Agenda Date: 10/23/12 Agenda Item: 8B

CLEAN ENERGY



STATE OF NEW JERSEY

Board of Public Utilities 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, NJ 08625-0350 www.nj.gov/bpu/

IN THE MATTER OF THE CLEAN ENERGY PROGRAM AUTHORIZATION OF RENEWABLE ENERGY INCENTIVE PROGRAM (REIP) REBATES EXCEEDING \$300,000) ORDER))
CitiLogs Enterprises, LLC	Docket No. EO12100923V
Gloucester City Organic Recycling, LLC) Docket No. EO12100924V
Parties of Record:	,

Rocco D'Antonio, Gloucester City Organic Recycling, LLC, Marlton, NJ Maria Warmbold, CitiLogs Enterprises, LLC, Pittstown, NJ

BY THE BOARD1:

This Order memorializes action taken by the Board of Public Utilities (Board) at its October 23, 2012 Agenda Meeting.

The Board of Public Utilities' Renewable Energy Incentive Program (REIP) offers financial incentives to encourage installation of Class I renewable energy² technologies to generate energy with environmental benefits to New Jersey electric utility customers. The 2012 REIP rebates are designed to stimulate investment in renewable energy facilities, including development of the sustainable biomass-to-energy market. Eligible applicants may receive incentives to offset a portion of the initial capital cost to install customer-sited biopower projects. REIP guidelines require all customer-sited renewable energy projects to be net metered³

¹ Commissioner Mary-Anna Holden did not participate.

² Under the Electric Discount and Energy Competition Act (EDECA), biomass-generated electricity may be used to satisfy renewable portfolio standard goals where "Class I renewable energy" is defined, in part, as electric energy produced from . . . methane gas from landfills or a biomass facility, provided that the biomass is cultivated and harvested in a sustainable manner." N.J.S.A. 48:3-51.

³ "Net metering" is a system of metering electricity by which the electric distribution company credits a customer-generator at the full retail rate for each kilowatt-hour produced by a class I renewable energy system installed on the customer-generator's side of the electric revenue mater, up to the total amount of electricity used by that customer during an annualized period, and compensates the customer-generator

consistent with N.J.A.C. 14:8-4.1 to -4.5. To be eligible for a REIP incentive, an applicant's biopower system must be sized equal to or less than its estimated annual onsite electric use. The incentive is capped at 1 MW AC of rated capacity. Biopower systems are also eligible for Class 1 renewable energy certificates (RECs). The REIP applies only to net metered sustainable biopower projects installed behind the meter and sized no greater than 100% of the host facility's historic⁴ annual electric consumption. All REIP projects must connect behind-themeter and the host facility's system output must not be more than its consumption.

The Staff of the Office of Clean Energy (OCE) has reviewed the applications under the 2012 REIP guidelines. OCE determined that each application is complete and fully conforms to all REIP eligibility requirements for a rebate commitment. Honeywell, the New Jersey Clean Energy Program (NJCEP) Market Manager engaged by the Board to manage the renewable energy programs, has submitted affidavits attesting to no conflict of interest in its review of the applications. Further, Applied Energy Group, the NJCEP Program Coordinator, has conducted a file review of each application and submitted certifications that the incentives for which the Market Manager now seeks approval to commit have been correctly calculated in accordance with the program policies and procedures and that the listed amounts are true and accurate estimated incentives for which the applicants are eligible, as follows:

BPU ID#	Company	Customer Name	Address	<u>City</u>	Size (kW)	Rebate	Install Cost
REIPR- 12222	CitiLogs Enterprises, LLC	Maria Warmbold	82-88 Springdale Ave.	Newark	450	\$1,350,000	\$3,222,855
REIPR- 12223	Gloucester City Organic Recycling, LLC	Recco D'Antoлio	Foot of Water Street	Gloucester City	800	\$2,100,000	\$7,526,482

CitiLogs Enterprises, LLC applied for an incentive as a wood biomass processor, intending as a wood gasification facility to produce electricity through combustion of biomass consistent with N.J.A.C. 14:8-2.5(d). This application was made under the 2012 REIP guidelines for a standardized equipment rebate for a biopower project to be net metered. This project is a new construction project and there is no existing load at the site. The project engineer submitted a signed and sealed annual load estimate of 3,383 MWh. The REIP technical worksheet lists the project's estimated annual system output to be 3,375 MWh. The proposed system is sized at 450 kW, which is estimated to produce less than its estimated annual onsite electric use of 3,383 MWh. In order to be eligible for a rebate within the REIP, this project must connect behind-the-meter. The project's anticipated system output of 3,375 MWh is less than its anticipated annual consumption of 3,383 MWh which would enable a successful application to become a customer-generator consistent with the Board's net metering and interconnection regulations at N.J.A.C. 14:8-4 and N.J.A.C. 14:8-5. Satisfactory completion of the net metering and interconnect application process would make the project eligible to receive a 2012 REIP incentive.

at the end of the annualized period for any remaining credits, at a rate equal to the supplier/provider's avoided costs of wholesale power. N.J.A.C. 14:8-1.2.

⁴ If the installation is part of a new construction or expansion project, or the property is under new ownership, and 12 months of recent electric bills are not available, the applicant must provide all available electric bills and a copy of a signed and sealed load estimator from a Professional Engineer (PE).

Gloucester City Organic Recycling, LLC applied for an incentive as an anaerobic digestion biogas facility, intending as a compost facility to produce electricity through combustion of methane gas from anaerobic digestion of food waste consistent with N.J.A.C. 14:8-2.5(b)7. This application was made under the 2012 REIP guidelines for a standardized equipment rebate for a biopower project to be net metered. The Gloucester City project is a new construction project and there is no existing load at the site. The project engineer submitted a signed and sealed annual load estimate of 10,492 MWh. The REIP technical worksheet lists the project's estimated annual system output to be 6,657 MWh. The proposed system is sized at 800 kW, which is estimated to produce less than its estimated annual onsite electric use of 10,492 MWh. In order to be eligible for a rebate within the REIP, this project must connect behind-the-meter. The project's anticipated system output of 6,657 MWh is less than its anticipated annual consumption of 10,492 MWh which would enable a successful application to become a customer-generator consistent with the Board's net metering and interconnection regulations at N.J.A.C. 14:8-4 and N.J.A.C. 14:8-5. Satisfactory completion of the net metering and interconnect application process would make the project eligible to receive a 2012 REIP incentive.

The Board FINDS that the applications fully conform to all relevant eligibility requirements for standardized equipment rebates under the 2012 REIP program. The Board HEREBY APPROVES the aforementioned rebate applicants as eligible for the amount requested and AUTHORIZES OCE to direct the renewable energy market managers to issue a standard commitment letters to the applicants identified above, setting forth the terms and conditions of these rebate commitments.

DATED: 10/23/12

BOARD OF PUBLIC UTILITIES BY:

ROBERT M. HANNA

PRESIDENT

TANK TO THE

JEANNE M. FÓX COMMISSIONER OSEPH L. FIORDALISO

COMMISSIONER

NICHOLAS ASSELTA

COMMISSIONER

ATTEST:

KRISTI IZZO SECRETARY I HEREBY CERTIFY that the within document it is a true copy of the original in the files of the Board of Public

in the files of the Board of Public Utilities

IN THE MATTER OF THE CLEAN ENERGY PROGRAM PROGRAM AUTHORIZATION OF RENEWABLE ENERGY INCENTIVE PROGRAM REBATES EXCEEDING \$300,000

CITILOGS ENTERPRISES, LLC DOCKET NO. E012100923V

GLOUCESTER CITY ORGANICS RECYCLING, LLC DOCKET NO. E012100924V

SERVICE LIST

Kristi Izzo, Secretary Board of Public Utilities 44 South Clinton Avenue 9th Floor P.O. Box 350 Trenton, New Jersey 08625-0350

Michael Winka
Office of Clean Energy
Board of Public Utilities
44 South Clinton Avenue
9th Floor
P.O. Box 350
Trenton, New Jersey 086250350

Benjamin Hunter Office of Clean Energy Board of Public Utilities 44 South Clinton Avenue 9th Floor P.O. Box 350 Trenton, New Jersey 08625-0350

Allison E. Mitchell
Office of Clean Energy
Board of Public Utilities
44 South Clinton Avenue
9th Floor
P.O. Box 350
Trenton, New Jersey 086250350

Rachel Boylan, Legal Specialist Office of Chief Counsel Board of Public Utilities 44 South Clinton Avenue 9th Floor Post Office Box 350 Trenton, New Jersey 08625-0350

Veronica Beke, DAG Division of Law Dept. of Law & Public Safety 124 Halsey Street P.O. Box 45029 Newark, NJ 07101

Joseph Carpenter NJDEP P.O. Box 409 401 East State Street Trenton, NJ 08625-0409 Caroline Vachier, DAG Division of Law Dept. of Law & Public Safety Division of Law 124 Halsey Street P.O. Box 45029 Newark, NJ 07101

Rocco D'Antonio Gloucester City Organic Recycling, LLC 5 Greentree Center, Rt 73 S, Suite 104 Marlton, NJ 08053

Maria Warmbold CitiLogs Enterprises, LLC P.O. Box 685 Pittstown, NJ 08867