



Agenda Date: 2/12/25
Agenda Item: 8E

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
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Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF NEW JERSEY CLEAN ENERGY)	ORDER
PROGRAM FISCAL YEAR 2025 COMMUNITY ENERGY)	
PLAN GRANT PROGRAM)	DOCKET NO. QO24120873

Party of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board" or "BPU") considers Board Staff's ("Staff's") recommendations to open the fourth program year ("Program Year 4") of the Community Energy Plan Grant ("CEPG") program.

BACKGROUND AND PROCEDURAL HISTORY

The Board created the CEPG Program in 2019 with the purpose of providing grants to municipalities throughout New Jersey to create localized energy plans, or Community Energy Plans ("CEPs") that are aligned with the goals of New Jersey's Energy Master Plan ("EMP").¹ The EMP goals chosen for inclusion in the CEPG Program are associated with EMP Strategies one (1), two (2), three (3), four (4), six (6), and seven (7). The Board partners with Sustainable Jersey for the purposes of the CEPG Program, wherein Sustainable Jersey assists with program design and provides technical assistance to awardees selected to participate in the CEPG Program.²

In 2021, following the selection of grantees for the first year of the CEPG Program ("Program Year 1"), the Board requested its Division of Clean Energy's Office of Clean Energy Equity to evaluate results from Program Year 1 with a focus on prioritizing low- and moderate-income communities and removing barriers to participation. After conducting such a review, Staff recommended revising the CEPG Program's application requirements, identifying "overburdened municipalities" ("OBMs") that would be eligible to receive \$25,000 grants, as well as technical assistance from

¹ In re the Clean Energy Programs and Budget for Fiscal Year 2019 Trued Up and Revised Budget, BPU Docket No. QO18040393, Order dated March 29, 2019. See also New Jersey Board of Public Utilities, 2019 New Jersey Energy Master Plan.

² For more information about Sustainable Jersey, a non-profit organization, please visit <https://www.sustainablejersey.com>.

Sustainable Jersey in submitting their CEPG applications and developing their respective CEPs. Staff recommended that those municipalities not identified as OBMs would be eligible for \$10,000 grants. By Order dated October 6, 2021, the Board approved the recommended changes for the second iteration of the CEPG Program ("Program Year 2").³

On June 8, 2022, the Board approved Program Year 2 grant awards for forty-six (46) municipalities, twenty-four (24) of which were OBMs.⁴ The grant term for Program Year 2 was eighteen (18) months, spanning from June 2022 until November 2023.

The Board approved the opening of the third year of the CEPG Program ("Program Year 3"). The CEPG Program was again evaluated based on lessons learned from Program Year 2, and Staff recommended additional changes to the CEPG Program, including a shortened program timeline and revised criteria to determine OBMs. The new OBM criteria implemented with Program Year 3 is as follows:

1. The municipality has over fifty percent (50%) of its population living in an overburdened community ("OBC") Census Block, as such term is defined by the New Jersey Department of Environmental Protection pursuant to New Jersey's Environmental Justice Law, N.J.S.A. 13:1D-157 et seq.; and
2. The municipality meets one (1) or both of the following criteria (either a or b):
 - a. Over thirty-five percent (35%) of the population is living under 200% of the poverty level according to U.S. Census 2021 American Community Survey census data; or
 - b. The municipality has a distress score of forty (40) or higher according to New Jersey Department of Community Affairs' Municipal Revitalization Index.

Under Program Year 3 of the CEPG Program, municipalities were again eligible to receive a \$10,000 grant award and technical assistance from Sustainable Jersey to establish CEPs. OBMs were entitled to an enhanced award of \$25,000 and priority technical assistance from Sustainable Jersey. Grant funds were required to be used to develop CEPs and to fund activities that support the creation of said CEPs. Ninety-two (92) municipalities were selected for award for Program Year 3, fifteen (15) of which were OBMs, totaling \$1,145,000.⁵

On June 27, 2024, the Board issued an Order approving the Clean Energy Program budget for Fiscal Year 2025.⁶ The Fiscal Year 2025 budget allocated \$5,564,268 to community energy grants, consisting of carry forward funding from the Clean Energy Program Fiscal Year 2024 budget.

³ In re the New Jersey Clean Energy Program Fiscal Year 2022 Community Energy Planning, BPU Docket No. QO21091113, Order dated October 6, 2021.

⁴ In re New Jersey Clean Energy Program Fiscal Year 2022 Community Energy Planning, BPU Docket No. QO21091113, Order dated June 8, 2022.

⁵ In re New Jersey Clean Energy Program Fiscal Year 2024 Community Energy Plan Grant Program, BPU Docket No. QO23090714, Order dated August 14, 2024.

⁶ In re the Clean Energy Programs and Budget for the Fiscal Year 2025, BPU Docket No. QO24040224, Order dated June 27, 2024.

Staff's Recommendations

Staff recommends that the Board authorize Program Year 4 of the CEPG Program using \$900,000 from the Fiscal Year 2025 Clean Energy Program Budget for Community Energy Grants. Staff recommends that Program Year 4 carry forward the design of Program Year 3: grant awards of either \$10,000 or \$25,000 to municipalities to develop qualifying CEPs which advance the goals of the EMP. Municipalities categorized as an OBM are eligible for a \$25,000 CEPG grant, as well as priority technical assistance from Sustainable Jersey, and all other municipalities will be eligible for a \$10,000 CEPG grant as well as technical assistance from Sustainable Jersey.

Staff further recommends that the criteria to determine an OBM remain identical to that of Program Year 3: (1) the municipality has over fifty percent (50%) of its population living in an OBC Census Block, as such term is defined by the New Jersey Department of Environmental Protection pursuant to New Jersey's Environmental Justice Law, N.J.S.A. 13:1D-157 et seq.; and (2) the municipality meets one (1) or both of the following criteria: (a) over thirty-five percent (35%) of the population is living under 200% of the poverty level, according to U.S. Census 2021 American Community Survey census data; or (b) the municipality has a distress score of forty (40) or higher according to New Jersey Department of Community Affairs' MRI.

Staff recommends that, for Program Year 4, selected municipalities be required to publish their final CEPs to their official municipality websites and social media pages. Imposing such a requirement on grantees would allow residents of each municipality, and any other affected parties, to read the plan and know what actions the municipality plans to take.

If Program Year 4 is approved by the Board, Staff will prepare a Notice of Funding Availability for publication in the New Jersey Register, to advertise the availability of grant funds under Program Year 4 of the CEPG Program. At the close of the application window, Staff will review all submissions for administrative completeness and will evaluate applicants for funding purposes. Once awardees are selected, Staff will distribute grant agreements to each selected municipality. From that point, Staff recommends that the Board implement a program timeline as follows:

1. Within thirty (30) days of its receipt of the grant agreement, each grantee will be required to return to Staff its administratively complete grant agreement, signed by the appropriate municipal authority. Only submitted grant agreements that are administratively complete will satisfy the requirement in this step.
2. Within forty-five (45) days of the start of the grant term, each grantee will designate the project team that will be working to complete the Community Energy Plan Workplan Template. There is no minimum or maximum number of people required to form the project team, and participants are not limited only to municipal staff. For example, a municipality working with a volunteer-led Green Team to complete the Workplan Template is acceptable.

3. All grantees will schedule a consultation meeting with Sustainable Jersey, the timing of which depends on whether or not a grantee is considered an OBM. The purpose of the consultation is to review the Workplan Template, discuss program milestones, and review programmatic budget guidelines. The timelines for completing the consultation for both OBMs and all other municipalities are as follows:
 - a. OBMs will need to hold a meeting within forty-five (45) days of the start of the grant term.
 - b. All other municipalities will need to hold a meeting within ninety (90) days of the start of the grant term.
4. Within 150 days of the start of the grant term, each grantee will submit to Staff a proposed budget containing information on how they have spent and will spend their grant funds.
5. Within six (6) months of the start of the grant term, each grantee will submit their proposed Workplan Template which will inform the final version of the Community Energy Plan.
6. Within eight (8) months of the start of the grant term, each grantee will conduct a minimum of one (1) public meeting to engage its municipal community in discussion about proposed initiatives to include in the final Community Energy Plan.
7. Within twelve (12) months of the start of the grant term, taking into account feedback received from its municipal community, each CEP grantee will complete the following:
 - a. Finalize the CEP by presenting it to the municipal governing body for formal adoption through municipal resolution;
 - b. Submit final documentation to Staff:
 - i. Final completed and adopted plan
 - ii. Proof of the formal adoption by the municipal governing body
 - iii. Any other reports requested by Staff regarding financial expenditures or grant performance; and
 - c. Post final plan on municipal website and social media.
 - i. Template social media language will be provided to municipalities.
 - ii. Grantees must notify the Board when these posts are made and where the posts can be accessed.

DISCUSSION AND FINDINGS

Following review and consideration of Staff's recommendations to establish Program Year 4 of CEPG Program, the Board **HEREBY FINDS** that the program is beneficial to municipalities that wish to develop CEPs and is designed to advance the goals of the State's EMP. The Board **HEREBY FINDS** Staff's recommendations for program design are calculated to maximize participation in the CEPG Program, result in a higher percentage of applicants completing all steps of the CEPG grant, facilitate adoption of CEPs that are aligned with the goals of the EMP, and raise public awareness of each municipalities' CEP. The Board **FURTHER FINDS** that implementing Staff's recommendations for the Program Year 4 of the CEPG Program will continue to prioritize low- and moderate-income and OBMs by providing additional financial and technical support to those communities.

Accordingly, the Board **HEREBY DIRECTS** Staff to establish Program Year 4 of the CEPG Program, consistent with Staff's recommendations set forth above. Of the \$5,574,034 allocated in the Fiscal Year 2025 Clean Energy Program Budget for Community Energy Grants, the Board **HEREBY DIRECTS** Staff to utilize up to \$900,000 for Program Year 4 of the CEPG Program. The Board **HEREBY DIRECTS** Staff to take all necessary and appropriate steps to implement Program Year 4 of the CEPG Program pursuant to the recommendations made herein.


This Order shall be effective on February 19, 2025.

DATED: February 12, 2025

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOULOU
COMMISSIONER



MARIAN ABDOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER

ATTEST: 
SHERRIL L. LEWIS
BOARD SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities.

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