

**CLEAN ENERGY AND CLEAN TECH
INNOVATION**

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
AND THE NEW JERSEY BOARD OF PUBLIC UTILITIES**

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made as of this 25th day of October 2023, by and between

THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, with its principal office at 36 West State Street, Trenton, NJ 08625 (“NJEDA”); and

THE NEW JERSEY BOARD OF PUBLIC UTILITIES, with its principal office at 44 S. Clinton Ave., Trenton, New Jersey 08625 (“NJBPU”).

The NJEDA and the NJBPU are collectively referred to herein as the “Parties” with each individually referred to as a “Party.”

WHEREAS, the NJEDA is an independent State agency, in but not of the Department of Treasury, that serves as the State's principal agency for driving economic growth and is committed to making New Jersey a national model for inclusive and sustainable economic development by focusing on key strategies to help build strong and dynamic communities, create good jobs for New Jersey residents, and provide pathways to a stronger and fairer economy; and

WHEREAS, the NJBPU is the State agency with authority to provide general supervision, regulation, jurisdiction, and control over public utilities in the State, including electric utilities and their rates and service. The law requires the NJBPU to ensure safe, adequate, and proper utility services at reasonable rates for customers in New Jersey; and through the NJBPU Division of Clean Energy (“DCE”), promotes energy efficiency programs and the development of clean, renewable sources of energy including solar, wind, geothermal, combined heat and power (“CHP”) and sustainable biomass. The goal of the DCE is to lower energy costs, reduce demand for electricity, emit fewer pollutants into the air and create jobs. Through its programs, the DCE offers education, outreach and financial incentives to residential, commercial businesses and industry, schools and governmental customers; and

WHEREAS, N.J.S.A. 52:14-1 et seq. authorizes state agencies to enter into agreements to provide assistance to each other; and

WHEREAS, Governor Murphy released the state's 2019 Energy Master Plan on January 27, 2020 (the “2019 Energy Master Plan”), which set a goal of 100 percent clean energy by 2050 and outlined a strategy to expand the Clean Energy Innovation Economy in New Jersey through workforce training, investments in developing clean energy knowledge, and the growth of world-class research and development; and

WHEREAS, the 2019 Energy Master Plan recognizes that supporting clean energy and clean tech innovation aligns with two of the Governor Murphy Administration's top priorities of:

- i. Ensuring that New Jersey achieves 100% carbon free electricity and an 80% carbon footprint reduction by 2050, while simultaneously addressing long-standing environmental justice issues; and

- ii. Restoring New Jersey's leadership as the most diverse and inclusive innovation ecosystem in the United States ("New Jersey's Clean Energy and Clean Tech Ecosystem"); and

WHEREAS, the NJEDA and NJBPU have a history of partnering with each other in the furtherance of clean energy and clean tech innovation; and

WHEREAS, the Parties agree that this MOU will advance implementation of the statewide 2019 Energy Master Plan; and

WHEREAS, the NJEDA has existing Memoranda of Understanding related to entrepreneurial program development and execution with the New Jersey Commission on Science, Innovation, and Technology ("NJCSIT"), an independent commission, in but not of Treasury, that focus on supporting early stage entrepreneurship and innovation ecosystem building within the State; and

WHEREAS, on September 9, 2020, the NJEDA and NJBPU executed an MOU which enabled the NJBPU to provide \$1,250,000 in funding to the NJEDA to support early-stage, New Jersey-based clean tech companies wherein NJEDA, in collaboration with NJCSIT, utilized these funds to launch two Clean Tech Programs: (i) a clean tech seed grant program ("Clean Tech Seed Grant Program") and (ii) a clean tech R&D asset mapping and voucher program ("Clean Tech R&D Voucher Program"); and

WHEREAS, on July 14, 2021, the NJEDA and NJBPU entered into an MOU which enabled the NJBPU to provide \$2,500,000 in funding to the NJEDA to support early-stage, New Jersey-based clean tech companies wherein NJEDA, in collaboration with NJCSIT, utilized these funds to launch a second round of both the Clean Tech Seed Grant Program and the Clean Tech R&D Voucher Program; and

WHEREAS, on October 27, 2022, the NJEDA and NJBPU entered into an MOU (the "2022 BPU MOU") for \$3,600,000 in Clean Energy funding (the "2022 BPU Funds") to execute both the third round of the Clean Tech Seed Grant Program and continue the second round of the Clean Tech R&D Voucher Program, and to launch a new clean tech pilot demonstration program, focusing on supporting early-stage clean tech/clean energy companies in New Jersey to accelerate commercialization and deployment of innovative clean energy technologies, validate technological performance, and de-risk the commercialization process ("Clean Tech Pilot Demonstration Program," and collectively with the Clean Tech Seed Grant Program and the Clean Tech R&D Voucher Program, the "Clean Tech Programs") that strengthen New Jersey's Clean Energy and Clean Tech Ecosystem and encourage the continued development and growth of the green workforce and economy focusing on innovation; and

WHEREAS, the NJBPU has agreed to provide the NJEDA with \$6,000,000 in Clean Energy funding (the "2023 BPU Funds" or the "New BPU Funds") to execute additional rounds of the Clean Tech Programs. The Clean Tech Pilot Demonstration Program funded with 2022 BPU Funds was significantly oversubscribed. NJBPU staff, NJEDA staff and NJCSIT staff agreed to delay launching the third round of the Clean Tech Seed Grant Program in order to fund additional Clean Tech Pilot Demonstration Program projects. The Clean Tech R&D Voucher Program operates on a rolling basis and \$500,000 in additional

funds were added to the program in January 2023 from the 2022 BPU funds. It is anticipated that with the 2023 BPU Funds, the following programs will be launched: third round of the Clean Tech Seed Grant Program; second round of the Clean Tech Pilot Demonstration Program; and third round of the Clean Tech R&D Voucher Program with a higher cap of \$40,000 per award. The second round Clean Tech R&D Voucher Program had a cap of \$25,000 per award, and this cap has been raised based on the requirement for the companies selected to participate in this program to utilize consulting support from the core facilities.¹ This aligns the Clean Tech R&D Voucher Program with the CSIT Catalyst R&D Voucher Pilot Program for non-Clean Tech projects;² and

WHEREAS, the NJBPU has agreed to allow the NJEDA to carry over \$294,508³ from the 2022 BPU MOU (“the Carryover BPU Funds”).

NOW, THEREFORE, it is agreed between NJEDA and NJBPU:

1. **DUTIES OF THE PARTIES:** To achieve the goals of this MOU, the Parties hereby agree as follows:
 - a. NJBPU will provide to NJEDA funding in the amount of six million (\$6,000,000) dollars, constituting the 2023 BPU Funds, within 45 days of the execution of this MOU.
 - b. NJEDA will transfer the Carryover BPU Funds and \$5,820,000 from the 2023 BPU Funds (collectively the “Funds”) to the NJCSIT to support the growth and development of New Jersey’s Clean Energy and Clean Tech Ecosystem.⁴ The Funds will be utilized for Clean Tech Programs related to, but not limited to the following:
 - Third round of the Clean Tech Seed Grant Program to help New Jersey-based early-stage clean tech/clean energy companies accelerate development and innovation of clean technologies to transform new discoveries from the research stage into commercially viable technologies, leading to

¹ “Core facilities” are public, state, federal, or non-profit research, laboratory, and makerspaces (places that provide people with shared interests in technology a location to gather, work collaboratively on projects, and share ideas, equipment, and knowledge) located in New Jersey. Core facilities support research and development in the areas of testing, validation, and construction of innovations.

² The Clean Tech R&D Voucher Program led to the development and launch of the CSIT Catalyst Research and Development (“R&D”) Voucher Pilot Program. The goals of the CSIT Catalyst R&D Voucher Pilot Program is to (i) support New Jersey-based early-stage company efforts to accelerate development and innovation of technologies by providing access to and utilization of New Jersey’s world-leading equipment, facilities, and makerspaces, and (ii) subsidize access to research and development equipment, facilities, and makerspaces for small New Jersey-based companies that are developing innovative technologies.

³ NJEDA determined this amount on August 1, 2023.

⁴ NJEDA will receive a three percent (3%) administrative fee with respect to the \$6,000,000 of 2023 BPU Funds, a fee of \$180,000. Accordingly, the \$5,820,000 reflects the difference of the full \$6,000,000 2023 BPU Funds, less this \$180,000 administrative fee (\$6,000,000 - \$180,000 = \$5,820,000).

industry and investor interest.

- Third round of the Clean Tech R&D Voucher Program to help early-stage clean tech/clean energy companies in New Jersey to access core facilities, equipment, and makerspaces at participating New Jersey university/college or federal laboratory or other facility for clean energy/clean technological research and development.
- Second round of the Clean Tech Pilot Demonstration Program to support early-stage clean tech/clean energy companies in New Jersey to accelerate commercialization and deployment of innovative clean energy technologies, by providing funding for pilot demonstration projects to test and validate technological performance and de-risk the commercialization process.

c. NJEDA has not proposed permanent parameters or specifications for all of the Clean Tech Programs and may allocate the Funds among the Clean Tech Programs, with the exception of the Administration Fee as detailed in Section 3 ("Administration Fee") below. If NJEDA does not pursue one or more of the Clean Tech Programs, NJEDA shall notify the NJBPU no later than 30 days after such determination and shall include such determination in the upcoming NJEDA Staff Report (defined in Attachment A herein). NJEDA may propose amendments to this MOU regarding this modification to the original set of Clean Tech Programs. The NJBPU may also propose amendments to the Clean Tech Programs.

d. NJEDA may, in its discretion, undertake the Clean Tech Programs with the assistance of consultants or contractors retained by NJEDA, and NJEDA shall notify NJBPU within 10 days of retaining a consultant or contractor.

e. NJEDA staff will provide a formal, verbal update to and seek input from NJBPU staff (each, an "Update," and collectively, the "Updates") as needed, but at least on a quarterly basis, regarding the status of NJEDA's work plan, development progress, and the drafting of Clean Tech Program documents. These documents include, but are not limited to, solicitations, request for qualifications/proposals, guidelines/specifications, working group scope, and seminar materials regarding the Clean Tech Programs. NJEDA shall timely provide these Updates separately from the quarterly updates described in Section I (f) ("Duties of the Parties") herein. NJEDA shall provide the first Update to NJBPU staff within 90 days of this MOU's effective date and shall include financial estimates for uses of the 2023 BPU Funds. An "Update" shall not include additional check-in meetings that NJEDA and NJBPU may hold from time to time, at their discretion.

f. NJEDA will provide quarterly written NJEDA Staff Reports defined in Attachment A that shall include, but not be limited to, the progress of each of the Clean Tech Programs; Clean Tech Programs that are completed; any issues

encountered and their resolution or proposed resolution; committed and paid expenditures to date; and plans for the next quarter.

2. **TERM:** This MOU shall become effective as of the date first set forth above. This MOU, unless terminated sooner as set forth in Section 9 ("Termination") herein, shall remain in effect until the earlier of (i) five (5) years from this MOU's effective date, or (ii) until the Funds are fully expended. The term of this MOU may be extended only by prior written agreement by the Parties.
3. **ADMINISTRATION FEE:** NJEDA may utilize up to 3% of the Funds to support the administrative, personnel, and overhead costs of running the programs. This will be a one-time cost utilizing the Funds and not an ongoing obligation.
4. **SUBJECT TO THE AVAILABILITY OF FUNDING:** The Funds that NJBPU will provide under this MOU are subject to appropriations and the availability of funds. NJEDA hereby acknowledges that this may impact the originally contemplated amount of the Funds that NJBPU may provide to NJEDA under this MOU.
5. **THIRD-PARTY BENEFICIARIES:** This MOU shall not create in any individual or entity the status of a third-party beneficiary and nothing in this MOU shall be construed to create such status. The rights, duties, and obligations contained herein shall operate only between the Parties and shall inure solely to the benefit of the Parties. The provisions of this MOU are intended only to assist the Parties in determining and performing the obligations set forth herein.
6. **ASSIGNMENT:** This MOU shall not be assignable, except for the NJEDA's ability to partner and/or assign their responsibilities to NJCSIT, but shall bind and inure to the benefit of the Parties hereto and their respective successors.
7. **DISPUTES:** If there are any disputes among the Parties concerning this MOU, the President of NJBPU and the CEO of NJEDA, or their authorized representatives, shall confer to resolve the dispute.
8. **AMENDMENT:** This MOU, including Attachment A and Attachment B (collectively, the "Attachments"), may be amended, supplemented, changed, modified or altered only by mutual agreement of the Parties in a writing that shall be effective as of the date the Parties shall so stipulate. There shall be no limit to the number of times this MOU or each of the Attachments may be amended.
9. **TERMINATION:** Either Party may terminate this MOU upon 30 days' written notice to the other Party of such intention to terminate. Such termination request shall be permitted, with or without cause. In the event of termination, the Parties agree to conduct a final accounting within 60 days of the termination effective date. At the termination or expiration of the MOU, NJEDA will return any unused Funds remaining after all costs, direct or indirect, incurred by NJEDA under the

terms of this MOU have been paid, or, alternatively, with written consent from NJBPU, rollover any uncommitted funds to future MOUs regarding the subject matter of this MOU.

10. **NOTICE:** All correspondence and notices to NJBPU regarding this MOU shall be addressed to the following person or his/her delegate or replacement:

Jim Ferris
Deputy Director, Division of Clean
Energy New Jersey Board of Public
Utilities
44 S. Clinton Avenue, Trenton, NJ 08625
Jim.Ferris@bpu.nj.gov

All correspondence and notices to NJEDA regarding this MOU shall be addressed to the following person or his/her delegate or replacement:

Kathleen Coviello
Chief Economic Transformation Officer
New Jersey Economic Development Authority
36 West State Street, PO Box 990, Trenton, NJ 08625
kcoviello@njeda.com

11. **ENTIRE AGREEMENT:** This MOU contains all the terms and conditions agreed upon by the Parties and supersedes all other negotiations, representations, and understandings of the Parties, oral or otherwise, regarding the subject matter of this MOU. This MOU represents the entire agreement between the Parties; all negotiations, oral agreements, and understandings that occurred prior to the date of this MOU are merged and incorporated by reference herein.
12. **COUNTERPARTS:** This MOU may be signed in counterparts, each which, when so executed and delivered, shall be deemed original, but such counterparts shall together constitute one and the same instrument.

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IN WITNESS WHEREOF, the Parties have caused this MOU to be signed by their duly authorized representatives or designees as of the day, month, and year first written above.

STATE OF NEW JERSEY
ECONOMIC DEVELOPMENT AUTHORITY

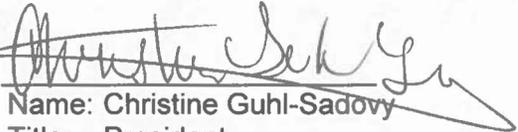
STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

By: _____



Name: Tim Sullivan
Title: Chief Executive Officer

By: _____



Name: Christine Guhl-Sadovy
Title: President

ATTACHMENT A

This Attachment A is hereby incorporated into the Memorandum of Understanding with respect to the Clean Energy and Clean Tech Innovation (“MOU”) between the New Jersey Board of Public Utilities (“NJBPU”) and the New Jersey Economic Development Authority (“NJEDA”) (collectively, the “Parties”), regarding the use and administration of the New BPU Funds as fully described in the MOU.

I. METHOD OF PAYMENT

The full amount of the New BPU Funds will be transferred to the NJEDA within 45 days of the execution of this MOU.

II. FINANCIAL AND PERFORMANCE REPORTING AND MOU MONITORING

A. Performance Reports

NJEDA staff who will provide oversight of the Clean Tech Programs shall provide a written report on the progress of the Clean Tech Projects (“NJEDA Staff Report”) at least quarterly to the NJBPU, beginning 90 days from the date of this MOU that shall include, but not be limited to, the progress of each of the Clean Tech Projects; Clean Tech Projects that are completed; any issues encountered and their resolution or proposed resolution; a financial expenditure report substantially in the form of Exhibit 1 hereto, utilizing the Excel form provided with this MOU; and plans for the next quarter. NJEDA staff shall submit NJEDA Staff Reports until the quarter following the expiration or termination of this MOU.

B. Meetings

NA

C. Monitoring Requirements

NA

III. MODIFICATIONS TO THE AGREEMENT

The MOU and any attachment thereto represent the entire Agreement between the Parties and may only be amended in accordance with Section 8 (“AMENDMENT”) of the MOU.

IV. SPECIAL CONDITIONS

NA

V. MULTI-YEAR AGREEMENTS

The term of the MOU shall be as stated in Section 2 ("TERM") of the MOU.

FORM OF
FINANCIAL EXPENDITURE REPORT

[Please see attached]

ATTACHMENT B

This Attachment is hereby incorporated into the Memorandum of Understanding ("MOU") between the New Jersey Board of Public Utilities ("NJBPU") and the New Jersey Economic Development Authority ("NJEDA") (collectively, the "Parties"), regarding the use and administration of the New BPU Funds as fully described in the MOU.

1. Term and Budget

This MOU shall become effective as of the date first set forth above. This MOU, unless terminated sooner, as set forth in Section 9 ("TERMINATION") herein, shall remain in effect until the earlier of (i) five (5) years from this MOU's effective date, or (ii) until the Funds are fully expended. The term of this MOU may be extended only by prior written agreement by the Parties in accordance with Section 2 ("TERM") herein.

NJBPU will provide the \$6,000,000 to NJEDA within 45 days of the execution of this MOU.

2. Reporting

NJEDA shall provide reports regarding the Funds in accordance with the provisions of the MOU, including those of Attachment A.