of whether the customer's generation source(s) and/or energy storage device are unaggregated or part of an aggregated resource. The Board may deem a pair of entities acting together - that is, a net metering generator and a net metering customer - to constitute one customer-generator for the purpose of net metering.

"Customer-generator facility" means the equipment used by a customer-generator to generate, store, manage, and/or monitor electricity. A customer-generator facility typically includes an electric generator, energy storage device, vehicle-to-grid device, and/or interconnection equipment that connects the customer-generator facility directly to the customer, whether the equipment is aggregated or not.

...

"Energy storage ***[device]* *system***" means a ***[device]* *system*** that is capable of absorbing energy from the grid or from a generation source on the customer's side of the meter, 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.

...

"Net metering generator" means an entity that owns and/or operates a class I renewable energy generation facility, the electricity from which is delivered to a net metering customer; provided that only the electricity produced by the class I renewable energy sources shall be eligible for net metering treatment. The net metering generator may or may not be the same entity as the net metering customer; and may or may not be located on the same property as the net metering customer.

SUBCHAPTER 5. INTERCONNECTION OF CLASS I RENEWABLE ENERGY SYSTEMS

14:8-5.2 General interconnection provisions

(a)-(b) (No change.)

(c) Upon request of an applicant, the EDC shall meet with an applicant who qualifies for level 2 or level 3 interconnection review.

(d) (No change in text.)

(e) An EDC shall not require an applicant or a customer-generator whose facility meets the criteria for interconnection approval pursuant to the level 1 or level 2 interconnection review procedure at N.J.A.C. 14:8-5.4 and 5.5 to install additional controls or external disconnect switches not included in the interconnection equipment, to perform or pay for additional tests, or to purchase additional liability insurance except at the EDC's discretion when required to maintain the safety, power quality, or reliability of the EDC's EPS.

(f) If the interconnection of a customer-generator facility is subject to interconnection requirements of FERC or PJM, whether in compliance with rules governing DER aggregations pursuant to FERC's Order No. 2222 or otherwise, the provisions of this subchapter that apply to interconnection apply to that facility only to the extent that they do not conflict with the interconnection requirements of FERC or PJM.

(g) Once a customer-generator has met the requirements of the relevant interconnection review, the EDC shall notify the customer-generator through the CIAP-compliant automated portal and a message to all applicant-associated email address(es) on file. The EDC shall not condition the authorization to energize on the EDC's replacement of the customer-generator's meter.

(h) (No change in text.)

(i) Potential applicants with systems over 500 kW capacity shall qualify for a Pre-Application Verification/Evaluation (PAVE) report as set forth at N.J.A.C. 14:8-5.10. The CIAP portal shall allow for the initial request and payment for a PAVE report prior to formal application.

(j) Prospective community solar facility or community energy system applicants shall have the right to request an enhanced PAVE process meeting to discuss the PAVE report prior to application filing, and the EDC shall grant such a request upon a prospective community solar facility or community energy system applicant's payment of the required fee.

(k) (Reserved)

(l) By ***[(120 days of the Board's effective date of this rulemaking)]*** ***November 4, 2025***, each EDC shall make a compliance filing to allow existing customer-generator facilities to add an energy storage device and/or upgrade to a UL 1741-compliant smart inverter without additional study through the appropriate interconnection process on all circuits that can host greater distributed energy storage capacity.

(m) (Reserved)

(n) Each EDC shall develop an interconnection dispute resolution process as set forth at N.J.A.C. 14:8-5.12, to be included on the EDC FAQ webpage. As part of a dispute resolution process, the EDCs should identify an ombudsman to handle customer interconnection complaints. If an applicant disagrees with an EDC's determination of fact or need regarding matters covered in this subchapter, or if any person has a complaint regarding matters covered in this subchapter, the applicant or other person may file an initial informal complaint with the Board's interconnection ombudsman pursuant to N.J.A.C. 14:1-5.13, or may file a formal petition with the Board pursuant to N.J.A.C. 14:1-5.

(o) Any applicant may request that the EDC take into account any significant anticipated changes in load associated with contemporaneous installation of the customer-generator facility and any of the following:

1. Electric vehicle charging infrastructure, including any vehicle-to-grid bidirectional capabilities;

2. Building electrification upgrades;
 3. Deployment of energy efficiency upgrades; or
 4. Verifiable increases in load, which the EDC shall not unreasonably refuse to consider. The EDC may require the applicant to delay energization or re-start the interconnection process if the contemplated contemporaneous changes are not completed prior to the planned energization of the system.

(p) In administering the deadlines in this chapter, the EDC shall make reasonable efforts to meet all established timelines. If the EDC cannot meet a timeline, the EDC shall notify the applicant and Board staff, in writing, within three business days after the missed deadline by email or another methodology established by Board order. The notification shall explain the reason for the EDC's failure to meet the deadline and provide an estimate of when the step will be completed. The EDC shall keep the applicant and Board staff updated of any changes in the expected completion date.

(q) The applicant may request, in writing, the extension of a deadline established pursuant to this chapter. The requested extension may be for up to one-half of the time originally allotted (for example, a 10-business-day extension for a 20-business-day timeframe). The EDC shall not unreasonably refuse this request. If further deadline extensions are necessary, the applicant may request an extension through the CIAP portal or from the EDC's interconnection ombudsman, who shall grant the request, if it is reasonable, or otherwise, deny it, within three business days, and notify the applicant on the CIAP-compliant automated portal and a message to all associated email address(es) on file.

(r) (Reserved)

14:8-5.3 Certification of customer-generator interconnection equipment

(a) In order to qualify for the level 1 and the level 2 interconnection review procedures described at N.J.A.C. 14:8-5.4 and 5.5, a customer-generator's interconnection equipment shall have been tested and listed by an OSHA-approved nationally recognized testing laboratory for continuous interactive operation with an electric distribution system, except as provided in this section, in accordance with the following standards, as applicable:

1. IEEE 1547-2018, Standard for Interconnecting Distributed Resources with Electric Power Systems (published July 2018, amended April 2020) or any future updated version of the IEEE Standard 1547 as may be identified by Board order, which is incorporated herein by reference. IEEE Standard 1547 can be obtained through the IEEE website at www.ieee.org; and

2. UL 1741-Supplement SA or SB Inverters, Converters, and Controllers for Use in Independent Power Systems (September 2021) or any future updated version of the UL1741 Standard as may be identified by Board order, which is incorporated herein by reference. UL 1741 can be obtained through the Underwriters Laboratories website at www.ul.com.

(b) Interconnection equipment shall be considered certified for interconnected operation if it has been submitted by a manufacturer to an OSHA-approved nationally recognized testing laboratory or alternative testing protocols permitted pursuant to this chapter and has been tested and listed by the laboratory for continuous interactive operation with an electric distribution system in compliance with the applicable codes and standards listed at (a) above.

(c)-(d) (No change.)

14:8-5.4 Level 1 interconnection review

(a) Each EDC shall adopt a level 1 interconnection review procedure. The EDC shall use the level 1 review procedure only for an application to interconnect a customer-generator facility that meets all of the following criteria:

1. The facility is inverter-based and has smart inverter capability;
- 2.-3. (No change.)

(b) For a customer-generator facility described at (a) above, the EDC shall approve interconnection under the level 1 interconnection review procedure upon payment of a fee, not to exceed \$100.00 or other value established by Board order, if all of the applicable requirements at (c) through (g) below are met. An EDC shall not impose additional requirements not specifically authorized pursuant to this section.

(c) (No change.)

(d) A customer-generator facility does not qualify for interconnection as level 1 if the point of common coupling is on a transmission line, a spot network, or an area network; provided that the EDC will use good utility practice to allow interconnection of a customer-generator facility to such facilities, where feasible.

(e)-(g) (No change.)

(h) An applicant shall submit an Interconnection Application/Agreement Form for level 1 interconnection review through the CIAP portal. The standard form is available from the EDC and includes a Part 1 (Terms and Conditions) and a Part 2 (Certificate of Completion).

(i)-(l) (No change.)

(m) The customer-generator shall submit documentation of the construction official's successful inspections and permit closing to the EDC, along with a copy of Part 2 of the application, signed by the customer-generator.

(n)-(p) (No change.)

14:8-5.5 Level 2 interconnection review

(a) Each EDC shall adopt a level 2 interconnection review procedure. The EDC shall use the level 2 interconnection review procedure for an application to interconnect a customer-generator facility that meets the following criteria:

1. (No change.)
2. The facility has been certified in accordance with N.J.A.C. 14:8-5.3; and

3. The facility does not qualify for the level 1 interconnection review procedure or an applicant that qualifies for the level 1 interconnection review opts to use the level 2 interconnection review procedure.

(b)-(k) (No change.)

(l) If a customer-generator facility's proposed point of common coupling is on a spot or area network, the interconnection shall meet all of the following requirements that apply, in addition, to the requirements at (c) through (k) above:

1. For a customer-generator facility that will be connected to a spot network circuit, the aggregate generation capacity connected to that spot network from customer-generator facilities, including the customer-generator facility, shall not exceed 10 percent of the spot network's maximum load; provided that the EDC will use good utility practice to allow interconnection of a customer-generator facility to such facilities at higher percentages where technically feasible, and if solar energy customer-generator facilities are used exclusively, only the anticipated minimum load during an off-peak daylight period shall be considered;

2. For a customer-generator facility that utilizes inverter based protective functions, which will be connected to an area network, the customer-generator facility, combined with other exporting customer-generator facilities on the load side of network protective devices, shall not exceed 50 percent of the minimum annual load on the network, or 500 kW, whichever is less, or a future standard proposed by IEEE and approved by the Board by order; provided that the EDC will use good utility practice to allow interconnection of a customer-generator facility to such facilities at higher percentages where technically feasible. For the purposes of this paragraph, the percent of minimum load for an electric generation customer-generator facility that exclusively generates electricity from solar energy, including a customer-generator facility that incorporates an energy storage device, shall be calculated based on the minimum load occurring during an off-peak daylight period; and/or

3. For a customer-generator facility that will be connected to a spot or an area network that does not utilize inverter based protective functions, or for an inverter based customer-generator facility that does not meet the requirements at (l)1 or 2 above, the customer-generator facility shall utilize non-exporting technology, such as reverse power relays or other protection devices that ensure no export of power from the customer-generator facility, including inadvertent export (under fault conditions) that could adversely affect protective devices on the network.

(m) An applicant shall submit an Interconnection Application/Agreement Form for level 2 interconnection review through the CIAP portal. The standard form shall be available from the EDC's CIAP portal and shall include a Part 1 (Terms and Conditions) and a Part 2 (Certificate of Completion).

(n)-(p) (No change.)

(q) At least 10 business days prior to starting operation of the customer generator facility (unless the EDC does not require 10 days notice), the customer-generator shall, through the CIAP portal:

1.-3. (No change.)

(r) (No change.)

14:8-5.6 Level 3 interconnection review

(a) By *[(120 days of the effective date of this rulemaking)]* ***November 4, 2025***, each EDC shall adopt a common set of level 3 interconnection review screens. An EDC shall use the level 3 review screens for applications to connect customer-generator facilities that:

1. (Reserved)

2. Do not qualify for either the level 1 or level 2 interconnection review procedures; or

3. Did not pass the level 1 or level 2 interconnection review procedures set forth at N.J.A.C. 14:8-5.4 and 5.5.

(b) (No change.)

(c) A system impact study shall be conducted in accordance with good utility practice, as defined at N.J.A.C. 14:8-5.1, and shall:

1.-3. (No change.)

(d) If the proposed interconnection may affect electric transmission or delivery systems that are not controlled by the EDC, operators of these other systems may require additional studies to determine the potential impact of the interconnection on these systems. If such additional studies are required, the EDC shall coordinate the studies and shall use best efforts to complete those studies within 60 business days of being notified of the need for an affected system study. The applicant shall be responsible for the costs of any such additional studies required by another affected system. Such studies shall be conducted only after the applicant has provided written authorization to the EDC.

(e) Within five business days of the completion of the facilities study, the EDC shall provide the applicant with the results of the study and an executable Part I interconnection agreement. The interconnection agreement shall list the conditions and facilities necessary for the customer-generator facility to safely interconnect with the EDC's electric distribution system, incorporate the milestones (if any) from the facilities study, and include an itemized quote, including overheads, for any required electrical power system modifications, subject to the cost limit set by the facilities' study cost estimate.

(f) Within 10 business days after notice from the applicant that the customer-generator facility has been installed, the EDC shall inspect the customer-generator facility and shall arrange to witness any required commissioning tests [required under] pursuant to IEEE Standard 1547. The EDC and the applicant shall select a date by mutual agreement for the EDC to witness commissioning tests. For systems greater than 10 MW, IEEE Standard 1547 may be used as guidance. If the customer-generator facility passes the inspection, the EDC shall provide written notice of the results within three business days. If a customer-generator facility initially fails an inspection, the EDC shall offer to redo the inspection at the applicant's expense at a time mutually agreeable to the parties within 30 business days of the customer-generator requesting a retest. If the EDC determines that the customer-generator facility fails the inspection, it must provide a written explanation detailing the reasons and any standards' criteria violated.

(g) Provided that the customer-generator facility passes any required commissioning tests satisfactorily, the EDC shall notify the applicant in writing through the CIAP portal, within three business days after the tests, of one of the following:

1. (No change.)

2. The facilities study identified necessary construction that has not been completed, the date upon which the construction will be completed, and the date when the customer-generator facility may begin operation. The EDC shall promptly notify the customer-generator through the CIAP portal of any changes in the construction schedule.

(h) If the commissioning tests are not satisfactory, the customer-generator shall repair or replace the unsatisfactory equipment and reschedule a commissioning test pursuant to (f) above.

(i) (No change in text.)

(j) (Reserved)

(k) (Reserved)

(l) (Reserved)

(m) (Reserved)

(n) If the EDC determines that the system upgrades required to accommodate the proposed customer-generator facility are not substantial, the system impact study will state the scope and cost of the modifications identified in its results, and no facilities study shall be required. Modifications are considered not substantial if:

1. The total cost is below \$200,000, or such other value as the Board shall establish by Board order; or

2. The EDC, in its reasonable judgement, determines the modifications are not substantial.

(o) If the EDC determines that necessary modifications to the electrical power system are substantial, the results of the system impact study will include an estimate of the cost of a facilities study and an estimate of the modification costs and timeline. If the applicant chooses to proceed, the EDC shall complete a facilities study that identifies the detailed costs of any electrical power system modifications necessary to interconnect the applicant's proposed customer-generator facility, unless the parties agree to waive the facilities study.

(p) If the parties do not waive the facilities study, then within five business days of the completion of the system impact study, the EDC shall provide a facilities study agreement, which shall include a good faith estimate of the cost and the time needed to undertake the facilities study.

(q) (Reserved)

(r) Within 40 business days of the receipt of an interconnection agreement, the applicant shall execute and return the interconnection agreement and notify the EDC of the anticipated date on which the customer-generator facility expects to commence commercial operation. Unless the EDC agrees to a later date or requires more time for necessary modifications to its electrical power system, the applicant shall identify an anticipated start date that is within 36 months of the applicant's execution of the interconnection agreement. However, the parties may mutually agree to an extension of this time, if needed, which shall not be unreasonably withheld. The applicant shall notify the EDC, in writing, and through the CIAP portal if there is any change in the anticipated start date of interconnected operation of the customer-generator facility.

(s) The EDC shall bill the applicant for the design, engineering, construction, and procurement costs of the EDC-provided interconnection facilities and upgrades on a monthly basis, or as otherwise agreed by the parties. The customer-generator shall pay each bill within 30 calendar days of receipt, or as otherwise agreed by the parties and memorialized in writing. At least 20 calendar days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of any EDC facilities or upgrades, the applicant shall provide the EDC with a deposit equal to 50 percent of the cost estimated for its interconnection facilities prior to its beginning design of such facilities.

(t) Within 60 calendar days of completing the construction and installation of the modifications to the EDC's system, the EDC shall provide the applicant with a final accounting report of any difference between the actual cost incurred to complete the construction and installation and the budget estimate provided to the applicant in the interconnection agreement and the applicant's previous deposit and aggregate payments to the EDC for such modifications. The EDC shall provide a written explanation for any actual cost exceeding a budget estimate by 25 percent or more. If the applicant's cost responsibility exceeds its previous deposit and aggregate payments, the EDC shall invoice the applicant for the amount due and the applicant shall make payment to the EDC within 30 calendar days. If the applicant's previous deposit and aggregate payments exceed its cost responsibility, the EDC shall refund to the applicant an amount equal to the difference within 30 business days of the final accounting report.

14:8-5.7 Interconnection fees

(a) An EDC or supplier/provider shall charge an application fee, not to exceed \$100.00, or other value established by Board order, to an applicant that requests level 1 interconnection review.

(b)-(d) (No change.)

(e) A customer-generator shall pay for the cost of any additional equipment the EDC reasonably determines is necessary to interconnect a

customer-generator facility in a manner that maintains the safe and reliable operation of the EPS.

14:8-5.8 Testing, maintenance, and inspection after interconnection approval

(a) Once a net metering interconnection has been approved pursuant to this subchapter, the EDC shall not require a customer-generator to test or perform maintenance on its facility except for the following:

1.-2. (No change.)

3. Any post-installation testing necessary to ensure compliance with IEEE Standard 1547 or to ensure safety.

(b) (No change.)

(c) An EDC shall have the right to inspect a customer-generator's facility after interconnection approval is granted, at reasonable hours and with reasonable prior notice to the customer-generator. If the EDC discovers that the customer-generator's facility is not in compliance with the requirements of this subchapter, and the noncompliance adversely affects the safety or reliability of the electric distribution system, the EDC may require the customer-generator to disconnect the customer-generator facility until compliance is achieved. The EDC shall notify the customer-generator of any noncompliance requiring disconnection of the customer-generator facility through the CIAP.

(d) The EDC shall notify the customer-generator through the CIAP, if it identifies any issue with customer-owned equipment during any required commissioning tests that requires de-energizing the customer-generator facility, or preventing the customer-generator facility from energizing, in order to maintain the safety or reliability of the electric distribution system. The EDC shall notify the customer-generator facility operator within four hours of such action being taken. The customer-generator and the EDC shall then determine a mutually agreeable timeframe in which to resolve the issue. The EDC shall also notify the customer-generator through the CIAP of any changes in the construction schedule.

14:8-5.9 Interconnection reporting requirements for EDCs

(a) Each EDC with one or more customer-generators connected to its distribution system shall:

1. Track key performance indicators, including those listed at (c) and (d) below, as well as any other performance indicator established by Board order, on the EDC's website and update this information at least once every month;

2. Maintain an interconnection queue that includes all level 2 and level 3 interconnection requests currently pending before the EDC, at a level of detail that reasonably preserves customer confidentiality;

3. Conduct customer satisfaction surveys and post those results on its website and provide them to the Board; and

4. Submit interconnection reports to the Board on a quarterly basis, by the first day of each quarter.

(b) The EDC shall submit any interconnection reports to the Board Secretary in a docket and in a form specified by the Board Secretary.

(c) Each report shall ***[contain]* *include*** the following key performance indicators and information, as may be adjusted by Board order, regarding customer-generator facilities that interconnected with the EDC's distribution system or attempted to interconnect during the reporting period, for each interconnection level, based on the nameplate capacity of the customer-generator facility:

1. The number and total nameplate capacity of customer-generators that applied for interconnection;

2. The number and total nameplate capacity of customer-generators that ***[successfully interconnected]* *obtained permission to operate***;

3. The number and total nameplate capacity of customer-generator facilities that withdrew or were removed from the interconnection queue;

4. The number of applications submitted with missing information that were not automatically addressed as part of the CIAP process;

5. Number, total nameplate capacity, and type of all proposed customer-generator facilities that undertook a PAVE process;

6. Number, total nameplate capacity, and type of customer-generator applications processed within the timelines established by this chapter;

7. Length of time each customer-generator waited for system impact and facilities studies;

8. Number, total nameplate capacity, and type of customer-generator applications not processed within the timelines established in this chapter, the length of time taken to complete processing delayed applications, and the reasons for any delay in processing applications;

9. Data on Enhanced PAVE requests covering all key performance indicators described at (c)1 through 8 above, presented clearly and conspicuously in a dedicated section of the report;

10. The number and total nameplate capacity of customer-generators of each technology type, broken out by class I renewable energy technologies (for example, solar, wind, or fuel cell technologies), energy storage devices, electric vehicle-to-grid projects, and hybrid systems involving multiple behind-the-meter technologies;

11. Data on quantity, nameplate capacity, type, and processing times for DER aggregation requests;

12. Data on the number of times applicants requested formal or informal dispute resolution, the timeline for resolution, whether the Board's interconnection ombudsman was involved, and how each dispute was resolved; and

13. A statement regarding whether the EDC believes it has the resources and capabilities needed to timely process current interconnection applications, as well as a trend analysis that assesses the EDC's capability to timely process interconnection applications if the volume of applications increases.

(d) Each EDC shall maintain a current summary status on its website, and present it in a graphical format that is common to all EDCs, of all active interconnection applications showing the following performance indicators for active level 1, 2, and 3 interconnections:

1. The number of and total nameplate capacity represented by new applications received during the reporting period;

2. The number of and total nameplate capacity represented by currently active applications;

3. The number and total nameplate capacity of customer-generator facilities approved for interconnection during the reporting period, as well as the percent of active applications and nameplate capacity approved during the reporting period; and

4. The percent of active applications and total nameplate capacity approved year to date.

(e) Each EDC shall annually report to the Board the full results of all recurring testing performed on legacy interconnected customer/generators, segmented by levels 2 and 3, pursuant to N.J.A.C. 14:8-5.8(a)1, which shall include:

1. Number and percentage of total interconnected systems that were tested;

2. Number and percentage of waivers that were granted for exemption from testing; and

3. Number and percentage of total interconnected systems that failed testing and required remediation.

14:8-5.10 Pre-Application Verification/Evaluation (PAVE) process

(a) A Pre-Application Verification/Evaluation (PAVE) process shall be offered by each EDC for any qualified level 2 or level 3 projects upon payment of a \$300.00 fee, or such alternative fee as the Board shall establish by Board order.

1. Community solar facilities or community energy systems that are eligible for PAVE reports may elect to have an Enhanced PAVE process upon payment of a \$700.00 fee, which shall be additional to the fee for the standard PAVE process.

(b) The PAVE process shall be initiated through the CIAP. To facilitate the PAVE process, the CIAP shall include an easy-to-use PAVE screening/configurator tool with data field entries into which a potential applicant can input basic parameters about their potential customer-generator facility.

(c) Within 15 business days of the potential applicant providing a complete PAVE request, the EDC should provide information about relevant parts of its EPS through the CIAP, or other means agreed to by the EDC and the potential applicant, to the potential applicant regarding the interconnection of a proposed project, which may include the following items, as they may be modified by Board order:

1. Total capacity (MW) of substation/area bus or bank and circuit;

2. Aggregate queued generating nameplate capacity (MW) proposing to interconnect to the substation/area bus or bank and circuit;

3. Available hosting capacity (MW) of the substation/area bus or bank and circuit, which is the total capacity less the sum of existing and queued generating nameplate capacity, accounting for all load served by existing and queued generators. In calculating available hosting capacity and how much of it a potential customer-generator facility may utilize, the EDC shall account for non-exporting technology, including non-exporting technology used in combination with increased on-site load or an energy storage device, that limits or will limit the maximum amount of power a customer-generator facility can export to less than its nameplate capacity rating;

4. Whether the proposed customer-generator facility is located on an area, spot, or radial network;

5. Substation nominal distribution voltage or transmission nominal voltage, if applicable;

6. Nominal distribution circuit voltage at the proposed site;

7. Approximate circuit distance between the proposed site and the substation;

8. Relevant line section(s) and substation actual or estimated peak load and minimum load data, when available;

9. Whether or not three-phase power is available at the site and/or the distance from three-phase service;

10. Limiting conductor rating from the proposed point of common coupling to the distribution substation;

11. Based on the proposed point of common coupling, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit interrupting capacity issues, power quality, or stability issues on the circuit, capacity constraints, or secondary networks; or

12. Any other information that the EDC deems relevant to the applicant.

(d) Within 10 business days of providing the potential applicant with a PAVE report, or at a time mutually agreeable to the parties, the EDC shall offer to have a meeting with the potential applicant to review the findings.

(e) In preparing a PAVE report, the EDC need only include pre-existing data. A PAVE request does not obligate the EDC to conduct a study or other analysis of the proposed project in the event that data is not available. If the EDC cannot complete all or some of a PAVE report due to a lack of available data, the EDC will provide the potential applicant with a report that includes the information that is available and identify any information that is unavailable. The EDC shall, in good faith, provide PAVE report data that represents the best available information at the time of reporting.

(f) Each EDC shall provide an FAQ page on its website that clearly explains what the PAVE process is and provides instructions for using and completing the process. At a minimum, the EDC shall provide the following:

1. A clear statement of the purpose and intent of the PAVE process;
2. An overview and explanation of the specific data potential applicants need to provide to utilize the PAVE process, including instructions on how to use the CIAP's PAVE screening/configurator tool;
3. Any fee schedules, terms, and conditions associated with the PAVE process;
4. Simplified case studies or examples that illustrate successful handling and outcomes of the PAVE process; and
5. A designated contact point (email and phone) for handling more detailed questions and/or resolving issues.

(g) An EDC shall inform a potential applicant who requests a PAVE report that:

1. The existence of "available hosting capacity" does not imply that an interconnection up to this level may be completed without impacts because there are many variables studied as part of the interconnection review process;
2. The distribution system is dynamic and subject to change, and the results of the PAVE report do not represent binding interconnection cost quotes; and
3. Data provided in the PAVE report may become outdated and not useful by the time a potential applicant submits a complete application.

14:8-5.11 Hosting capacity maps

(a) (Reserved)

(b) (Reserved)

(c) To the greatest extent permitted pursuant to the North American Electric Reliability Council standards, applicable Federal and State laws, rules, and regulations, and internal EDC physical and cybersecurity policies, all hosting capacity maps shall be integrated with GIS systems, visually present all system data for substations, feeders, and related distribution assets, and allow potential applicants to easily determine, based on an entered street address, the following information:

1. Whether the nearby distribution circuit(s) are closed, have limited available surplus capacity, or are fully open to interconnecting additional generation;

2. (Reserved)

3. A quantified indication of interest level from other projects (and their aggregate capacity) along the same circuit;

4. A built-in function enabling users to filter sites based on available hosting capacity above a certain threshold;

5. A range of budgetary cost estimates for anticipated upgrades required to make additional hosting capacity available, based on high-level estimates (for example, +/- 25 percent);

6. Uniform load on a circuit segment;

7. Preliminary information on the circuit segment and if the segment has a known transient/dynamic stability limitation, if a transmission ground fault overvoltage is possible, if a proposed facility has any transmission interdependencies, and if all islanding conditions are met based on the utility's screening policies;

8. Identification of potentially limiting equipment requiring a system upgrade on the hosting capacity maps (for example, voltage controllers, protective relays, communication systems, conductor ampacity, etc.); and

9. For each feeder, the available hosting capacity, as well as existing energy storage nameplate capacity, PV nameplate capacity, and any non-PV distributed generation nameplate capacity, each labeled individually.

(d) Each EDC shall ensure that its hosting capacity mapping process includes a documented methodology for validating models, publishing hosting capacity maps, and enabling the collection and compilation of customer feedback.

14:8-5.12 Dispute resolution

(a) By *[(120 days of the effective date of this rulemaking)]* ***November 4, 2025***, each EDC shall make a tariff filing to implement a standardized dispute resolution process to govern disputes between the EDC and a customer-generator, including, but not limited to, disputes involving issues with interconnection studies, cost estimates for necessary upgrades, queue priority, the development of the interconnection agreement, billing, fees, or any related matters. The Board shall accept a standardized dispute resolution tariff filing upon a finding that the proposed dispute resolution process conforms to the requirements of this section and will enable the EDC to fulfill its duties pursuant to this section.

(b) An applicant may initiate the informal dispute resolution process by making a request through the CIAP portal or to the EDC's interconnection ombudsman, and an EDC may initiate the process by notifying an applicant through the CIAP portal and by sending a written message to the applicant's email address. The parties shall make good faith efforts to resolve any dispute, including by making subject matter experts available, within 10 business days of its initiation or such longer time as the parties agree to in writing.

(c) If the informal dispute resolution process is unsuccessful, the applicant shall provide the EDC a written notice of dispute, setting forth the nature of the dispute, the relevant known facts pertaining to the dispute, and the relief sought. The applicant shall submit the notice through the CIAP portal or send it to the EDC and the Board's interconnection ombudsman by email. If the applicant submits the notice through the CIAP portal, the EDC shall send a copy of the notice to the interconnection ombudsman by email.

(d) The EDC shall acknowledge the notice within three business days of its receipt and identify a representative with the authority to make decisions for the EDC with respect to the dispute.

(e) The EDC shall provide the applicant with all relevant regulatory and/or technical details and analysis regarding any EDC interconnection

requirements under dispute within 10 business days of the date of the notice of dispute. Within 20 business days of the date of the notice of dispute, the parties' authorized representatives shall meet and confer to try to resolve the dispute. The parties shall operate in good faith and use best efforts to resolve the dispute.

(f) If the parties do not resolve their dispute within 30 business days of the date the applicant sent the notice of dispute, then:

1. Either party may request to continue negotiations for an additional 20 business days;

2. The parties may refer the dispute to the Board's interconnection ombudsman by mutual agreement; or

3. The parties may request mediation from an outside third-party mediator by mutual agreement, with costs to be shared equally between the parties.

(g) If the parties still do not reach an agreement after attempting to resolve their dispute by one or more of the methods listed at (f) above, then the applicant is strongly encouraged to proceed to the Board's formal complaint resolution process by filing a petition with the Board pursuant to N.J.A.C. 14:1-5.

(h) At any time, either party may file a complaint before the Board pursuant to its rules or exercise whatever rights and remedies it may have at equity or law.

TRANSPORTATION

(a)

DIVISION OF LOCAL RESOURCES AND COMMUNITY DEVELOPEMENT

Notice of Readoption State Highway Access Management Code Readoption: N.J.A.C. 16:47

Authority: N.J.S.A. 27:1A-5, 27:1A-6, 27:7-44.1, and 27:7-89 et seq., specifically 27:7-91.

Authorized By: Francis K. O'Connor, Commissioner, Department of Transportation.

Effective Date: June 5, 2025.

New Expiration Date: June 5, 2032.

Take notice that, pursuant to N.J.S.A. 52:14B-5.1, the rules at N.J.A.C. 16:47 were scheduled to expire on July 16, 2025. N.J.A.C. 16:47, State Highway Access Management Code, governs the management of vehicular traffic to and from State highways and minimizes its interference with through traffic by utilizing an access classification system that regulates the construction and operation of access points along these highways.

The chapter is summarized as follows:

Subchapter 1, Purpose, Scope, and General Provisions, provides the purpose, scope, and general provisions of determining if an access permit is necessary and the type of permit.

Subchapter 2, Definitions, provides the definitions used throughout this chapter.

Subchapter 3, Designation of Limited Access, provides for the designation of limited access for any segment of the State highway system.

Subchapter 4, Access Classifications and Levels, establishes access classification for the State highway system based on access class, urban or rural area, speed limit, and configuration of a desirable typical section of the highway.

Subchapter 5, Conformance and Maximum Trip Limitations for Nonconforming Lots, establishes acceptable spacing standards between adjacent lots or sites, and lots or sites that do not meet spacing requirements are subject to maximum trip limitations.

Subchapter 6, Lot Subdivision, Lot Consolidation, and New Street Intersections, provides for any change to the lot, including size or frontage.

Subchapter 7, General Conditions and Restrictions of Permits, provides for permit requirements for all improvements made to a State highway.

Subchapter 8, Permits, provides requirements for the lot or site owner applying for an access permit before undertaking any activities listed in the subsection.

Subchapter 9, Access Applications, describes the Department's highway access permit process.

Subchapter 10, Permit Administration, provides the procedures and responsibilities of the permittee.

Subchapter 11, Department Adjustment, Modification, and Removal of Driveways, provides the adjustment, modification, or removal of access by the Department to advance a project based upon maximum achievement of the goals and purposes of the Access Code.

Subchapter 12, Access Management Plans, describes the procedures and requirements for the Department's adoption of site-specific access management plans (AMPS) for individual segments of the State highway system.

Subchapter 13, Access Code Revisions, establishes the requirements and procedures to be followed by the Commissioner when revising the Access Code.

Subchapter 14, Municipal and County Access Codes, establishes requirements governing the adoption of access codes by counties and municipalities, and the precedence of the Access Code over the requirements of county and municipal codes.

The chapter also includes Appendices A through H, as follows:

N.J.A.C. 16:47 Appendix A, Access Classification Matrix;

N.J.A.C. 16:47 Appendix B-1, Desirable Typical Sections for State Highways;

N.J.A.C. 16:47 Appendix B-2, Access Levels by Route and Milepost;

N.J.A.C. 16:47 Appendix C, Access Levels and Diagrams;

N.J.A.C. 16:47 Appendix D Number and Location of Driveways and Interchanges;

N.J.A.C. 16:47 Appendix E, Design Standards and Driveway Design Parameters;

N.J.A.C. 16:47 Appendix F Traffic Impact Studies;

N.J.A.C. 16:47 Appendix G Traffic Signals;

N.J.A.C. 16:47 Appendix H-1, Pre-Application Meeting Checklist;

N.J.A.C. 16:47 Appendix H-2, Application Checklist;

N.J.A.C. 16:47 Appendix H-3 Plans Checklist;

N.J.A.C. 16:47 Appendix H-4, Preliminary Access Plans Checklist;

N.J.A.C. 16:47 Appendix H-5, Final Access Plans Checklist;

N.J.A.C. 16:47 Appendix H-6, Access Management Plan Report Checklist; and

N.J.A.C. 16:47 Appendix H-7, Access Management Plan Map Checklist.

The Department of Transportation has reviewed the rules and determined that they should be readopted without change. The rules are necessary, reasonable, adequate, and responsive for the purpose for which they were originally promulgated. Therefore, pursuant to N.J.S.A. 52:14B-5.1.c(1), these rules are readopted and shall continue in effect for a seven-year period.

OTHER AGENCIES

(b)

ECONOMIC DEVELOPMENT AUTHORITY

Notice of Extension of Specially Adopted New Rules Expiration Date

Aspire Program Rules

Specially Adopted New Rules: N.J.A.C. 19:31V

Take notice that the Chief Executive Officer of the New Jersey Economic Development Authority ("NJEDA") informed Governor Phillip D. Murphy that the Aspire Program Rules, specially adopted and concurrently proposed for readoption by the NJEDA in December 2023, expired on June 2, 2025. The Aspire Program ("Program") is a gap