
FY2016 Sustainable Biopower Incentive Program

Sustainable Biopower Working Group Meeting
September 28, 2015
Rutgers Eco-Complex, Bordentown, NJ

Presented by the Renewable Energy Market Manager Team



TOTAL OF ALL BIOPOWER PROGRAMS

Programs	No. of Projects	Size (kW)	Incentive
Grid Supply and REAP	5	22,650	\$7,613,225
CORE and REIP	14	8,505	\$7,359,120
TOTAL	19	31,555	\$14,972,345

GRID SUPPLY AND REAP PROGRAMS



Prog.	Customer Name	Size (kW)	Incentive	Type of incentive	Year
Grid Supply	Burlington County (LFG)	6,150	\$3,900,000	Production Grant	2007
REAP	Rahway Valley Sewerage Authority (Biogas)	1,500	\$500,000	Grant	2009
REAP	Ocean County (LFG)	9,600	\$1,500,000	Grant	2007
REAP	Warren County (LFG)	3,800	\$1,200,000	Grant	2006
REAP	Atlantic County Utilities Authority (LFG)	1,600	\$513,225	Grant	2004
	TOTAL	22,650	\$7,613,225		

CORE & REIP PROGRAMS



Prog.	Company Name	Size	Incentive Amt.	Yr. Completed
CORE	Rex Lumber	150	\$560,000.00	2002
CORE	Rutgers Eco-Complex	120	\$122,518.80	2003
CORE	So. Monmouth Regional Sew. Auth.	30	\$31,075.00	2003
CORE	Aluminum Shapes (2 projects)	1,850	\$2,390,000.00	2005
CORE	Cape May County MUA	150	\$285,000.00	2007
CORE	Monmouth County	1,000	\$885,000.00	2008
CORE	Burlington County Bd. of Freeholders	1,000	\$480,000.00	2008
CORE	Landis Sewerage Authority	185	\$252,000.00	2008
CORE	Rutgers University (Greenhouse)	250	\$194,805.30	2010
CORE	Joint Meeting of Essex & Union	3,240	\$885,000.00	2010
REIP	So. Monmouth Regional Sew. Auth.	280	\$490,000.00	2010
REIP	Village of Ridgewood DPW	240	\$720,000.00	2014
REIP	Rutgers Dining Services	10	\$28,147.56	2014
	TOTAL	8,505	\$7,323,526.76	

2012-13 PROGRAM YEAR



- 2012 budget of \$7.4 million expanded by 50% to \$11.1 million when program year is extended six months to align with New Jersey's fiscal year
- Applications received for 10 projects totaling 5,290 kW of capacity and requesting \$11,239,274 in incentives
 - Three feasibility studies also received incentive payments
- Of the 10 projects, two were completed, two are nearing completion, one is in progress and five were withdrawn or deactivated.

FY2014 SOLICITATION



- Trenton Biogas LLC submitted the only application
 - Proposed a 1,137 kW CHP project at the Mercer County Regional Sludge Management facility in Trenton.
- The Solicitation Evaluation Committee denied the application
 - Failure to satisfy the Solicitation's eligibility requirements on net metering and interconnection
 - Failure to submit a signed contract for system's installation.

FY2015 SOLICITATION – ROUND 1



- Two applications were submitted
 - Gloucester County Utilities Authority (GCUA) applied for a 1,266 kW CHP project at its Water Pollution Control Facility in West Deptford
 - Village of Ridgewood applied for the construction of a micro-grid from its existing CHP system to an adjacent public water well.
- The Board denied both applications
 - Board accepted Staff's and the Committee's recommendation to deny
 - GCUA's application denied for failing to have 100% of the feedstock derived from a Class 1 biomass resource
 - Ridgewood's application denied due to missing or incomplete documents and inconsistent technical information.

FY2015 SOLICITATION – ROUND 2



- One application submitted
 - GCUA resubmitted its application with modifications to address the 100% Class 1 feedstock issue cited in its previous denial.
- The Board denied the application
 - Board accepted Staff and the Committee's recommendation to deny.
 - GCUA's application failed to achieve a minimum threshold score on the Solicitation's evaluation criteria.
 - Criteria included cost-effectiveness (using cost benefit analysis model developed by Rutgers CEEEP) and project readiness.

DISCUSSION TOPICS

- What can NJCEP do to encourage more biopower development?
- What are the critical barriers/obstacles to biopower development and how can they be overcome?
- How can the REIP be more responsive to the needs of potential customers?
- Which REIP program elements encourage or discourage greater participation?
 - Competitive solicitation versus open enrollment with prescriptive rebate
 - Timelines for applying for incentives or completing projects
 - Maximum incentive limits
 - Overly restrictive eligibility requirements
 - Excessive paperwork

STRAW PROPOSAL RECOMMENDATIONS



- Recommends that an open enrollment program with a prescriptive rebate be implemented as an interim measure until Rutgers LESS develops a proposal for a future solicitation.
- Recommends that half of the \$3 million budget be allocated to this open enrollment program with the other half held back in anticipation of the Rutgers LESS solicitation proposal.
- The program be open to (1) new projects, (2) capacity additions to existing projects and (3) equipment to improve the efficiency or performance of existing projects.
- Both BTM and grid supply projects would be eligible as long as the customer pays into the SBC.

STRAW PROPOSAL RECOMMENDATIONS (CONTINUED)



- An incentive structure to mirror the C&I CHP program, with a \$2.00/watt rebate for CHP and \$1.00/watt for power generation only.
- The incentive for efficiency or performance improving equipment would be 30% of its total installed cost.
- A maximum incentive of \$1 million for any project, regardless of size.
- A first-come, first-served application process that will last until the budget runs out. Incomplete applications will be placed at the end of the queue.

For More Information

Visit NJCleanEnergy.com

Call (866) NJSMART

For the latest updates on program announcements
or new incentives, subscribe to the NJ Clean Energy Program
E-Newsletter at: NJCleanEnergy.com.