

ASSEMBLY, No. 1072

STATE OF NEW JERSEY

222nd LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2026 SESSION

Sponsored by:

Assemblyman WAYNE P. DEANGELO

District 14 (Mercer and Middlesex)

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District 17 (Middlesex and Somerset)

SYNOPSIS

Directs BPU and electric utilities to establish distributed battery storage programs.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 5/7/2026)

1 AN ACT concerning energy storage and supplementing Title 48 of
2 the Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. a.. As used in this section:

8 “Board” means the Board of Public Utilities.

9 “Electric public utility” means the same as the term is defined in
10 section 3 of P.L.1999, c.23 (C.48:3-51).

11 “Overburdened community” means the same as the term is
12 defined in section 2 of P.L.2020, c.92 (C.13:1D-158).

13 b. The board shall establish, by board order, a distributed
14 capacity program to support the development by electric public
15 utilities of 500 megawatts of battery storage capacity in the State by
16 2030, with the goal of increasing grid stability, reducing
17 interconnection timeframes, and reducing system cost.

18 c. No later than 12 months after the effective date of this
19 section, the board shall establish minimum requirements for the
20 distributed capacity program, including, but not limited to:

21 (1) the number of megawatt hours of storage capacity each
22 electric public utility shall develop;

23 (2) minimum and maximum size and other requirements for
24 storage resources participating in the program;

25 (3) provisions concerning the compatibility and alignment of
26 storage asset deployment with any demand optimization programs
27 established by the board, as well as any other programs that
28 compensate participants for grid services;

29 (4) standards for electric public utility selection of developers
30 and vendors, including use of competitive procurement processes
31 where practicable;

32 (5) enhanced incentives for storage resources sited in
33 overburdened communities and areas of redevelopment;

34 (6) options for leasing storage assets to customers;

35 (7) requirements to ensure that low- and moderate-income
36 customers and customers in overburdened communities benefit
37 from the program;

38 (8) provisions to leverage all available funding sources,
39 including any available financing from the United States
40 Department of Energy and any applicable federal tax credits to
41 reduce costs to New Jersey ratepayers; and

42 (9) any categories of costs associated with the electric public
43 utilities’ implementation of the program that may be recovered from
44 ratepayers.

45 d. After the board issues minimum filing requirements, each
46 electric public utility shall file an implementation and reporting
47 plan with the board for its proposed implementation of the program
48 and its proposed use of battery storage and other distributed assets

1 in the program. The board shall review each plan and may request
2 changes to the submitted plan prior to board action. The board may
3 approve, approve in part, or deny each submitted plan, and shall
4 determine the appropriate level of spending for each electric public
5 utility's program and establish an appropriate rate of return on
6 equity, which may be less than the rate of return established in the
7 electric public utility's last base rate case. In determining the
8 appropriate level of spending and appropriate procurement targets,
9 the board shall consider the impact on electric customer bills and
10 shall ensure that program results in cost savings to ratepayers,
11 taking into account, among other things, avoided distribution
12 system upgrades, and impact on energy, capacity, and ancillary
13 services markets.

14 e. Each electric public utility shall file an annual report with the
15 board to demonstrate its compliance with its approved
16 implementation and reporting plan and the board's minimum
17 requirements. If the electric public utility fails to achieve required
18 program metrics, including, but not limited to, required peak
19 demand reduction, and avoided energy system cost, the board may
20 disallow recovery of all or some costs, unless such failure is due to
21 factors beyond the electric public utility's control and reasonable
22 ability to predict.

23
24 2. The board shall, in accordance with the "Administrative
25 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), adopt rules
26 and regulations as necessary to implement this act.

27
28 3. This act shall take effect immediately.

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31 STATEMENT

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33 This bill would direct the Board of Public Utilities (BPU) to
34 establish a distributed capacity program, which would be designed
35 to support the development by electric public utilities of 500
36 megawatts of battery storage capacity in the State by 2030. The bill
37 would require the BPU to establish minimum requirements for the
38 program, but electric public utilities would be responsible for
39 implementation. Each electric public utility would be required to
40 file an implementation and reporting plan with the BPU, as well as
41 an annual report.