

ASSEMBLY TRANSPORTATION AND INDEPENDENT AUTHORITIES COMMITTEE

STATEMENT TO **ASSEMBLY, No. 5382**

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 3, 2022

The Assembly Transportation and Independent Authorities Committee reports favorably and with committee amendments Assembly Bill No. 5382.

As amended and reported, this bill requires the New Jersey Economic Development Authority (authority), in consultation with the Board of Public Utilities (board) and the Department of Environmental Protection (department), to develop a request for proposal (proposal) for the purpose of determining eligibility for the establishment of a demonstration program (program) involving the development of distributed energy resource microgrids (microgrid) at six regionally diverse locations within the State for fleet and medium and heavy-duty electric vehicle use. The proposal is to require that there be at least one microgrid located within the service territory of each electric public utility (utility) operating within this State. The proposal is to describe, in detail, the establishment of the microgrids for fleet and medium and heavy-duty electric vehicle charging capable of supporting very high, coincident peak vehicle electric load.

The authority is to establish guidelines for its approval, designation, operation, reporting, and re-designation of the program in a manner determined by the authority. The authority may approve more than one program application, provided that the total number of approved applications is to result in a microgrid being established at six locations within the State. The authority, in cooperation with the board and the department, is to oversee, coordinate, and provide assistance to the program.

The bill requires the proposal to require an applicant intending to establish a program to submit to the authority certain information as described in the bill. The proposal issued by the authority is to give preference to applications: 1) located within a brownfield; 2) providing an environmental justice net public benefit within a low-income, urban, or environmental justice community; 3) providing job creation and job training potential for disadvantaged persons; and 4) resulting in an expansion of the State's manufacturing base

for an emerging clean transportation economy, and demonstrating a collaboration with a State-certified educational training entity.

Upon the approval by the authority of an application to conduct a program, the authority is to require the approved applicant to enter into an agreement with the authority that is to contain certain information as described in the bill.

The authority is to bi-annually report to the department and the board on the progress made by an approved applicant in establishing a program. The authority is to annually post the information from these reports on the authority's Internet website. The board is to incorporate any applicable information on the establishment of a demonstration program in the State's Energy Master Plan or update to that plan. The authority is to report, five years after the effective date of the bill, to the Governor and the Legislature, on the results of the establishment of the program and post a copy of that report on the authority's Internet website.

The bill authorizes the authority to seek and accept gifts, donations, grants, or loans from private or public sources, including, but not limited to, any federal funding to be provided for the purposes of the demonstration program, except that the authority is not to accept a gift, donation, grant, or loan that is subject to conditions that are inconsistent with any other law of this State.

COMMITTEE AMENDMENTS

The committee amended the bill to clarify the definition of "authority" used in the bill and to make two grammatical corrections. The amendments also remove the requirement that an applicant enters into an agreement that requires the utility to make upgrades for energy storage and remove references to energy storage in the bill. The amendments provide that a utility may include in its rate base the capital costs for upgrading its transmission or distribution infrastructure, in addition to its operating costs. The amendments make changes to the requirements for the authority when developing a request for proposal and to the information required to be provided in a request for proposal by an applicant.