



## Tri-State Emergency Preparedness Continues

New Jersey announces \$7 million grant for generator installations at eligible gas stations

Traci Carneal, Freelance writer  
November 14, 2013

It's been more than a year since Hurricane Sandy crippled the Northeast, but the unprecedented fuel shortage that followed the storm remains troubling for local and state governments hoping to avert a future crisis.

Most recently, New Jersey announced funding through a federal grant that will provide generator installations, or "quick connects," for 250 gas stations located up and down main routes such as the I-95 corridor and Merritt Parkway. For stations that meet the criteria in terms of fuel storage size, type and location, that could mean up to \$65,000 in funding for a new generator installation—a significant amount compared to the \$15,000 per store included in New York's 2013-2014 budget.

Sal Risalvato, executive director of the New Jersey Gasoline, C-Store and Automotive Association (NJGCA), lauds the grant for several reasons, but mainly because it allows station owners an opportunity to make an investment without risking any capital. Achieving return on investment is challenged by the fact that storms like Sandy are rare, and that it still may be difficult to get fuel to the pumps.

"The fact that the government acknowledges the true cost to purchase and install a generator of the size required to power a gas station is encouraging. It takes the risk away," Risalvato says. "The misconception that business owners are being unreasonable to not agree to front the cost of a generator lingers. Many think you can pick up a \$500 unit at Home Depot and fire everything up, but our members have gotten estimates as high as \$80,000."

New York set the stage for backup power when it mandated stations located near limited-access highway exit roads or evacuation routes in downstate areas to prewire for backup power, deploy a backup generator 24 to 48 hours after an emergency is declared and prepare a written plan for deploying backup power. The state will provide up to \$15,000 for a generator unit, an amount industry experts have deemed a huge underestimate of the actual cost.

### **New Jersey Grant at a Glance**

- More than 200 retail stations with fuel storage capacity of 30,000 to 35,000 gallons are eligible for up to \$15,000 to purchase quick-connect technology or to put toward purchasing a generator.
- More than 50 retail stations with fuel storage capacity greater than 35,000 gallons are eligible for up to \$65,000 in funding toward the purchase and installation of an on-site generator.
- Eligible fuel stations are required to serve both diesel and gasoline, except in very limited instances in which a station does not sell diesel but is the only available retail fuel outlet within a quarter-mile of an identified evacuation route.
- A limited number of gas stations with less than a 30,000-gallon capacity are eligible for \$15,000 in grant funding because they were also the only stations available on an identified evacuation route.
- All 22 gas stations located on the Garden State Parkway, the New Jersey Turnpike and the Atlantic City Expressway are equipped with backup power for outages.

### **Station Owners Pumped**

Martin Gallagher owns two stations in Montvale, N.J., one an Exxon On the Run with a car wash and 16 fuel pumps and the other a Mobil with auto repairs. At least one of his stores is eligible for the grant funding, and he is seriously considering taking the state up on the offer.

"We are one of 40 businesses that qualify for the \$65,000 limit, apparently," he says with a hint of skepticism. While he hasn't received a formal notification from the state, the Exxon store made the list of eligible stations. It meets all the criteria the grant requires: close proximity to the Garden State Parkway, high-capacity storage tanks and the sale of diesel fuel.

Because his stores have lost power only a few times in the past 40 years, he hadn't felt a strong need to purchase a generator until this opportunity emerged. He did seek out estimates when he heard legislators were introducing bills following Hurricane Sandy, and he got two: one for roughly \$75,000 and the other for \$82,000. Despite the difference between the grant amount he would receive and the estimates he received to install a generator robust enough to power his entire facility, Gallagher is highly interested.

"After Sandy, I couldn't get fuel for seven days," he says. "One store had power and no fuel, and the other had fuel but no power." Amused by the irony of the situation, Gallagher still questions the purpose of a generator when there are no fuel deliveries. He suggests the state give priority to gas stations with generators to ensure fuel deliveries when a storm is predicted to strike.

"A generator will keep my store running with heat and the basics, but it wouldn't make me much money," he says. "On top of that, during Sandy the state-of-emergency conditions kept me from raising my prices, which would have helped cover the additional costs I was incurring. If I had invested in a generator at my own expense, it would have been hard to get a return on my investment."

Nevertheless, Gallagher says a high-capacity generator onsite would bring him "peace of mind. Other than that, the best thing I can do is get my tanks loaded up when I know a storm is coming."

### **On the Wish List**

Some station owners who aren't on the grant list are holding out hope. Tony Crisalli of Holmdel Village Exxon in Holmdel, N.J., is keeping an eye on the process.

"I'm waiting to see how many stations take advantage of the grant, and then I'm going to try to get an opening to use the funding," Crisalli says. It baffles him that no stores near his are eligible for the grant. Located about 10 miles from the Garden State Parkway and near several large routes, his station is on the small side but has large tanks. His site was one of the few that had fuel during Sandy, but the power was out for about 10 days. He accepted a generator from the local government, only to lose several pieces of equipment due to surges.

"That generator caused tremendous problems — I ended up cooking a lot of equipment like my computer," Crisalli says. "At 8,000 watts, it wasn't powerful enough to run the station and charge my battery backup. I need [a generator] two to three times that size." The spikes in power were manageable, but the station was vulnerable to the drops without backup batteries for protection.

In the meantime, Crisalli anxiously awaits the outcome of grant money distribution. His name sits on a NJGCA list with other retailers seeking a chunk of the generator grant pie. Leftovers are just fine.