

New Jersey Energy Master Plan
 Strategy Template
 2005-2020
Distributed Energy Resources

<u>SUBMITTED BY</u>	
Name of Organization: PSEG	
Mailing Address: 80 Park Plaza, T-10, Newark NJ 07102	
Contact Name: Eric B. Svenson	Telephone: (973) 430-5857 E-mail address: eric.svenson@pseg.com

<p><u>Objective</u> Improve electric efficiency, CAIDI, defer substation reinforcements and reduce transmission congestion by installing distributed generation at PSE&G Substations and / or Switching Stations.</p>
<p><u>Strategy</u> Evaluate and, if approved, deploy gas fired generators (5-10 MWs) at suitable PS substations and/or switching stations to reduce load, shave peaks, and provide back-up power, voltage and reactive support, etc.</p>
<p><u>Responsible Parties</u> BPU finding that such equipment is “Distribution related” and approval for rate base treatment and return. Energy/Fuel revenues and costs handled through BGS/NTC clause or similar mechanism. Assistance to overcome local NIMBY/permitting objections. DEP special category for emissions & hours, if necessary. Assistance with PJM issues PSE&G to evaluate potential sites.</p>
<p><u>Timeline of action</u> PSE&G to evaluate potential sites for installing distributed generation at selected substations and / or switching stations over the next 12 months. If approved, permitting process could take 1 -2 years to complete. Installation of first distributed generators could be in service in the 2010 – 2011 timeframe. BPU to take action on issues cited under Responsible Parties over the next 12 months.</p>

Strategy outcome

Verification that installation of distributed generation will improve electric efficiency and CAIDI, defer substation reinforcements and reduce transmission congestion.

Implementation cost

Cost to install distributed generation at PSE&G substations and / or switching stations to be funded by PSE&G.

Source of Funding

Recovery of expenses will be provided through rate base treatment and return.

Indicators

Timing and extent that individual substations are anticipated to need reinforcement;
Transmission congestion reduction

A. Current state of indicator

Potential sites would need to be evaluated for adequate space, construction permits, high pressure gas in close proximity, operating hours (not restricted), emissions limits, site environmental and noise/NIMBY issues.

B. Indicator Projection to 2020.

The above identified potential sites as well as other possible sites could provide up to several hundred mw's of generation capacity by 2020.