NEW ENERGY RESILIENCE BANK COULD BEGIN ACCEPTING APPLICATIONS IN SEPTEMBER

TOM JOHNSON | JUNE 16, 2015

Finding a way to keep sewage-treatment plants, health facilities up and running even if grid fails is top priority of bank

The state expects to begin accepting applications for New Jersey’s Energy Resilience Bank in September, a process that could help healthcare facilities, schools, and transportation hubs remain operational even if another extreme storm shuts down much of the power grid.

The bank, created in the wake of superstorm Sandy, is already sifting through about 30 projects from sewage-treatment plants and a few water systems seeking to grab a share of $65 million in funding to develop alternate power supplies if their traditional power source is disrupted.

Funded with $200 million in seed money from the federal government, the newly formed bank aims to help certain critical facilities keep operating during big storms, such as Sandy. Extensive power outages caused major problems for sewage-treatment plants and water systems, as well as many healthcare facilities.

During the storm, 91 treatment plants either flooded or lost power, dumping up to 5 billion gallons of raw sewage into state waterways, leading to 37 boil-water advisories. Power outages caused two hospitals to be completely evacuated and another partially emptied.

The first two approvals for projects involving wastewater-treatment plants are anticipated by the end of the year, according to Mitch Carpen, executive director of the bank. Primarily, the bank is planning to fund projects that would develop small power plants that create electricity and heat to provide a source of power -- even if the grid fails. Helping solar systems remain operational is another priority.

The bank will award facilities that are approved with a 20 percent grant; 20 percent loan forgiveness; and the rest from low-interest loans issued by the state, Carpen said. “We’re trying to make it as easy as possible.”

Carpen made his comments at an event held last night in Princeton sponsored by the New Jersey central branch of the U.S. Green Building Council. Some of those in attendance spoke of the need to reform building codes to make buildings more resilient in severe storms.

Former Gov. Jim Florio, a panelist at the event, said the state has not developed an adequate policy framework to deal with the problems from such events. “We’re applying old policies to new problems and they don’t work,” he said.

Despite seed money from the U.S. Housing and Urban Development, the bank faces huge challenges, the most pressing of which involves funding all of the projects deemed as critical facilities. Carpen said the price tag could rise to as much as $4 billion.