

N.J. launches \$200M bank to develop microgrids

July 31, 2014

by Henry Gass, E&E Reporter

Superstorm Sandy blacked out more than 2 million New Jersey homes when it made landfall in October 2012 -- one-third of them went without power for a week. Now the state is taking steps to make sure that when the next storm hits, power needed to deal with emergencies stays on.

New Jersey is establishing America's first infrastructure bank focused on energy resiliency. The state has announced it will fund the bank with \$200 million from New Jersey's federal disaster recovery allocation, the Community Development Block Grant-Disaster Recovery Grant.

The bank will use the money to support the development of distributed energy resources at critical facilities throughout the state, including hospitals, transportation networks, first responder facilities and wastewater treatment plants.

Besides causing billions of dollars of damage and killing 37 people, Sandy crippled New Jersey's electrical grid. One hundred high-voltage electricity transmission lines went down and over 4,000 transformers were damaged.

Facilities with distributed energy systems in place during the storm -- including fuel cells and off-grid solar inverters with battery storage -- were able to stay operational, but many were not. Several wastewater treatment plants lost power, for example, and that resulted in hundreds of millions of gallons of raw sewage being dumped in the state's waterways during the storm, according to [NJ Spotlight](#).

"Distributed energy resources proved extremely resilient following Superstorm Sandy; unfortunately, due to high initial costs, many critical facilities do not have these energy resilience solutions in place," Michele Brown, CEO of the New Jersey Economic Development Authority, said in a statement.

The Energy Resiliency Bank was created last week and will be established and operated in partnership by the state's Board of Public Utilities and the Economic Development Authority.

Northeastern states lead

The announcement was praised by several local and national green groups. Lewis Milford, president of the Clean Energy Group, said in a statement that the ERB could be used as "a model for all states to finance resilient power projects, to protect against power outages during severe weather events."

"The ERB is an important way for states to finance projects like solar with energy storage in food banks, fire stations, wastewater treatment plants, and schools. It deserves to be a national infrastructure finance model for states around the country," Milford added.

While the ERB may be America's first infrastructure bank focused on energy resiliency, several other neighboring states are pursuing their own microgrid systems.

With many also devastated by Sandy in 2012, states up and down the Atlantic coast are investing in microgrids, with the market receiving a boost from the many military installations and universities in the region that need to protect critical facilities ([ClimateWire, June 27](#)).

New York has established its own Green Bank to help fund microgrid projects, a bank that could eventually have a capitalization of \$1 billion, and launched a \$40 million microgrid competition in January. Connecticut has also developed a sophisticated microgrid pilot program.

The Northeast has more installed microgrid capacity, 355 megawatts, than any other region in the U.S., according to a [report](#) from Greentech Media last month.

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