July 17, 2026

New Jersey Economic Development Authority (NJEDA)
36 West State Street
Trenton, NJ 08625

Re: RFI Response-2026-RFI-289

MAREC Action appreciates the opportunity to provide comments on the New Jersey Economic Development Authority's Request for Information regarding opportunities to expand solar energy generation and energy storage across the state. As New Jersey works to meet growing electricity demand while maintaining affordability and reliability, this RFI represents an important opportunity to identify policies and investment strategies that will accelerate clean energy deployment and strengthen the state's economy.

MAREC Action (the "Mid-Atlantic Renewable Energy Coalition") is an industry association representing more than 50 utility-scale solar, wind, and energy storage developers, as well as manufacturers, dedicated to advancing renewable energy across the Mid-Atlantic region, including New Jersey. Our members have extensive experience developing, financing, constructing, and operating clean energy facilities across the United States.

Renewable energy and battery energy storage system (BESS) projects face significant challenges not only in New Jersey but across the country, including rising interconnection costs, permitting delays, inflation, financing constraints, and supply chain disruptions. We appreciate the Sherrill Administration's commitment to engaging with industry through this RFI to identify opportunities to accelerate the deployment of clean energy, particularly front of the meter transmission connected storage, which is the primary focus of our comments.

BESS Procurement:

Front of the meter transmission connected energy storage is one of the most effective tools to strengthen New Jersey's electric grid. By storing electricity when supply is abundant and dispatching it during periods of peak demand, battery storage helps reduce price volatility, relieve transmission congestion, improve grid flexibility, and maximize the value of both existing and new generation resources. As electricity demand continues to grow from data centers, electrification of the transportation and building sector, manufacturing and other economic development reasons, expanding battery storage will be essential to ensuring the grid can reliably meet demand.

To fully realize these benefits, New Jersey should strengthen and expand the Garden State Energy Storage Program (GSESP) by:

- Setting an energy storage goal, specifically for front of the meter transmission connected storage for any additional procurements;
- Publishing a transparent multi-year procurement schedule;
- Utilizing an independent evaluator for procurement bids; and,
- Ensuring flexibility in contract milestones.

Regulatory certainty is essential to attracting investment and securing affordable project financing. Procurement rule changes after bids have been submitted create uncertainty, increase financing costs, and raise ratepayer costs. A transparent, predictable procurement framework will strengthen investor confidence, attract private capital, and increase competition. We also encourage simplifying bid requirements and streamlining contracting to reduce unnecessary development risk and encourage broader market participation.

BESS Financing:

MAREC has provided comments on the Garden State Energy Storage Program framework and implementing regulations and will reiterate those here. These recommendations are critical to creating a regulatory framework that supports the financing and deployment of energy storage projects.

- Long Term Contracts: MAREC would urge the NJBPU to utilize long term contracts that value the market revenues (energy, ancillaries, and capacity) for the development of front of the meter transmission connected storage. Long-term contracted market revenues are critical for cost-effective financing of projects. A long-term fixed-price contract between storage owners / developers and the state for 15-20 years has been a proven and tested mechanism across technologies and markets such as New York, Arizona, and California. Most recently, the State of Maryland has chosen long term contracts for the Next Generation Act energy storage law and Illinois under their Index Storage Credit program solicitation which is currently accepting submissions.

  Tranche 1, Phase 1 and Phase 2 of the Garden State Energy Storage Program utilized a 15-year long term contract mechanism and should continue this practice for all transmission connected energy storage procurement. New Jersey should also consider ways to increase revenue certainty for projects, which will reduce financing costs, save ratepayers money, support greater deployment, and attract more competition to the state. If projects lack adequate revenue certainty, they may not be able to obtain financing or ultimately advance to construction and operation.

- Revenue Certainty: One approach to increasing revenue certainty for projects would be for the state to consider a "full toll" model for energy storage. With a "full toll" revenue mechanism, developers receive a fixed price tolling payment ($/MW-month) to represent all project revenues during the contract term based on the the installed capacity (MW-ac) of their battery asset. All revenues that the project generates in the market (from energy, capacity, and ancillary services) flow back to ratepayers to offset the cost of the battery capacity. This is similar to the framework for New Jersey's Offshore Renewable Energy Credit (OREC) mechanism, which could also be considered as a model to foster deployment of land-based renewables.

  Another approach for consideration is a "partial toll" mechanism, under which only the "capacity" portion of battery revenues is contracted for and only the market capacity revenues effectively

flow back to ratepayers. This approach offers less revenue certainty (and hence higher-cost financing and associated price risk premium) because energy and ancillary revenues remain merchant and uncertain for the project sponsor.

While some developers actively participate in markets that offer less revenue certainty, offering procurement mechanisms with greater revenue certainty will attract more developer competition in the New Jersey market and will ultimately enable more projects to succeed.

Approximately 3,700 MW of energy storage projects are currently seeking interconnection in PJM within New Jersey. That pipeline alone exceeds New Jersey's 2,000 MW storage goal for 2030, demonstrating that the development interest already exists if supported by the appropriate market and regulatory framework. While the 1,000 MW of front-of-the-meter, transmission-connected energy storage contemplated in Phase 1, Tranches 1 and 2 is an important first step, MAREC supports an additional procurement to advance the remaining pipeline of viable energy storage projects currently in the PJM interconnection queue.

Solar Financing:

Revenue certainty is also critical for the deployment of utility scale solar energy projects. As noted above, New Jersey could consider models to increase revenue certainty for solar projects. The state's OREC model could be adapted for solar and other renewable energy resources.

Energy Storage Tax Treatment:

We also encourage New Jersey to address the current tax disparity affecting stand-alone energy storage systems. Most energy technologies qualify for both sales and property tax exemptions, but stand-alone storage does not. Providing battery storage with the same tax treatment, either through a redesignation by the Department of the Treasury or through legislation, would level the playing field, encourage investment, and help accelerate deployment of this critical grid resource.

Project Permitting:

New Jersey should prioritize streamlining permitting and siting processes for renewable energy projects, including solar and battery energy storage, to accelerate project development and reduce costs. We applaud Governor Sherrill's Executive Order 5, which addresses permitting challenges. Lengthy and unpredictable permitting timelines increase financing costs, delay commercial operation dates, and create uncertainty that ultimately drives up costs for developers and, in turn, ratepayers. By improving coordination among state, county, and local agencies, establishing clear permitting timelines, and creating a more efficient and predictable approval process, New Jersey can accelerate clean energy project deployment, strengthen grid reliability, attract continued private investment, and deliver affordable energy to consumers sooner.

Solar Recycling:

MAREC supports the state's objective of ensuring responsible end-of-life management for solar equipment. However, P.L. 2025, c.211 imposes new compliance obligations before adequate recycling infrastructure exists to support the market. Until sufficient recycling capacity is available, the law introduces unnecessary regulatory uncertainty and additional project risk that may discourage investment without advancing its intended policy objectives.

We appreciate the opportunity to provide these comments and look forward to continuing to work with the NJEDA to advance policies that accelerate battery energy storage and solar. Our members stand ready to build projects that will improve the reliability, affordability, and economic development of New Jersey.

Sincerely,

Paulina O'Connor

State Affairs Director
MAREC Action