



State of New Jersey
BOARD OF PUBLIC UTILITIES
TWO GATEWAY CENTER
NEWARK, NEW JERSEY 07102

JON S. CORZINE
Governor

JEANNE M. FOX
President
TEL: (973) 648-2013

July 6, 2009

Dear Potential Applicant:

I am pleased to announce the availability of \$20.643 million in federal stimulus money for grants to fund innovative renewable energy and energy efficiency projects by State entities. This allocation is part of New Jersey's \$73 million State Energy Program funding under the American Recovery and Reinvestment Act of 2009.

Under its ARRA application to the U.S. Department of Energy, New Jersey has proposed to apportion its SEP funds to further the goals of the Gov. Jon S. Corzine's visionary Energy Master Plan:

- achieve reductions in energy consumption of at least 20% by 2020;
- reduce peak demand for electricity by 5,700 MW by 2020;
- generate 30% of the State's electricity needs from renewable sources by 2020; and
- invest in innovative clean-energy technologies and businesses to stimulate the industry's growth in New Jersey.

To reach these goals, the Governor has said the State must lead by example. To that end, he created the Office of Energy Savings to reduce energy consumption and energy costs within State Government. The competitive grants being made available through this \$20.643 million fund will enable State departments, agencies, authorities, colleges and universities to follow the Governor's lead by launching energy efficiency and renewables efforts within their own facilities.

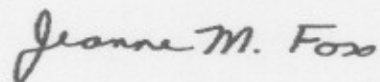
On July 1, 2009, the Board of Public Utilities authorized the release of a solicitation seeking proposals from State entities. Qualifying technologies are wind, solar, biofuels, hydro, energy efficiency, geothermal or energy storage applications that reduce the intermittency of renewable technologies. Proposals will be evaluated based on how effectively they meet the goals of the ARRA as well as the goals of the EMP: create or

retain jobs, save energy, increase use of renewables and reduce greenhouse gas emissions. Programs funded under the SEP must cut energy costs, help reduce energy consumption, curtail energy imports, improve grid reliability and help the environment. ARRA gives high priority to projects that can be begun and completed quickly.

Applications are due August 7 by 5 p.m. Prospective applicants may submit questions about this solicitation via email until July 17 at 5 p.m. Please email your questions to: board.secretary@bpu.state.nj.us. For prospective applicants, BPU will host a conference call to discuss the application process on July 15 at 866-255-8320, participant code: 898759. For additional details, visit www.nj.gov/bpu, e-mail board.secretary@bpu.state.nj.us, or contact Maureen Clerc at 973-648-8974.

Not only will this solicitation benefit the pocketbooks and environment of New Jerseyans; it provides us an opportunity to tap into the rich vein of innovation and focused creativity within our state entities. On behalf of my fellow Commissioners, I encourage you to submit your innovative proposals, and be a part of New Jersey's economic recovery.

Sincerely,

A handwritten signature in cursive script that reads "Jeanne M. Fox".

Jeanne M. Fox
President

Notice of Availability of Grants

New Jersey Board of Public Utilities Availability of Grant Pursuant to American Recovery and Reinvestment Act

Dated: July 6, 2009
Proposals Due: 5:00 P.M. August 7, 2009

1.0 PROGRAM INFORMATION

1.1 Name of Program

Innovation in Energy Efficiency and Renewable Energy- Public Entities

The New Jersey Board of Public Utilities ("BPU" or "Board") hereby announces the anticipated availability of grants (the "Grant" or "Grants") under the "Innovation in Energy Efficiency and Renewable Energy – Public Entities" Program (the "Program") as authorized under N.J.S.A. 26:2C-37 et seq. and 26:2C-45 et seq.

1.2 Purpose

The Program is designed to provide grants from funding under the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 ("ARRA") to support energy projects (the "Projects") in the State of New Jersey (the "State") by State Departments, State Agencies, State Authorities, State Colleges and State Universities (collectively, the "State Entities") that utilize innovative renewable or energy efficiency technologies or innovative applications for renewable energy applications and energy efficiency projects. Technologies that qualify for this Program include: wind energy, solar energy, biofuels, hydro energy, energy efficiency, geothermal, or energy storage applications that are used to reduce the intermittency of renewable energy technologies. This Program was approved by the Board on July 1, 2009, and reflects direction and input from the Governor's Task Force on ARRA.

1.3 Goals

The primary goals of this Program are to: reduce the amount of greenhouse gases produced to meet the State's electricity needs, support the goals of the State's Energy Master Plan ("EMP"), provide funds that will encourage the creation of green collar jobs in the State, and further the goals of ARRA and the EMP. The EMP may be found at: <http://nj.gov/emp/>

1.4 Background

ARRA is intended to invest \$787 billion into the U.S. economy to help the nation climb out of the worst economic downturn since the Great Depression. ARRA will provide various types of funding for many different kinds of projects, including energy projects.

New Jersey's State Energy Program ("SEP") is expected to receive \$73,643,000 from ARRA to support clean energy efforts in the State. The SEP, which is administered by the BPU, has historically been funded by grants received from the U.S. Department of Energy's Office of Energy Efficiency and Renewable Energy. The grants are used by states to advance their clean energy goals including renewable energy and energy efficiency programs.

The goals of the SEP are as follows:

- Increase energy efficiency to reduce energy costs and consumption for consumers, businesses and government;
- Reduce reliance on imported energy;
- Improve the reliability of electricity and fuel supply and the delivery of energy services; and
- Reduce the impacts of energy production and use on the environment.

ARRA expands these traditional goals of the SEP, by providing that ARRA funds should be used to:

- Stimulate the creation or retention of jobs;
- Save energy;
- Increase energy generation from renewable sources; and
- Reduce greenhouse gas emissions.

ARRA also gives preference to activities that can be started and completed quickly.

A majority of New Jersey's anticipated share of the ARRA funds, \$47 million, is aimed at the private sector. These funds will be leveraged with private dollars in order to maximize the investment in energy efficiency, renewable energy projects and job creation.

Of the remaining ARRA funds, \$20.643 million, will support State government's clean energy activities undertaken by the State Entities. State Entities have large energy loads that can be extremely inefficient. That reality coupled with this funding represents an opportunity to realize significant energy savings. Such investments will reduce costs, save taxpayers money and create jobs.

This Solicitation pertains to the \$20.643 million expected to be received by BPU under ARRA and is designed to fund Grants for Projects by the State Entities. Please note that this Program was approved by the Board as a part of the State's ARRA application. Approval of the ARRA application is currently pending at the U.S. Department of Energy ("USDOE"). However, because of the requirements under ARRA that ARRA funds be used within certain time frames, this Solicitation is being made prior to the date that approval is expected. Therefore, no awards of Grants will be made pursuant to this Solicitation until and unless that approval is received. Furthermore this Solicitation may be revised based on such approval. Approval of the application by the USDOE is anticipated to occur in July 2009.

2.0 GRANTS

2.1 Amount of Grants under the Program

The amount of funding by the federal government under the SEP has been expanded under ARRA. New Jersey's share of the total federal funding of \$3.1 billion is expected to be \$73,643,000. The BPU, on behalf of the State, submitted the initial application on March 23, 2009 and the complete application on May 12, 2009 for ARRA funding relating to the SEP.

The use of ARRA funding relating to the SEP must be consistent with the EMP, ARRA and SEP. Grants will be made to Projects based on their ability to further the State's energy policy goals. All of the details concerning application processes, selection methods, selected projects, and progress on Projects awarded Grants will be made publicly available on the State's Recovery website at: <http://www.nj.gov/recovery/>.

Of New Jersey's expected \$73.6 million share of the SEP funds, the application to the USDOE allocated \$20.643 million to the BPU for this Program. BPU staff worked closely with the Governor's ARRA Task Force to develop this Program.

Grant awards by the BPU are contingent upon receiving approval and funds through the ARRA Program from the federal government, which is anticipated to occur in July 2009.

There is no specific limit on the amount of a Grant for a Project.

2.2 Entities which may apply for Grants under the Program

All State Departments, State Agencies, State Authorities, State Colleges and State Universities are eligible for this Program.

2.3 Qualifications for Projects

Projects must be able to be commenced expeditiously upon receipt of the Notice of Award Letter and execution of the Grant Agreement and must be able to begin construction within 12 months. Projects must use an innovative technology or an innovative application of a technology that furthers the goals of the SEP. The Project must have the ability to create jobs and reduce greenhouse gas emissions.

2.4 Grant Agreement

Applicants will be required to comply with Treasury Circular Letter (07-05-OMB) which provides some but not all of the terms and conditions that will be made part of the grant agreement. To download a copy of Circular Letter 07-05-OMB go to <http://www.state.nj.us/infobank/circular/cir0705b.pdf>.

All projects must be consistent with all Treasury circulars, regulations and statutes for procurement for equipment.

The funding under the Grant will be disbursed on a schedule set forth in the Grant Agreement.

2.5 Federal Requirements Under ARRA

ARRA requires that projects funded under ARRA comply with various federal laws. These requirements will be set forth in more detail in the Grant Agreement. Included in these requirements are the following:

A. ARRA requires that funds provided under ARRA can only be used to "supplement" and not to "supplant" funds which would otherwise have been used to fund the Project being funded by the ARRA funding. "Supplanting" funds is loosely defined (for these purposes) as using federal grant money to "replace" or "take the place of" existing local funding. The ARRA funds are intended to provide entities with **increased capabilities** or to build capacity to address SEP programs. Therefore, ARRA grant funds **cannot** be used to replace existing funds for Projects. Instead the ARRA funds are intended to help increase capabilities. The funds are not to be used for replacing (supplanting) routine budget expenses. Funding may not be used to supplant on-going,

or previously budgeted State activities, and may not be used to hire staff for operational activities or backfill.

B. A Project may not receive more than 100% of the costs of the Project from a Grant and from other State incentive and rebate programs. In the event that a Project would receive more than 100% from a Grant and these other State incentive and rebate programs, the amount of the Grant will be reduced accordingly so that the total amount of funding from the Grant and these other sources do not exceed 100% of the costs of the Project.

C. The ARRA funded projects are required to follow all normal Federal-aid funding requirements. In addition, all ARRA funded projects must include Davis-Bacon wage rates. In accordance with Federal law, and the procurement laws of the State of New Jersey, any solicitation for services and resulting contracts funded by federal money for SEP projects must contain the appropriate clauses setting forth the prevailing wages to be paid various classes of laborers and mechanics in compliance with the Davis-Bacon and related Acts. The State will ensure that projects funded directly or in part through funding from ARRA will include these clauses in both its solicitations for services and resulting contracts for contractors and subcontractors.

D. The wages paid in New Jersey must not be less than those prevailing wages on projects of a similar character in the locality as determined by the Wage and Hour Division of the U.S. Department of Labor under the Davis-Bacon and related Acts. Established rates may be validated either through the U.S. Department of Labor or the Labor Standards Bureau webpage on the webpage for the New Jersey Department of Labor.

E. The Project will be required to follow the Buy American provisions set forth in ARRA.

2.6 Audit Requirement

The Grant will be covered by the audit requirements of the Department of the Treasury Circular Letter 04-04-0MB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Reporting requirements will be specified in the Grant Agreement.

2.7 Reporting Requirements

President Obama has committed to transparency and accountability in the use of the funds provided through ARRA. It is important therefore that the activities carried out and the results achieved with those funds are tracked carefully and reported clearly and quantifiably. Pursuant to US DOE ARRA requirements for the SEP, periodic performance metrics reporting will be required for program award recipients, which will include, as appropriate, jobs created, energy (kwh/therms/gallons/BTUs/etc.) saved, renewable energy installed capacity and generated, GHG emissions reduced (CO₂ equivalents), energy cost savings, and funds leveraged. Specific reporting requirements applicable to this Program are currently being finalized in alignment with the Federal requirements. BPU will be the responsible party for reporting as the recognized SEP and primary grantee. Successful applicants through this Program will be obligated to follow a detailed schedule in reporting progress to comply with federal guidelines.

2.8 Progress Reporting and Metrics for Evaluation

Quarterly progress reports will be required.

3.0 INSTRUCTIONS FOR SUBMITTAL OF PROPOSALS

3.1 Date for Submission Ten copies of the proposals, along with a copy of the proposal on CD, must be submitted and may be hand-delivered or delivered via US Mail or Overnight to:

NJ Board of Public Utilities
Two Gateway Center
8th Floor
Newark, NJ 07601
Attn : Maureen Clerc

Proposals should also be sent via email in PDF format to:

board.secretary@bpu.state.nj.us

All proposals must be received by 5:00 p.m. on **August 7, 2009**. Please direct email inquiries to board.secretary@bpu.state.nj.us. All inquiries and questions with regard to this Notice of Availability of Grants shall be submitted by 5:00 p.m. on **July 17, 2009**. Applicants shall receive a Notice of Award or letter declining such award after Board approval of the *Innovation in Energy Efficiency and Renewable Energy Public Entities* grant, on or about August 19, 2009. As stated above, the award of any Grants under this Solicitation is expressly contingent upon approval by the USDOE of the application for funding under ARRA and receipt by the State of such funding.

3.2 Contents of Proposal

This section of the Solicitation is designed to guide applicants in organizing their proposals in a consistent fashion to facilitate evaluation. Applicants should demonstrate within the relevant sections how their proposed Project meets or exceeds the goals and purposes identified above. Each proposal should include the following sections and must be in the order presented below:

3.2.1 Overall Summary. This section of the proposal must include the following:

- a. Organization Name
- b. Address
- c. Contact Person (including email and phone number)
- d. Project Name
- e. Project Location
- f. Total Project Cost
- g. Grant Funding Amount Requested
- h. Other Supplemental Funding Sources Anticipated (including amount already budgeted, use of federal or Clean Energy Program funding already committed or anticipated)
- i. Explanation of how the receipt of these funds will supplement, not supplant, your energy efficiency or renewable energy efforts
- j. Description of Renewable Energy or Energy Efficiency Technology
- k. Amount of Annual Energy Savings or Energy Generation Anticipated from the Project
- l. Amount of Annual Cost Savings Anticipated from the Project

- m. Number of Direct Jobs Anticipated to be Created from the Project (both temporary jobs and permanent jobs if applicable)
- n. Amount of time needed to commence work on the Project, once Notice of Award Letter is issued and a Grant Agreement executed
- o. Amount of time needed to complete the Project after grant award (in weeks or months)
- p. Location of Project and reason for site selection
- q. Anticipated permitting (e.g. New Jersey Department of Environmental Protection permits) required for Project completion
 - a. All projects shall submit documentation that the NJDEP Permit Readiness Checklist and Permit Identification form (PIf) was completed and submitted to NJDEP for review. These forms are available from the NJDEP Office of Permit Coordination at www.state.nj.us/DEP/opppc/permitcoor.htm
- r. Desired drawdown schedule for the Grant – indicate % of Grant desired to be disbursed at various time points or milestones

3.2.2 **Project description** totaling no more than five (5) pages. This description should include:

- What technology is being used¹
- How this technology is innovative or an innovative application of renewable or energy efficiency technology and how this technology will be utilized in the Project
- The Project's objectives and goals
- How the Project helps to further the goals of the EMP
- How the Project is consistent with the goals of ARRA
- The procurement process that will be utilized to select the entity that will build the Project
- A detailed budget that clearly describes how the Grant funds from this Solicitation will be used. Please include all moneys that will be dedicated to the Project, including the source of funding for administrative costs

In recognition of the lack of start-up capital available to public institutions, applicants should discuss their funding (capital) needs in their application. The grant agreements will be structured to take into account capital limitations.

Please note: these Grant funds may not be used to cover administrative costs. Please see attached list which details prohibitions on expenditures for these Grant funds. The procurement process for obtaining the required contractors and subcontractors to carry about the Project must be described.

3.2.2 **Certification.** Applicants will be required to fill out the certification attached to this application, which affirms that ARRA Grant funds will be used to **supplement** (add to) existing funds, and will not **supplant** (replace) funds that have been locally allocated or the same

¹ Examples of some potential technologies are: Projects that use a combination of energy efficiency technology such as high efficiencies low NOx combined heat and power, high efficiency geothermal heat pumps; LED lighting in combination with renewable energy such as wind, solar and sustainable biomass; regenerative thermal oxidizer with wet electrostatic precipitator; electronic expansion valves/variable frequency drives and solatube skylighting with daylight harvesting; demand control and response for HVAC; energy recovery ventilators/strobic exhaust fans and using renewable fuels such as low sulfur biodiesel or other biofuels or biofuel additives that are consistent with USEPA alternative fuels certification.

purpose. Potential supplanting will be addressed in the proposal review as well as in the pre-award review, post award monitoring, and the audit.

3.2.3 Proposal Timeline. Proposals must include a "time-line" for undertaking the Project, including projected dates for commencement of the Project and completion.

3.2.4 Program Team

Proposals should include an organizational chart listing all team members, including the program manager and indicate how they will procure the necessary contractors and subcontractors to undertake the project. Proposals should also state the program team's individual and combined expertise that will enable successful implementation of the program.

4.0 REVIEW AND AWARD OF GRANTS

4.1 Evaluation Criteria

The review of the proposals will be performed by a Grant Evaluation Committee that consists of representatives from: the BPU, New Jersey Economic Development Authority, the Office of Economic Growth, the Commission on Science and Technology, and the Office of Energy Savings, according to the following criteria:

- The Project's ability to commence work quickly and begin construction within twelve (12) months from the date of Notice of Award Letter and execution of the Grant Agreement
- The use of an innovative technology, or an innovative application of a technology that furthers the goals of the SEP.
- The ability to create jobs.
- Reductions in greenhouse gas emissions.
- The amount of energy created or saved.

The Grant Evaluation Committee reserves the right to conduct interviews with applicants or request additional details and clarification, if necessary. If a proposal is submitted by any of the agencies on the evaluation team, that agency will not participate in the review of ranking of such proposal(s).

4.2 Grant Award

The Grant Evaluation Committee will recommend to the Board proposals based upon the review process described above. The Grant Evaluation Committee may recommend reducing the scope of the project and as a result, may recommend reducing the requested funding. The Board may reject or accept in part or in whole the recommendations for funding made by the Grant Evaluation Committee. Grant funds will be awarded by the Board to the Projects that are deemed most beneficial to the State according to the criteria contained herein. The Board reserves the right to make no award if in its sole discretion no acceptable proposal is received. Any award of Grants is subject to the receipt of funds from the federal government under ARRA,

and the appropriation of such funds by the New Jersey Legislature for the Program. The decisions of the Board will be communicated to applicants by the Office of the Secretary of the Board. Applicants shall designate a Program Manager in the proposal who shall become the point of contact with the Office of the Secretary.

**ATTACHMENT A - ARRA Grant Program
Non-Supplanting Certification**

This certification which is a required component of the proposal, affirms that ARRA grant funds will be used to **supplement** (add to) existing funds, and will not **supplant** (replace) funds that have been appropriated for the same purpose. Potential supplanting will be addressed in the proposal review as well as in the pre-award review, post award monitoring, and the audit. Applicants and/or grantees may be required to supply documentation certifying that a reduction in non-federal resources occurred for reasons OTHER than the receipt or expected federal ARRA grant funds.

Supplanting funds is loosely defined (for these purposes) as using federal grant money to "replace" or "take the place of" existing local funding. The ARRA grant funds are intended to provide entities with **increased capabilities** or to build capacity to address SEP programs. ARRA grant funds **cannot** be used to replace funds for existing State programs. They must be used only to help increase capabilities. The ARRA grant funds are not to be used for replacing (supplanting) routine budget expenses. Funding may not be used to supplant on-going, or previously budgeted State activities, and may not be used to hire staff for operational activities or backfill.

As a condition of the receipt of these funds:

Funding may be suspended or terminated for filing a false certification in the proposal, Grant Agreement or other any other reports or documents required as part of this Program.

Certification Statement:

I certify that any funds awarded under this ARRA Grant Program will be used to supplement existing funds for program activities, and will not replace (supplant) non-Federal Funds.

NAME (AUTHORIZING OFFICIAL)

SIGNATURE

NAME (PROGRAM MANAGER/CONTACT)

SIGNATURE

NAME (CHIEF FISCAL OFFICER)

SIGNATURE

JURISDICTION

DATE

ATTACHMENT B - PROHIBITIONS

States are prohibited from using SEP financial assistance for the following purposes:

- For construction, such as construction of mass transit systems and exclusive bus lanes, or for the construction or repair of buildings or structures;
- To purchase land, a building or structure or any interest therein;
- To subsidize fares for public transportation;
- To subsidize utility rate demonstrations or State tax credits for energy conservation or renewable energy measures; or to conduct or purchase equipment to conduct research, development or demonstration of energy efficiency or renewable energy techniques and technologies not commercially available.

Certification Statement:

I certify that any funds awarded under this ARRA Grant Program will be used for any of the purposes described above.

NAME (AUTHORIZING OFFICIAL)

SIGNATURE

NAME (PROGRAM MANAGER/CONTACT)

SIGNATURE

NAME (CHIEF FISCAL OFFICER)

SIGNATURE

JURISDICTION

DATE