



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center**  
**Newark, NJ 07102**  
**[www.nj.gov/bpu/](http://www.nj.gov/bpu/)**

CLEAN ENERGY

IN THE MATTER OF THE STATE ENERGY PROGRAM )  
(SEP) ENERGY EFFICEINCY AND CONSERVATION )  
BLOCK GRANTS – FUNDING FROM THE AMERICAN )  
RECOVERY AND REINVESTMENT ACT OF 2009 )

ORDER

DOCKET NO. EO09050365

(SERVICE LIST ATTACHED)

**BY THE BOARD:**

By this Order the Board of Public Utilities ("Board") authorizes submittal of an application for Energy Efficiency and Conservation Block Grant ("EECBG") Program funds to the United States Department of Energy ("USDOE") pursuant to the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 ("Recovery Act").

The Recovery Act is intended to stimulate the economy and to create and retain jobs. To that end, the Recovery Act appropriates funding for the USDOE to award formula-based grants to states, U.S. territories, units of local government, and Indian tribes under the EECBG Program, authorized by Title V, Subtitle E of the Energy Independence and Security Act ("EISA") of 2007.

The purpose of the EECBG Program is to assist eligible entities in creating and implementing strategies to: (1) reduce fossil fuel emissions in a manner that is environmentally sustainable and, to the full extent practicable, maximizes benefits for local and regional communities; (2) reduce the total energy use of the eligible entities; and (3) improve energy efficiency in the building sector, the transportation sector, and other appropriate sectors. 42 U.S.C. § 17152. These stated purposes describe the overall intent of the EECBG Program. The USDOE requires that each eligible entity use its allocated funds in a cost-effective manner that is of maximum benefit to the population of that entity and in a manner that will yield continuous energy efficiency and environmental benefits over time. The period of performance for the EECBG Program funds will be 36 months. In keeping with the agenda of the Recovery Act, and supporting the goal of immediate investment in the economy, entities are required to obligate/commit all funds within eighteen (18) months from the effective date of the award.

Funds appropriated for the EECBG Program were allocated based on a population and energy use formula developed by the USDOE. Under the formula, New Jersey will receive \$75,468,200, of which \$61,067,500 will go directly to seventy-five eligible units of local government<sup>1</sup>. Each eligible unit of local government is required to apply directly to the USDOE for its allocated share of EECBG program funds. The remaining \$14,400,700 will go to the State Energy Office administered by the Board's Office of Clean Energy. The EECBG Program also requires, pursuant to 42 U.S.C. § 17155(c)(1)(A), that not less than sixty percent of funds allocated to States be shared with non-eligible entities of local government. Accordingly, the Board must use not less than sixty percent of its \$14,400,700 to provide sub-grants to 512 local governments that are not eligible for direct formula grants.

The USDOE set an application filing deadline of August 10, 2009 for the EECBG Program. As stated above, the Board is responsible for the State Energy Office allocation of \$14,400,700 and must, therefore, submit its application to the USDOE by no later than June 25, 2009. A key component of the application is the submission of an Energy Efficiency and Conservation Strategy ("EECS") for the disbursement of Recovery Act funds under the EECBG program. In the EECS, the Board must address the following: (1) the process for providing sub grants to units of local government that are not eligible for population formula-based grants; and (2) the strategy of the state for the use of funds received under the program to assist the state in achieving the goals established in EISA, in accordance with 42 U.S.C. § 17155(c)(2)(B).

In the attached application, the Board proposes an EECS that allocates seventy-one percent, or \$10,240,000 of its \$14,400,700 EECBG Program funds, to local government entities that are not eligible for direct formula grants, and the remaining twenty-nine percent, or \$4,160,700, to promote energy efficiency and conservation in State government buildings and facilities.

Under the local government entities allocation, the Board proposes a program to sub-grant funding in the form of rebates whereby local governments in New Jersey that do not qualify for direct grants from the USDOE can be eligible for a second-tier grant in the form of a rebate of up to \$20,000 through the State if they have obtained an energy audit of at least one public building through the Office of Clean Energy's Local Government Energy Audit Program ("LGEA Program"). Once local government entities have fulfilled the eligibility requirement of the LGEA Program, the Board would use its LGEA Program administrative structure to process applications for and provide EECBG sub-grants in the form of rebates of up to of \$20,000 to pay for the energy efficiency improvements recommended in the audit reports.<sup>2</sup>

The remaining twenty-nine percent, or \$4,160,700, would be used for energy efficiency, conservation measures, and building retrofit improvements to State government buildings and facilities consistent with the eligible activities set forth in the EECBG Program. The decision to allocate \$4,160,700 to State government buildings and facilities is driven by Governor Corzine's Executive Order No. 11, which created the position of Director of Energy Savings within the Department of Treasury. The New Jersey State government controls hundreds of buildings

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<sup>1</sup>For the purposes of the EECBG Program, an "eligible unit of local government" is a city or municipality with a population of at least 35,000, or a population that causes the city or municipality to be 1 of the 10 highest-populated cities or municipalities of the State, and a county with a population of at least 200,000, or a population that causes the county to be 1 of the 10 highest-populated counties of the State. 42 U.S.C. § 17151(3)(A)

<sup>2</sup>The Board notes that local governments should take all necessary action to ensure transparency, accountability, and full compliance with all programmatic requirements.

throughout the State and spends nearly \$128 million annually on energy for its various facilities. The State anticipates that spending EECBG Program funds on energy efficiency and energy conservation measures to supplement the existing Clean Energy Program incentives in State government buildings and facilities will assist in reducing the State's energy consumption, benefit the environment through the reduction of GHG emissions, and help reduce the State's electricity peak demand.

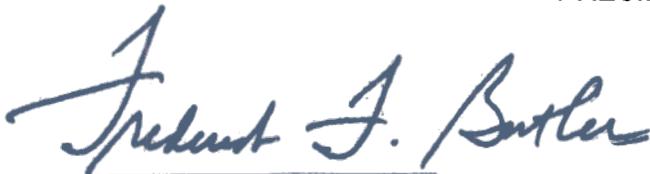
Having reviewed the application and Staff's recommendations, the Board HEREBY FINDS that the EECB detailed in the application for the EECBG Program contains strategies designed to further State and Federal energy conservation and efficiency goals in accord with the Recovery Act and New Jersey's Energy Master Plan. The Board FURTHER FINDS that the EECBG application utilizes the Recovery Act funding to supplement and expand existing NJCEP programs. In light of the foregoing, the Board HEREBY APPROVES the application package for submission to the USDOE.

DATED: 9/23/09

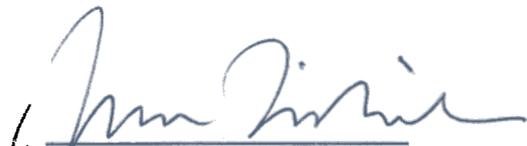
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COMMISSIONER

ATTEST:



KRISTI IZZO  
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities

