



Agenda Date: 6/17/15
Agenda Item: 8B

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE CLEAN ENERGY)
PROGRAMS AND BUDGETS FOR FISCAL YEAR) ORDER
2015 - SOLICITATION FOR SUSTAINABLE)
BIOPOWER INCENTIVES IN THE RENEWABLE)
ENERGY INCENTIVE PROGRAM (REIP) – SECOND)
SOLICITATION)
Gloucester County Utilities Authority – QO15020259) DOCKET NOS. QO14050489
and QO14090952

Parties of Record:

Ted Bamford, Gloucester County Utilities Authority
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 issuance of an incentive award under the New Jersey Clean Energy Program ("NJCEP") Renewable Energy Incentive Program ("REIP") Fiscal Year 2015 Sustainable Biopower Second Solicitation ("Solicitation").

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. N.J.S.A. 48:3-60(a)(3) allows the Board to fund NJCEP Programs with monies collected from electric and gas ratepayers assessed a Societal Benefits Charge ("SBC").¹ 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

¹ "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.

Market Managers ("MMs") for the residential and C&I programs, respectively. Applied Energy Group ("AEG") serves as the NJCEP Program Coordinator.

This matter involves the Board-approved NJCEP REIP Fiscal Year 2015 Sustainable Biopower Second Solicitation, opened on March 19, 2015 and closed on April 20, 2015. In the Matter of the Solicitation for Sustainable Biopower Incentives in the Renewable Energy Incentive Program – Second Solicitation, March.18, 2015, BPU Dkt No. QO14090952. The REIP provides incentives for biomass facilities, as well as services related to the establishment and trading of Renewable Energy Certificates ("RECs"). Under the Solicitation, the Board offers financial incentive awards to qualified applicants to develop biopower projects that convert acceptable biomass energy crops or waste into biogas or fuel that may be used by proven, commercially available prime movers to generate electricity.

At its March 2015 agenda meeting, the Board approved the March 19, 2015 release of the Second Solicitation for proposals, the implementation of an evaluation process, and the publication of a solicitation timeline. All applications were to be submitted by April 20, 2015.

In accordance with requirements contained in the Solicitation, the Board received one timely application for an incentive award prior to the submission deadline. That application was submitted by the Gloucester County Utilities Authority ("GCUA").

Proposals were reviewed by an Evaluation Committee ("Committee"), consisting of representatives with the Office of Clean Energy ("OCE"), the Renewable Energy Market Manager, the New Jersey Department of Environmental Protection ("NJDEP"), and the Rutgers Center for Energy, Economic and Environmental Policy ("CEEPP").

EVALUATION METHODOLOGY

The Committee was responsible for performing a review of each timely proposal 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% with a maximum of 20 technical points. Each Committee member could assign a maximum score of 100 technical points to each applicant proposal. Based on a series of meetings, the Committee made recommendations.

RECOMMENDATION

The Committee reviewed the proposal and recommends that the Board deny an incentive award to the applicant for the reasons stated below.

Gloucester County Utilities Authority

On April 20, 2015, the GCUA submitted its application for an incentive of \$900,000 on a combined heat and power ("CHP") project proposed to generate 633 kilowatts ("KW") of electricity at its water pollution control facility in West Deptford, N.J. Upon review of the submitted application, the Market Manager determined that the application was deficient. The GCUA failed to provide four electronic copies of the completed REIP Application packet in a digital format, a Milestone Reporting Form, a Data Collection Form, a list of project team members, and a description of similar projects installed by the project team, as required in

Section 6.1 of the Solicitation. Noting the deficiencies with GCUA's application, the Market Manager forwarded GCUA's application to the Committee, who nonetheless reviewed the application consistent with solicitation requirements.

The Project Evaluation Process and Criteria for Minimum Score Requirements, outlined in Section 6.4 of the solicitation, state:

The Evaluation Committee will conduct its evaluation regardless of the number of Applications submitted, or if the Applications have an aggregate total requested incentive that is less than the funds available in the Solicitation. The lack of competition or the availability of funds does not suggest that projects will be funded by default. In all cases, the Committee must make a determination that a project has met a minimum threshold score in the evaluation process in order to receive an incentive payment.

[Renewable Energy Incentive Program (REIP) Fiscal Year 2015 Sustainable Biopower Incentive solicitation, Section 6.4, Mar. 19, 2015, pg. 17]

Prior to reviewing the GCUA application, the Committee agreed that this project must meet a minimum score of 65 points based on the evaluation criteria listed in the Solicitation to justify an efficient use of ratepayer funds. The Committee completed technical review of the proposed project and determined the project did not meet the minimum threshold score for an incentive award. This project received low scores based on missing or deficient application documents, errors in project calculations and concerns about project readiness. Staff has reviewed the Committee recommendation and agrees that an incentive award be denied. Therefore, Staff recommends that the Board deny an incentive award to the GCUA.

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 the proposal based upon published criteria specified in the Solicitation and each Committee member was provided with specific instructions for scoring applications. Details of this proposal were carefully reviewed by the Committee and the project was scored based upon data submission by the applicant. The Board, therefore, **FINDS** the evaluation process used was fair and impartial to the applicant.

The Board **FURTHER FINDS** that an incentive award of \$900,000 for GCUA would be inconsistent with the eligibility criteria in the Solicitation. The Board accepts its Staff's recommendation that the applicant submitted a deficient application inconsistent with documentation criteria stated in the Solicitation, and that the project did not meet minimum scoring requirements consistent with eligibility criteria stated in the Solicitation. The Board **FINDS** the applicant does not qualify for an incentive award and its project is ineligible for participation in the Second Solicitation Round. Therefore, GCUA's request for an incentive award is **DENIED**.

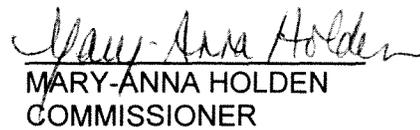
The effective date of this Order is June 26, 2015.

DATED June 18, 2015

BOARD OF PUBLIC UTILITIES
BY:


RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

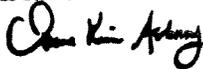

DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:


IRENE KIM ASBURY
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: IN THE MATTER OF THE CLEAN ENERGY PROGRAMS AND
BUDGETS FOR FISCAL YEAR 2015 - SOLICITATION FOR SUSTAINABLE BIOPOWER
INCENTIVES IN THE RENEWABLE ENERGY INCENTIVE PROGRAM (REIP) –
SECOND SOLICITATION

DOCKET NO. QO14050489, QO14090952 and QO15020259

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