response. EDC key responsibilities, subject to NJBPU oversight, include, but are not necessarily limited to:

1. Operational oversight and performance monitoring—the EDCs shall establish a dispatch mechanism, develop and then implement a distributed energy resource management system, ensure energy storage systems respond effectively to grid needs, and oversee data reporting as a means to track, measure, and monitor energy storage performance for the GSESP.

2. Financial and cost recovery mechanisms—the EDCs shall fund the distributed performance energy storage incentive programs through ratepayer tariffs through their base rate cases. The Board shall approve full and timely cost recovery at the approved weighted-average cost of capital for capital improvements, such as distributed energy resource management systems and information technology system upgrades, unless the Board finds the specific capital improvements were imprudent investments or the relevant EDC incurred imprudent costs in the course of making these capital improvements. Administrative expenses and incentive payments shall be a pass-through expense only.

3. The EDCs shall comply with any GSESP reporting requirements the Board may establish by Board order.*}*

14:8-14.10 Program reporting

(a) The program administrator will post and maintain an online dashboard tracking GSESP progress, award details**,** incentive usage and availability, OBC benefits, and performance metrics.

(b) The GSESP reporting elements may include, but are not limited to, the following elements:

GSESP Goals: Transmission Projects	Metrics: Per year and cumulative to date
(1) Achieve the 2030 energy storage goal of 2,000 MW by 2030	Installed capacity in total and by technology type, number of projects and identification of applications awarded and not awarded
(2) Promote deployment of low-cost private (non-utility and non-NJBPU) capital into New Jersey storage projects	1. Total project cost ($, $/kW, $/kWh) 2. Fixed, performance, and total *{*Incentives*}* ***incentives*** ($, $/kW, $/kWh) 3. Percent of total project cost funded by New Jersey ratepayers, private capital, and other Federal and State funding sources
(3) Decrease Greenhouse Gas (GHG) emissions by enabling higher levels of renewable resources to interconnect to the grid	GHG emissions related to peak, non-peak, and total MWh charged and discharged
(4) Support deployment of energy storage systems interconnected to the transmission or distribution system of a New Jersey EDC	1. Timeliness: Days from application to completion 2. *{*Capacity:*}* Rates of participation in each PJM market available to storage (that is, energy, capacity, ancillary services) 3. Generation Shifting: Peak, non-peak, and total MWh charged and discharged
(5) Grow a sustainable energy storage industry that gradually requires decreased incentives to deploy additional storage systems and ensure that the benefits of energy storage last well beyond the term of the GSESP	Incentive levels as a percentage of installed cost over time
(6) Support overburdened communities with energy resilience, environmental improvement, and economic benefits derived from energy storage	Metrics provided by project-level reporting
(7) Encourage storage deployment that accelerates the clean energy transition, including facilitating deployment of renewable energy, electric vehicle, or other DERs, and resiliency	Renewable energy: number and percent of projects paired with solar, electric vehicles, other DERs, and resiliency:
(8) Establish a program administrator at the NJBPU who would oversee the efficient implementation of GSESP	N/A (already accomplished by Board action)
(9) Reduce electricity costs for ratepayers.	Report on electricity prices

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TRANSPORTATION

(a)

MOTOR VEHICLE COMMISSION

Zone of Rate Freedom

Proposed Amendment: N.J.A.C. 16:53D-1.1

Authorized By: Motor Vehicle Commission, Rosalie Johnson, Acting Chair and Chief Administrator.

Authority: N.J.S.A. 39:2-3, 39:2A-21, 39:2A-28, 48:4-2.21, and 48:4-2.25.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2026-045.

Submit written comments by November 7, 2026, to:

JoAnne Sutkin, APO
Attn: Legal Affairs
Motor Vehicle Commission
225 East State Street
PO Box 162
Trenton, NJ 08666-0162
or by email to: MVC.rulecomments@mvc.nj.gov

The agency proposal follows:

Summary

The Motor Vehicle Commission (Commission) proposes to amend the provisions at N.J.A.C. 16:53D, Zone of Rate Freedom, to fulfill its statutory responsibility to establish an annual Zone of Rate Freedom (ZORF) for regular route private autobus carriers providing service within the State, pursuant to N.J.S.A. 48:4-2.21. The ZORF is the maximum permitted percentage increase adjustment and the maximum permitted percentage decrease adjustment that a private autobus carrier may make to its rate, fare, or charge for intrastate regular route service without first having to petition the Commission for approval. If the autobus carrier's fare adjustments remain within the designated ZORF percentage range, the carrier needs only give notice to the Commission and the bus-riding public of the rate, fare, or charge adjustment. However, should a regular route private autobus carrier seek a percentage fare adjustment other than that allowed by the ZORF, the carrier is required to file a petition with the Commission and comply with the notice procedures set forth at N.J.A.C. 16:51-3.10 and 3.11. In proposing the ZORF for calendar year 2027, the Commission considered several factors relevant to changes in the average costs of operating bus services, fares charged by public transportation, and the interests of the public who use private regular route bus services.

Amongst other sources, the Commission obtained data from the American Automobile Association, the New Jersey Department of Banking and Insurance, and the United States Social Security Administration. According to the historical data available, the average price per gallon of diesel fuel has increased by approximately 54 percent since 2025, a change that can be attributed to the ongoing war in Iran. Rates for commercial automobile insurance policies providing coverage to commercial vehicles, including autobuses, increased in New Jersey on average by approximately 14.36 percent for 2026. The average salary for bus drivers in New Jersey, including those employed by private autobus carriers, has decreased on average by approximately two percent from 2025 to 2026, while the hourly wage rate for part-time drivers has also decreased by two percent. As determined by the Social Security Administration, the national average of the cost of living reflects an increase in general costs over the last year, with the cost-of-living adjustment for 2026 being two and eight-tenths percent. Health care costs represent an important area of concern for autobus companies, impacting both small and large employers, as costs have increased by approximately four and eight-tenths percent in 2026.

In addition to changes in the average costs of operating private regular route bus services, the Commission reviewed the history of fare increases implemented by New Jersey Transit and the potential effect of fare changes on the public. New Jersey Transit's fares are expected to rise by three percent in July 2026. While New Jersey Transit is not subject to the fare increase or decrease rules that private regular route bus carriers are, as it has a different funding mechanism than private regular route bus service, public transportation fare increases or decreases are nonetheless informative for comparative purposes.

The Commission further notes that it has only received three requests in the last six years from private autobus carriers seeking rate increases or decreases greater than the 10 percent adjustment allowed by the established ZORF.

Thus, balancing the significant increases in operating a private bus service, and the interests of the public in being able to absorb modest fare increases, the Commission has determined that maintaining the 10 percent ZORF for 2027 is reasonable.

The ZORF percentage limitations set forth at N.J.A.C. 16:53D-1.1 apply only to regular route private autobus carriers. N.J.S.A. 48:4-2.25 authorizes the Commission to exempt rates, fares, and charges for regular routes in the nature of casinos, bus operations charters, and special autobus operations from this rule, so long as carriers engaged in such operations file rate schedules annually with the Commission, pursuant to N.J.A.C. 16:53D-1.3.

The public comment period for this notice of proposal will be 60 days, since the notice is not listed in an agency rulemaking calendar. This notice of proposal is, therefore, excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The Commission anticipates that the proposed 10 percent ZORF will have a positive social impact in that this range will enable private autobus carriers to increase or decrease regular route fares marginally within established limits, without the necessity of having to file costly, time-consuming, complex, formal tariff petitions with the Commission. The ZORF-controlled fare increases also encourage private autobus carriers to invest in new buses and in the servicing and maintenance of their existing fleet of buses, while at the same time protecting the public from unreasonable fare increases. The ZORF percentage limit for fare decreases discourages predatory fare-reducing tactics designed to reduce or eliminate competition.

Economic Impact

The proposed amendment offers privately owned autobus companies a measure of flexibility in effectuating marginal adjustments to their regular route fares. Such companies can avoid the time-consuming and costly rate increase or decrease petition process, provided the fare adjustment remains within the percentage limits set forth in the rules. Although the ZORF provides a mechanism for regular route private autobus carriers to increase rates, fares, or charges, any adverse impact of such fare increases on the public will be mitigated by the percentage limitations set forth at N.J.A.C. 16:53D-1.1. The ZORF percentage limitations are intended to ensure reasonable rate, fare, or charge adjustments. The exemption of charter, casino, and special bus operations from the ZORF rules will have no adverse economic impact on the public because the competitive nature of these markets is due, in large part, to their elastic demand, which protects consumers from unreasonable rate, fare, or charge adjustments.

Federal Standards Statement

A Federal standards analysis is not required because the proposed amendment is dictated by State statutes and are not subject to Federal requirements or standards.

Jobs Impact

The proposed amendment is not expected to have any impact on the number of jobs that are generated or lost if the proposed amendment takes effect.

Agriculture Industry Impact

The proposed amendment will have no impact on the agriculture industry in New Jersey.

Regulatory Flexibility Statement

Some private autobus carriers may be considered small businesses within the meaning of the New Jersey Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., in that they employ fewer than 100 full-time employees. The Commission is not required to, and does not, maintain a record of the number of private autobus carriers in the State that are small businesses employing less than 100 people. The proposed amendment does not impose new reporting, recordkeeping, or compliance requirements on private autobus carriers, and is not likely to require the carriers to retain additional professional services to comply with such requirements. Rather, the proposed amendment allows private autobus carriers to impose marginal adjustments to their fares within the 10 percent range allowed by ZORF, as long as the carrier complies with the existing notice procedures set forth at N.J.A.C. 16:53D-1.2, which require the carrier to notify the Commission by filing a complete schedule of current fares and fares to be adjusted, at least 30 days prior to the effective date of the new fare adjustment. The carriers must also post a public notice in all autobuses providing service on the regular routes to be affected by the adjusted fares and in all bus terminals served by those autobuses, at least 30 days prior to the effective date of the new fare adjustment. In accordance with N.J.A.C. 16:53D-1.2, the carrier is specifically required to file a copy of the public notice with the Commission, along with an affidavit certifying that it has posted such notice in the applicable autobuses, as prescribed by the rule. Any annual compliance costs generated by these requirements, such as printing the public notices to be posted, and the postage required to file a notice and report compliance to the Commission, would be minimal. Additionally, the Commission does not anticipate that the proposed amendment will impose initial capital costs upon private autobus carriers that may be considered small businesses.

The proposed amendment is specifically designed to minimize the economic impact on small businesses that are seeking a fare adjustment within the ZORF percentage limits, as it allows private autobus carriers to avoid the costly, formal petition process that would otherwise be required pursuant to N.J.A.C. 16:51-3.10 and 3.11.

Housing Affordability Impact Analysis

The proposed amendment will have no impact on the affordability of housing and there is an extreme unlikelihood that the proposed amendment would evoke a change in the average costs associated with housing, since the proposed amendment pertains to the maximum permitted percentage adjustment that a private autobus carrier may make to its rate, fare, or charge for intrastate regular route service.

Smart Growth Development Impact Analysis

The Commission does not anticipate that the proposed amendment will have an impact on smart growth, as there is an extreme unlikelihood that it would evoke a change in the housing production within Planning Areas 1 or 2, or within designated centers, pursuant to the State Development and Redevelopment Plan, as the proposed amendment pertains to the maximum permitted percentage adjustment that a private autobus carrier may make to its rate, fare, or charge for intrastate regular route service.

Racial and Ethnic Community Criminal Justice and Public Safety Impact

The proposed amendment will have no impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in the State, as the rule pertains solely to the maximum permitted percentage adjustment that a private autobus carrier may make to its rate, fare, or charge for intrastate regular route service. Accordingly, no further analysis is required.

Full text of the proposal follows (additions indicated in boldface thus; deletions indicated in brackets [thus]):

SUBCHAPTER 1 GENERAL PROVISIONS

16:53D-1.1 General provisions

(a) Any regular route autobus carrier operating within the State, which carrier seeks to revise its rates, fares, or charges in effect as of the time of the promulgation of this rule, shall not be required to conform with N.J.A.C. 16:51-3.10, Tariff filings that do not propose increases in charges to customers, or 3.11, Tariff petitions that propose increases in charges to customers, provided the increase or decrease in the rate, fare, or charge, or the aggregate of increases and decreases in any single rate, fare, or charge is not more than the maximum percentage increase (10 percent for [2026] **2027**) or decrease (10 percent for [2026] **2027**), upgraded to the nearest $.05.

1. For illustrative purposes, the following chart sets forth the [2026] **2027** percentage maximum for increases to particular rates, fares, or charges and the resultant amount as upgraded to the nearest $.05:

(No change in table.)

2. For [2026] **2027** purposes, the following chart sets forth the [2026] **2027** percentage maximum for decreases to particular rates, fares, or charges and the resultant amount as upgraded to the nearest $.05:

(No change in table.)

3. (No change.)

TREASURY—GENERAL

(a)

DIVISION OF PENSIONS AND BENEFITS

General administration

Proposed Amendment: N.J.A.C. 17:1-13.5

Authorized By: Sonia Rivera-Perez, Acting Director, Division of Pensions and Benefits.

Authority: N.J.S.A. 52:14-15.1a and 52:18A-96 et seq.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2026-046.

Submit comments by November 7, 2026, to:

Danielle Schimmel
Assistant Director
Division of Pensions and Benefits
PO Box 295
Trenton, NJ 08625-0295
DPB.regulations@treas.nj.gov

The agency proposal follows:

Summary

Pursuant to N.J.S.A. 52:14-15.1a, the Director of the Division of Pensions and Benefits (Division) has the authority to regulate and oversee State employers' established cafeteria plans in accordance with §125 of the Federal Internal Revenue Code (26 U.S.C. § 125). These cafeteria plans allow State employers to establish an unreimbursed medical and dental spending account, known as a Flexible Spending Account (FSA), for their employees.

Following a review of N.J.A.C. 17:1-13.5(c), which pertains to salary reduction elections, the Division proposes an amendment to this regulation to ensure alignment with the annual IRS limit increases established for each calendar year. As a result, the maximum amount by which an employee's salary can be reduced to contribute to an FSA, as outlined in the plan, will be adjusted annually for inflation in accordance with keep § 125 of the Internal Revenue Code, specifically 26 U.S.C. § 125(i).

As the Division has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement, pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The members and dependents of a State-administered cafeteria plan, FSA, rely on the efficient operation of the plan and the presence and predictability of rules that guide the effective and efficient administration of their plan. Likewise, participating employers rely on the existence of efficient enrollment and payment procedures that are based on current statutes and laws. The protections and guarantees that the proposed amendment affords members, dependents, and employers of the State-administered health benefits programs and FSAs who participate mandate their continued existence. The taxpaying public is also affected by the proposed amendment, because public monies are used to fund the benefits. Therefore, taxpayers also benefit from the proper and efficient administration of the State Health Benefits Program (SHBP).

Economic Impact

The proposed amendment will not present any economic effects on the public, other than those individuals who are prospectively affected by the increase of salary deduction at N.J.A.C. 17:1-13.5(c). The proposed amendment will improve current policies and procedures by aligning with Federal regulations. In addition, the proposed amendment will continue to provide for the effective and efficient delivery of health benefits, while also meeting existing statutory and contractual requirements.

Federal Standards Statement

The proposed amendment meets, but does not exceed, the applicable Federal standards, pursuant to § 125 of the Internal Revenue Code, 26 U.S.C. § 125. There are no other Federal standards applicable to the subject matter of this chapter; therefore, a Federal standards analysis is not required.

Jobs Impact

Implementation of the proposed amendment will not result in the generation or loss of jobs. The Division invites any interested parties to submit written comments, along with any data or studies concerning the impact of jobs, on the proposed amendment.

Agriculture Industry Impact

The proposed amendment will not have any impact on the agriculture industry.

Regulatory Flexibility Statement

N.J.A.C. 17:1-13.5(c) affects members and dependents of the SHBP. Thus, the proposed amendment does not impose any reporting, recordkeeping, or other compliance requirements upon small businesses, as defined pursuant to the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. Therefore, a regulatory flexibility analysis is not required.