



Agenda Date: 10/6/21
Agenda Item: 8A

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF NEW JERSEY CLEAN ENERGY)
PROGRAM FISCAL YEAR 2022 COMMUNITY)
ENERGY PLANNING) ORDER
DOCKET NO. QO21091113

Party of Record:

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

BY THE BOARD:

By this order, the Board of Public Utilities ("Board" or "BPU") considers Staff's recommendations on the redesign of the Community Energy Plan Grant program.

BACKGROUND

On March 29, 2019, the Board approved the Community Energy Plan Grant ("CEP Grant") program through a Board Order entered under Docket Number QO18040393.¹ The CEP Grant program was designed to provide communities and local government with the opportunity to localize the Energy Master Plan's ("EMP") goals within their communities. From 2019 to 2021, Bergen County, Lawrence Township, and Jersey City received a grant under the CEP Grant program.

PROCEDURAL HISTORY

In 2021, the Board requested that the Division of Clean Energy, Office of Clean Energy Equity ("OCEE") perform an evaluation of the CEP Grant program to develop recommendations that prioritize low- and moderate-income and overburdened communities and removed barriers to participation by this demographic, along with providing additional financial and technical support to those communities that are most in need of these grants. Accordingly, the Board entered an order on June 24, 2021,² and the listserv was notified on June 30, 2021,³ that the CEP Grant

¹ I/M/O the Clean Energy Programs and Budget for Fiscal Year 2019 Trued Up and Revised Budget, BPU Docket No. QO18040393 (March 29, 2019).

² I/M/O the Clean Energy Program Budget for Fiscal Year 2022, BPU Docket No. QO21040720 (June 24, 2021).

program was paused pending the results of the evaluation with a goal of relaunching the program as part of the Fiscal Year 2022 budget docket.²

STAFF RECOMMENDATIONS

The evaluation conducted by the OCEE of the CEP Grant program identified not only a low application rate, but also, a complicated and burdensome application process. As a result, the OCEE has redesigned the CEP Grant program to better prioritize low- and moderate- income and overburdened communities. The redesigned CEP Grant program removes barriers to participation from these communities with limited resources by simplifying the application process for all municipalities. Based on overburdened community census tracts data, poverty level data, and the New Jersey Department of Community Affairs (“DCA”) Municipal Revitalization Index (“MRI”), 48 “overburdened municipalities” were identified. As part of the redesigned CEP Grant program, these 48 municipalities will be eligible for an enhanced grant amount and additional aid in the form of technical assistance to apply for the grant. Board Staff (“Staff”) believes that the simplified application process and enhanced benefits for overburdened municipalities will increase the likelihood of success of and engagement in the program.

Following evaluation of the program, Staff recommends that all New Jersey municipalities be eligible for \$10,000 grants unless they have been identified as an “overburdened municipality,” in which case they are eligible for a \$25,000 grant, with additional aid in the form of technical assistance to help complete the grant application and technical support to develop the community energy plan after the grant is awarded. It may be necessary for Staff to re-evaluate the program during the applicable program period, including the award amount, to ensure the efficient and successful operation of this grant program.

For the purposes of establishing eligibility under the CEP Grant program, Staff recommends the following definition of an “overburdened municipality”:

1. The municipality has more than 50% of its population living in an “overburdened community” census block as 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 or both of the following criteria:
 - A. More than 35% of the municipality’s population lives under 200% of the poverty level according to U.S. Census 2019 American Community Service data; and/or
 - B. The municipality is categorized as “distressed” as defined by the DCA’s MRI (with a score of 50 or higher).

Municipalities who have been previously awarded a community energy plan grant are not eligible to apply again.

³ NJBPU Listserv Email, “Community Energy Plan Grant Program on Hold Until Re-launch in Fiscal Year 2022,” June 30, 2021. See also www.njcleanenergy.com/CEP.

To apply, municipalities must complete the following:

1. Evaluate each of the known high-impact strategies listed in the Community Energy Plan Initiatives Template:
 - A. For each strategy, determine if this action is appropriate for the municipality. Applicants are required to identify at least one of the energy-related strategies as outlined in the template as a potential area of interest or focus for the municipality; and
 - B. If there are additional areas of interest outside of the template that an applicant would like to include in the Community Energy Plan ("Plan"), the applicant should provide a description in the application;
2. Provide a preliminary project budget; and
3. Conduct a minimum of **one public meeting** to engage the community prior to submitting the application:
 - A. The municipality must present to the applicable municipal board its identified strategies and intention to apply for the grant by municipal resolution.

Should more applications be received than can be funded, priority consideration will be given based on the following:

- Status as an "overburdened community" as defined by NJDEP pursuant to New Jersey's Environmental Justice Law; and
- Equitable distribution of the grants by region and municipal size and type (north, central, south/urban, suburban, rural).

Each grant term would last 18 months. Once a grant is awarded, the awardee municipality would be responsible for the following:

1. Based on the strategies identified in the application, the municipality must work to conduct an in-depth analysis of the strategies for incorporation into its Plan;
2. Conduct a minimum of **additional one public meeting** to engage the community in the creation of the Plan;
3. Finalize the Plan through formal adoption by the municipal governing body and submission of a copy of the completed Plan to the Board; and
4. Submit an expenditure report:
 - A. For \$10,000 grants: submit at the end of the grant term.
 - B. For \$25,000 grants: submit quarterly and a final report at the end of the eighteen (18) month grant term.

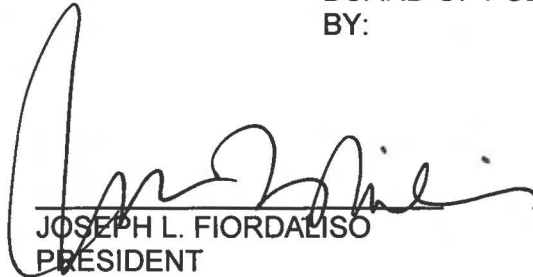
DISCUSSION AND FINDINGS

After review and consideration of Staff's recommendations to redesign the CEP Grant program, the Board **HEREBY FINDS** that Staff's recommendations appropriately prioritize low- and moderate-income and overburdened communities by removing barriers to participation in the program and providing additional financial and technical support to those communities lacking in these resources. The Board **FURTHER FINDS** that Staff's recommendations will benefit New Jersey residents and are consistent with the EMP. **NOW, THEREFORE,** the Board **HEREBY DIRECTS** Staff to facilitate the establishment of the new CEP Grant program application process and related activities, and to take all necessary and appropriate steps to implement the CEP Grant program pursuant to the recommendations made herein.

The effective date of this Order is October 13, 2021.

DATED: 10/6/21

BOARD OF PUBLIC UTILITIES
BY:


JOSEPH L. FIORDALISO
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER


ROBERT M. GORDON
COMMISSIONER

ATTEST: 
AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF NEW JERSEY CLEAN ENERGY PROGRAM FISCAL YEAR 2022
COMMUNITY ENERGY PLANNING

DOCKET NO. QO21091113

SERVICE LIST

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