Governor Murphy Signs S4530, Directing NJ BPU to Open Registration for 3,000 Megawatts of Community Solar Starting October 1, 2025

Client Alert

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What You Need to Know

- Legislation requiring the New Jersey Board of Public Utilities to open registration for an additional 3,000 MWs of community solar development has been signed into law by Governor Murphy.
- The Community Solar Energy Program allows New Jersey residents without suitable facilities for solar to subscribe to a portion of a shared solar project and receive credit on their utility bills.
- Although the BPU will need to address certain details going forward, the new law nonetheless represents a significant step forward for additional solar development in New Jersey.

By: Kenneth J. Sheehan

On August 25, 2025, New Jersey Governor Phil Murphy signed into law S5430, a bill requiring the New Jersey Board of Public Utilities (Board or BPU) to open, on October 1, 2025, registration for an additional 3,000 megawatts (MW) of community solar development. This registration will remain open until either all 3,000 MW have been completely registered, or until December 31, 2029, whichever comes first.

The new law further directs the Board to set incentive (SREC-II) amounts and the required guaranteed bill credit discount level "as appropriate to enable the complete registration of 3,000 megawatts."

The New Jersey Community Solar Energy Program provides access to renewable energy by allowing residents without suitable facilities for solar development to subscribe to a portion of a shared solar project and receive

credit on their utility bills for the electricity generated by their share. This credit reduces energy costs and is identified as a guaranteed discount available to low- and moderate-income households. Overall, the program is designed to lower energy costs while supporting solar development.

The newly signed legislation is a significant move forward by the current administration, opening up even more capacity for what has been one of New Jersey's most effective programs for developing and building solar over the past few years. While the Board will need to provide explicit direction and incentive levels, the language of the statute requires the Board to set those levels at an effective and attractive price such as to develop all 3,000 MWs. Interesting questions that remain will center on how the megawatts are divided between utility territories, and how the utilities will be able to connect 3 gigawatts (GW) of solar power to circuits that may be full or nearly full. Nonetheless, this is an important step forward in pushing additional solar development in the State.

The firm's Energy & Renewable Resources practice team will be closely monitoring NJBPU activity on this matter and will keep you advised accordingly. Please contact the author of this Alert with questions concerning this most recent development, or to discuss your specific business circumstances.

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