



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE COMPREHENSIVE ENERGY) ORDER
EFFICIENCY AND RENEWABLE ENERGY)
RESOURCE ANALYSIS FOR THE YEARS 2009 –)
2012: REVISED 2012 PROGRAMS LARGE SCALE)
COMBINED HEAT AND POWER/FUEL CELL) BPU Docket Nos. EO07030203
AWARDEE APPROVAL) and EO11100631V

Parties of Record:

Sandy Zeglarski, New Jersey Economic Development Authority
William Cuthill, V.P. Facilities Mgmt., Barnabas Health Clara Maass Medical Center

BY THE BOARD¹:

In this Order, the Board considers a potential awardee under the Large Scale Combined Heat and Power/Fuel Cell Grant Program (“LSCHP-FC”). The New Jersey Economic Development Authority (“NJEDA” or “EDA”) and the Board established the LSCHP-FC, which was approved by the Board on April 11, 2012. Under the first solicitation, the NJEDA began accepting program applications on April 25, 2012, and required applicants to submit a completed application by June 25, 2012. In total, six companies were approved for grants under the first solicitation. On January 17, 2013, the Board released a second solicitation for applicants. The NJEDA began accepting program applications on a rolling, open basis beginning January 17, 2013, under a second solicitation.

Under the second solicitation, Clara Maass Medical Center (“Clara Maass”) submitted a completed application on May 9, 2013, requesting a \$823,680 grant. Clara Maass proposed to construct a 1.56 MW Combined Heat and Power (CHP) facility in Belleville, New Jersey, utilizing CHP to produce electricity, hot water and heating/cooling. The total cost of the Clara Maass project is approximately \$5.3 million.

¹ Commissioner Joseph L. Fiordaliso has recused himself from this matter.

On or about November 12, 2013, Board Staff determined that the project met all technical requirements. Therefore, Board Staff recommends that the Board approve the Clara Maass project as discussed below.

BACKGROUND AND PROCEDURAL HISTORY

By Order dated December 20, 2011, Docket Nos. EO07030203 and EO11100631V, the Board approved programs and budgets for the 2012 New Jersey Clean Energy Program year, including the LSHP-FC program which was to be administered with the assistance of the EDA.

The program description for the LSCHP-FC broadly explained that the "program will offer assistance to support large sized CHP projects including stand-alone qualified fuel cells." It also stated that this "program will be designed to assist those implementing a CHP or combined cooling heat and power or fuel cell project with an electric generating capacity of greater than one megawatt serving a commercial, institutional, or industrial electricity customer in New Jersey." In approving the program concept, the Board directed the Office of Clean Energy to work with the NJEDA to develop a detailed program description and solicitation for the LSCHP-FC. Consistent with the December 20, 2011, Budget Order, EDA coordinated with Board Staff and stakeholders to develop a detailed LSCHP-FC program description and solicitation. The Board subsequently approved the LSCHP-FC on April 11, 2012. The approved program included a technical and financial review process.

Upon the Board's approval, the NJEDA released the second Solicitation on January 17, 2013, and began accepting program applications on an open, rolling basis. Effective July 1, 2013, however, the Board decided to eliminate the financial review requirement for CHP applications. I/M/O Clean Energy Programs and Budgets for the Fiscal Year 2014, Docket EO13050376V (June 21, 2013 and December 18, 2013). Currently, only a technical review by Board Staff is required. Board Staff conducted such a review of Clara Maass. Using the scoring criteria set forth in the second Solicitation, the project passed the technical review phase on November 12, 2013.

DESCRIPTION OF PROJECT

Clara Maass

Clara Maass, a Barnabas Health facility, provides a complete continuum of care to residents of northern New Jersey. Founded in 1868, Clara Maass is a 465-bed, non-profit, acute care hospital located in Belleville, on the border of Newark. It is staffed by more than 700 physicians and 2,200 employees. In 2012 Clara Maass provided care for 19,716 inpatients, delivered 1,000 babies, performed 7,109 same day surgeries, and had 79,485 emergency department visits. Barnabas Health, the largest integrated health care delivery system in New Jersey, provides treatment and services for more than two million patients each year. The system includes six free-standing acute-care hospitals, over 18,200 employees (the second largest private employer in the state), 4,600 physicians (one-fourth of the state's practicing physicians) and 445 residents and interns who provide treatment and services for more than 198,000 inpatients and same day surgery patients, 452,000 emergency department patients and over 1.5 million outpatients, and delivers more than 18,300 babies annually.

Barnabas Health has hired Concord Engineering Group Inc. to assist in the development of its new CHP Project. Concord Engineering Group Inc. completed the feasibility study and preliminary engineering for a new 1.56 MW tri-generation system consisting of one (1) 1.56 MW MWM-TCG-2020 natural gas reciprocating engine generator set with steam and hot water heat recovery and post combustion emission controls. The proposed configuration is for base load operation of the one (1) natural gas generator with continuous heat recovery and chilled water generation. The system's electrical capacity has been selected to run in base load, offsetting a portion of the purchased electricity and generated thermal power for the majority of the year. The new CHP Project will be installed in the hospital facility, in an available space on the second floor of a building adjacent to the existing boiler house. The new equipment will be interconnected (electrically and thermally) to the existing hospital electrical switchgear and thermal energy systems. The hospital's existing natural gas supply is of sufficient capacity and pressure for the new equipment without the requirement for supply increase and/or fuel gas compression. The fuel gas connection will be in the existing boiler house. The CHP system will include batteries for black start capability.

Annual Estimated Energy Savings: Electricity: 12,299 MWh; Thermal: 46,428 MMBtu
Expected Annual Electricity Production: 12,299 MWh
Expected Annual Thermal Energy Production: 46,428MMBtu
Project Cost: \$5,275,000
Annual Estimate Energy Cost Savings: \$667,695 (before capital recovery)

DISCUSSION AND FINDINGS

Upon consideration of the facts set forth above, the Board **FINDS** that the LSCHP-FC second Solicitation began on January 17, 2013, and continues on an open, rolling basis. The Board **FURTHER FINDS** that Clara Maass submitted a complete application and that such application satisfied the award eligibility criteria under the terms set forth in the Solicitation.

The **BOARD HEREBY APPROVES** the award in the amount of \$823,680 to Clara Maass in accordance with the conditions herein and based on information presented in their application.


The Board **ORDERS** that a commitment letter and grant agreement, consistent with the terms of this Order, be issued to Clara Maass. The Board **AUTHORIZES** the President of the Board to approve non-material amendments to the grant agreement and sign the agreement, consistent with the terms of this Order and the Department of Treasury requirements. The Board also **AUTHORIZES** the President to review and approve matters within the scope of Section VII(B) of the Memorandum of Understanding between Board and EDA dated March 24, 2011, consistent with the terms of this Order, subject to Board review as necessary.

The effective date of this Order is February 7, 2014.

DATED: 1/29/14

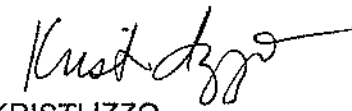
BOARD OF PUBLIC UTILITIES
BY:



DIANNE SOLOMON
PRESIDENT


JEANNE M. FOX
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities


IN THE MATTER OF THE COMPREHENSIVE ENERGY EFFICIENCY AND RENEWABLE
ENERGY RESOURCE ANALYSIS FOR THE YEARS 2009 - 2012: REVISED 2012
PROGRAMS -- LARGE SCALE COMBINED HEAT AND POWER (CHP) / FUEL CELL GRANT
PROGRAM
AWARDEES APPROVAL

DOCKET NOS. EO07030203 and EO11100631V

SERVICE LIST

Sudi A. Solomon
Deputy Attorney General
Division of Law - Treasury
Hughes Justice Complex
25 Market Street
Post Office Box 106
Trenton, NJ 08625-0106

Mark Vertucci
Director of Engineering
Soundview Paper Holdings LLC
One Market Street
Elmwood Park, NJ 07407

Sandy Zeglarski
New Jersey Economic Development Authority
36 West State Street
Trenton, NJ 08625

Stefanie A. Brand, Esq., Director
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Marisa Slaten, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Elizabeth Ackerman, Director
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Benjamin S. Hunter
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Allison E. Mitchell
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

John Garvey
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Rachel Boylan, Legal Specialist
Counsel's Office
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350