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Contact:
Susanne LaFrankie
609-292-0701
Greg Reinert
609-777-3305

N.J. Board of Public Utilities Advances Development of Town Center Microgrid Systems by Offering Feasibility Study Grants

Christie Administration's Energy Master Plan Update supports microgrids as a technology to make critical facilities more resilient to major storms

TRENTON, NJ – The N.J. Board of Public Utilities (Board) today advanced the development of town center microgrids by opening the first 60-day application window for the Town Center Distributed Energy Resources Microgrid Feasibility Study Incentive Program (Program) and inviting qualified state or local government entities to apply for incentives of up to $200,000 to cover the expense of a feasibility study.

Town Center Distributed Energy Resources (TCDER) microgrids are capable of providing on-site power to connected critical facilities within a local area or town center setting during electric grid outages.

Since New Jersey suffered devastating damage from the impacts of Superstorm Sandy, the Christie Administration has made it a priority to improve energy resiliency and emergency preparedness and response. Therefore, the Administration's Energy Master Plan (EMP) Update, released in December 2015, consists of a new section addressing the high priority areas of protecting critical energy infrastructure, improving the electric companies' emergency preparedness and response, increasing the use of microgrid technologies and applications for distributed energy resources (DER) and creating long-term financing for resiliency measures.

"This is an exciting step in implementing the Christie Administration's EMP policies supporting the development of town center microgrid systems," said Richard S. Mroz, President, N.J. Board of Public Utilities. "These onsite powerhouses will provide communities with the ability to operate critical facilities, such as government buildings, police and fire operations, hospitals and shelters, independently of the grid."

The Board established a Program budget of $1 million to incentivize the preparation of feasibility studies, which is expected to fund five to 12 proposed studies. Initial incentives are capped at $200,000. The Program will be managed in two phases; first, the feasibility study, then selected applicants will move to the detailed engineering design phase. This current application window is only for the first phase of incentivizing feasibility studies. To apply for a feasibility study incentive:

- A local government or state agency must be the applicant;
- The applicant must be a government entity that owns or manages critical facilities;
- The BPU seeks applicants which demonstrate a high degree of planning and ability to implement every aspect of a microgrid proposal;
- The Program is initially open to potential TCDER microgrids identified by the New Jersey Institute of Technology (NJIT) in its report of potential microgrids within FEMA's nine Superstorm Sandy disaster designated counties or similar Town Centers which satisfy the screening criteria as set forth in the NJIT Report.

Through the Program, the Board will establish statewide microgrid policy for connecting multiple customers across multiple rights of ways (ROW) that can include both electric and thermal energy. The focus in this initial program is on critical facilities at the local level classified as:

- A public facility, including any federal, state, county, or municipal facility,
- A non-profit and/or private facility, including any hospital, water/wastewater treatment facility, school, multifamily building, that could serve as a shelter during a power outage.

The Program is exclusively intended for projects that include multiple critical facility customers in a single municipality developed as a TCDER microgrid. The TCDER microgrid must have a nucleus of critical buildings and offer emergency energy services under "dark sky" conditions, as well as operate in a cost effective manner during typical "blue sky" conditions.

Applicants must demonstrate an ability to incorporate multiple critical facility stakeholders into the TCDER microgrid.

- Each applicant must identify the proposed stakeholder groups, how they were identified, and level of commitment to participate in the feasibility study program.
- Applicants must demonstrate a firm understanding of the technical and power infrastructure needs of each critical facility stakeholder.
- This includes initial early stage studies of the overall Town Center's energy needs both electric and thermal, the types of DER technologies, interconnection technologies, utility requirements and initial microgrid cost/benefit modeling.

- The applicant's residents must be serviced by a regulated electric utility that pays a societal benefits charge (SBC) on their electric bill.

To view the full Microgrid Report please visit NJBPU Microgrid Report

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