



New Jersey Board of Public Utilities

NEWS RELEASE

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CHRISTIE ADMINISTRATION TAKES STEPS TO ESTABLISH ENERGY RESILIENCE BANK

Innovative Program will Address Resilience of Critical Infrastructure and Facilities

TRENTON, N.J. (July 23, 2014) – As part of the Christie Administration’s continuing efforts to minimize the potential for future major power outages and increase energy resiliency, the State today took steps to establish the New Jersey Energy Resilience Bank (ERB), the first of its kind in the nation to focus on energy resilience. Utilizing \$200 million through New Jersey’s second Community Development Block Grant-Disaster Recovery (CDBG-DR) allocation, the ERB will support the development of distributed energy resources at critical facilities throughout the state.

Today, the N.J. Board of Public Utilities (BPU) approved a subrecipient agreement with the N.J. Economic Development Authority (EDA) to work jointly in the establishment and operation of the ERB; the EDA approved the subrecipient agreement on July 10. The EDA and BPU also announced the hiring of staff to fill two ERB leadership positions.

"The launch of the Energy Resilience Bank, the first of its kind in the nation to focus on resilience, is yet another effort of the Christie Administration to increase energy resilience at critical facilities throughout New Jersey," said Dianne Solomon, President of the NJ Board of Public Utilities (BPU). "Increasing energy resilience, whether through the Energy Resilience Bank, the BPU approved resiliency improvement measures implemented by utility companies or NJ’s Clean Energy Program, will minimize the potential impacts of future widespread power outages due to major storms like Superstorm Sandy."

Superstorm Sandy caused extensive damage to New Jersey’s energy infrastructure, disrupting delivery of electricity, petroleum, and natural gas to consumers across the state, and leaving an estimated five million residents without electricity. Distributed energy resources, including combined heat and power (CHP), fuel cells (FC) and off-grid solar inverters with battery storage, allowed some critical facilities, such as hospitals, wastewater treatment plants and universities, to remain operational while the electric grid was down. The launch of the ERB will enable many more such facilities to remain operational during future outages. In addition to providing resilience, the benefits of distributed energy resources also include lower and stable energy costs, a cleaner environment through reduced emissions, and increased overall efficiency.

“Distributed energy resources proved extremely resilient following Superstorm Sandy; unfortunately, due to high initial costs, many critical facilities do not have these energy resilience solutions in place,” said Michele Brown, Chief Executive Officer of the New Jersey Economic Development Authority. “The ERB will help address this unmet need by providing technical and financial support to critical facilities across New Jersey to ensure they have a path for building energy resilience.”

As outlined in New Jersey’s Action Plan amendment, the ERB will be focused on providing capital, both low interest loans and grants, to critical facilities that offer the greatest resilience benefits for the State, including water and wastewater treatment plants and hospitals, with subsequent funding directed towards other critical facilities, such as, transportation and transportation networks, emergency response facilities including police, fire, emergency services buildings, and schools that can function as shelters in case of emergency. Realizing resilient energy solutions at water and wastewater treatment plants will be an early priority of the ERB, consistent with the State’s emergency management and long-term recovery priorities.

The Boards of each agency have approved a subrecipient agreement to advance the creation of the ERB. Under the agreement, EDA and BPU will work in collaboration to design the program parameters, including the technical, operational and financial conditions applicants will need to meet to receive funding. Consistent with other jointly administered programs, the EDA will undertake a financial review and perform due diligence of applicants and projects that have successfully completed BPU’s technical review. Later this summer, it is anticipated that the EDA and BPU Boards will be asked to approve the ERB Guide to Program Funds, which will outline the parameters through which grants and loans will be provided to the initial group of critical facilities.

Brown and Solomon also announced the hiring of two individuals to head the ERB.

Mitch Carpen, of Plainfield, NJ, has been named the ERB’s Executive Director. The Executive Director serves as the head of the ERB, leading all aspects of its strategy and execution. The Executive Director is ultimately responsible for managing the pipeline of ERB investments, overseeing the selection and closing of individual deals, setting the direction of the ERB, and actively managing relations with local, state and Federal government and the public. Mr. Carpen is an experienced banking professional with international experience and expertise in corporate lending, risk management, compliance regulations, portfolio management and technology to drive business initiatives and decision making. Mr. Carpen is returning to New Jersey from Singapore, where he worked for the Bank of Tokyo-Mitsubishi UFJ Ltd., as Assistant General Manager, Head of Credit Portfolio Risk and Strategy. Mr. Carpen earned his bachelor’s degree in computer and information science and a master’s degree in economics from Rutgers University and a master’s degree in mathematics of finance from Columbia University, New York.

Thomas N. Walker, P.E., CCP, of Howell, NJ, has been named the ERB’s Deputy Director. The Deputy Director serves as head of policy and internal operations of the ERB, and acts as the second-in-line of the organization. Mr. Walker is currently employed with the BPU as the Bureau Chief of Engineering Services in the Division of Energy, where he is primarily responsible for the management of engineering staff on electric and energy matters. Additionally, his responsibilities include participation and monitoring of FERC and PJM matters. Mr. Walker has over 19 years of experience in the natural gas and electric industries, working directly for several utility companies as well as consulting firms. Mr. Walker is a Professional Engineer in New Jersey, received his bachelor’s degree in mechanical engineering at Villanova University, and is a Certified Cost Professional.

For preliminary information on the ERB, the State's Action Plan amendment for the second allocation of CDBG-DR funds can be viewed at:
<http://www.nj.gov/dca/divisions/sandyrecovery/pdf/NJ%20Action%20Plan%20Substantial%20Amendment%20202%20202%20final.pdf>