



Agenda Date: 11/21/14
Agenda Item: 8B

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 CLEAN ENERGY PROGRAM) ORDER
AUTHORIZATION OF COMMERCIAL AND INDUSTRIAL)
(C&I) PROGRAM ENERGY EFFICIENCY INCENTIVES)
EXCEEDING \$500,000 – THE PRUDENTIAL INSURANCE)
COMPANY OF AMERICA) DOCKET NO. QO14101264

Party of Record:

Richard Hummers, Senior Vice President, The Prudential Insurance Company of America

BY THE BOARD¹:

The New Jersey Board of Public Utilities' (Board) Commercial & Industrial (C&I) Energy Efficiency (EE) Program includes nine individual programs targeting the commercial and industrial market segments, consisting of New Construction, Retrofit, Pay for Performance – New Construction, Pay for Performance – Existing Buildings, Local Government Energy Audit, Direct Install, Small Combined Heat and Power (CHP) and Fuel Cells (FC), Large Energy Users Program, and the Societal Benefits Charge Credit Program. These programs collectively offer financial incentives to encourage the installation of energy efficient products and technologies. Eligible applicants may receive incentives for a portion of the cost of installing energy efficient technologies such as lighting, heating, ventilation and air conditioning, water heating, and other measures in new or existing buildings.

The Prudential Insurance Company of America (Prudential), in Newark, Essex County, has submitted an application for a financial incentive totaling \$1,313,418, under the 2013 Pay for Performance – New Construction Program, for a project located at 677 Broad Street, in Newark, Essex County. The Pay for Performance New Construction Program promotes high performance buildings that achieve 15% or more energy cost savings than buildings built to the current energy code. Incentives for this program are released in three phases upon satisfactory completion of each milestone. All proposed C&I EE financial incentives and rebates exceeding

¹ President Richard S. Mroz recused himself due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter. Commissioner Dianne Solomon was not present at the 11/21/14 agenda meeting.

\$500,000 require explicit Board approval. See I/M/O the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the 2009 through 2012 Clean Energy Program – Revised 2012-2013 Programs & Budgets – Revised Rebate Approval Process, BPU Dkt. No. EO07030203 (May 3, 2013).

The first incentive is intended to help offset the cost of services associated with the development of the Energy Reduction Plan (ERP) and design fees. An Energy Reduction Plan detailing the set of measures that will achieve the performance target is required for each project. The estimated first incentive for the proposed ERP is \$50,000.

The second incentive is based on the final installed work scope and follows the submittal and approval of the As-Built Energy Reduction Plan. The estimated second incentive for the as-built reduction plan in this project is \$765,708. The amount of this second incentive includes installation of efficient interior lighting fixtures, lighting occupancy sensors, daylight dimming sensors, efficient exterior lighting fixtures, window and glass door glazing, improved wall insulation, exterior window louvers for self-shading, regenerative braking on elevators, high efficiency boiler, high efficiency chiller, variable frequency drives (VFDs) on cooling tower fans and water-side economizers, VFDs on high efficiency pump motors, high efficiency hot water heater, underfloor air delivery and heat recovery, reduced fan power on variable air volume system, data room air handling units, low-flow water fixtures, and carbon monoxide sensors, and VFDs on garage fans.

The third incentive follows construction completion and the submittal and approval of the Commissioning Report. The third incentive is based upon confirmation that the building achieved the performance target value indicated in the proposed ERP. The estimated third incentive for this project is \$497,710.

Overall, the project proposed by Prudential has an estimated incremental measure cost of \$4,745,319.87 with an estimated total energy savings of 20.7%.² This includes an estimated annual customer savings of 3,974,303 kWh of electricity, with an estimated annual demand reduction of 1,460 kW, and an estimated annual savings of 85,400 therms of natural gas. Prudential's application estimates the EE improvements will provide the project with an annual energy cost savings of \$646,898, assuming a 12% internal rate of return and a simple payback of 7 years without incentive. With the financial incentive provided under the 2013 Pay for Performance – New Construction Program, Prudential's payback period is reduced to 5.3 years.

TRC, the Market Manager engaged by the Board to manage the New Jersey Clean Energy Program (NJCEP) C&I energy efficiency programs, has submitted certification that the incentive for which TRC now seeks approval to commit has been calculated in accordance with the program policies and procedures, and that the listed amount is the true and accurate estimated incentive for which the applicant is eligible. Further, Applied Energy Group, in its role as the NJCEP Program Coordinator, has reviewed the application and submitted certification that the incentive for which TRC now seeks approval to commit has been calculated in accordance with the program policies and procedures, and that the listed amount is the true and accurate estimated incentive for which the applicant is eligible. Based on these certifications and the information provided by the Market Manager and Program Coordinator, Board Staff recommends that the Board approve the above-referenced application.

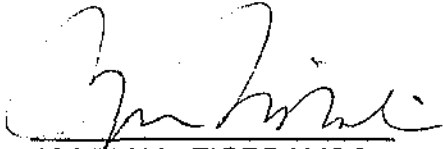
² Energy savings and cost savings are measured from a code-compliant building American Society of Heating and Air-Conditioning Engineers (ASHRAE) 90.1-2007 baseline.

The Board **HEREBY ORDERS** the approval of the aforementioned application for the total estimated incentive amount of \$1,313,418 for Prudential and **AUTHORIZES** issuance of a standard commitment letter to the applicant identified above, setting forth the terms and conditions of this commitment.

The effective date of this Order is December 1, 2014.

DATED: 11/21/14

BOARD OF PUBLIC UTILITIES
BY:


JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER


UPENDRA J. CHIVUKULA
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 CLEAN ENERGY PROGRAM AUTHORIZATION OF COMMERCIAL
AND INDUSTRIAL (C&I) PROGRAM ENERGY EFFICIENCY INCENTIVES EXCEEDING
\$500,000 – THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

DOCKET NO. QO14101264

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**Program Coordinator Certification
(New Incentive Commitments > \$500,000)**

I, **Maura Watkins**, hereby certify that in its role as Program Coordinator, Applied Energy Group, Inc. has reviewed the referenced below, as required by the policies and procedures applicable to each program, that the standardized equipment incentives for which TRC now seeks approval to commit have been calculated in accordance with those policies and procedures, and that the amount shown below is the true and accurate estimated incentive for which the applicant(s) is(are) eligible.

For incentives based on uniquely calculated estimated energy savings, including the Custom Program, Pay for Performance, Combined Heat & Power and Large Energy Users Program, Applied Energy Group certifies locating documentation supporting the inputs used to calculate the rebate amount and evidencing TRC's evaluation of those inputs as required by the program's policies and procedures.

Maura H Watkins

By: _____

Date: 10-17-2014

Maura Watkins

Quality Assurance Manager - Applied Energy Group, Inc.

Ref: _____
App # 20422


Applicant The Prudential Insurance Company of America

Payee The Prudential Insurance Company of America

Committed Amount: \$1,313,418.00

Market Manager Certification
(New Incentive Commitments > \$500,000)

I Carl Teter hereby certify that applications on the attached list have been reviewed by TRC or its subcontractors as required by the policies and procedures applicable to each program, that the incentives for which TRC now seeks approval to commit have been calculated in accordance with those policies and procedures, and that the listed amounts are the true and accurate estimated incentives for which each applicant is eligible.

By: 
Carl P. Teter, P.E., LEED AP, Associate Vice President
App# 20422

Date: 10-20-14

1. Application Number: **20422**
2. Program Name: **Pay for Performance- New Construction**
3. Customer Contact (name, company, address, phone #):
Richard Hummers, Senior Vice President
The Prudential Insurance Company of America
213 Washington Street, Newark, NJ 07102
973-802-6000
4. Project Name and Address:
New Prudential Tower
677 Broad Street, Newark, NJ 07102
5. Rebate amount:
Incentive #1: \$50,000.00
Incentive #2: \$765,708.00
Incentive #3: \$497,710.00
Total: \$1,313,418.00
6. Brief description of measures:
 - 1) LED and fluorescent interior lighting fixtures
 - 2) Lighting occupancy sensors
 - 3) Daylight dimming sensors
 - 4) LED exterior lighting fixtures
 - 5) Window/glass door glazing
 - 6) Improved wall insulation
 - 7) Exterior louvers for self-shading
 - 8) Regenerative braking on elevators
 - 9) High efficiency boiler
 - 10) High efficiency chiller
 - 11) VFDs on cooling tower fans, and water-side economizer
 - 12) VFDs on NEMA pump motors
 - 13) High efficiency hot water heater
 - 14) Underfloor air delivery and heat recovery
 - 15) Reduced fan power on VAV system
 - 16) Data room AHUs
 - 17) Low-flow fixtures
 - 18) CO sensors and VFDs on garage fans
7. Annual Estimated Energy Savings:
 - 1) **3,974,303 kWh**
 - 2) **1,460 kW**
 - 3) **8,540 MMBtu**
 - 4) **20.7% cost energy savings from ASHRAE 90.1-2007**
8. Annual Estimate Energy Cost Savings:
 - 1) **\$646,898 (simple payback 7 years, 12% IRR without incentive)**