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August 2, 2024

VIA ELECTRONIC MAIL

Sherri L. Golden
Secretary of the Board
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Re: In the Matter of Modernizing New Jersey’s Interconnection Rules, Processes and Metrics;
Renewable Energy and Energy Efficiency Proposed Amendments: N.J.A.C. 14:8-4.2 and 14:8-5,
Proposed New Rules: N.J.A.C. 14:8-5.10, 5.11, and 5.12

BPU Docket No. QO21010085

Proposal Number: PRN 2024-067

Dear Secretary Golden:

On behalf the State’s four Electric Distribution Companies (“EDCs”), please accept this letter as the EDCs’ joint comments in response to the Board of Public Utilities’ (“Board’s”) proposed rule changes regarding interconnection of distributed energy resources (“DERs”), to the New Jersey electric grid dated June 3, 2024, in the above-referenced Docket. These comments follow up on joint EDC comments filed on April 24, 2023, which consisted of a summary of the EDCs’ concerns on the proposed interconnection rules along with redlines identifying specific proposed changes.

NJUA represents investor-owned utilities that provide electric, natural gas, telecommunications, water and wastewater services to residential and business customers throughout the State of New Jersey. The below comments represent the consensus views of NJUA’s member EDCs.

NJUA and its member EDCs would first like to convey appreciation to the Board for integrating a number of the changes that we proposed in our prior comments. However, a number of concerns still remain with the proposed interconnection rules. In particular, the EDCs have identified the following high-level concerns that they jointly request the Board address in the proposed interconnection rules. Each EDC also reserves the right to submit individual comments.

A. Definitions

Aqua New Jersey, Inc. • Atlantic City Electric Company • Atlantic City Sewerage Company
Gordon’s Corner Water Company • Jersey Central Power & Light, A FirstEnergy Company • Middlesex Water Company
New Jersey American Water • New Jersey Natural Gas • Public Service Electric & Gas Company • Rockland Electric Company
• South Jersey Industries Utilities • Veolia • Verizon New Jersey

The use of the term “common” is frequent through certain sections of the proposed interconnection rules, but it is not explicitly defined. The EDCs recommend clarifying that “common” means that the EDCs will work together to create alignment where feasible but does not require uniformity among the EDCs. Trying to establish uniformity will create unnecessary inefficiencies and expense in the implementation process.

B. Timelines

It is unclear whether the various programs that have 120-day deadlines to make a tariff or compliance filing would require the EDCs to fully develop and implement these programs within that timeframe or propose plans for such programs. The EDCs request that this timeframe be extended and the language be clarified to indicate the latter. Four months is much too short of a time for the EDCs to plan, develop and fully implement the energy storage and solar inverter interconnection procedures, system impact study procedures, common level 3 interconnection review screens, common hosting capacity maps, and dispute resolution process that the proposed interconnection rules require. In order to accomplish the goals set out in these proposed interconnection rules, the EDCs recommend extending these deadlines to one year, as requested in their joint comments submitted on the prior draft of these proposed interconnection rules.

C. Queue Management

The EDCs support the proposed interconnection rules requirement of timelines for applicants to respond and take certain actions. The proposed interconnection rules should go further to maintain a balance of accountability between interconnection applicants and EDCs. Non-responsive applicants inappropriately divert attention and resources away from projects that could be realized more quickly. Accordingly, the EDCs request that the proposed interconnection rules grant them the authority to remove non-responsive applicants from the queue after a certain length of time.

D. Cost Recovery

The EDCS appreciate the inclusion of language in the proposed interconnection rules providing cost recovery for the Common Interconnection Agreement Program through base rates or the Infrastructure Investment Program (“IIP”) available under current Board rules. However, this limited recovery language does not allow the EDCs to recover other incremental costs, including personnel costs and operations and maintenance expenses that will inevitably follow from complying with the proposed interconnection rules’ many other requirements. The EDCs therefore recommend that the interconnection rules authorize the EDCs to recover in a full and timely manner all incremental costs incurred as a result of compliance. Such recovery could be through a rider mechanism, as part of its base rates, or through an approved IIP, whichever is agreed upon by the Board and the individual EDC. The Board should also consider explicitly providing the opportunity for an EDC to defer incremental expense for recovery in its next base rate case.

E. Reporting Requirements

The proposed interconnection rules would establish a significant increase in data collection, tracking, reporting, and data retention requirements, which will impose additional costs with indeterminate benefit to developers. The EDCs appreciate the changes that the Board has made since prior drafts in response to the EDCs’ previous joint comments; however, the EDCs encourage the Board to meet with the EDCs and the developer community to convey what specific outcomes the Board is aiming to achieve. Once these goals are clear, the EDCs would be ready to work with the Board to modify, as necessary, the tracking and reporting requirements so that they align with State goals without imposing an unnecessary burden.

F. Tariffs

The proposed rules require that EDCs include details about the proposed interconnection protocols in their tariffs. The EDCs agree that standardized protocols will help to streamline the interconnection process. However, amending an EDC's tariff is a time consuming, cumbersome process, and the current landscape on the interconnection of DERs continues to evolve and remains unsettled in certain areas. 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 the inevitable updates.

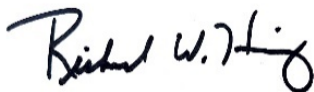
Conclusion

The EDCs strongly support the goal of streamlining and enhancing the interconnection processes to facilitate the interconnection of DERs and the modernization of the State's electric grid. However, there remain a variety of technically in-depth provisions invoked as part of these proposed interconnection rules that require further clarification, as will be detailed further in individual EDC comments. To make progress in these areas, the EDCs encourage Board Staff to host continued deliberation among the relevant parties through ongoing working groups and informal stakeholder meetings. The EDCs also reserve the right to submit individual comments in response to these proposed rules.

The EDCs stand ready to continue conversation with Board Staff and relevant stakeholders to discuss the EDCs' proposed modifications and move forward in these areas.

Thank you for the opportunity to submit these comments. If you have further questions or would like to discuss these issues in more depth, please feel free to contact me.

Very truly yours,



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