



State of New Jersey

DEPARTMENT OF COMMUNITY AFFAIRS
101 SOUTH BROAD STREET
PO Box 802
TRENTON, NJ 08625-0802

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lieutenant Governor

JACQUELYN A. SUÁREZ
Commissioner

March 5, 2025

Dear Construction Official:

This letter serves as a reminder regarding the installation of solar photovoltaic (PV) power generating equipment and updates a former letter issued July 23, 2010. As installations become more common, there has been some confusion regarding what constitutes an “electrical generating station,” which enforcement activity is reserved to the State pursuant to N.J.A.C. 5:23-3.11. This letter is intended to clarify which installations should be submitted to the Department for review.

The operative question is whether the PV installation supplies electricity for a building or buildings on site and has net metering, which is an arrangement through which any unused power generated by the solar panels is "sold" to the utility company. When net metering is utilized, the local enforcing agency has jurisdiction. By contrast, a PV installation where there is no net meter, or where there is a meter, but the supporting building and associated structure does not consume any of the generated power, should be considered electrical generating stations. This is because, similar to traditional electrical generating stations, the electricity generated at the site is fed back into the grid for use elsewhere.

Should you have any questions, please feel free to contact the Code Assistance Unit at (609) 984-7609.

Sincerely,

Edward M. Smith
Director
Division of Codes and Standards



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CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

LORI GRIFA
Commissioner

July 23, 2010

Dear Construction Official:

Local code enforcement agencies are receiving an increasing number of applications for the installation of solar photovoltaic (PV) power generating equipment. With this influx of solar energy installations, there has been some confusion as to what constitutes an "electrical generating station" for purposes of determining whether this is an enforcement activity reserved to the State pursuant to N.J.A.C. 5:23-3.11. This letter is intended to clarify which installations should be submitted to the Department for review.

The operative question is whether the PV installation supplies electricity for a building or buildings on site and has net metering. (This is an arrangement through which any unused power generated by the solar panels is "sold" to the utility company.) The amount of electricity that may be generated by these PV installations is limited to the peak usage on the site. By contrast, PV installations that should be considered electrical generating stations for purposes of applying the above rule have no meters and no limits on the amount of power that may be generated. As with more traditional electrical generating stations, the electricity generated at the site is fed back into the grid for use elsewhere.

Should you have any questions, please feel free to contact the Code Assistance Unit at (609) 984-7609.

Sincerely,

Cynthia A. Wilk
Director
Division of Codes and Standards

c: Electrical Subcode Official

