



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

**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 )

ORDER

IN THE MATTER OF THE SOLICITATION FOR )  
ENERGY STORAGE INCENTIVES RENEWABLE )  
ENERGY INCENTIVE PROGRAM - DENIALS )

DOCKET NOS. QO14050489  
and QO14090953

- Docket No. QO15020219 – Liberty Landing Marina
- Docket No. QO15020222 – Summit Associates
- Docket No. QO15020224 – Robert B. Jagard Elementary School
- Docket No. QO15020228 – Allamuchy Township Board of Education
- Docket No. QO15020229 – Warren County Technical School
- Docket No. QO15020230 – Vernon Board of Education
- Docket No. QO15020231 – Rutgers Community Christian Church
- Docket No. QO15020232 – AH Realty Associates, LLC
- Docket No. QO15020236 – General Tool Specialties, Inc.

**Parties of Record:**

- Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel**
- Philip J. Passanante, Esq., Atlantic City Electric Company**
- 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 the denial of 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 routinely complies with the 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 the 2014 Through 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 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 Program for FY15, 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>

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

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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.

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 ranked the proposals and made award recommendations until the available funds were exhausted. The Committee recommended awards to the thirteen highest-ranked applicants. Those thirteen projects consumed the availability of funds. Considering the lack of available program funds, the Committee recommended that the Board deny incentive awards to applicants numbered fourteen through twenty-two, listed below.

<b>Rank</b>	<b>Project Location</b>
14	Allamuchy Township Board of Education
15	Warren County Technical School
16	General Tool Specialties, Inc.
17	AH Realty Associates, LLC.
18	Vernon Board of Education
19	Liberty Landing Marina
20	Robert B. Jagard Elementary School
21	Rutgers Community Christian Church
22	Summit Associates

Staff reviewed the technical analysis and the Committee recommendations and, based upon Staff review and analysis, recommends denial of incentive awards as funds are unavailable to be committed for the FY15 program to the nine applicants ranked numbers 14 through 22.

**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. Where program funds have been committed to other higher ranking proposals and the FY15 budget is exhausted, the Board **HEREBY DENIES** incentive awards for the amounts requested to these nine applicants.

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

DATED: 3/18/15

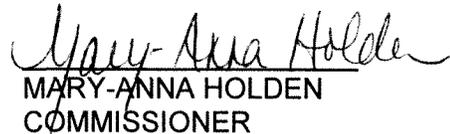
BOARD OF PUBLIC UTILITIES  
BY:



RICHARD S. MROZ  
PRESIDENT



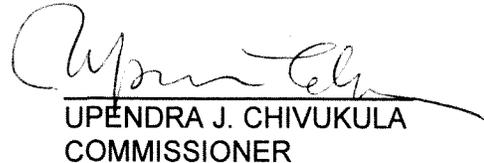
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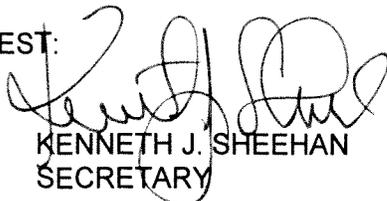


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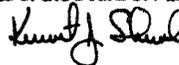
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ATTEST:



KENNETH J. SHEEHAN  
SECRETARY

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



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 - DENIALS  
DOCKET NOs. QO14050489 and QO14090953

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