



Agenda Date: 1/21/15
Agenda Item: 8C

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 NEW JERSEY CLEAN)
ENERGY PROGRAM AUTHORIZATION OF)
COMMERCIAL AND INDUSTRIAL (C&I) PROGRAM)
ENERGY EFFICIENCY INCENTIVES EXCEEDING)
\$500,000 – MERCK & CO., INC.)

AMENDED ORDER¹

DOCKET NO. QG14121437

Party of Record:

Chris Broome, Associate Director of Engineering, Merck & Co., Inc.

BY THE BOARD²:

The New Jersey Board of Public Utilities' (the Board) Commercial & Industrial (C&I) Energy Efficiency Program includes nine (9) 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.

In this Order, the Board considers the application of Merck & Co., Inc. (Merck), for financial incentives under the Large Energy Users Program (LEUP). All proposed C&I energy efficiency financial incentives and rebates exceeding \$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 Docket. No. EO07030203 (May 3, 2013).

¹ The Board Order dated 1/21/15 inadvertently included a typographical error in the committed incentive amount, and the previously attached certifications were incorrect.

² Commissioner Fiordaliso has recused himself from this matter.

The purpose of the LEUP is to foster self-investment in energy efficiency, and combined heat and power projects while providing necessary financial support to large commercial and industrial utility customers in the State of New Jersey. Incentives will be awarded to customers that satisfy the program's eligibility and program requirements to invest in self-directed energy projects that are customized to meet the requirements of the customers' existing facilities, while advancing the State's energy efficiency, conservation, and greenhouse gas reduction goals. To qualify, eligible entities must have contributed a minimum of \$300,000 into New Jersey's Clean Energy Program fund in fiscal year 2014 defined from July 1, 2013 through June 30, 2014 (aggregate of all buildings/sites).

Merck, located in Rahway, Union County, has submitted an application for a financial incentive in the amount of \$1,002,297.75³ under the Fiscal Year 2014 LEUP, for projects located at its facilities at 2000 Galloping Hill Road, in Kenilworth, and at 3070 U.S. Route 22, in Branchburg. For both facilities, the applicant proposes to upgrade its lighting from fluorescents to light-emitting diodes (LEDs) with lighting controls. In the Kenilworth facility, which houses laboratories, the applicant proposes to upgrade its HVAC system. Installing these measures will reduce the annual electric usage by an estimated 5,946,292 kWh. Overall, the proposed projects will have an estimated annual energy cost savings of \$782,576 at a total project cost of \$1,336,397. The applicant will also realize an operational and maintenance savings of \$175,349 per year. The simple payback period when factoring in the avoided operational and maintenance costs is 1.4 years.

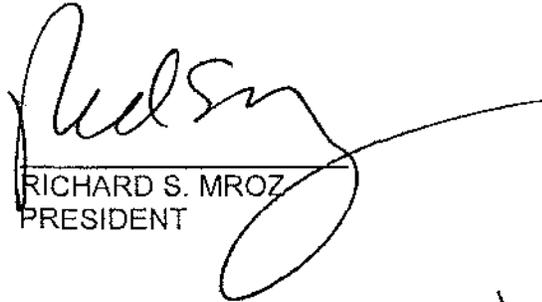
TRC, the Market Manager engaged by the Board to manage the New Jersey Clean Energy Program (NJCEP) C&I energy efficiency programs, has submitted certification that the incentive for which TRC now seeks approval to commit has been calculated in accordance with the program policies and procedures, and 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.

³ in the Order previously approved by the Board dated 1/21/15, the incentive amount was incorrectly listed as \$1,002,197.75. The correct amount of incentive, as indicated on this Amended Order, and also provided on the attached certification, is \$1,002,297.75, or a difference of \$100.00.

The Board **HEREBY ORDERS** the approval of the aforementioned application for the total estimated incentive amount of \$1,002,297.75⁴ for Merck 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 January 31, 2015.

DATED: 1/30/15

BOARD OF PUBLIC UTILITIES
BY:



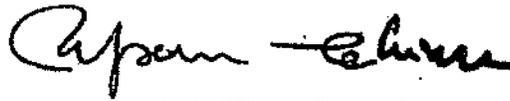
RICHARD S. MROZ
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER

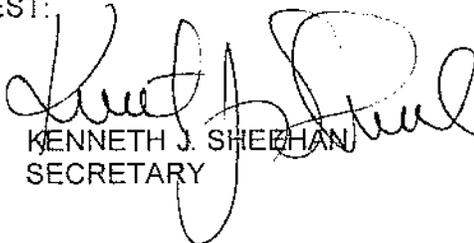


DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:



KENNETH J. SHEEHAN
SECRETARY

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



⁴ In the Order previously approved by the Board dated 1/21/15, the incentive amount was incorrectly listed as \$1,002,197.75. The correct amount of incentive, as indicated on this Amended Order, and also provided on the attached certification, is \$1,002,297.75, or a difference of \$100.00.

IN THE MATTER OF THE NEW JERSEY CLEAN ENERGY PROGRAM AUTHORIZATION OF
COMMERCIAL AND INDUSTRIAL (C&I) PROGRAM ENERGY EFFICIENCY INCENTIVES
EXCEEDING \$500,000 – MERCK & CO., INC.
DOCKET NO. QG14121437

SERVICE LIST

Brian DeLuca
TRC Solutions
Program Manager
900 Route 9 North, Suite 104
Woodbridge, NJ 07095

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

Carl Teter
TRC Solutions
Associate Vice President
900 Route 9 North, Suite 104
Woodbridge, NJ 07095

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

Valentina Rozanova
TRC Solutions
Program Manager
900 Route 9 North, Suite 104
Woodbridge, NJ 07095

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

Michael Ambrosio
Applied Energy Group, Inc.
317 George Street, Suite 305
New Brunswick, NJ 08901

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

James Nappi
Applied Energy Group, Inc.
317 George Street, Suite 305
New Brunswick, NJ 08901

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

Chris Broome
Associate Director of Engineering
Merck & Co., Inc.
126 East Lincoln Avenue
Rahway, NJ 07065

David Wand
Deputy Attorney General
Division of Law
Department of Law & Public Safety
124 Halsey Street
Post Office Box 45029
Newark, NJ 07102-45029

Caroline Vachier
Deputy Attorney General
Division of Law
Department of Law & Public Safety
124 Halsey Street
Post Office Box 45029
Newark, NJ 07102-45029

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# L16258

Date:

12-17-14

1. Application Number: **L16258**
2. Program Name: **FY14 Large Energy Users Program**
3. Customer Contact (name, company, address, phone #):
Chris Broome, Associate Director of Engineering
Merck & Co., Inc.
126 E. Lincoln Avenue, RY28-470F
Rahway, NJ 07065
(732) 594-4925
4. Project Name and Address:
2000 Galloping Hill Road, Kenilworth, NJ
3070 U.S. Route 22, Branchburg, NJ 08876
5. Rebate amount: **\$1,002,297.75**
6. Brief description of measures:
 - 1) **Interior Lighting and Parking Lot Lighting Upgrades Kenilworth (Buildings K1, K5, K11) and Branchburg:** Replacement of fluorescent lighting with LED fixtures and lighting controls
 - 2) **HVAC Upgrades Kenilworth Building K-11:** Rebalancing and air-change rate reduction in laboratories
7. Annual Estimated Energy Savings: **5,946,292 kWh**
8. Annual Estimated Energy Cost Savings: **\$782,576**
9. Project cost: **\$1,336,397.00**
10. Operational and Maintenance Savings: **\$175,349**
11. Simple payback period: **1.4 years**

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: 12-19-2014

Maura Watkins

Quality Assurance Manager - Applied Energy Group, Inc.

Ref: _____
App # L16258

Applicant Merck & Co., Inc.

Payee Merck & Co., Inc.

Committed Amount: \$1,002,297.75