



Agenda Date: 07/14/11  
Agenda Item: 8E

**STATE OF NEW JERSEY  
Board of Public Utilities  
Two Gateway Center - 801  
Newark, NJ 07102  
[www.nj.gov/bpu](http://www.nj.gov/bpu)**

CLEAN ENERGY

IN THE MATTER OF FUNDING IN THE AMOUNT OF )  
\$20.6 MILLION FROM THE STATE ENERGY PROGRAM )  
OF THE AMERICAN RECOVERY AND REINVESTMENT )  
ACT FOR COMPETITIVE GRANTS INVOLVING )  
INNOVATIVE ENERGY EFFICIENCY AND RENEWABLE )  
ENERGY PROJECTS BY STATE ENTITIES )

DOCKET NO. EO09060470

Parties of Record:

**Gregory Bressler**, Montclair State University

**Joe Witkowski**, Rutgers, The State University of New Jersey

(SERVICE LIST ATTACHED)

BY THE BOARD<sup>1</sup>

This grant program was designed to provide grants from funding provided under the American Recovery and Reinvestment Act of 2009. Pub. L. No. 111-5 ("ARRA") to support energy projects (the "Projects") in the State of New Jersey (the "State") by state entities that utilize innovative renewable or energy efficiency technologies or innovative applications for renewable energy applications and energy efficiency projects. Technologies that qualify for this Program include: wind energy, solar energy, biofuels, hydro energy, energy efficiency, geothermal, or energy storage applications that are used to reduce the intermittency of renewable energy technologies. This Program was approved by the Board on July 1, 2009 and reflects direction and input from the Governor's Task Force on ARRA. This specific program is directed solely to the energy efficiency technology known as Combined Heat and Power ("CHP").

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<sup>1</sup> Commissioner Jeanne M. Fox recused herself due to a potential conflict of interest and as such has taken no part in the discussion or deliberation.

On May 17, 2011 the Board of Public Utilities (“Board”) approved the Notice of Availability of \$3,235,394 with a solicitation for a new CHP program for public entities titled “State Entities – CHP Grant under the Innovation in Energy Efficiency and Renewable Energy – Public Entities”. This Notice of Availability outlined the requirements of the grant program as well as the criteria by which each project proposal would be evaluated. This grant program was made available to applicants from state departments, agencies, and authorities, as well as public colleges or universities (“state entities”).

On May 19, 2011 the Board issued a Public Notice of Availability (“Solicitation”), which sought proposals requesting funding for energy projects that would clearly further the goals of the Grant Program. The Solicitation stated the eligibility qualifications that applicants would have to meet to be considered for a grant under the program. The basic eligibility qualifications are:

- Projects must be able to be commenced expeditiously upon receipt of the Notice of Award Letter and execution of the Grant Agreement and must be able to begin construction within 3 months.
- CHP Projects must use an innovative technology (low NOx) or an innovative application of a technology that furthers the goals of the State Energy Program.
- The Project must have the ability to create jobs and reduce greenhouse gas emissions.
- Total federal and state funding may not exceed 50% of the total project cost (including ARRA funding). Total State Entities ARRA CHP Program awards cannot exceed \$5 million per generating plant (\$450 per kW of installed electric generation).
- Aggregate federal and state funding may not exceed 50% of the total project cost, and applicants must provide evidence of source of funds to complete the project and ability to finance through market sources, which may include taxable or tax-exempt bond financing.
- Projects must enter commercial operation after January 1, 2011, and demonstrate ability to commence construction by September 30, 2011 and utilize committed project funds by April 30, 2012.

The Board’s Division of Economic Development and Energy Policy formed a Grant Proposal Evaluation Committee (“Committee”) of three members, which included representatives of the Office of Clean Energy and the Division of Economic Development and Energy Policy. The Committee provided diverse representation and expertise for proposal evaluation and sought to recommend to the Board the best project proposals so that optimal use of ARRA funding results in the best bottom line benefits to the State.

The deadline for the submission of proposals was 5:00 pm on June 17, 2011. In response to the Notice, the Board received 5 proposals, two of which were non-responsive and one that was withdrawn.

Each member of the Committee reviewed each proposal and scored it based on the above criteria.

The two proposals the Evaluation Committee recommends to the Board for funding are:

1. Montclair State University in the amount of \$2,372,895.00; and
2. Rutgers The State University of New Jersey in the amount of \$1,171,800.00

These two proposals total \$3,544,695, which is \$309,301 more than initially allocated for grants under this solicitation. Staff is recommending the transfer of additional funds of \$309,301 from the Home Performance with Energy Star (“HPwES”) program to the Innovation in Energy

Efficiency and Renewable Energy – Public Entities program to account for the difference in available funding for these two projects. The U.S. Department of Energy has affirmed that monies which are less than 10% of the total current budget may be transferred within the object codes for this purpose.

### **Summary of Proposals Recommended for Grant Funding**

1. Montclair State University – The project will replace the current Montclair State University Central Energy Plan with a cogeneration facility that will utilize a natural gas fired 5.67 MW Taurus 60 CT (“CT”), a Heat Recovery Steam Generation (“HRSG”) with duct firing, recovering 30.37 mmBtu/hr of steam for heating use and to drive on a 2,000 ton steam driven turbine chiller. The system is significantly more efficient than the current local building which houses numerous chillers at the end of their useful life. The heating steam supply will displace the load from the existing facility and the chilled water load from the local, less efficient electric chillers. On an annual basis the Project is estimated to generate 44,555 MWh of electricity and 247,418 mmBtu of thermal energy. The highly efficient CHP system is anticipated to operate at net efficiency levels in excess of 68% of converting fuel into useful energy as heat or electricity.
2. Rutgers The State University of New Jersey - Upgraded each of the existing Centaur 50 T-6501 turbines to Taurus 60 T-7801 turbines. In addition to 2,800 KW of new electrical generation capacity, this upgrade will increase the unfired steam generation capacity, increase fuel efficiency, decrease turbine emissions and reduce water consumption by over 4.7 millions of gallons per year. The new turbines will replace the old ones by retrofitting the existing system with a new state of the art 17 MW generation system.

The proposals recommended by the Evaluation Committee are all highly meritorious because they meet and exceed the evaluation criterion laid out in the Board's solicitation.

### **Findings and Conclusions**

The Board **FINDS** that the two entities recommended by the Evaluation Committee listed above have met the Grant Program criteria and are qualified to receive grant funding subject to compliance with the requirements listed in the Solicitation.

The Board **FINDS** that there are sufficient funds in the Home Performance with Energy Star program to fund all current commitments and obligations and **HEREBY APPROVES** the transfer of \$309,301 from that program to the Innovation in Energy Efficiency and Renewable Energy – Public Entities program for a total addition of \$3,544,695 to the Innovation in Energy Efficiency and Renewable Energy – Public Entities Market title.

The Board **APPROVES** the recommendation of the Committee and **HEREBY AUTHORIZES** Grant Funding awards for a total of \$3,544,695 to the following projects in the specified amounts:

1. Montclair State University in the amount of \$2,372,895.00; and
2. Rutgers The State University of New Jersey in the amount of \$1,171,800.00

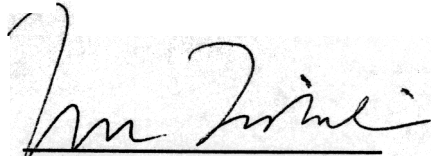
Finally, the Board **DIRECTS** Staff to work with the Department of Treasury and the appropriate federal officials to prepare and execute the proper Grant Agreements with those entities that have been awarded grant funding in this proceeding. The Board **HEREBY AUTHORIZES** President Solomon to execute Grant Agreements consistent with this Order and with federal and state requirements for such grant agreements.

DATED: 7/14/11


BOARD OF PUBLIC UTILITIES  
BY:



LEE A. SOLOMON  
PRESIDENT



JOSEPH L. FIORDALISO  
COMMISSIONER



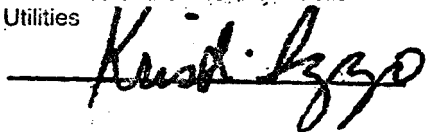
NICHOLAS ASSELTA  
COMMISSIONER

ATTEST:



KRISTI IZZO  
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 FUNDING IN THE AMOUNT OF \$20.6 MILLION FROM THE STATE ENERGY PROGRAM OF THE AMERICAN RECOVERY AND REINVESTMENT ACT FOR COMPETITIVE GRANTS INVOLVING INNOVATIVE ENERGY EFFICIENCY AND RENEWABLE ENERGY PROJECTS BY STATE ENTITIES

Docket No. EO09060470

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