



September 18, 2023

TO: New Jersey Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314, CN 350
Trenton, New Jersey 08625

RE: Notice on the Energy Storage Incentive Program Straw Proposal
Docket No. QO22080540

The New Jersey League of Conservation Voters, also known as New Jersey LCV, thanks you for the opportunity to provide additional comments regarding the Energy Storage Incentive Program (NJ SIP) Straw Proposal in response to the Request for Information (RFI) prepared by the New Jersey Board of Public Utilities (the Board). New Jersey LCV advocates for clean air, clean water, and access to open spaces for all New Jerseyans through strong and just environmental policy. We have provided answers to questions posed by the Board below.

1.0 Utility Ownership/Dispatch Control

1.1 All stakeholders, including public utilities, should be incorporated in the implementation of the storage incentive program, which represents a huge investment and essential need for New Jersey's transition to 100% clean energy. We believe that there are many advantages to utility control of energy-storage systems. One compelling opportunity for utility-owned energy storage systems to qualify for incentives is the potential to encourage the use of self generation battery storage programs, in which energy storage units are decentralized and placed at residential or commercial/industrial buildings. These battery storage units would be utility-owned, with installation and maintenance managed by utilities. Self generation battery storage systems offer immense benefits for residents, who would retain power during blackout periods, while in turn increasing energy storage capacity and reducing land use demands for energy storage infrastructure. With limited land available for the installation of energy storage, the Board should consider incorporating utility companies in the NJSIP process to allow them to offer incentives for battery storage units placed on private property.

As the state moves towards electrification and clean energy goals, utilities can be a valuable resource to the Board and in providing incentives to bolster battery storage adoption and to utilize private property intelligently.

3.0 Incentive Structure

3.13 We support the ability for large projects and long duration projects to qualify for incentives, however, we would encourage the Board to ensure that funding for large projects serves populations most in need of battery storage that are subject to frequent brown and blackouts.

Regarding long duration projects, batteries with storage capabilities longer than four hours are imperative to supporting a transition to renewable energy, as these technologies have ebbs and flows or energy production depending on the time of day or time of year. We believe that the Board should provide incentives for long duration projects, although the incentives should be adjusted and lowered if their efficiency and carbon abatements are considerably lower.

4.0 Overburdened Community Incentives

4.2 New Jersey LCV supports the Board's work to ensure OBCs receive direct benefit from this program. New Jersey LCV is supportive of the following three methods to support OBCs:

- Establishing an "adder" of to be determined value per kWh of energy storage capacity to the fixed portion of the incentive for projects located in overburdened communities;
- Establishing a separate Capacity Block limited only to customers in overburdened communities
- Adding an additional up-front incentive for projects located in overburdened communities to help defray the initial cost of installation

We support the Board's consideration of establishing both an adder and a capacity block for OBCs and the Board's recognition that these programs should not be mutually exclusive and are not an "either/or". While establishing the "adder" might be the easiest to administer, this does not guarantee that projects will definitely benefit OBCs, which is a concern and highlights the need for strong community engagement processes.

Community engagement is essential to ensuring that both the incentive structure and the application of the NJSIP program/siting of energy storage infrastructure will bear in mind the needs of OBCs. The community should be engaged through public meetings, informational sessions and other media. Specifically, educational meetings and resources should be available to OBCs to ensure that residents are given the ability to provide informed feedback. This feedback can ensure that the incentive structure is benefitting OBCs and that meaningful community feedback is received before any siting decisions are made.

New Jersey LCV encourages that when projects are located in overburdened communities, project owners should commit to employing the local community for short and long-term work on battery storage facilities. Any project that is hiring should include their job posting in local community boards, local newspapers, and utilize other local infrastructure for job promotion.

5.0 Overburdened Community Incentives

5.8 We recommend that the Board establish a rate schedule for utilities to buy back vehicle-to-grid (V2G) power from electric school buses and other electric fleet vehicles that typically are not operating during peak load hours. New Jersey's legislature and administration has shown a strong commitment to helping New Jersey towns and residents go electric. This was underscored last year by the creation of the "Electric School Bus Pilot Program", and the state's proposed Advanced Clean Cars II rulemaking. Due to the increased adoption of electric vehicles, the Board should utilize the battery storage capabilities of these vehicles by establishing a rate schedule for utilities to buy back power from V2G-capable electric vehicles. The revenues and compensation that school districts, municipalities and other parties receive

from V2G power buybacks will also encourage the adoption and use of electric vehicles throughout the state. Other states, including California and Delaware, are leaders in the utilization of V2G technology and demonstrate the strong potential of V2G buyback programs. Creating an established rate schedule for utilities to buy back V2G power from electric vehicles will increase the capability and flexibility of the grid and reduce reliance on on-demand, dirty energy sources such as peaker power plants, therefore assisting the state in reaching its clean energy goals.

We appreciate the chance to provide feedback and we welcome any opportunity to support the Board and its staff during this process. Should you have any questions, please feel free to contact Katie Perrone, Policy Assistant at katie.perrone@njlcv.org.