



Agenda Date: 11/21/17
Agenda Item: 9A

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

MISCELLANEOUS

IN THE MATTER OF THE NEW JERSEY BOARD OF) ORDER
PUBLIC UTILITIES – NATURAL GAS VEHICLE)
INCREMENTAL COST GRANT PROGRAM) DOCKET NO. QO17101024

Party of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

BACKGROUND AND PROCEDURAL HISTORY

The New Jersey Board of Public Utilities (“Board” or “BPU”) is engaged in implementing the New Jersey Energy Master Plan (“EMP”) policy of accelerating the adoption of Alternative Fuel Vehicles (“AFVs”), including electric vehicles and natural gas vehicles (“NGVs”). The EMP states:

NGVs offer a complementary technology to other new technologies designed to supplant gasoline and diesel fuel usage for transportation . . . high diesel fuel costs coupled with expensive emission compliance costs make [Compressed Natural Gas (CNG)] a viable alternative to conventional diesel engine and internal combustion vehicles.

[EMP at 132.]

The BPU has:

- Established a workgroup among state agencies to help accelerate AFV adoption;
- Provided guidance to Treasury to put AFVs on state purchasing contracts, so that government entities in New Jersey may acquire them;
- Engaged with utilities about AFV infrastructure, including collaborating on United States Department of Energy (“USDOE”) Electric Vehicle (“EV”) grant applications; and
- Influenced multiple stakeholders inside and outside of government via public presentations and other means to also engage in accelerating AFV adoption.

In Fiscal Year 2017 ("FY17"), BPU allocated approximately \$200,000 to supplement the New Jersey Department of Environmental Protection's electric vehicle Workplace Charging Program. In the interest of balancing support among AFV types, in Fiscal Year 2018 ("FY18"), BPU Staff ("Staff") recommended funding a NGV program.

The USDOE currently provides federal financial assistance and technical support to the states for energy programs by means of the State Energy Program ("SEP"). SEP is a joint state-federal initiative whose purpose is to promote the conservation of energy, reduce the rate of growth of energy demand, and reduce dependence on imported oil. These goals are sought to be attained through the development and implementation of comprehensive state programs that are financially supported by the USDOE. Federal laws and regulations establish criteria for participation and define how funds may be used. 42 U.S.C. § 6321 et seq.; 10 C.F.R. § 420 et seq. States must comply with USDOE rules governing these financial awards.

In accordance with the formula provided in 10 C.F.R. § 420.11, New Jersey's 2017–2018 SEP allocation is \$1,096,140, and New Jersey's required twenty percent (20%) match obligation is \$219,228. By Order¹ dated March 24, 2017, the Board approved the 2017–2018 SEP Plan and budget of \$1,315,368 and directed BPU Staff ("Staff") to take appropriate measures to implement such programs subject to and consistent with USDOE approval of the plan.

DISCUSSION

The BPU allocated \$200,000 of its 2017–2018 SEP funds to an Alternative Fuel Vehicles Compressed Natural Gas Vehicle Incremental Cost Grant program. The primary goal of the program is to improve New Jersey's air quality and reduce reliance on and consumption of foreign oil through the use of domestic natural gas as a transportation fuel.

On October 20, 2017, the Board approved the Natural Gas Vehicle Incremental Cost Grant Program and authorized Staff to publish the application for grant awards and a description of the grant approval process. Staff posted the application form and description of the grant approval process on the Office of Clean Energy ("OCE") website and sent an announcement to OCE email lists.²

This program has been adapted from Pennsylvania's Alternative Fuel Incentive Grant Program, except that this program is non-competitive. As further detailed in the application, eligible applicants include municipal authorities, political subdivisions, incorporated nonprofit entities, corporations, and limited liability companies or partnerships registered to do business in New Jersey. The eligible alternative fuel is limited to CNG vehicles only. Funding covers 50% of the incremental cost differential between an NGV and a comparable diesel-fueled vehicle. NGVs are significantly more expensive than comparable diesel vehicles. There are award caps of \$20,000 per vehicle and \$40,000 per applicant. Awards are in the form of a reimbursement, premised on proof of purchase of a new NGV. Retrofits of used existing vehicles are excluded.

¹ In the Matter of the State Energy Program for Program Year July 1, 2017 – June 30, 2018, BPU Docket No. QO17020141 (March 24, 2017).

² The application and information is available at <http://www.nj.gov/bpu/commercial/cng.html>.

BPU began accepting applications at 12:00 P.M. (noon) on November 20, 2017 and will continue to accept applications until 12:00 P.M. (noon) on December 20, 2017. Funds are awarded on a first-come, first serve basis. First-in-time will be ranked by the receipt of timely complete applications on the BPU email server.

Staff will screen and accept applications for eligibility until available funds are exhausted. BPU will then seek to enter into grant contracts with awardees. BPU may "inspect" some or all of the purchased vehicles as a program verification measure. BPU will reimburse awardees that provide documentation that they have purchased an eligible NGV.

DISCUSSION

Staff recommends that the Board authorize President Mroz to approve disbursement of the grant awards on a first come, first serve basis for this Natural Gas Vehicle Incremental Cost Grant Program and execute the requisite grant agreements.

The Board has determined that the recommendation of Staff to provide grants on a first come, first serve basis to CNG vehicles, according to the eligibility criteria described above, is reasonable given the program's relatively small funding amount and focus on air quality. The Board **HEREBY AUTHORIZES** President Mroz to approve disbursement of the grant awards and execute the requisite grant agreements.

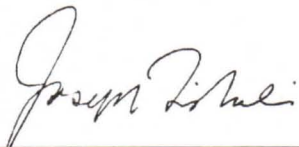
This Order shall be effective on December 1, 2017.

DATED: 11/21/17

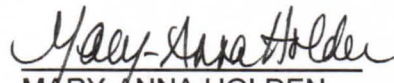
BOARD OF PUBLIC UTILITIES
BY:



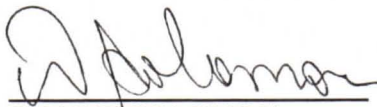
RICHARD S. MROZ
PRESIDENT



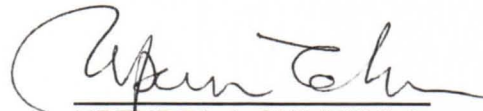
JOSEPH L. FIORDALISO
COMMISSIONER



MARY-ANNA HOLDEN
COMMISSIONER

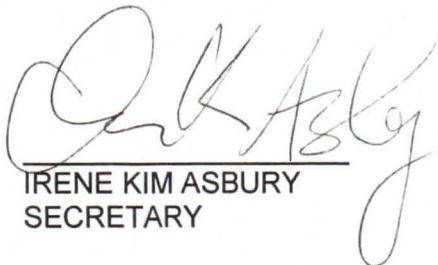


DIANNE SOLOMON
COMMISSIONER



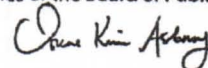
UPENDRA J. CHIVUKULA
COMMISSIONER

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 NEW JERSEY BOARD OF PUBLIC UTILITIES – NATURAL GAS
VEHICLE INCREMENTAL COST GRANT PROGRAM - DOCKET NO. QO17101024

SERVICE LIST

Stefanie A. Brand, Esq., Director
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003
sbrand@rpa.nj.gov

Caroline Vachier, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
caroline.vachier@law.njoag.gov

Andrew Kuntz, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
andrew.kuntz@law.njoag.gov

Irene Kim Asbury, Esq.
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
irene.asbury@bpu.nj.gov

Rachel Boylan, Esq.
Counsel's Office
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
rachel.boylan@bpu.nj.gov

Stacy Ho Richardson, Esq.
Counsel's Office
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
stacy.richardson@bpu.nj.gov

Michael Winka
Senior Policy Advisor
Office of Policy & Planning
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
michael.winka@bpu.nj.gov

Michael Hornsby
Chief Project Development Officer
Office of Policy & Planning
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
michael.hornsby@bpu.nj.gov