



Agenda Date: 8/14/24
Agenda Item: 8B

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE UNITED STATES)	ORDER
DEPARTMENT OF ENERGY – STATE ENERGY)	
PROGRAM – BIPARTISAN INFRASTRUCTURE LAW –)	
JULY 1, 2022 – JUNE 30, 2027)	DOCKET NO. QO22100660

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Michael Ambrosio, Director, Policy and Planning, TRC Environmental Corporation

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities (“Board” or “BPU”) considers the recommendation of Board Staff (“Staff”) to approve the 2022–2027 State Energy Program (“SEP”) – Bipartisan Infrastructure Law (“SEP–BIL”) Plan modification for submission to the United States Department of Energy (“USDOE”). Staff seeks approval to modify the original Scope of Work to remove the Multi-Unit Dwelling (“MUD”) Electric Vehicle (“EV”) Charger Incentive Program for Non-Investor-Owned Utility (“Non-IOU”) Customers and the Municipal Light-Emitting Diode (“LED”) Streetlights Program for Non-IOU Customers and reallocate their budgets to the State Energy Program Non-IOU Program (“SEP Non-IOU Program” or “Program”). The Board also considers updates to the SEP Non-IOU Program.

BACKGROUND

The SEP was established in 1996 by consolidating two (2) existing programs: 1) the State Energy Conservation Program (“SECP”); and 2) the Institutional Conservation Program (“ICP”).¹ Both the SECP and ICP were established during the energy crisis of the early 1970s when energy prices increased due to the United States’ dependence on foreign oil. Congress responded with legislation establishing a broad range of conservation programs, supporting the development of new and more efficient sources of energy, and requiring the USDOE to lead and administer the conservation effort. The SECP was established under the Energy Policy and Conservation Act of 1975, which provided funding to states for a variety of energy efficiency (“EE”) and renewable energy activities.² The ICP provided schools and hospitals with technical analyses of their

¹ 61 Fed. Reg. 35,890 (July 8, 1996).

² Id.

buildings and identified the potential savings from proposed energy conservation measures.³ In creating the SEP, the USDOE combined the SECP and ICP to make it easier for states to apply for grants and to enable both the USDOE and the states to more efficiently manage the grants.⁴ Thus, the USDOE currently provides federal financial assistance and technical support to the states for energy programs by means of the SEP.⁵ The SEP seeks to promote the efficient use of energy and reduce the rate of growth of energy demand through the development and implementation of specific state energy programs. States must comply with USDOE rules governing these financial awards.⁶

The Infrastructure Investment and Jobs Act of 2021, also known as the Bipartisan Infrastructure Law (“BIL”), authorized the United States Congress to appropriate \$500,000,000 for SEP formula awards.⁷ USDOE has allocated \$9,847,540 to the State of New Jersey for the five (5) years spanning 2022–2027.⁸

PROCEDURAL HISTORY

On December 7, 2022, the Board approved Staff’s plan to utilize the \$9,847,540 in SEP funding allocated to New Jersey under BIL for the SEP Non-IOU Program, the MUD EV Charger Incentive Program for Non-IOU Customers, and the Municipal LED Streetlights Program for Non-IOU Customers.⁹ The Board also directed Staff to submit the 2022–2027 SEP-BIL Plan application to the USDOE on behalf of the Board as proposed and to take appropriate measures to implement such programs subject to and consistent with the USDOE’s approval of the plan, as well as to make adjustments to market title budgets if determined appropriate.¹⁰

SEP-BIL PLAN MODIFICATION

Staff seeks to modify the scope of the 2022–2027 SEP-BIL Plan to remove the MUD EV Charger Incentive Program for Non-IOU Customers and the Municipal LED Streetlights Program for Non-IOU Customers due to the availability of alternative funding sources. The MUD EV Charger Incentive Program for Non-IOU Customers will be funded by the 2023¹¹ and 2024¹² annual SEP allocations to New Jersey. The Municipal LED Streetlights Program for Non-IOU Customers will be funded by the Fiscal Year 2025 New Jersey Clean Energy Program (“NJCEP”) budget under

³ Id.

⁴ Id. at 35,891.

⁵ 10 C.F.R. § 420.3.

⁶ See SEP Infrastructure Investment and Jobs Act of 2021 Administrative and Legal Requirements Document, available at https://www.energy.gov/sites/default/files/2022-08/SEP-IIJA-ALRD_0.pdf.

⁷ See Pub. L. 117-58.

⁸ See State Energy Program BIL Formula Grant Allocations: <https://www.energy.gov/eere/wipo/articles/state-energy-program-ijja-formula-grant-allocations>

⁹ In re the United States Department of Energy – State Energy Program – Bipartisan Infrastructure Law – July 1, 2022 – June 30, 2027, BPU Docket No. QO22100660, Order dated December 7, 2022.

¹⁰ Ibid.

¹¹ In re the United States Department of Energy – State Energy Program – July 1, 2023 – June 30, 2024, BPU Docket No. QO23030172, Order dated May 10, 2023.

¹² In re the United States Department of Energy – State Energy Program – July 1, 2024 – June 30, 2025, BPU Docket No. QO24040208, Order dated May 22, 2024.

the LED Streetlights Replacement budget line.¹³ Staff seeks to reallocate the programs' budgets, a total of \$3,000,000, to the Non-IOU Energy Efficiency Program.

The proposed program modification would remove the following Market Titles:

Market Title: MUD EV Charger Incentive Program for Non-IOU Customers
Budget: \$1,500,000

Program Description: This program will complement New Jersey's existing MUD EV Charger Incentive Program, which is designed to encourage owners and operators of MUDs to provide EV chargers for residents and guests. Awards available under the MUD EV Charger Incentive Program include \$4,000 toward the purchase of a dual-port, networked, Level-Two EV charging station and \$6,000 toward the purchase of said charger for a MUD located in an overburdened municipality. Currently, only IOU customers are eligible to receive awards under this program. The SEP-BIL program will expand participant eligibility by offering incentives to non-IOU customers to support the purchase and installation of eligible Level-Two EV charging equipment.

Market Title: Municipal LED Streetlights Program for Non-IOU Customers
Budget: \$1,500,000

Program Description: This program will complement New Jersey's Municipal LED Streetlights Program, as provided for in the NJCEP Fiscal Year 2023 Compliance Filing, which will allocate grant funding for municipalities to meet the upfront costs of converting traditional streetlights to dark-sky-compliant LED streetlights. The SEP-BIL program will expand participant eligibility by offering grant funding to municipalities not served by investor-owned utility companies.

In addition, the proposed program modification would include a revised budget for the following Market Title:

Market Title: Non-IOU Energy Efficiency Program
Original Budget: \$6,847,540
Revised Budget: \$9,847,540

Program Description: This program will complement New Jersey's existing EE programs and expand participant eligibility by offering financial incentives for EE measures to non-IOU customers in the residential, commercial, and industrial sectors through a program administered by NJCEP.

DISCUSSION AND FINDINGS


The Board **HEREBY FINDS** that the modification to the 2022–2027 SEP-BIL Plan, as detailed above, will more effectively contribute to conservation of energy, reduce the rate of growth of energy demand and resource dependence on oil, and advance State and federal energy conservation and efficiency goals. Accordingly, the Board **HEREBY APPROVES** the modified SEP-BIL Plan. The Board **HEREBY DIRECTS** Staff to submit the modified SEP-BIL Plan to the USDOE for approval and to take appropriate measures to implement the programs subject to and consistent with the USDOE's approval of the modifications.

¹³ In re the Clean Energy Programs and Budget for Fiscal Year 2025, BPU Docket No. QO24040224, Order dated June 27, 2024.

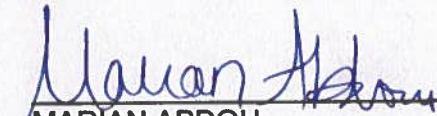
The effective date of this Order is August 21, 2024.

DATED: August 14, 2024

BOARD OF PUBLIC UTILITIES
BY:

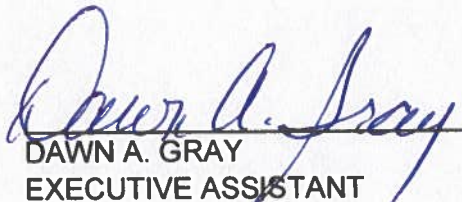

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MICHAEL BANGE
COMMISSIONER

ATTEST:


DAWN A. GRAY
EXECUTIVE ASSISTANT

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 UNITED STATES DEPARTMENT OF ENERGY – STATE ENERGY PROGRAM –
BIPARTISAN INFRASTRUCTURE LAW – JULY 1, 2022 – JUNE 30, 2027

DOCKET NO. QO22100660

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