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NJ BPU's Revised Interconnection Regulations Are Intended to Speed Up Interconnection of Solar and Storage Systems

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What You Need to Know

- The Board of Public Utilities has updated New Jersey's interconnection regulations to reduce delays in the process of bringing new sources of electricity and storage systems into service.
- The revised rules reflect the Board's ongoing efforts to modernize the electricity distribution grid and streamline the distribution grid interconnection process and were subject to public comment from stakeholders prior to adoption.
- The Board has stated that its objectives for the updated regulations include growing the importance of community solar projects in enabling underserved communities to access the benefits of clean energy, among other goals.

In an effort to reduce delays in interconnecting new electricity generation and storage systems to the local electric distribution grid, the New Jersey Board of Public Utilities (BPU), at its May 21, 2025 agenda meeting, adopted updated and revised regulations applicable to the interconnection of distributed energy resources (DERs) such as solar generation to the local electric grid. The updated rules are part of the BPU's continuing efforts to evaluate ways to enhance the grid by identifying and reducing barriers to grid modernization. They are intended to reduce delays in the distribution grid interconnection process by accelerating the timeframes required to bring new sources of electricity into service.

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The previous interconnection regulations had not undergone a significant overhaul since their inception in 2010. The updated interconnection regulations are the by-product of a series of stakeholder input proceedings that have been ongoing since 2022. The revised rules were originally drafted in 2022 and were made available for public comment. In March 2023, the Board staff released a pre-proposal draft of a proposed rulemaking which was subject to substantial comment from interested entities. The proposed rules were then further modified based on stakeholder input and were published in the New Jersey Register for additional comment.

In the proposed rulemaking, the BPU explained that the purpose of revising the regulations is to:

- Remove sources of confusion or delay in the process of customer-generators applying for interconnection authorization from their respective local electric distribution company (EDC);
- Reduce the uncertainty, inefficiency, and delay for applicants with viable DER projects seeking interconnection, while clarifying the level of commitment and responsiveness expected from active applicants;
- Prepare for a broader grid modernization effort that will enable the grid to host more DERs;
- Better align the financial interests of the EDCs with project developers and ratepayers by discouraging inefficient upgrades in favor of more data-driven investments tailored to optimize DER integration; and
- Grow the importance of community solar projects in enabling underserved communities to access the benefits of clean energy.

Revisions to the interconnection rules that are intended to streamline the distribution grid interconnection process include:

- More frequent updates to hosting capacity maps;
- Introduction of a dispute resolution process to promptly resolve disputes between project developers and EDCs;
- Implementation of a pre-application and verification process to provide applicants with an early indication of project feasibility and costs; and
- A requirement for utilities to have a web portal for a more consistent interconnection application process regardless of service territory.

The Board stated that updating the regulations is an important step in its ongoing efforts to increase the number of DERs that come online and deliver energy to the New Jersey grid. The Board noted that bringing new electricity generation sources online “is a key component of our comprehensive effort to drive down energy costs for ratepayers.”

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The Board emphasized that DERs—especially solar and storage—which are some of the least expensive and quickest sources of electricity to install—reduce the peak demand energy forecasts for New Jersey. As a result, increased sources of generation decrease the amount of capacity New Jersey needs to buy, thereby reducing electricity costs for New Jersey electricity customers.

The Board observed that accelerating the deployment of new generation sources is particularly important to New Jersey, given that the “main cause of increased electricity costs” that “New Jersey ratepayers will experience this summer is due to rising capacity costs” in the PJM market. The Board further noted that “[d]eploying as many new generating resources like DERs as fast as possible is critical to helping both maintain reliability and mitigate rising electricity bills.” Moreover, the updated interconnection rules should “help ensure optimal safety and reliability standards as broader grid modernization efforts to build a more flexible and responsive grid.”

Please contact the author of this Alert with questions regarding the BPU’s updated interconnection regulations.

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