

[First Reprint]

SENATE, No. 3593

STATE OF NEW JERSEY
219th LEGISLATURE

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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 reported by the Senate Economic Growth Committee on December 9, 2021, with amendments.



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**
11 **section 3 of P.L.1974, c.80 (C.34:1B-3)】** means the New Jersey
12 Economic Development Authority, created by section 4 of
13 P.L.1974, 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
18 issued by the authority pursuant to section 2 of P.L. ,
19 c. (C.) (pending before the Legislature as this bill).

20 “Department” means the Department of Environmental
21 Protection.

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

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

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

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

40

41 2. a. The New Jersey Economic Development Authority, in
42 consultation with the Board of Public Utilities and the Department
43 of Environmental Protection, shall develop a request for proposal
44 for the purpose of determining eligibility for the establishment of a

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:

¹**Senate SEG committee amendments adopted December 9, 2021.**

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

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

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

28
29 3. A request for proposal shall require an applicant intending to
30 establish a demonstration program to submit to the authority the
31 following information, which shall include, but not be limited to:

32 a. a statement of purpose for the proposed demonstration
33 program, which shall include, but not be limited to, the
34 development of microgrids to create infrastructure for the high
35 coincident load charging of fleet and medium and heavy-duty
36 electric vehicles without requiring a major electric public utility
37 infrastructure upgrade or any interconnection delays;

38 b. a validation of the key cost and time saving and resilience
39 metrics provided by the applicant as compared with the traditional
40 electric public utility capital investment approach for the
41 establishment of microgrids for use by fleet and medium and heavy-
42 duty electric vehicles;

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

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

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

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

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

23
24 4. A request for proposal issued by the authority to establish a
25 demonstration program shall give preference to applications:

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

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

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

34 d. resulting in an expansion of the State's manufacturing base
35 for an emerging clean transportation economy, and demonstrating a
36 collaboration with a State-certified educational training entity.

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

42 a. a signed statement of cooperation and a description of the
43 roles and relationships of each entity involved in the demonstration
44 program;

45 b. a clearly identified list of goals, performance standards,
46 benchmarks, or milestones of the proposed demonstration program,
47 with approximate dates as to when the goals, performance
48 standards, benchmarks, or milestones will be achieved and how

1 they will be evaluated, including a requirement that an approved
2 applicant shall report to the authority on the status of the applicant's
3 achieving these goals, performance standards, benchmarks, or
4 milestones;

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

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

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

15

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

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

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37 8. This act shall take effect immediately.