

New Jersey BPU Takes Action on Solar & Energy Storage in Response to Governor Sherrill's Day One Executive Orders

Barbara J. Koonz and Kenneth J. Sheehan

Greenbaum, Rowe, Smith & Davis LLP Client Alert

March 5, 2026

What You Need to Know

- New opportunities for energy storage come with the launch of Tranche 2 of the **Garden State Energy Storage Program**, which targets 645 MW of transmission-scale storage with pre-qualification materials due by June 10, 2026.
- The pre-qualification window opens March 11, 2026, for the fourth **Competitive Solar Incentive Program** Solicitation, which seeks 300 MW of generation, notably introduces Tranche 1A specifically for large-scale grid supply projects, and includes provisions for paired energy storage.
- Effective March 6, 2026, the BPU opens a 3,000 MW solicitation for the state's **Community Solar Program**, utilizing a rolling application process and requiring specific discounts for subscribers.

On March 4, 2026, the New Jersey Board of Public Utilities (BPU) approved several significant actions affecting the state's solar and energy storage industries. These items, many of which have been long-anticipated, were primarily issued in response to Governor Mikie Sherrill's Day One Executive Orders addressing New Jersey's energy cost crisis.

Specifically, the Board:

- **Awarded three projects** under the Garden State Energy Storage Program (GSESP) for transmission-level battery storage
- **Opened the second tranche** of the GSESP to allow for additional transmission-level battery storage

Attorneys

Barbara J. Koonz

Kenneth J. Sheehan

Published Articles (Cont.)

- **Awarded 3 of 18 projects** from the Third Solicitation of the Competitive Solar Incentive (CSI) Program
- **Opened the Fourth Solicitation** of the CSI Program
- **Opened the Community Solar Program** to 3,000 MW of new capacity

While the pending awards for the GSESP and CSI programs have been expected, the opening of new tranches and the satisfaction of statutory requirements for the Community Solar Program represent the most significant developments in this session.

Garden State Energy Storage Program (GSESP)

Tranche 2 of the GSESP targets 645 MW of transmission-scale energy storage (defined as at least 5 MW AC interconnected with PJM), either as "stand-alone" facilities or paired with new or existing Class I renewable projects. The incentive remains fixed and will be paid out over a 15-year term.

Key dates are as follows:

- **June 10, 2026:** Pre-qualification materials due
- **August 7, 2026:** Final submissions due
- **October 28, 2026:** Expected Board decision

Awards will be granted to the lowest-cost projects in price-ranked order, subject to community benefit and project maturity considerations, until the 645 MW installed capacity target is met. Incentives will be reported as the price per MW of effective nameplate capacity per year.

Competitive Solar Incentive (CSI)

The Fourth CSI Solicitation introduces Tranche 1A, for Grid Supply greater than or equal to 20 MW, while Tranche 1 now covers Grid Supply less than 20 MW. The solicitation seeks 300 MW of generation plus 16 MWh of energy storage paired with solar generation.

The Board will continue to impose confidential price caps on all applications. The pre-qualification window opens **March 11, 2026**, the solicitation closes **April 24, 2026**, and the Board anticipates issuing awards, if any, by **June 2026**.

Community Solar Program

Pursuant to P.L. 2025, c. 135 (directing the Board to open registration for 3,000 MW of Community Solar) and Governor Sherrill's Executive Order 2 (requiring that opening within 45 days of its signature), the Board announced the opening of a 3,000 MW solicitation effective March 6, 2026. This new solicitation utilizes a rolling application process and removes "tiebreaker" mechanisms used in the previous solicitation.

Requirements and Allocations:

- **Pricing:** All projects must provide a 20% discount on electricity costs for all customers, and a minimum 25% discount for low- and moderate-income (LMI) customers.
- **Incentives:** While allowing for significantly more Community Solar, the BPU reduced the incentive from \$80/MWh to \$60/MWh.
- **Capacity by Utility:** The 3,000 MW is allocated across the four Electric Distribution Companies (EDCs) based on the load served, as follows:
 - **PSE&G:** 1,555 MW
 - **JCP&L:** 778 MW
 - **ACE:** 324 MW
 - **RECO:** 45 MW

Key Takeaway

From a practical perspective, the BPU's actions signal a commitment to the continued growth of solar development in New Jersey. As emphasized by the Commissioners, the overriding priority is reducing consumer costs in a timely manner through the rapid deployment of infrastructure. While the success of these programs in lowering electricity costs in a meaningful manner remains to be seen, they represent a significant step in New Jersey's energy strategy.

The firm's Energy & Renewable Resources team will continue to monitor these program developments and will keep you informed accordingly. Please contact the authors of this Alert with questions or to discuss your specific business circumstances.

Barbara J. Koonz

Partner, Environmental Practice | Chair, Energy & Renewable Resources Practice
bkoonz@greenbaumlaw.com
973.577.1894

Kenneth J. Sheehan

Partner, Environmental and Energy & Renewable Resources Practices
ksheehan@greenbaumlaw.com
732.476.2678