

SUBMITTED BY

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**Objective**

**Reduce total system demand for electric power from central generating and distribution systems. Increase overall system efficiency and decrease air emissions of CO<sub>2</sub>, and NO<sub>x</sub>**

Strategy

Develop onsite cogeneration or CHP for large energy users and multiple customers. Make distributed generation with CHP a preferred means of providing congestion relief and in the aggregate new generating capacity. Incorporate planned excess generating capacity where it can be used to address congestion both at PJM and at LDC distribution by economic dispatch. Set minimum CHP efficiencies of 70% for large units.

Responsible Party

Private and public business and building owners. BPU for regulatory issues and integration to overall energy strategy. NJDEP for air permitting and environmental compliance. PJM and LDC's for integration as a resource for both needs of onsite users and for potential to provide dispatchable peak power to the distribution system

Timeline of action

Expansion of existing CHP systems and build new CHP systems 2007-2020. Look to add 150 mw of CHP by 2010. Add 1500 mw by 2020

Note: Kema Study indicated a market potential of 2100 mw which did not include the incorporation of planned dispatchable capacity.

Strategy outcome

Reduced dependence on conventional central power plants, distribution system and out of state power. Reduced emissions of CO<sub>2</sub>. Cost savings

Implementation cost  
\$1,800,000,000

Source of Funding

Private funding also potential for EDA and tax exempt funds for portions of private and for public facilities  
As a cost savings this can be revenue financed. Potential for incentives from PJM and LDC's for integrated dispatchable capacity.

<b>Funding sources</b>	<b>Yes</b>	<b>No</b>
Private sector funds	y	
Public sector funds	y	
Consumer/ratepayer Funds		n

Indicators

MW and mmbtu of installed capacity mw and MWH of dispatched capacity

Source

PJM, LDC's and GATS

A. Current state of indicators

Available for existing plant capacity but not collected for operating generation

B. Indicator Projection to 2020.

