



State of New Jersey

OFFICE OF THE GOVERNOR
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CHRIS CHRISTIE
Governor

MARC-PHILIP FERZAN
Executive Director
Office of Recovery & Rebuilding

June 26, 2013

RE: Hazard Mitigation Grant Program – Energy Project

Dear Applicant:

I write as the Governor's Authorized Representative on behalf of an ongoing, cross-agency collaboration to request your assistance in connection with the administration of the Hazard Mitigation Grant Program ("the HMGP").

In the aftermath of Superstorm Sandy, New Jersey's municipalities, counties, and other applicants to the HMGP expressed tremendous interest in mitigation and resilience opportunities, and identified new potential measures to better protect areas of the State vulnerable to future extreme weather or other events.

Multiple agencies from across state government collaborated to review and analyze Letters of Intent submitted to the HMGP, including the Office of Emergency Management, Office of Homeland Security & Preparedness, Department of Environmental Protection, and Board of Public Utilities. These agencies each have an active role in the coordination of HMGP objectives, in light of lessons learned from Superstorm Sandy. This inter-agency collaboration brought focus to a significant number of requests for the purchase of generators and other back-up energy devices to support infrastructure, emergency response services, and other critical assets in the event of a future energy emergency.

In response, the State partnered with the U.S. Department of Energy, the National Renewable Energy Laboratory, and FEMA to assist in the review and analysis of proposed energy projects submitted to the HMGP. That partnership will assist the State in identifying opportunities to leverage limited federal recovery funds with available energy incentives and potential financing opportunities to support energy resilience projects.

Additional information is needed to further evaluate and assess potential energy projects. You are receiving this letter because you included at least one energy project in your Letter of

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Intent to the HMGP. In order to complete the State’s review and analyze the request in your Letter of Intent, your prompt completion of an online survey is critical to the State’s review of the proposed project. Please visit this website to complete the survey as soon as possible:

<https://www.surveymonkey.com/s/52638N7>

The online survey, when completed, will provide relevant information to enable the State to evaluate the energy request included in your Letter of Intent. To assist in the review, **we would appreciate it if you would complete the online survey by Wednesday, July 3, 2013. To the extent that you are unable to meet the July 3rd timetable, we are seeking all remaining submissions by no later than Wednesday, July 10, 2013.**

To the extent you have questions in responding to the energy questionnaire that are not addressed in the enclosed Frequently Asked Questions, please do not hesitate to contact the New Jersey Board of Public Utilities by calling (886) NJ-SMART or emailing publiccomments@njcleanenergy.com (please identify your email with the subject line “Critical Facility Screening”).

We are grateful for your cooperation and assistance in responding to the enclosed energy questionnaire.

Sincerely,



Marc-Philip Ferrel, Executive Director
Governor’s Office of Recovery & Rebuilding

cc: SFC Michael Gallagher, State Hazard Mitigation Officer

**Hazard Mitigation Grant Program – Energy Project
Critical Facility Screening
Frequently Asked Questions**

Q. Where in my organization can I get energy data to answer the survey?

A. Typically energy information would reside in the office that is paying the energy bills, either the business administrator or the manager should be able to assist. In some case, the facilities director or office of engineering would have monthly energy data. This information is also available from the electric and gas utilities.

Q. Why are you asking for energy data?

A. We are trying to determine the potential for development of distributive generation (DG) as part of the Hazard Mitigation requests made by local government entities, including yours.

Q. What is a blended rate?

A. A blended rate is the total electricity costs divided by the total kilowatt hour (kWh) consumption in a period of time. A blended rate will incorporate factors such as facility and demand charges into a simple average of cost per kilowatt hour (\$/kWh) of electricity used.

Q. What is electricity demand and why am I being asked for it?

A. A non-residential electric customer pays for electricity based on a maximum amount of energy that a customer requires to be kept available to the facility. Demand is measured in kilowatts (kW) and is measured by a utility as the highest average demand in any 15-minute period during the month, which is the highest electricity demand needed by a facility's equipment. To ensure a facility has the electricity it requires, when it is needed, the utility manages the supply of electricity so that the highest demand is available to the site. The utility charges for this service through an electricity demand rate. We are interested in the highest electricity demand at your facility.

Q. Why are you asking for other energy usage besides electricity?

A. We are trying to assess your facilities' overall heating and cooling fuel demand and costs to understand the total energy needs at your facility.

Q. What is baseload?

A. Baseload energy is typically the energy used for everything other than heating and cooling. Baseload energy includes appliances, lighting, pumps, motors, etc and is the lowest level of energy consumed over a period of time.

Q. What is a 'utility feeder'?

A. A utility feeder is a medium-voltage line used to distribute electricity from a substation to consumers or to smaller substations.

Q. What is distributive generation (DG)?

A. Distributed energy generation (DG) refers to a variety of small, modular power-generating technologies that can be combined with load management and energy storage systems to improve the quality and/or reliability of the electricity supply. They are "distributed" because

they are placed at or near the point of energy consumption, unlike traditional "centralized" systems, where electricity is generated at a remotely located, large-scale power plant and then transmitted down power lines to the consumer.

Q. What are the types of DG technologies?

A. Distributed energy encompasses a wide range of technologies including wind turbines, solar power, fuel cells, microturbines, reciprocating engines, load reduction technologies, combined heat and power, and battery storage systems.

Q. Can DG technology be used in every application instead of a backup generator?

A. No. The simple reason is the cost and the demand or type of energy requirements at a specific building may not be suitable. Depending on location and available incentives the costs may vary.

The effectiveness and efficiency of more expensive DG technologies depend on the ability of the facility to maximize the use of the energy and balance needs (e.g., use the waste heat, the need for full time secure electric usage, etc). In terms of combined heat and power, the more usage of the waste heat to heat and cool the building for longer hours, the more cost effective the technology can become.

Q. Why not just install the less expensive backup generator at a facility?

A. In some cases technologies other than generators will be more cost effective over a longer term period. Distributed generation can provide benefits such as a more secure energy supply that will have more likelihood of operating during or immediately after a storm; a cleaner, more efficient energy supply; on-site or local energy generation which lowers long-term energy costs, etc.

Q. Since submitting our Letter of Intent, my entity or organization has identified additional energy projects. Can I complete a survey for those projects?

A. To the extent additional energy projects have been identified and those energy projects were not included in the Letter of Intent, a survey may be completed for the additional projects for the State's informational use. Please note that any expenditure of Hazard Mitigation Grant Program funds must comply with applicable regulations and requirements. The submission of a survey in connection with an additional energy project (not previously identified in a Letter of Intent) will not necessarily render the project eligible for HMGP funds and will not be construed as a request for funding from the State.

Q. My entity or organization included multiple energy projects in our Letter of Intent. Do I need to complete separate surveys for each identified energy project?

A. A survey only needs to be completed once for each *physical location*. Therefore, if an additional project is at the same site, the completion of a second survey is not required. However, if the other projects are at different physical locations, than a separate survey must be completed for each physical location in order to obtain proper utility data and other relevant information.

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Q. Who can I contact if I have additional questions?

A. If you have additional questions, please contact the New Jersey Board of Public Utilities at Publiccomments@njcleanenergy.com (please identify your email with the subject line “Critical Facility Screening”) or by calling (866) NJ-SMART.