



Agenda Date: 3/18/15  
Agenda Item: 8F

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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CLEAN ENERGY

IN THE MATTER OF THE CLEAN ENERGY )  
PROGRAMS AND BUDGET FOR FISCAL YEAR 2015; )  
AND )  
)  
IN THE MATTER OF THE SOLICITATION FOR )  
ENERGY STORAGE INCENTIVES RENEWABLE ) DOCKET NOS. QO14050489  
ENERGY INCENTIVE PROGRAM - APPROVALS ) AND QO14090953

- Docket No. QO15020215 – Lawrenceville School
- Docket No. QO15020216 – Monmouth County Bayshore Outfall Authority
- Docket No. QO15020217 – Franklin Township Board of Education
- Docket No. QO15020218 – Paramus High School
- Docket No. QO15020220 – Jersey City Municipal Services Complex
- Docket No. QO15020221 – Toms River Municipal Authority
- Docket No. QO15020223 – Rice Elementary School
- Docket No. QO15020225 – Demasi Middle School
- Docket No. QO15020226 – Marlton Middle School
- Docket No. QO15020227 – East Amwell School Board of Education
- Docket No. QO15020233 – Borough of Buena Municipal Utilities Authority
- Docket No. QO15020234 – Cumberland County Utilities Authority
- Docket No. QO15020235 – Atlantic City Utility Authority

**Parties of Record:**

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- Margaret Comes, Esq., Rockland Electric Company**
- Gregory Eisenstark, Esq., Windels Marx Lane & Mittendorf, LLP, Jersey Central Power & Light Company**
- Tamara L. Linde, Esq., Public Service Electric and Gas Company**

**BY THE BOARD:**

By this Order, the Board of Public Utilities (“Board”) considers financial incentive awards under the Fiscal Year 2015 Renewable Electric Storage Incentive Solicitation within the New Jersey Clean Energy Program (“NJCEP”).

## **BACKGROUND**

The Board administers the NJCEP pursuant to its authority under the Electric Discount and Energy Competition Act ("EDECA"), N.J.S.A. 48:3-49 to 109. EDECA established requirements to advance energy efficiency ("EE") and renewable energy ("RE") in New Jersey funded by a societal benefits charge ("SBC").<sup>1</sup> N.J.S.A. 48:3-60(a)(3). The Board complies with EDECA requirement to undertake a comprehensive resource analysis of its programs to determine the appropriate level of funding for EE and Class I RE programs that provide environmental benefits above and beyond those provided by standard offer or similar programs. (I/M/O the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for FY2014 - 2017 Clean Energy Program, dated Nov. 20, 2012, Dkt No. EO11050324V). These programs exist as the New Jersey Clean Energy Program (the "NJCEP").<sup>2</sup> EDECA also provides the foundation for New Jersey's annual Renewable Portfolio Standard ("RPS"), promulgated by the Board. The NJCEP renewable energy programs support goals outlined in the RPS at N.J.A.C. 14:8-2 et seq. RPS requirements for Energy Years 2014-16 for Class I RE range from 7.977% to 9.649%. (Honeywell MM FY15 RE Program Plan Filing for FY15, dated Sept. 17, 2014, pg. 62). The NJCEP REIP provides financial incentives to New Jersey ratepayers to encourage installation of New Jersey Class I RE technologies.

On June 18, 2014, the Board approved a Fiscal Year 2015 (FY15) funding level of \$9.6 million for renewable energy programs based on the proposal by Board Staff ("Staff"). (I/M/O the Comprehensive Energy Efficiency and Renewable Energy Resources Analysis for FY2014 - 2017 ("FY15 CRA"), Docket No. EO11050324V). With respect to the FY15 Energy Storage program, the Board approved "\$3 million to fund one or more energy storage project solicitation(s)". (I/M/O the Clean Energy Programs and Budget for Fiscal Year 2015, Docket No. QO14050489, pg. 15).

This matter involves the Board-approved NJCEP REIP Fiscal Year 2015 Renewable Electric Storage Incentive Solicitation ("Solicitation"), opened October 23, 2014 and closed on December 8, 2014. (In the Matter of the Solicitation for Energy Storage Incentives in the Renewable Energy Incentive Program, Oct. 22, 2014, BPU Dkt No. QO14090953). The Solicitation focuses on energy storage systems integrated with behind-the-meter electric generation that is "ready to build," by establishing maximum incentive amounts to allow limited funds to be committed to a broader number of projects and by prioritizing "public and critical" facilities to keep critical systems operating during power outages. (Solicitation REIP FY2015 Renewable Electric Storage Incentive, Oct. 23, 2014, pg. 6). The Solicitation reflects notice of the evaluation process, criteria upon which incentive awards may be issued, and that Board approval of an incentive award must precede an incentive commitment letter to an applicant.<sup>3</sup>

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<sup>1</sup> The SBC is a non-bypassable charge assessed to ratepayers of utility services. "SBC" means a charge imposed by an electric public utility, at a level determined by the Board, pursuant to, and in accordance with, EDECA. N.J.S.A. 48:3-51.

<sup>2</sup> The NJCEP includes several programs that offer incentives to both residential and commercial and industrial ("C&I") customers of electric and natural gas utilities to invest in energy efficiency ("EE") and renewable energy ("RE") measures. Residential EE and RE programs are administered by Honeywell, Inc., and C&I EE programs are administered by TRC Energy Solutions ("TRC"). Honeywell and TRC are the Market Managers ("MMs") for the residential and C&I programs, respectively. Applied Energy Group ("AEG") serves as the NJCEP Program Coordinator.

<sup>3</sup> Notwithstanding the Board policy setting the minimum threshold amount of \$500,000 for any Board review of an incentive award established by order dated June 21, 2013 under BPU Dkt. No. EO07030203, the Board has approved the FY15 REIP Solicitation and so the Board will review all energy storage incentive amount requests under this Solicitation.

At its October 2014 agenda meeting, the Board approved the October 23, 2014 release of the Solicitation for proposals, the implementation of an evaluation process, and the publication of a solicitation timeline. All applications were to be submitted by December 8, 2014.

In accordance with requirements contained in the Solicitation, the Board received twenty-two (22) applications for a variety of projects on public facilities, comprising water and wastewater treatment plants, schools, and municipal complexes, as well as privately-owned facilities such as a real estate management firm, an exposition center, a private school and a tool manufacturing company.

Proposals were reviewed by a Solicitation Evaluation Committee ("Committee"), consisting of representatives with the Renewable Energy Market Manager, the State Energy Office, the New Jersey Energy Resilience Bank, and Rutgers Center for Energy, Economic and Environmental Policy.

### **EVALUATION METHODOLOGY**

The Committee was responsible for performing a review of each of the twenty-two proposals that were received. Committee members used the same technical scoring format based on assigning points to each of the evaluation criteria as noticed in the Solicitation at Sections 6.2 and 6.3. Applications were reviewed based on financial and economic viability criteria weighted at 30% with a maximum of 30 points, project readiness criteria weighted at 30% with a maximum of 30 points, technical feasibility criteria weighted at 20% with a maximum of 20 points, and resiliency criteria weighted at 20% of a maximum technical point total for ranking. Each Committee member could assign a maximum score of 100 technical points to each applicant proposal. Based on a series of meetings, the Committee ranked the proposals and made an award recommendation.

### **RECOMMENDATION**

The Committee selected the thirteen highest ranked applicants to be awarded an incentive with available program funds, listed in the chart below. The awards total \$2,908,804 in available funds.

Rank	Project Location	Storage Capacity (kW)	INCENTIVE REQUEST	PROJECT COST
1	Monmouth County Bayshore Outfall Authority	500	\$175,000	\$705,000
2	Lawrenceville School	1,000	\$468,708	\$1,562,360
3	Atlantic City Utility Authority	1000	\$417,096	\$1,390,320
4	Toms River Municipal Authority	250	\$120,000	\$400,000
5	Cumberland County Utilities Authority	1500	\$500,000	\$1,855,000
6	Franklin Township Board of Education	500	\$145,000	\$675,000
7	Borough of Buena Municipal Utilities Authority	750	\$300,000	\$1,000,000
8	Rice Elementary School	500	\$130,000	\$741,510
9	Paramus High School	250	\$123,000	\$410,000
10	Marlton Middle School	500	\$130,000	\$741,262
11	Jersey City Municipal Services Complex	1250	\$200,000	\$1,585,000
12	Demasi Middle School	250	\$70,000	\$330,766
13	East Amwell School Board of Education	500	\$130,000	\$740,531

Staff reviewed the technical analysis and the Committee recommendations and, based upon Staff review and analysis, recommends approving incentive awards to the thirteen applicants ranked numbers 1 through 13.

### **FINDINGS**

The Board recognizes the need for transparency where public funds are concerned. Upon consideration, the Board **HEREBY FINDS** that the Solicitation was properly noticed for public review, including its solicitation timelines and applicant instructions. Upon review of the evaluation process, each Committee member independently evaluated every proposal based upon published criteria specified in the Solicitation and each Committee member was provided with specific instructions for scoring applications. Applications were scored based upon information provided by the applicant. The details of each proposal were carefully reviewed by the Committee and applicants were ranked according to scoring data based upon their submissions. Each applicant was, therefore, afforded the same opportunity to compete for available funds. The Board **FURTHER FINDS** the evaluation process used was fair and impartial to applicants. As program funds are available to be committed, the Board **HEREBY APPROVES** the thirteen applicants for incentive awards at the amounts requested. The Board **HEREBY DIRECTS** its Staff to issue commitment letters to the thirteen applicants consistent with this Order.

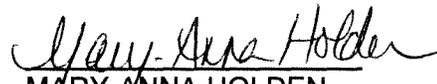
The effective date of this Order is March 30, 2015.

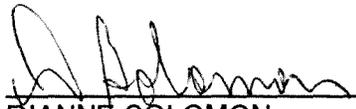
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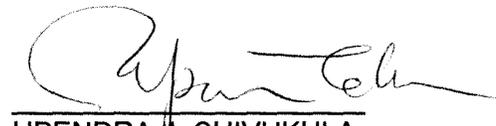
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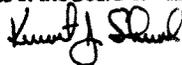
  
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SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
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IN THE MATTER OF THE CLEAN ENERGY PROGRAMS AND BUDGETS FOR FISCAL YEAR  
2015 – IN THE MATTER OF THE SOLICITATION FOR ENERGY STORAGE INCENTIVES IN  
THE RENEWABLE ENERGY INCENTIVE PROGRAM - APPROVALS  
DOCKET NO. QO14050489 and QO14090853

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