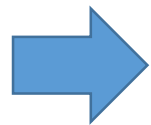




# NJ Storage Incentive Program (“NJ SIP”) Straw Proposal Overview

Meeting 1 – October 21, 2022 9AM – 12PM

Meeting 2 – November 4, 2022 – Grid Supply storage



**Meeting 3 – November 14, 2022 – Distributed storage**

Meeting 3 will explore how to best implement the NJ SIP at the distribution level, including how New Jersey’s EDCs should establish distribution price signals and how to maximize the benefits of energy storage to facilitate investment in distributed energy resources (“DER”). The emerging role of the DER Aggregator will be discussed relative to energy storage asset enrollment and management.

# The New Jersey Storage Incentive Program (“NJ SIP”)

## Stakeholder Input

- Meetings
  - Meeting 1 – October 21, 2022 - Provided an overview of the Straw Proposal
  - Meeting 2 – November 4, 2022 – will explore the portions of the NJ SIP focusing on grid supply storage
  - Meeting 3 – November 14, 2022 – will explore the portions of the NJ SIP focusing on distributed storage
- Written Comments due December 12, 2022 5PM EST

# Webinar Instruction Page

- All attendees will be automatically muted
- Questions? Please use the “Q &A” function in Zoom
- We will address clarifying questions at the end of each section
- Please note that the “Chat” function in Zoom is not available for this meeting, other than to broadcast the registered speakers “on deck”
- This meeting is being recorded. A copy of the recording and slides will be made available on the BPU website:

<https://www.nj.gov/bpu/newsroom/public/>

# Disclaimer

This presentation is provided for informational purposes only and should not be taken to represent the views of the New Jersey Board of Public Utilities, its Commissioners, or the State of New Jersey. Please be aware that any information presented is subject to change if there are changes to New Jersey statutes, rules, or policies.

**All viewers are responsible for ensuring that they rely only on current legal authority regarding the matters covered in the presentation.**

# Written Stakeholder Comment Guidelines

- The deadline for comments on the NJ SIP is 5:00 p.m. ET on Monday, Dec 12, 2022
- Please submit comments directly to Docket No. [QO22080540](#) using the “Post Comments” button on the Board’s Public Document Search tool.
- Comments are considered “public documents” for purposes of the State’s Open Public Records Act and any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3.
- Written comments may also be submitted to:

Acting Secretary of the Board  
44 South Clinton Avenue, 1st Floor  
Post Office Box 350  
Trenton, NJ 08625-0350  
Phone: 609-292-1599  
Email: [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

# Live Stakeholder Comments (this meeting)

- Speaking time per person is limited to 5 minutes—please be respectful of other speakers.
- The next five speakers are posted in the chat. We will call on speakers in order. If your name is not showing (only a phone number), please raise your hand when it is your turn to speak.
- Phone controls for participants
  - The following commands can be entered via DTMF tones using your phone's dial pad while in a Zoom meeting:
    - \*6 - Toggle mute/unmute
    - \*9 - [Raise hand](#)
- At the conclusion of our pre-registered speakers list, we will invite additional speakers to raise their hands to speak.

# NJ Energy Storage Program - Website

<https://www.njcleanenergy.com/storage>



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<b>HOME</b>	<b>RESIDENTIAL</b>	<b>COMMERCIAL, INDUSTRIAL AND LOCAL GOVERNMENT</b>	<b>RENEWABLE ENERGY</b>
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## RENEWABLE ENERGY

### PROGRAMS

SUCCESSOR SOLAR INCENTIVE PROGRAM

TRANSITION INCENTIVE PROGRAM

SREC REGISTRATION PROGRAM

COMMUNITY SOLAR

OFFSHORE WIND

PREVIOUS PROGRAMS

### GRID MODERNIZATION

**ENERGY STORAGE**

METERING AND INTERCONNECTION

SOLAR PROCEEDINGS

[Home](#) » [Renewable Energy](#)

## Energy Storage

The New Jersey Board of Public Utilities (“BPU” or “Board”) hereby gives notice of a series of virtual stakeholder meetings to discuss the New Jersey Energy Storage Incentive Program (“NJ SIP”) Straw Proposal (“Straw”) attached to this Notice.

The State of New Jersey has one of the most ambitious storage targets in the nation, with a statutory mandate to achieve 2,000 megawatts (“MW”) of installed energy storage by 2030. Energy storage resources are critical to increasing the resilience of New Jersey’s electric grid, reducing carbon emissions, and enabling New Jersey’s transition to 100% clean energy. The NJ SIP described in this Straw will build a critical foundation for a long-term energy storage effort in the State.

In this Straw, Board Staff proposes to create two energy storage programs for Front-of-Meter and Behind-the-Meter energy storage incentives, both patterned after the solar-plus-storage program proposed in the Board’s Competitive Solar Incentive (“CSI”) Program.<sup>2</sup> However, while the CSI Program is designed to incentivize solar-plus-storage projects, this Straw will focus on incentivizing stand-alone energy storage devices physically connected to a New Jersey electric distribution company (“EDC”). Staff proposes to apply the incentives only to energy storage projects placed into service after the effective date of the Board Order establishing this program would qualify for incentives.

The stakeholder meetings will be held at the following dates and times, and in the following manner:

### Program Updates

- Solar Scam Warning
  - Successor Solar Incentive Program Order
  - CEA Solar Transition Proceeding
- Other updates posted.

### NJ Solar Installations

#### Solar Installations

163,164



As of August 2022 over 163,164 New Jersey homes & businesses have installed a solar electric system.

[Find a Trade Ally](#)



# NJ Energy Storage Program – Document Server

→ ↻ [https://publicaccess.bpu.state.nj.us/CaseSummary.aspx?case\\_id=2111434](https://publicaccess.bpu.state.nj.us/CaseSummary.aspx?case_id=2111434) 📄 🗄️ 🔊 ⭐ 🌟 🏠 👤

 STATE OF NEW JERSEY  
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**Docket # :** [QO22080540-](#) **Open Date :** 08/26/2022 **Divisions :** CLEAN ENERGY DIVISION / PRIMARY

**Case Status :** UNDER REVIEW **Last Update :**

**Case Caption :** IN THE MATTER OF THE NEW JERSEY ENERGY STORAGE INCENTIVE PROGRAM





**THANK YOU – Now let's dive into *Distributed* for the NJ SIP Straw Proposal**

[paul.heitmann@bpu.nj.gov](mailto:paul.heitmann@bpu.nj.gov)



# Applications / Use Cases for Energy Storage Systems

“Stacking” Services (Value Stack) Key to Economic Operation || Source: Sandia Labs

<< FOCUS TODAY

Service	Description	Potential Value	Grid	Commercial	Residential
Demand charge reduction	Use stored energy to reduce demand charges on utility bills	H		✓	✓
Energy arbitrage	Buying energy in off-peak hours, consuming during peak hours	H	✓	✓	✓
Demand response	Utility programs that pay customers to lower demand during system peaks	H		✓	✓
Resiliency / Back-up power	Using battery to sustain a critical load during grid outages	H	✓	✓	✓
Frequency regulation	Stabilize frequency on moment-to-moment basis	H	✓	✓	
Capacity markets	Supply spinning, non-spinning reserves	M	✓	✓	
Voltage support	Insert or absorb reactive power to maintain voltage ranges on distribution or transmission system	L	✓	✓	✓
T&D Upgrade Deferral	Deferring the need for transmission or distribution system upgrades, e.g. via system peak shaving	Site specific	✓	✓	✓



# NJ SIP Straw Proposal TOPICS for Distributed

Each of these topics will next be covered individually as follows:  
(target timing is approximate)

1. Block Sizes and Growth Rates
2. Incentives and Performance Metrics
3. Pay-for-Performance Incentive
4. Services for Overburdened Communities
5. Value Stack / DER Aggregation
6. Technology Aspects
7. Preference for Private Ownership

Brief synopsis  
of Straw topic  
presented

5 min

Open Line for  
Stakeholder  
Clarification

15 min\*\*

Brief  
Stakeholder  
Polling

3 min

\*\* there is time reserved at the end  
of the meeting for additional  
stakeholder comment

## Proposed Clarification #1: Definitions

### **“Distributed” vs. “Grid Supply” Storage:**

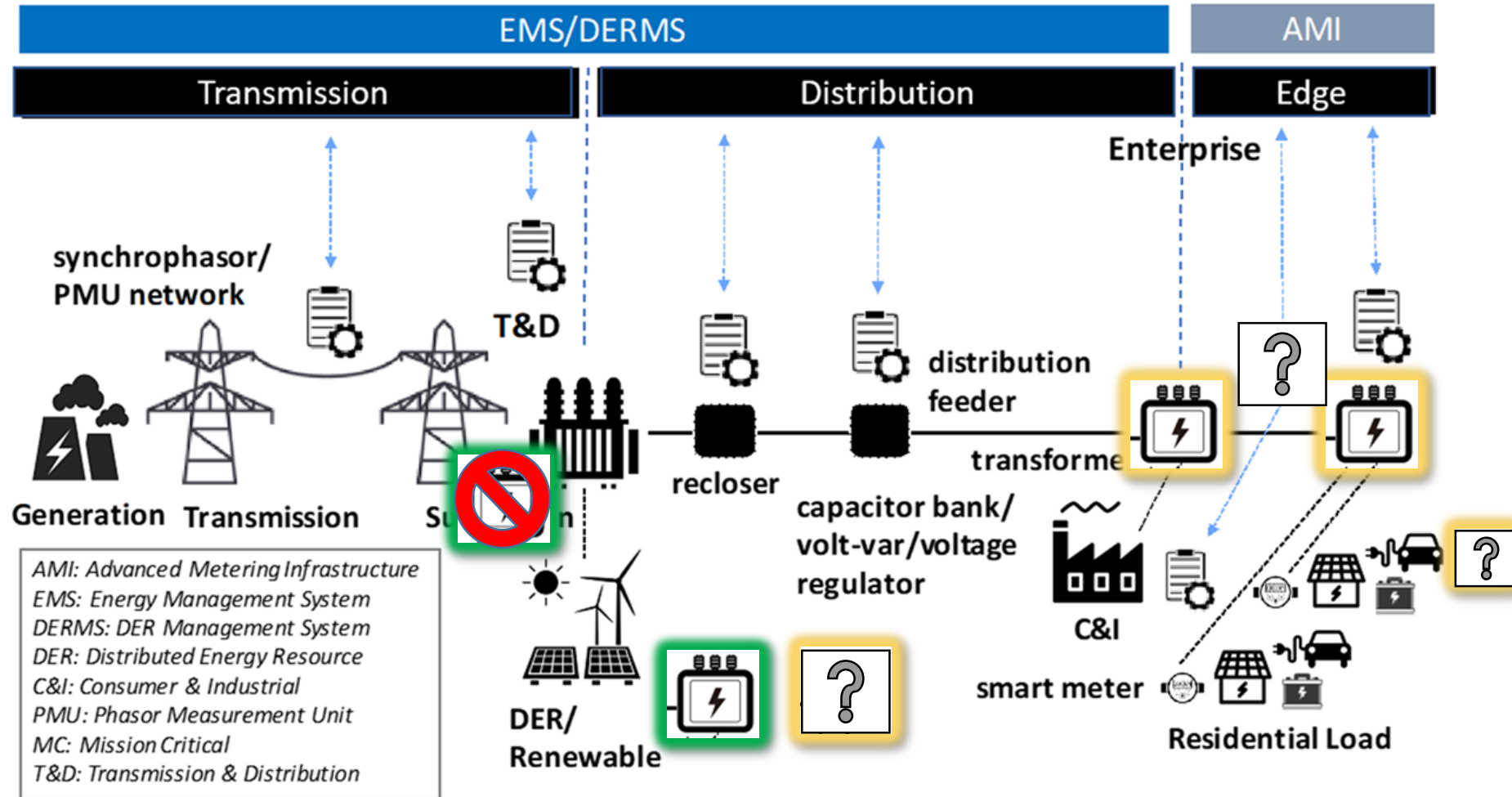
Used the terms as they are commonly used in the Board’s solar programs.

- **“Distributed Storage”** is synonymous with “Behind-the-Meter” and refers to storage resources located behind a retail customer’s meter.
- **“Grid Supply Storage”** is synonymous with “In Front-of-the-Meter” and refers to storage located in front of the meter, whether connected to an EDC’s transmission or distribution system.

Question for additional comment: are changes needed to utility rate structures to accommodate Grid Supply storage resources interconnecting to distribution facilities?

# Grid Connection Points **Distributed** vs **Grid Supply**

## DER Interconnection and Grid Flexibility Services



Shall comply with 2P2S design principles (Performance, Privacy, Security & Scalability)

## Proposed Clarification #2: Fixed Incentives and Storage Duration

- **As proposed, a storage project's duration has no bearing on its eligibility for incentives or the \$/kW incentive it receives**
- Incentives are a project's energy four-hour storage capacity multiplied by the \$/kW-hr incentive.
- Duration matters for calculating how much of a given block has been subscribed and progress towards the 2,000 MW-by-2030 goal
  - Projects with 4-hour duration or longer subscribe an amount of capacity equal to their **nameplate** (power) capacity
  - Projects with less than a 4-hour duration have their nameplate (power) capacity **derated** to the maximum discharge level they can sustain for 4 hours

# CHAPTER 17

AN ACT concerning clean energy, amending and supplementing P.L.1999, c.23, amending P.L.2010, c.57, and supplementing P.L.2005, c.354 (C.34:1A-85 et seq.).



# For example:

- Three hypothetical resources receive the same annual fixed incentive:

- 2-hour duration 30 kW/60 kWh,
- 4-hour duration 15 kW/60 kWh,
- 6-hour duration 10 kW/60 kWh battery system.
  - *Each system has 60 kWh of energy storage capacity.*

INCENTIVE	GOAL
PAID ON:	CREDITED:
60	15
60	15
60	10
<u>180 kWh</u>	<u>40 kW</u>

- For purposes of calculating blocks subscriptions and progress towards the 2000 MW target:
  - The 2-hour duration 30 kW/60 kWh battery would be **derated to 15 kW**, as that is the maximum rate of discharge it can continuously sustain for 4 hours.
  - The 4-hour duration 15 kW/60 kWh battery's **full 15 kW of nameplate** capacity would count.
  - The 6-hour duration 10 kW/60 kWh battery's **full 10 kW of nameplate** capacity would count.



## V. NJ SIP Straw Proposal: Program Goals for **Distributed**

This Straw presents a policy framework designed to meet the following goals:

- ★ 1. Achieve the 2030 energy storage goal of **2,000 MW by 2030**, as set forth in the CEA in a manner that is consistent with New Jersey's competitive electricity markets;
- ★ 2. Promote **deployment of private capital** by establishing a stable market structure that attracts low-cost capital;
- ★ 3. Ensure that energy storage devices are deployed in a manner that **decreases GHG** emissions by tying operations to pay-for-performance metrics;
- ★ 4. Support deployment of energy storage devices **interconnected** to the transmission or distribution system of a New Jersey EDC;
- ★ 5. Grow a sustainable energy storage industry that gradually **requires decreased incentives** to deploy additional storage resources, in order to ensure that the benefits of energy storage last well beyond the term of this initial program;
- ★ 6. Support **overburdened communities** with energy resilience, environmental improvement, and economic opportunity benefits derived from energy storage; and
- ★ 7. Encourage storage deployment that accelerates the clean energy transition, including facilitating **deployment of renewable energy, electric vehicle or other DERs**.

## V. NJ SIP Straw Proposal: Targets and Timelines for Distributed

- Annual installed energy storage targets that **increase over time** create:
  - Compelling opportunity for energy storage developers to build NJ businesses
  - Investment in the workforce of the future, paving the way for high paying green careers
  - More demand certainty which lowers risk and supports investment decisions
- ★ • Staff weighs three main factors: **(i)** expected declines in the installed cost of storage over time (recognizing the disruption to this trend caused by recent supply chain issues); **(ii)** the environmental, public health, and grid benefits of quickly scaling storage; and **(iii)** the need to gain operational experience in New Jersey’s storage program.
- The Clean Energy Act (CEA) describes the storage target in terms of “megawatts” of storage. Because energy storage is typically denominated in MWh, Staff proposes to interpret the CEA’s 2030 storage mandate as requiring New Jersey to **procure 2,000 MW of storage devices capable of four hours of continuous discharge**, or 8,000 MWh.\*\*
- ★ • Staff assumes that the CSI program will procure approximately 1000 MW of four-hour storage capacity between 2022 and 2030, resulting in a total contribution of 4000 MWh, or roughly half the total towards the CEA goal for 2030.

\*\* Note: The solar + storage component of the **CSI Program** already includes a targeted storage procurement of 160 MWhs per year and uses four hours of continuous discharge as the standard.

# Topic 1 for Distributed | Block Sizing and Growth Rates

- Taking these various factors into account, Staff proposes the targets shown in Table 1 below for the NJ SIP. Annual targets are established per **Energy Year**, which is June 1 of the first year until May 31 of the second year.
- Targets will be additional to the storage component of the CSI solar+storage market segment and would be split between the **Distribution and Grid Supply portions**.
- Further, Staff notes that meeting the 2000 MW target established by the CEA will involve contributions from **both** the **CSI solar+storage** and **NJ SIP** programs.

Energy Year in which Awards are Made	Proposed Procurement Quantity (MWs of 4 Hour Storage)	Proposed Procurement Quantity (MWhs)	Energy Year in which Awards are Made	Proposed Grid Supply Procurement Quantity (MWs of 4 Hour Storage)	Proposed Grid Supply Procurement Quantity (MWhs)	Proposed Distributed Procurement Quantity (MWs of 4 Hour Storage)	Proposed Distributed Procurement Quantity (MWhs)
2023/2024	40	160	2023/2024	30	120	10	40
2024/2025	60	240	2024/2025	50	200	10	40
2025/2026	90	360	2025/2026	75	300	15	60
2026/2027	120	480	2026/2027	105	420	15	60
2027/2028	160	640	2027/2028	140	560	20	80
2028/2029	200	800	2028/2029	180	720	20	80
2029/2030	330	1320	2029/2030	300	1200	30	120
Subtotal from NJ SIP	1000	4000					
Contribution of CSI	1000	4000					
Total NJ Storage	2000	8000					

X 4 =
480

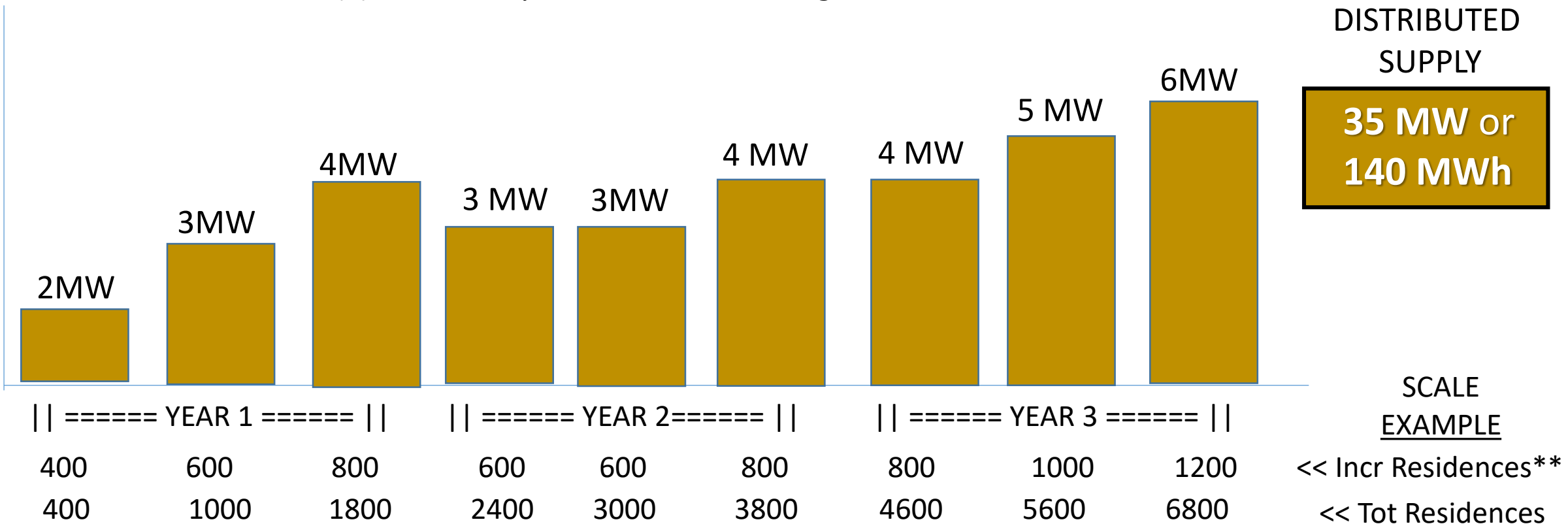
Grid  
Supply

BTM  
Distributed

# Topic 1 for **Distributed** | Block Sizing and Growth Rates

This Straw presents a suggested block size and progression approach (based on realistic budget limitation) for amounts of storage connected behind the meter for **Distributed** purposes:

*\*\* Assumes (2) 5kW battery located at each average Solar PV residential interconnection*



## Topic 1 for Distributed | Block Sizing and Growth Rates

- Board will review block sizes and incentives on an annual basis, and may increase the fixed incentive payment if blocks are not filling.
- Additional questions:
  - Should program rules differentiate between residential/small C&I and large C&I customers?
  - Should there be a size limit on project sizes in the Distributed segment?
  - Does the Board need to address other rate design issues associated with larger distributed storage systems?
  - Should larger distributed systems be allowed to opt-into the Grid Supply program?

## Topic 2 for **Distributed** | Incentives and Performance Metrics

### Fixed Incentive

- Staff proposes making the fixed incentive payment available to storage resources contingent on the storage resource remaining online and available \*\* for dispatch in **95% percent of all hours**.
- Staff further recommends that the Board utilize the PJM Equivalent Forced Outage Rate (“EFORd”) as the metric for Grid Supply projects.
- Staff also seeks comment on whether an availability level of less than a certain percentage (initially proposed at 50% availability over a rolling 12 month period) should result in the project being investigated and potentially terminated from the program.
- Staff also seeks comment on how best to incorporate (without overly complicating) a similar performance requirement for Distributed resources and whether there should be a size cutoff.
- Staff seeks comment on whether to exempt all Distributed storage projects from this availability requirement, due to their smaller size and the need to limit program complexity.

\$20 / kWhr

Grid Supply

\$40 / kWhr

Distributed

## Topic 2 for **Distributed** | Incentives and Performance Metrics

### Performance

Grid Supply

- The performance-based incentive for storage resources will be designed to encourage the operation of storage assets in a manner that maximizes environmental benefits and helps the electric grid during times of operational stress. The flexibility of **grid supply** energy storage can result in a range of benefits for the efficient and effective operation of the bulk electricity system while also providing environmental benefits by reducing carbon emissions and criteria pollutants.

Distributed

- Likewise, storage resources at the **distribution** level can provide all of these benefits while also contributing to local system resilience, helping integrate higher levels of distributed generation, and potentially reducing the cost of operating and maintaining the distribution grid. As noted in the EMP, while “New Jersey does not currently have a means of pricing the benefits that batteries can provide at the distribution level . . . New Jersey is committed to adopting changes in regulatory policy that recognize the full wholesale and distribution value of batteries.” EMP at p. 128.

## Topic 3 for **Distributed** | Pay for Performance Incentive

This Straw proposes that a mechanism for compensation on **Distributed** projects be tied to “Pay for Performance” on providing grid flexibility services by meeting utility dispatch instructions, patterned off of the Connected Solutions program in Massachusetts and Connecticut.

### NOTE:

This Straw proposes that this “Pay for Performance” is **additive** to the fixed incentive portion for Distributed.

**Grid Flexibility Services** are those procured by the utility and may include Peak Load shaving, Voltage Support, Load Management, T&D Deferral, etc..



## Topic 3 for **Distributed** | Pay for Performance Incentive

### **For Customers:**

1. The Pay-for-Performance payment is based on the successful injection of power into the distribution system when called upon by the EDC and would entitle customers to a **\$/kW-hour payment for any reduction in consumption or re-injection into the grid.**
2. When a dispatch signal is sent by the relevant EDC, the customer would receive credit for each kWh of Response kWhs it provides during the call period, averaged over all call periods in a particular year.
3. Failure to meet a call means that you will not earn PfP payment for that event; however, there is no additional performance penalty.  

For example, an EDC that issued 10 calls over the course of a summer, would sum up the total Response kWhs provided by a storage device and report the average response over those 10 calls.
4. A resource owner would then receive the \$/kWh incentive established by the EDC, multiplied by their average Response kWhs.



## Topic 3 for **Distributed** | Pay-for-Performance Incentive

### For Electric Distribution Companies:

1. Each EDC will design a PfP system that meets the following criteria:
  - i. maximize environmental benefits of storage deployment;
  - ii. minimize distribution investment; and
  - iii. otherwise minimize the stress on the local distribution system and reduce operating costs.
2. Each EDC will establish “call hours” that identify the season and times of day when deployment of storage resources are most likely:
  - Staff initially proposes that the call hours would focus on **summer peak hours**, which typically occur between 3 pm – 7 pm on weekdays.
  - EDCs would have the **flexibility** to determine the season and preferred hours based on its specific needs.
  - No dispatching distributed resources more than 48-hours ahead of **anticipated extreme weather** or likelihood of outages.
3. Each EDC would adopt a simple \$/kWh payment for storage resources on its system:
  - May be a single-system payment or may be geographically variable.

## V. NJ SIP Straw Proposal: Program Goals for **Distributed**

This Straw presents a policy framework designed to meet the following goals:

1. Achieve the 2030 energy storage goal of **2,000 MW by 2030**, as set forth in the CEA in a manner that is consistent with New Jersey's competitive electricity markets;
2. Promote **deployment of private capital** by establishing a stable market structure that attracts low-cost capital;
3. Ensure that energy storage devices are deployed in a manner that **decreases GHG** emissions by tying operations to pay-for-performance metrics;
4. Support deployment of energy storage devices **interconnected** to the transmission or distribution system of a New Jersey EDC;
5. Grow a sustainable energy storage industry that gradually **requires decreased incentives** to deploy additional storage resources, in order to ensure that the benefits of energy storage last well beyond the term of this initial program;
-  6. Support **overburdened communities** with energy resilience, environmental improvement, and economic opportunity benefits derived from energy storage; and
-  7. Encourage storage deployment that accelerates the clean energy transition, including facilitating **deployment of renewable energy, electric vehicle or other DERs**.

## Topic 4 for **Distributed** | Overburdened Communities

This Straw proposes to ensure that an equitable share of **Distributed energy storage resources** are placed into overburdened communities, providing **more localized benefits**, as compared to Grid Supply resources, directly adding benefit to the local community through:

- Enhanced resilience;
- Reduced localized emissions; and
- Offsetting dirtier backup generation options during emergency conditions.

## Topic 4 for **Distributed** | Overburdened Communities

Staff seeks comment on the best way to ensure that Distributed storage resources locate in overburdened communities, including the following options:

1. 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; or
2. Establishing a **separate Capacity Block** limited only to customers in overburdened communities; or
3. Adding an **additional up-front incentive** for projects located in overburdened communities to help defray the initial cost of installation.

## V. NJ SIP Straw Proposal: Business Model Considerations for Distributed

- ★ Value stacking is important as it **reduces the need for incentives** to move the market adoption of storage at a desired pace.
- ★ Part of the value stack that can provide this **offsetting revenue stream** include Customer savings and grid revenue, which may be driven by elements such as:
  - Wholesale market revenues, including energy, capacity, and ancillary service market revenues (DER Aggregation);
  - Energy arbitrage in time of use (“TOU”) differentiated markets;
  - Retail bill reductions created by active management, such as management of demand charges, standby charges, and distribution costs; and/or ;
  - Cost-effective investment in DERs, electric vehicle charging, or other technologies, supported by energy storage devices.
- These value-stacking revenues are in addition to any NJ SIP incentives, such as distribution-level price signals established by the EDCs.\*\*

\*\* Note: These mechanisms will be discussed in greater detail in subsequent stakeholder meetings.

## Topic 5 for **Distributed** | Value Stack / DER Aggregation

Revenue from the **value stack reduces the need for incentives** to move the market at a desired pace. Customer savings and grid revenue may be driven by elements such as:

- Wholesale market revenues, including energy, capacity, and ancillary service market revenues; (for FERC Order No. 2222 DER Aggregation)
- Energy arbitrage in time of use (“TOU”) differentiated markets;
- Retail bill reductions created by active management, such as management of demand charges, standby charges, and distribution costs;
- Cost-effective investment in DERs, electric vehicle charging, or other technologies, supported by energy storage devices.

## Topic 5 for **Distributed** | DER Aggregation

Storage included within DER Aggregation offers a potentially powerful mechanism to enable efficient engagement of multiple, diverse, behind the meter resources:

- Solar PV generation can be time shifted for peak load serving;
- Smart load management (DR) can be more precisely executed;
- Accommodation of incremental mobile storage (eg V2G) is simplified;
- Smart Inverter grid service functionality is enhanced.



## V. NJ SIP Straw Proposal: Technical Considerations for **Distributed**

- Energy storage consists of a variety of physical, thermal, and chemical technologies, each of which offer unique capabilities and limitations and may be at different stages of commercial maturity. Staff believes that the bulk of the NJ SIP should focus at this time on **replicable projects using commercially available technologies** but also be flexible enough to promote new and emerging energy storage technologies if they are cost-competitive with more established energy storage technologies.
- Staff proposes adopting as broad of a definition of energy storage as possible, in order to leverage innovation and competition to meet New Jersey's energy storage goals at the lowest possible cost to ratepayers, and open opportunities to a diverse community of developers. Staff proposes to adopt the **following definition** for energy storage:

### **PROPOSED DEFINITION**

**A device that is capable of absorbing energy from the grid or from a Distributed Energy Resource (DER), storing it for a period of time using mechanical, chemical, or thermal processes, and thereafter discharging the energy back to the grid or directly to an energy-using system to reduce the use of power from the grid.**

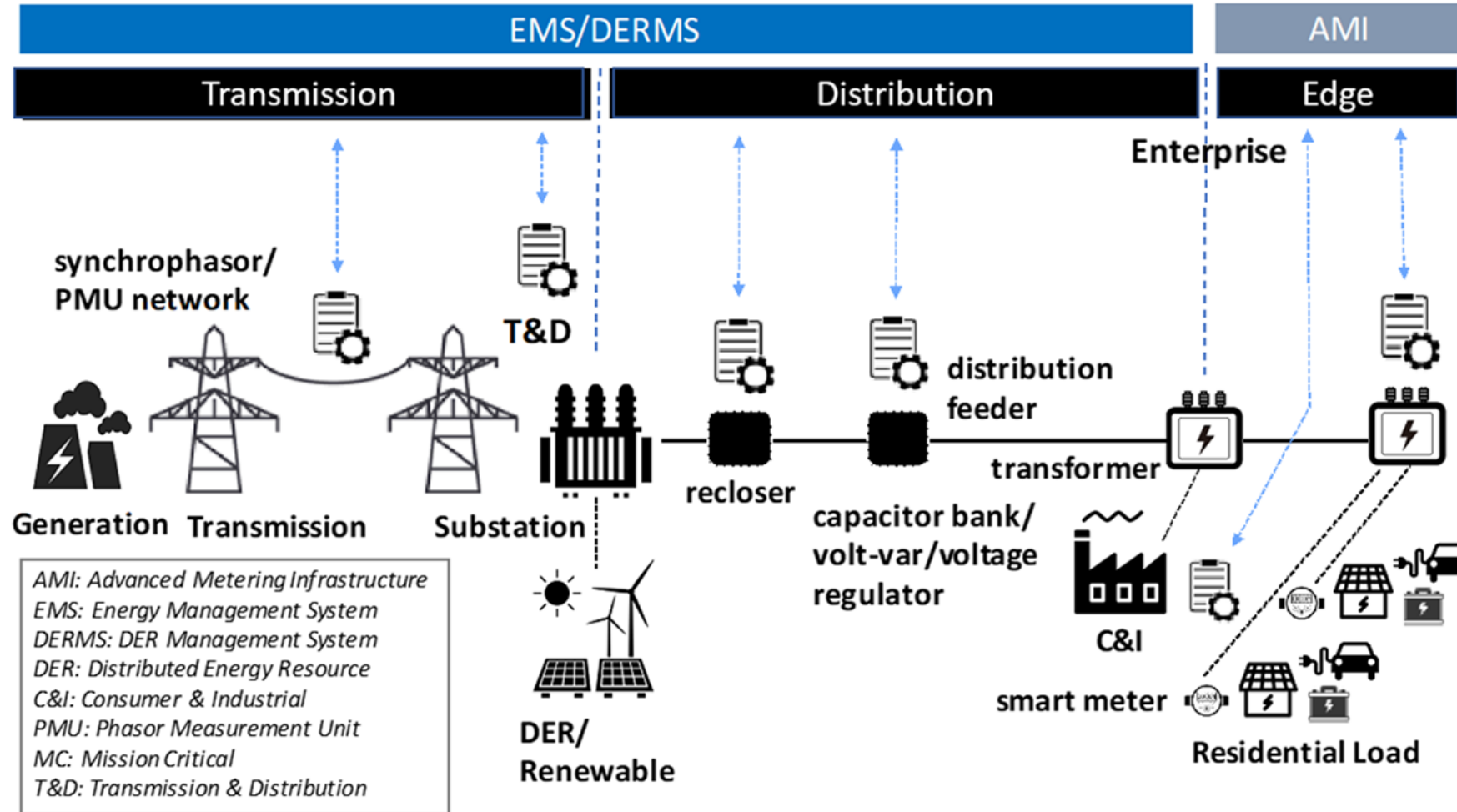
## Topic 6 for **Distributed** | Technical Considerations

Staff believes that the bulk of the NJ SIP should focus at this time on replicable projects using commercially available technologies but also be flexible enough to promote new and emerging energy storage technologies if they are cost-competitive.

Staff proposes to clarify that mobile sources of storage (i.e., electric vehicles) can participate in the program.

# Topic 6 for Distributed | Technologies

## DER Interconnection and Grid Flexibility Services



Shall comply with 2P2S design principles (Performance, Privacy, Security & Scalability)

## V. NJ SIP Straw Proposal: Business Model Considerations for Distributed

- ★ • Staff notes that the question of who should own and operate energy storage assets is a **major question** for any energy storage program design. This Straw recommends that the Board adopt a storage business model that encourages private ownership and operation of energy storage devices, consistent with New Jersey's restructured competitive market structure.
- **EDCs must play a key role in building the grid infrastructure** necessary to enable the effective interconnection and dispatch of these resources.
- ★ • This role is particularly important for the Distributed portion of the NJ SIP, where the EDC will interconnect the resources and will be directed to establish **pay-for-performance** incentives that address the “value” of storage.
- Two major long term goals of the NJ SIP program are to attract low-cost private capital and to develop an energy storage program that is consistent with New Jersey's competitive electric markets. To establish an optimal investment environment requires recognition of “**value stacking**” and market-based compensation for as much of the value stack as possible.

## Topic 7 for **Distributed** | Private Ownership Preference

This Straw recommends that EDC's **not** be allowed to procure and own energy storage as a rate recovered asset,

# Open Discussion for Stakeholder Comments

- Speaking time per person is limited to 2 minutes—please be respectful of other speakers.
- Please raise your hand if you would like to provide any last thoughts or comments. You will be recognized by our meeting facilitator and offered your speaking opportunity.
- Phone controls for participants
  - The following commands can be entered via DTMF tones using your phone's dial pad while in a Zoom meeting:
    - \*6 - Toggle mute/unmute
    - \*9 - [Raise hand](#)
- As a reminder: The deadline for comments on the NJ SIP is **5:00 p.m. ET on Monday, Dec 12, 2022**
- Please submit comments directly to Docket No. [Q022080540](#) using the “Post Comments” button on the Board’s Public Document Search tool.



**THANK YOU – This concludes our NJ SIP Straw Proposal Overview**

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