



June 16, 2017

New Jersey Board of Public Utilities  
44 South Clinton Avenue, 3rd Floor  
Suite 314  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
Irene Kim Asbury, Secretary of the Board  
**Revision 1**

Dear Secretary Asbury,

EnSync, Inc. (NYSE MKT: ESNC), dba EnSync Energy Systems, a leading developer of innovative distributed energy resource (DER) systems and internet of energy (IOE) control platforms for the utility, commercial, industrial and multi-tenant building markets, hereby submits the following comments regarding the Request for Comments, Proposed NJCEP FY17 Budget Revisions as requested on June 9, 2017.

EnSync's Matrix Energy Management platform is a differentiated technology for easily integrating and controlling distributed energy resources, such as solar and storage, with great potential value in leveraging those assets as a controllable on-demand energy source. Matrix provides useful flexibility and the ability to seamlessly add distributed energy resources to existing commercial and industrial assets. In addition, Matrix enables future proofing capabilities and flexible system operation.

We take exception to the proposal put forth by the Board Staff as reflected in the "FY18 Draft CRA and Budget", which essentially recommends that the Board approve the transfer of \$1,052,480.00 from the RE Storage Program "Rebates, Grants, and Other Direct Incentives" cost category to the Microgrid Program "Rebates, Grants and Other Direct Incentives" cost category as a response to demand for Microgrid funding. EnSync supports efforts to harden our energy infrastructure and believes wholeheartedly that micro and nano scale grid development plays an integral role for increasing reliability, resiliency and deriving significant ratepayer benefits which ultimately will bring higher value from clean energy resources to New Jersey ratepayers. We also believe the efforts to promote Microgrids can be enhanced significantly through funding and other regulatory and policy measures to meet rising market capability and end user demand. We take exception, however to transferring these funds as proposed and believe there will be negative



repercussions to the RE Storage program and stakeholders who have set their sights on tapping these previously earmarked funds for development of innovative storage deployment.

EnSync Energy respectfully requests keeping funding levels for the RE Storage Program intact. Our firm, and many others in the space where energy storage technologies can be paired with solar and renewable forms of energy, have been challenged in efforts to educate end users about the merits and benefits of adding energy storage to their operations. New technologies, like chemical energy storage, while established in other industries, require that customers feel confident in selecting an energy storage option, and this requires added time as well as funding to assuage the financial concerns and help shore up economic project illustrations. Removing funding sends a negative market signal that the BPU is not serious about opening New Jersey's energy market to proven technologies which are pursuing new applications.

Our firm is also active in the nascent electric vehicle charging market, with innovation to bring direct-DC sourced from solar to vehicles using energy storage as the primary conduit along with our innovative Matrix Energy Management System that together presents the compelling economic case to deploy this much needed improvement to market offerings. The NJ RE Storage incentive is integral to these economic cases.

Furthermore, EnSync Energy has already spent several months and made investment in reaching customers in New Jersey who have sincere interest in storage. To have the funding removed at this point will strand our investments and hurt our credibility. Customers will take pause on project opportunities because of funding uncertainty.

We believe the cycle for energy storage projects at this stage of the market requires additional time for education, added resourcing for site evaluation and critical load surveys, has deeper scrutiny for economic modeling and should have a matching commitment from the BPU for staying the course and allowing the funds allocated to this program to remain in place to fulfill projects in development.

Maybe there is middle ground based on available dollars in the RE Storage Program - On the website it notes that as of April 13<sup>th</sup>, 2017 (most recent date) there is about, \$1.485M, so the transfer and withdrawal of \$1M would nearly exhaust this current pool, especially if new data shows less remaining funding.



### Renewable Electric Storage

Application Status*			
	Applications	Energy Capacity (kWh)	Program Funding
FY17 Budget			\$3,000,000
Under Review	0	N/A	N/A
Approved	7	6,625	\$1,519,500
Available Funding			\$1,480,500

\*as of April 13, 2017

Without having visibility to the total budget allocated, it may be the case that the RE Storage Program has more than the sum and if this is the case, then EnSync could support leaving at least \$1M in the RE Storage Program funding pool. We hope that the Board agrees with this plea and can find other ways to support the Microgrid segment of the market, a segment with even higher positive impact value to New Jersey citizens and all its ratepayers.

I remain appreciative of the historic efforts that New Jersey leadership has delivered to promote a clean energy future. Please contact me with any questions or thoughts about our position regarding the FY18 Draft CRA and Budget.

Respectfully submitted,

A handwritten signature in black ink that reads "David Eisenbud".

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