

[First Reprint]

ASSEMBLY, No. 5382

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 23, 2021

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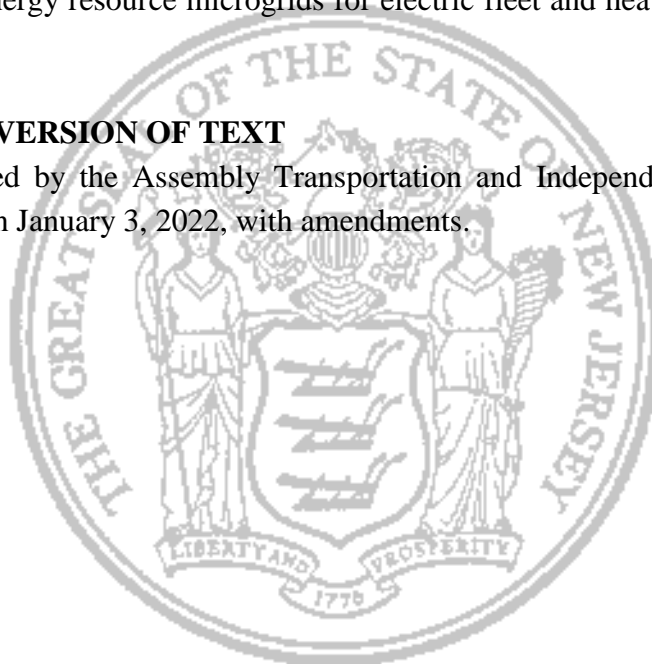
**Assemblyman Karabinchak, Assemblywoman Vainieri Huttie and
Assemblyman Freiman**

SYNOPSIS

Requires request for proposal to establish demonstration program to develop distributed energy resource microgrids for electric fleet and heavy-duty vehicle use.

CURRENT VERSION OF TEXT

As reported by the Assembly Transportation and Independent Authorities Committee on January 3, 2022, with amendments.



(Sponsorship Updated As Of: 1/6/2022)

1 AN ACT concerning the establishment of a demonstration program
2 for the development of certain microgrids and supplementing
3 Title 48 of the Revised Statutes.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. As used in P.L. , c. (C.) (pending before the
9 Legislature as this bill):

10 “Authority” ¹【shall have the same meaning as provided in section
11 3 of P.L.1974, c.80 (C.34:1B-3)】 means the New Jersey Economic
12 Development Authority, established pursuant to section 4 of P.L.1974,
13 c.80 (C.34:1B-4)¹.

14 “Board” means the Board of Public Utilities or any successor
15 agency.

16 “Demonstration program” means the demonstration program
17 authorized in response to a request for proposal developed and issued
18 by the authority pursuant to section 2 of P.L. , c. (C.) (pending
19 before the Legislature as this bill).

20 “Department” means the Department of Environmental Protection.

21 “Distributed energy resource” means an electricity-producing
22 resource or controllable load that is connected to an electric public
23 utility’s distribution infrastructure or a microgrid connected to a
24 utility’s distribution infrastructure.

25 “Distributed energy resource microgrid” or “microgrid” means a
26 microgrid consisting of a group of interconnected loads and distributed
27 energy resources within clearly defined electrical boundaries that act
28 as a single controllable entity with respect to a utility’s distribution
29 infrastructure, which can connect and disconnect from a utility’s
30 distribution infrastructure to enable it to operate both connected to, or
31 independent of, a utility’s distribution infrastructure.

32 “Electric public utility” or “utility” means a public utility, as that
33 term is defined in R.S.48:2-13, that provides electric distribution
34 service in this State.

35 “Request for proposal” or “proposal” means the request for
36 proposal developed and issued by the authority pursuant to
37 P.L. , c. (C.) (pending before the Legislature as this bill).

38
39 2. a. The New Jersey Economic Development Authority, in
40 consultation with the Board of Public Utilities and the Department of
41 Environmental Protection, shall develop a request for proposal for the
42 purpose of determining eligibility for the establishment of a
43 demonstration program involving the development of distributed
44 energy resource microgrids at six regionally diverse locations within
45 the State for fleet and medium and heavy-duty electric vehicle use.

EXPLANATION – Matter enclosed in bold-faced brackets **【thus】** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ATR committee amendments adopted January 3, 2022.

1 The proposal shall require that there be at least one distributed energy
2 resource microgrid located within the service territory of each electric
3 public utility operating within this State. The proposal shall describe,
4 in detail, the provision of the establishment of microgrids for fleet and
5 medium and heavy-duty electric vehicle charging ¹capable of
6 supporting very high¹, ¹mitigating increases in¹ coincident peak
7 vehicle electric load. Within the proposal, the authority shall provide a
8 list and brief description of any State or local incentives and support
9 programs available to an approved applicant.

10 b. The authority shall establish guidelines for its approval,
11 designation, operation, reporting, and re-designation of a
12 demonstration program in a manner determined by the authority.
13 Upon developing a request for proposal, the authority shall issue the
14 proposal in a form and in a manner determined by the authority. The
15 authority may approve more than one demonstration program
16 application, provided that the total number of approved applications
17 shall result in meeting the requirement, pursuant to subsection a. of
18 this section, that a microgrid shall be established at six locations within
19 the State.

20 c. The authority, in cooperation with the board and the
21 department, shall oversee, coordinate, and provide assistance to the
22 demonstration program approved and established pursuant to
23 P.L. , c. (C.) (pending before the Legislature as this bill).

24
25 3. A request for proposal shall require an applicant intending to
26 establish a demonstration program to submit to the authority the
27 following information, which shall include, but not be limited to:

28 a. a statement of purpose for the proposed demonstration
29 program, which shall include, but not be limited to, the development of
30 microgrids to create infrastructure for the ¹high coincident load¹
31 charging of fleet and medium and heavy-duty electric vehicles
32 ¹without requiring a major electric public utility infrastructure
33 upgrade or any interconnection delays¹;

34 b. a validation of the key cost and time saving and resilience
35 metrics provided by the applicant ¹as compared with the traditional
36 electric public utility capital investment approach¹ for the
37 establishment of microgrids for use by fleet and medium and heavy-
38 duty electric vehicles;

39 c. a description of one or more microgrids for each location and a
40 clear explanation and map conveying a proposed microgrid's physical
41 boundaries;

42 d. a provision requiring the applicant to state that each microgrid
43 to be established shall:

44 (1) allow for clean or renewable energy-sourced electric power
45 generation and energy storage provided on-site or on property
46 contiguous to the microgrid, in addition to the ability to charge electric
47 vehicles; and

1 (2) comply with any fleet and medium and heavy-duty electric
2 vehicle charging infrastructure plan established by the department
3 where microgrid infrastructure is needed to get the most benefit for
4 fleet and medium and heavy-duty electric vehicle charging; and

5 e. a statement that the applicant will enter into an agreement with
6 an electric public utility where, upon receiving board approval, the
7 utility will make any necessary upgrades to its transmission or
8 distribution infrastructure ¹【and provide energy storage】¹ at locations
9 proposed by the applicant to make the location ready for operation of a
10 microgrid. A utility making any board-authorized capital investments
11 to upgrade its transmission or distribution infrastructure ¹【shall allow
12 the utility to】 may¹ include in its rate base these ¹capital and¹
13 operating costs for rate recovery. ¹【A utility providing energy storage
14 at a location for the operation of a microgrid shall be eligible to
15 receive cost recovery directly from customers through any revenue-
16 producing microgrid services provided by the utility, but the board
17 shall not allow the utility to include in its rate base the any costs for
18 providing energy storage.】¹

19
20 4. A request for proposal issued by the authority to establish a
21 demonstration program shall give preference to applications:

22 a. located within a brownfield, as defined pursuant to section 3
23 of P.L.1999, c.23 (C.48:3-51);

24 b. providing an environmental justice net public benefit, as
25 determined by the authority, within a “low-income, urban, or
26 environmental justice community,” as defined pursuant to section 2
27 of P.L.2019, c.362 (C.48:25-2);

28 c. providing job creation and job training potential for
29 disadvantaged persons, as determined by the authority; and

30 d. resulting in an expansion of the State’s manufacturing base
31 for an emerging clean transportation economy, and demonstrating a
32 collaboration with a State-certified educational training entity.

33
34 5. Upon the approval by the authority of an application to
35 conduct a demonstration program, the authority shall require the
36 approved applicant to enter into an agreement with the authority
37 that shall contain, but not be limited to:

38 a. a signed statement of cooperation and a description of the
39 roles and relationships of each entity involved in the demonstration
40 program;

41 b. a clearly identified list of goals, performance standards,
42 benchmarks, or milestones of the proposed demonstration program,
43 with approximate dates as to when the goals, performance
44 standards, benchmarks, or milestones will be achieved and how
45 they will be evaluated, including a requirement that an approved
46 applicant shall report to the authority on the status of the applicant’s

- 1 achieving these goals, performance standards, benchmarks, or
2 milestones;
- 3 c. a complete budget of the proposed demonstration program,
4 including a description of secured funds with proof, pending funds,
5 and potential future funding sources;
- 6 d. a list of the approved applicant's assets and resources,
7 organizational experience, including capabilities, related
8 experience, facilities, techniques, resources, or unique combinations
9 of these that are integral factors for achieving the proposed
10 objective of establishing a microgrid; and
- 11 e. the expectations for job development and business creation
12 upon the establishment and operation of a microgrid.
- 13
- 14 6. The authority shall bi-annually report to the department and the
15 board on the progress made by an approved applicant in establishing a
16 demonstration program. The authority shall annually post the
17 information from these reports on the authority's Internet website.
18 The board shall incorporate any applicable information on the
19 establishment of the demonstration program in ¹the¹ Energy Master
20 Plan or update to that plan. The authority shall report, five years after
21 the effective date of P.L. , c. (C.) (pending before the
22 Legislature as this bill), to the Governor and, pursuant to section 2 of
23 P.L.1991, c.164 (C.52:14-19.1), to the Legislature, on the results of the
24 establishment of a demonstration program and post a copy of that
25 report on the authority's Internet website.
- 26
- 27 7. The authority is authorized to seek and accept gifts,
28 donations, grants, or loans from private or public sources,
29 including, but not limited to, any federal funding to be provided for
30 the purposes of the demonstration program, except that the
31 authority shall not accept a gift, donation, grant, or loan that is
32 subject to conditions that are inconsistent with any other law of this
33 State.
- 34
- 35 8. This act shall take effect immediately.