



Agenda Date: 7/10/19  
Agenda Item: 8D

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

CLEAN ENERGY

IN THE MATTER OF THE PETITION OF HAMMONTON ) ORDER  
MEAT PACKERS FOR AN EXTENSION OF THE )  
CONSTRUCTION DEADLINE UNDER THE )  
RENEWABLE ELECTRIC STORAGE (RES) REBATE )  
PROGRAM ) DOCKET NO. QO19050670

**Parties of Record:**

**Howard Thompson, Esq.**, Russo Tumulty Nester Thompson & Kelly, LLP, on behalf of Hammonton Meat Packers  
**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel

**BY THE BOARD:**

The New Jersey Board of Public Utilities ("Board" or "BPU") through its New Jersey Clean Energy Program ("NJCEP") includes a Distributed Energy Resource ("DER") Program targeting the commercial and industrial market segments. In Fiscal Year 2018, eligible applicants could receive rebates for a portion of the cost for installing Renewable Electric Storage ("RES") equipment. In the Matter of the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the Fiscal Year 2018 Clean Energy Program, BPU Docket No. QO17050464 (June 30, 2017).

By this Order, the Board considers the petition of Hammonton Meat Packers ("HMP" or "Petitioner") concerning an extension request for its rebate commitment under the Fiscal Year 2018 ("FY18") DER RES program pursuant to the revised Energy Efficiency and Renewable Energy Program Plan Filing for FY18. In the Matter of the Clean Energy Programs and Budgets for Fiscal Year 2018 – Trued-up and Revised Budget, BPU Docket No. QO17050465 (October 20, 2017).

**BACKGROUND**

On June 30, 2017, the Board approved the Comprehensive Resource Assessment for Fiscal Year 2018 ("FY18") and the associated programs and budgets for New Jersey's Clean Energy Program.<sup>1,2</sup> The FY18 NJCEP budget for Distributed Energy Resource ("DER") Programs

<sup>1</sup> I/M/O The Comprehensive Energy Efficiency and Renewable Energy Resource Analysis For the Fiscal Year 2018, BPU Docket No. QO1705046 (June 30, 2017).

<sup>2</sup> I/M/O Clean Energy Programs and Budget for the Fiscal Year 2018, BPU Docket No. QO17050465 (June 30, 2017).

provided \$1.819 million for renewable electric storage rebate commitments made prior to FY18 with no new commitments anticipated. The HMP rebate application was submitted by Solar Landscape to the NJCEP rebate processing team immediately prior to the close of FY17.

On October 20, 2017, the Board approved the annual NJCEP budget true-up, accounting for actual expenses incurred in FY17, and reallocation of funds and budget revisions for FY18.<sup>3</sup> In the October 2017 Order, the Board acknowledged Staff's receipt of four applications received during the final days of FY17 that had yet to receive rebate commitments as well as the availability of funds in the DER budget, including the cancellation of one energy storage commitment.

In addition to approving the four RES applications, the Board also approved Board Staff consultant TRC's revisions to the FY18 NJCEP Compliance Filing in the October 2017 Order. The revised compliance filing provides TRC the ability to require an approval letter be issued prior to commencement of installation and provide 18 months for the RES system installation. Applicants are eligible for a 6-month extension from the Program Manager, but will forfeit 10% of their incentive award.

The initial motivation for pursuit of the battery storage application stemmed from Atlantic City Electric Company's ("ACE") rejection of HMP's interconnection application for a 350 kW solar installation. In response to the limitations placed on the HMP's interconnection request, Solar Landscape personnel worked with ACE engineers beginning in May 2017 toward designing a mutually agreeable solution consistent with ACE interconnection requirements for solar and storage applications.

On January 9, 2018, the NJCEP's RES rebate processing team issued a rebate commitment letter in the amount of \$150,000 to HMP for a 500 kWh/250 kW lithium ion battery storage system. The rebate approval letter provided an expiration date of January 9, 2019 with an opportunity for one six-month extension. According to the letter and consistent with the revised compliance filing for the program, applicants requesting an extension were to document unexpected delays, but would forfeit 10% of their incentive award.

In July 2018, ACE advised Solar Landscape of its updated interconnection requirements which forced Solar Landscape to seek a new design and vendor for the system and to file a request to extend its initial rebate commitment deadline. After working with ACE on system design and interconnection issues, Solar Landscape finalized a system design and requested a first extension of the rebate in December 2018.

The NJCEP RES rebate processing team issued extensions of the rebate commitment through July 9, 2019. ACE advised on March 5, 2019 of interconnection approval of the proposed system design contingent upon Solar Landscape's supply of final equipment specifications. HMP and Solar Landscape anticipate that the project cannot be completed without another extension of the rebate commitment to January 9, 2020.<sup>4</sup>

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<sup>3</sup> I/M/O The Clean Energy Programs and Budget for Fiscal Year 2018 – True-up and Revised Budget, BPU Docket No. QO17050465, Order dated October 20, 2017 ("October 2017 Order").

<sup>4</sup> As explained in more detail in the Staff Recommendations section, the Petitioner was mistakenly granted a rebate commitment letter for twelve months by the RES rebate processing team when the Board-approved Compliance Filing for the RES authorized an eighteen-month commitment. With an eighteen-month commitment granted in January 2018, the Petitioner would now be seeking its first extension.

## **STAFF RECOMMENDATION**

In considering whether to grant a request for a rebate extension in the NJCEP programs, the Board first looks to the program requirements effective at the time of application and the circumstances surrounding the application's participation in the NJCEP program. If the terms governing the subject program offer the opportunity for a first extension, Board Staff typically recommends that this avenue be pursued by the applicant. If the request for an extension exceeds the authority granted to the Program Managers in the Board-approved Compliance Filing, then the Board generally applies the two-pronged test set forth at N.J.A.C. 14:1-1.2(b)(1) and determines: (1) whether the request is in accord with the general purposes and intent of the program; and (2) whether granting the extension request would adversely affect ratepayers, a utility or other regulated entity, or the public interest.

Staff finds that in this case, the NJCEP RES Program Manager mistakenly granted an initial rebate commitment of only 12 months and not the 18 months approved by the Board in the October 2017 Order.<sup>5</sup> Had the project been given an initial commitment length of 18 months as per the October 2017 Board Order, and expiration deadline of July 9, 2019, the developer would have been eligible to seek a first extension with a new deadline of January 9, 2020. Staff recommends the Board find that the Program Manager misapplied the terms of the Compliance Filing and that for the purposes of administrative efficiency issue the project an extension of the rebate at the reduced amount of \$135,000 through January 9, 2020 as a first extension request.

## **DISCUSSION AND FINDINGS**

The Board **HEREBY FINDS** that the Hammonton Meat Packers application for a RES rebate was eligible to receive an initial rebate commitment of 18 months rather than 12 months as granted by the RES rebate processing team in New Jersey's Clean Energy Program. Pursuant to the program guidelines approved by the Board in the October 2017 Order, the Petitioner would have been eligible to apply for an extension of the rebate commitment length for an additional six-months with a ten percent reduction in the rebate amount.

The Board **HEREBY ORDERS** the approval of a six month extension of the rebate commitment to expire on January 9, 2020 for the total estimated incentive amount of \$135,000 (with this amount reflecting the 10% forfeiture) should the Hammonton Meat Packers satisfy all program requirements and **AUTHORIZES** issuance of a standard rebate extension letter to the applicant identified above, setting forth the terms and conditions of this extension.

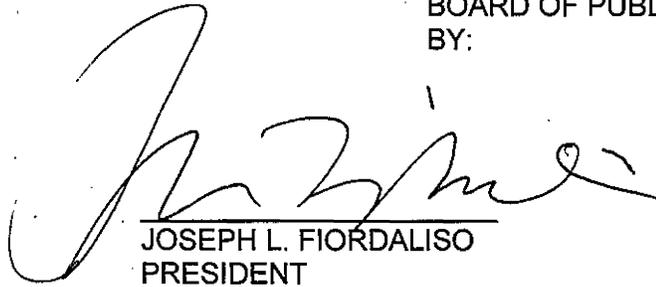
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<sup>5</sup>The NJCEP RES rebate processing team issued an initial extension of the rebate commitment through January 2019 and another extension through July 2019.

The effective date of this Order is July 20, 2019.

DATED: 7/10/19

BOARD OF PUBLIC UTILITIES  
BY:



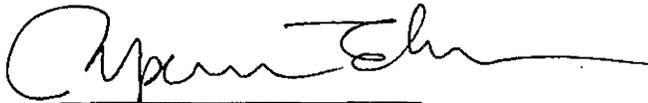
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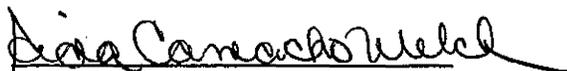
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ATTEST:   
AIDA CAMACHO-WELCH  
SECRETARY

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 PETITION OF HAMMONTON MEAT PACKERS FOR AN  
EXTENSION OF THE CONSTRUCTION DEADLINE UNDER THE RENEWABLE ELECTRIC  
STORAGE (RES) REBATE PROGRAM**

**DOCKET NO. QO19050670**

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