



MEMORANDUM

TO: Members of the Authority

FROM: Evan Weiss, Chief Executive Officer

DATE: September 16, 2026

SUBJECT: Approval of Policies for RGGI Solar and Storage Investment

Request:

The Members are asked to approve:

1. Policies for utilizing Regional Greenhouse Gas Initiative Funds (RGGI) to advance the development of or invest in solar generation and energy storage projects that accelerate clean energy capacity and help meet the State's energy affordability goals.
2. The use of up to \$100,000,000 in RGGI funds in accordance with the policies.
3. Termination of two Memoranda of Understanding between NJEDA and the New Jersey Green Bank (NJGB) dated December 12, 2024, and May 5, 2025, respectively, for two discrete tranches of \$50,000,000 RGGI funds.
4. Delegation of authority to the Chief Executive Officer to:
 - a. Utilize up to \$3,000,000 in RGGI funding for initial site assessment, due diligence, and related project feasibility studies.

Background:

Through Executive Orders 1 and 2, Governor Mikie Sherrill has committed to prioritizing energy affordability for all New Jersey residents and businesses. Specifically, Executive Order 2 highlighted solar and storage technologies as "particularly critical technologies to meeting the State's and the region's electricity supply shortage" given their ability to quickly deploy compared to alternative technologies. Increasing capacity of solar power and energy storage systems in the State is critical to address the widening gap between electricity supply and demand.

The 2026-2028 RGGI Strategic Funding Plan includes Initiative 7 that highlights the need to *Expand Clean Energy Generation, Transmission, Storage, and Grid Resilience* by "investing in projects and programs to increase renewable energy generation, support other zero-carbon generation sources, and develop energy storage capacity." NJEDA committed in the funding plan to deploy RGGI funding in support of this initiative to commercial, institutional, and industrial entities.

Additional solar and storage projects developed within New Jersey offer an opportunity for further economic development activity through local job creation via construction, maintenance, and management positions in support of these projects, as well as indirect job creation. Of particular interest are projects located on brownfield, landfill, and other underutilized sites (such as excess roadway/rail right-of-way) that can create both economic and environmental value while activating idle land within the state.

Responses to NJEDA's Request for Information (RFI) for Solar and Storage released in June 2026 and ongoing stakeholder engagement have outlined several opportunities available for the Authority to further expand energy capacity in the State through investment and related development support for solar and energy storage projects.

Policies for Investing in Solar and Energy Storage Projects:

Staff propose two policies related to the investment in solar and energy storage projects across the state that consist of solar photovoltaic energy generation and/or energy storage systems, including electrochemical, mechanical, or thermal battery systems. As a threshold matter, staff will consider both solicited and unsolicited proposals.

First, NJEDA Staff will look for opportunities for the Authority to take a lead role in investing in solar or energy storage projects. This may arise as an opportunity for NJEDA to build and/or oversee the construction of a solar or storage project on a State-owned property or a solar or storage project not otherwise being developed by the private market on private property. Alternatively, this may entail conducting early predevelopment activities to prepare a site for further energy development and reduce project risk that would otherwise prohibit further private investment. Funds utilized for predevelopment investments (preparing a site for energy development) will be capped at 15% of the overall funding pool in order to ensure funds are prioritized for investment in shovel-ready projects that can quickly deploy solar or storage capacity to New Jersey and ideally begin construction within 12 months of Authority investment.

Staff time and some RGGI funding may be dedicated to scope, develop, and assess these opportunities such as completing feasibility or interconnection studies. Delegated authority is requested to the Chief Executive Officer for use of up to \$3,000,000 in RGGI funds for costs related to this early due diligence work pursuant to Initiative Seven of the 2026-2028 RGGI Strategic Funding Plan. Once Staff has sufficient validation that the proposed investment project presents a high-quality opportunity and Staff has identified a delivery pathway, Staff will bring these investment projects to the Board for approval of the investment and the corresponding budget.

Second, NJEDA Staff will consider investment opportunities as Staff becomes aware of such opportunities. In most instances, these originate through receipt of proposals for investment opportunities. In other cases, Staff may become aware of potential opportunities through the regular course of promoting the State and engaging stakeholders in the State. Staff proposes setting the parameters below for evaluation of such proposals and potential investments to ensure all current and future opportunities are reviewed equitably.

Because potential project opportunities are highly context specific, the appropriate structure for the investment for each energy project will vary significantly. Instead of proposing specific types of investment, Staff proposes parameters to review proposals. Should Staff determine that a proposal or opportunity (1) qualifies as a solar or storage project that will increase electricity capacity within the State and (2) satisfies the parameters below, Staff will work with the relevant party to determine the appropriate investment approach in order to move forward into a fully defined investment and bring the investment to the Board for consideration.

There will be \$25,000,000 cap in the amount of overall Authority investment per each opportunity.

Framework for Reviewing Proposals or Investment Opportunities

NJEDA staff will review investment proposals as they become aware of such opportunities, including proposals that the Authority has already received. In both instances, Staff may determine that additional information is necessary. If so, Staff will request the information from the relevant party. NJEDA staff will then use the following evaluation criteria, which add more specificity to the above-mentioned factors and several additional criteria, to determine if an investment should be made. These evaluation criteria will also be used to drive the type and sizing of an investment opportunity for a given potential project. These evaluation criteria align with the economic development mission of the Authority, the goals outlined in the RGGI Strategic Funding Plans, and priorities of the Sherrill administration as outlined in Executive Orders 1 and 2. Justification for the type and sizing of an investment opportunity will be included as part of the selected project's submission to the Board for approval.

- The degree to which the project advances Statewide energy goals as outlined in EO 1 and 2 and the RGGI Strategic Funding plans, including reducing energy demand, lowering energy costs/rates, reducing/avoiding greenhouse gas emissions, and expanding grid capacity.

- The location of the project, where, at a minimum, the project must be located in New Jersey. Priority will be given to the following sites:
 - If the project is located in or otherwise serves Overburdened Communities
 - If the project utilizes landfill or other brownfield sites
 - If the project utilizes property owned by the State, one of its authorities, or another public entity (municipality, county, etc.)
- Qualifications and experience of the entities that will be involved developing and operating the project, where partners with demonstratable experience executing similar projects in terms of approach or scale and size are significant factors for consideration.
- The level of support and quality of commitments from other entities, such as private sector corporations, local government entities, local non-profits, etc.
- The project's development and operational readiness, where opportunities that can deliver energy capacity quickly or are ready to be developed will be considered more highly.
- The scale/size of the project
- The economic feasibility of the project, such as:
 - Whether the project's business model is realistic and sustainable, with a sustainable model being one that will minimal further State assistance
 - Whether the quantity of financial support requested from the Authority is both reasonable for the scale of potential impact and adequate to achieve the projected outcomes
 - The potential for commercialization of the project
 - The degree to which the project maximizes the leveraging of other sources of funding
- The degree to which the project promotes economic development, the creation or retention of jobs, and the stimulation of private sector investment and expansion.
- The degree to which the project will help grow New Jersey-based businesses and entrepreneurs.
- The degree to which the project will engage with the local community.
- The anticipated return of investment for NJEDA for the given investment structure.
- The extent of technological innovation and novel concepts that can catalyze markets and ecosystem-wide transformations, disrupt traditional industry standards, and unlock substantive opportunity to capture first-mover advantage.

Proposal Review, Project Development, and Board Approval Process:

Staff will publish information about the Authority's consideration of proposals for investment, a courtesy version of the above criteria, and basic contact information on the Authority's website.

Should Staff determine that a proposal satisfies the above criteria and presents a high-quality opportunity that meets the evaluation criteria above and aligns with NJEDA's policies to utilize capital in a cost-effective manner, Staff will work directly with the proposer or potential investment partner to further define the project as a potential investment opportunity for the Board's consideration.

Entities with whom the Authority may enter into an agreement under this framework will be subject to the Authority's legal review process, ethics review, State Ethics Commission approval (when required), good standing check with the New Jersey Department of Environmental Protection and Department of Labor and Workforce Development, and tax clearance certificate verification from the Department of Treasury's Division of Taxation that are typical for projects progressed for the Board's consideration.

If the Board approves a partnership opportunity, Staff will seek to operationalize the partnership. This may involve additional direct negotiation, drafting of a partnership agreement, etc. Potential partnerships in excess of \$3M shall be brought to the appropriate Board committee for feedback from Board members prior to any approvals to execute a potential agreement or partnership opportunity.

Staff may also consider opportunities where NJEDA functions as the principal developer and undertakes a project directly. The specific delivery pathway and investment strategy utilized for each opportunity will vary depending

on the unique characteristics of each site, including but not limited to site development needs, potential energy capacity, market interest, and project risk profile.

Funding:

Up to \$100,000,000 in total RGGI Funding will be used for this initiative, consisting of the following potential sources. Staff will prioritize using the oldest available RGGI dollars first while maintaining alignment with the various applicable RGGI Strategic Funding Plans:

- a) Up to \$50,000,000 of 2020-2022 RGGI funds previously assigned to the New Jersey Green Bank.
- b) Up to \$50,000,000 of 2023-2025 RGGI funds previously assigned to the New Jersey Green Bank.
- c) Up to \$100,000,000 of 2026-2028 RGGI funds per Initiative Seven (Expand Clean Energy Generation, Transmission, Storage, and Grid Resilience) of the 2026-2028 RGGI Strategic Funding Plan. For an abundance of clarity, in no event will more than \$100,000,000 in total RGGI funding be allocated to the investment framework approach outlined in this memo, without subsequent Board approval.

Termination of NJGB MOUs:

To further RGGI initiatives, NJEDA and NJGB executed two memoranda of understanding for \$50,000,000 each dated December 12, 2024, and May 5, 2025, respectively. To date, NJGB has not utilized the funds subject to the MOUs, nor is there planned future use for said funds. NJEDA desires to repurpose these funds for the actions subject to this board memorandum, as well as potential future uses.

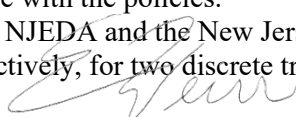
Section 9 of each MOU permits either party to terminate the MOU without cause upon 90-day notice to the other party. Section 10 states that any unencumbered funds that remain at the date of termination shall be remitted back to NJEDA. Therefore, termination of the MOUs will cause the funds to be remitted back to NJEDA.

Members are asked to approve terminating the December 12, 2024, and May 5, 2025, MOUs between NJEDA and NJGB.

Recommendation:

The Members are asked to approve:

1. Policies for utilizing Regional Greenhouse Gas Initiative Funds (RGGI) to undertake development of or invest in solar and energy storage projects to accelerate the development of clean energy and help meet the State's energy affordability needs.
2. The use of up to \$100,000,000 in RGGI funds in accordance with the policies.
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Evan Weiss,
Chief Executive Officer

Attachments

Resolution of the New Jersey Economic Development Authority
Regarding Approval of the Approval of Policy for RGGI Solar and Storage Investment

WHEREAS, the Members of the New Jersey Economic Development Authority have been presented with and considered Board Memoranda attached hereto; and

WHEREAS, Board Memoranda requested the Members to adopt a resolution authorizing certain actions by the New Jersey Economic Development Authority, as outlined and explained in said Board Memoranda.

NOW, THEREFORE, BE IT RESOLVED by the Members of the New Jersey Economic Development Authority as follows:

1. The actions set forth in the Board Memoranda, attached hereto, are hereby approved, subject to any conditions set forth as such in said Board Memoranda.
2. The Board Memoranda, attached hereto, are hereby incorporated and made a part of this resolution as though set forth at length herein.
3. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10-day period the Governor shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

DATED: September 16, 2026

EXHIBIT