



Agenda Date: 7/22/15
Agenda Item: 8G

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)
AUTHORIZATION OF COMMERCIAL AND INDUSTRIAL)
PROGRAM ENERGY EFFICIENCY INCENTIVES)
EXCEEDING \$500,000 - AT&T SERVICES, INC.)
(MIDDLETOWN)) DOCKET NO. QG15070773

Parties of Record:

John Keller, Senior Energy Manager, AT&T Services, Inc.

BY THE BOARD: ¹

The New Jersey Board of Public Utilities (Board) and its New Jersey Clean Energy Program (NJCEP) include nine individual Commercial & Industrial (C&I) Energy Efficiency (EE) Programs targeting the commercial and industrial, local government, and schools market segments, consisting of New Construction, Retrofit, Pay for Performance – New Construction, Pay for Performance – Existing Buildings, Local Government Energy Audit, Direct Install, Combined Heat and Power and Fuel Cells, 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. All proposed C&I EE 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 Dkt. No. EO07030203 (May 3, 2013).

By this Order, the Board considers the application of AT&T Services, Inc. (AT&T), for a project located at 200 South Laurel Avenue, Middletown, NJ. AT&T submitted an application in December 2014 for a financial incentive of \$2,000,000 under the small scale Combined Heat and Power/Fuel Cell (CHP/FC) Program. The CHP/FC program is open to all C&I customers paying into the Societal Benefits Fund who install combined heat and power or fuel cell systems to further enhance energy efficiency in their buildings through on-site power generation with recovery and productive use of waste heat, thereby reducing existing and new demands to the

¹ Commissioner Upendra J. Chivukula recused himself due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.

electric power grid. Incentives from this program are disbursed upon completion of three program milestones: (1) proof of purchase of equipment; (2) project installation and operation, including successful inspection; and (3) acceptance and confirmation of achievement of the required performance thresholds based upon twelve months of operating data.

AT&T's application was accepted under the program guidelines in effect from July 1, 2014 through June 30, 2015. The project includes the installation of five solid oxide fuel cell units with capacities of 200 kW each, for a total installed capacity of 1MW. The system does not have any waste heat component and is intended for electric generation only. The system is estimated to have an overall annual efficiency of 52%.

The estimated first incentive, for purchase of the equipment, is \$600,000. The estimated second incentive, for completed installation of the system, is \$1,200,000. The estimated third incentive, granted after acceptance and confirmation of required performance threshold data, is \$200,000. The project is anticipated to generate 8,322,000 kWh of electricity annually. There is no heat recovery component in this system. The project will have an upfront cost of \$11,128,000, and will save on average \$158,041.20 in annual energy costs. The application would have a payback of 33 years prior to granting the incentive, which will be reduced to 27 years with the incentive.

This project incentive is within the entity cap, based on the application approval date. See TRC FY 2016 Program & Budget Filing, at 6 (June 15, 2015), <http://www.njcleanenergy.com/filings> (follow "TRC Filing Jun 2015" hyperlink). This is the first approval for AT&T in fiscal year 2016.

TRC, the Market Manager engaged by the Board to manage the NJCEP C&I EE programs, submitted a certification that the incentive was 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, also reviewed the application and submitted a certification that the incentive was 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.

The Board **HEREBY ORDERS** the approval of the aforementioned application for the total estimated incentive amount of \$2,000,000 for AT&T, and **HEREBY 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 August 1, 2015.

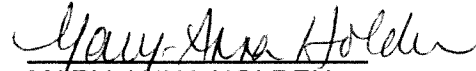
DATED:

July 23, 2015

BOARD OF PUBLIC UTILITIES
BY:

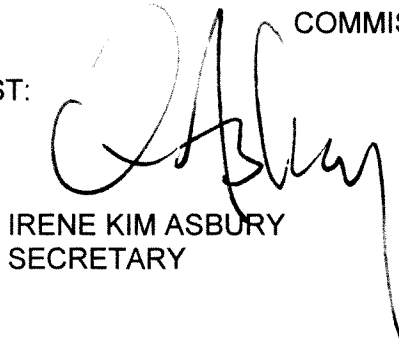

RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

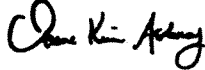

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER

ATTEST:


IRENE KIM ASBURY
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 – AT&T SERVICES, INC. (MIDDLETOWN)
DOCKET NO. QG15070773

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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# 30937CHP

Date: 07-06-15

1. Application Number: 30937CHP
2. Program Name: Combined Heat and Power/Fuel Cell Program (Small)
3. Customer Contact (name, company, address, phone #):
John Keller, Senior Energy Manager
AT&T Inc.
208 S. Akard Street, Dallas, TX 75202
214-464-3840
4. Project Name and Address:
AT&T – Middletown, Phase II
200 South Laurel Avenue, Middletown, NJ 07748-1998
5. Rebate amount:
Incentive #1: \$600,000.00
Incentive #2: \$1,200,000.00
Incentive #3: \$200,000.00
Total: \$2,000,000.00
6. Brief description of Fuel Cells to be Installed:
Five (5) Bloom Energy ES-5700-E solid oxide fuel cell units to be installed. The installed rated capacity per each unit is 200kW; total of 1000kW for all five units. Estimated annual system efficiency is 52%. Bloom units do not have a waste heat component and are used for electric generation only. Phase 1 of this project (1000 kW) was approved on October 1, 2014.
7. Annual Estimated Energy Savings:
Expected Annual Electricity Production: 8,322,000 kWh
Expected Annual Thermal Energy Production: N/A
8. Project Cost: \$11,128,000.00
9. Annual Estimate Energy Cost Savings: \$70,441.20 (First year); \$158,041.20 (Average)
Simple payback 33 years (without incentive), 27 years (with incentive)

**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: 07-01-2015

Maura Watkins

Quality Assurance Manager - Applied Energy Group, Inc.

Ref: _____
App # 30937CHP
Applicant AT&T Inc.
Payee AT&T Services, Inc.

Committed Amount: \$2,000,000.00