

ADOPTION SECTION

PUBLIC UTILITIES

BOARD OF PUBLIC UTILITIES

DIVISION OF ENERGY

Notice of Readoption

Grant and Loan Programs

Readoption: N.J.A.C. 14:31

Authority: N.J.S.A. 52:27F-11q .

Authorized By: New Jersey Board of Public Utilities, Dianne Solomon, President, Jeanne M. Fox, Joseph L. Fiordaliso and Mary-Anna Holden, Commissioners.

BPU Docket Number: EX14040314.

Effective Date: April 23, 2014.

New Expiration Date: April 23, 2021.

Take notice that pursuant to N.J.S.A. 52:14B-5.1.b, the rules at N.J.A.C. 14:31 will expire on May 24, 2014. The rules concern grants and loans to be made for energy efficiency projects under the Business Energy Improvement Program.

A summary of the subchapters of N.J.A.C. 14:31 follows:

N.J.A.C. 14:31-1.1 sets forth the scope and purpose of the chapter.

N.J.A.C. 14:31-1.1A suspends the Business Energy Improvement Program established by this chapter, and the Board shall no longer provide interest subsidies, loans, grants, or any other type of subsidy or funding under this chapter. This chapter shall only apply when: 1) The Board has, prior to January 1, 2006, provided a subsidy, loan, or other type of funding under this chapter; and 2) the repayment, handling, or disposition of the subsidy, loan, or other type of

funding is materially affected by a provision of this chapter. In such a situation, this chapter shall apply only to the extent necessary to carry out or complete the previously arranged subsidy, loan, or other type of funding.

N.J.A.C. 14:31-1.2 contains definitions of words and terms used throughout the chapter.

N.J.A.C. 14:31-1.3 addresses the program duration and the limitation of funding.

N.J.A.C. 14:31-1.4 explains where requests for applications should be directed.

N.J.A.C. 14:31-1.5 explains the submission requirements for program applications.

N.J.A.C. 14:31-1.6 explains the interest subsidies for the loan program.

N.J.A.C. 14:31-1.7 discusses eligibility for the loans and the terms for the revolving loan funds.

N.J.A.C. 14:31-1.8 explains that eligibility for new construction projects and/or major renovations will be limited to resource recovery facilities, district heating and cooling systems, or qualified Urban Enterprise Zone business applicants.

N.J.A.C. 14:31-1.9 explains the eligibility criteria and structure of matching grants.

N.J.A.C. 14:31-1.10 provides the criteria for demonstration program funds.

N.J.A.C. 14:31-1.11 requires that all applicants shall execute an agreement with the Division to establish the terms and conditions associated with the grant. It explains that no charges for indirect costs will be allowable charges under the grant.

N.J.A.C. 14:31-1.12 sets out the specifics for the application and review procedure.

N.J.A.C. 14:31-1.13 explains to whom, and how, the Division of Energy in the Board of Public Utilities will pay subsidies to applicants.

N.J.A.C. 14:31-1.14 defines how the revolving loan fund is structured and the method, and time frame, for repayment of loans by recipients of the loans.

N.J.A.C. 14:31-1.15 describes the method of payment by the Division of Energy in the Board of Public Utilities for the distribution and payment of incremental grants, matching grants, and demonstration program grants.

N.J.A.C. 14:31-1.16 explains the Division of Energy's monitoring process for loans and grants that have been entered into by the Division.

N.J.A.C. 14:31-1.17 explains the rescission process for payments of loans, subsidies, or grants, and the process for withholding of funds under the program.

N.J.A.C. 14:31-1.18 is the severability section, which provides that if any section, provision, clause, or portion of this subchapter is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remaining portions of this subchapter shall not be affected thereby.

The Board of Public Utilities has reviewed these rules and has determined that the rules should be readopted without amendment. The rules are necessary, reasonable, and proper for the purpose for which they were originally promulgated. Therefore, pursuant to N.J.S.A. 52:14B-5.1.c(1), these rules are readopted and shall continue in effect for a seven-year period.