

SENATE, No. 787

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED JANUARY 18, 2022

Sponsored by:
Senator TROY SINGLETON
District 7 (Burlington)

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 introduced.



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” means the New Jersey Economic Development
11 Authority, created by section 4 of P.L.1974, c.80 (C.34:1B-4).

12 “Board” means the Board of Public Utilities or any successor
13 agency.

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

18 “Department” means the Department of Environmental
19 Protection.

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

24 “Distributed energy resource microgrid” or “microgrid” means a
25 microgrid consisting of a group of interconnected loads and
26 distributed energy resources within clearly defined electrical
27 boundaries that act as a single controllable entity with respect to a
28 utility’s distribution infrastructure, which can connect and
29 disconnect from a utility’s distribution infrastructure to enable it to
30 operate both connected to, or independent of, a utility’s distribution
31 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 P.L. ,
37 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
41 of Environmental Protection, shall develop a request for proposal
42 for the 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
45 within the State for fleet and medium and heavy-duty electric
46 vehicle use. The proposal shall require that there be at least one
47 distributed energy resource microgrid located within the service
48 territory of each electric public utility operating within this State.

1 The proposal shall describe, in detail, the provision of the
2 establishment of microgrids for fleet and medium and heavy-duty
3 electric vehicle charging capable of supporting very high,
4 coincident peak vehicle electric load. Within the proposal, the
5 authority shall provide a list and brief description of any State or
6 local incentives and support programs available to an approved
7 applicant.

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

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

22

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

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

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

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

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

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

46 (2) comply with any fleet and medium and heavy-duty electric
47 vehicle charging infrastructure plan established by the department

1 where microgrid infrastructure is needed to get the most benefit for
2 fleet and medium and heavy-duty electric vehicle charging; and

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

17
18 4. A request for proposal issued by the authority to establish a
19 demonstration program shall give preference to applications:

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

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

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

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

31
32 5. Upon the approval by the authority of an application to
33 conduct a demonstration program, the authority shall require the
34 approved applicant to enter into an agreement with the authority
35 that shall contain, but not be limited to:

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

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

1 c. a complete budget of the proposed demonstration program,
2 including a description of secured funds with proof, pending funds,
3 and potential future funding sources;

4 d. a list of the approved applicant's assets and resources,
5 organizational experience, including capabilities, related
6 experience, facilities, techniques, resources, or unique combinations
7 of these that are integral factors for achieving the proposed
8 objective of establishing a microgrid; and

9 e. the expectations for job development and business creation
10 upon the establishment and operation of a microgrid.

11
12 6. The authority shall bi-annually report to the department and
13 the board on the progress made by an approved applicant in
14 establishing a demonstration program. The authority shall annually
15 post the information from these reports on the authority's Internet
16 website. The board shall incorporate any applicable information on
17 the establishment of the demonstration program in the Energy
18 Master Plan or update to that plan. The authority shall report, five
19 years after the effective date of P.L. , c. (C.) (pending
20 before the Legislature as this bill), to the Governor and, pursuant to
21 section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature, on
22 the results of the establishment of a demonstration program and
23 post a copy of that report on the authority's Internet website.

24
25 7. The authority is authorized to seek and accept gifts,
26 donations, grants, or loans from private or public sources,
27 including, but not limited to, any federal funding to be provided for
28 the purposes of the demonstration program, except that the
29 authority shall not accept a gift, donation, grant, or loan that is
30 subject to conditions that are inconsistent with any other law of this
31 State.

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33 8. This act shall take effect immediately.

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36 STATEMENT

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38 This bill requires the New Jersey Economic Development
39 Authority (authority), in consultation with the Board of Public
40 Utilities (board) and the Department of Environmental Protection
41 (department), to develop a request for proposal (proposal) for the
42 purpose of determining eligibility for the establishment of a
43 demonstration program (program) involving the development of
44 distributed energy resource microgrids (microgrid) at six regionally
45 diverse locations within the State for fleet and medium and heavy-
46 duty electric vehicle use. The proposal requires that there be at
47 least one microgrid located within the service territory of each
48 electric public utility operating within this State. The proposal is to

1 describe, in detail, the provision of the establishment of microgrids
2 for fleet and medium and heavy-duty electric vehicle charging that
3 is capable of supporting very high, coincident peak vehicle electric
4 load.

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

13 Under the bill, the proposal is to require an applicant intending to
14 establish a program to submit to the authority certain information as
15 described in the bill. The proposal issued by the authority is to give
16 preference to applications: 1) located within a brownfield; 2)
17 providing an environmental justice net public benefit within a low-
18 income, urban, or environmental justice community; 3) providing
19 job creation and job training potential for disadvantaged persons;
20 and 4) resulting in an expansion of the State's manufacturing base
21 for an emerging clean transportation economy, and demonstrating a
22 collaboration with a State-certified educational training entity.

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

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

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