



**STATE OF NEW JERSEY**

**Board of Public Utilities**

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**Post Office Box 350**

**Trenton, New Jersey 08625-0350**

**[www.nj.gov/bpu/](http://www.nj.gov/bpu/)**

**CLEAN ENERGY**

IN THE MATTER OF THE CLEAN ENERGY PROGRAM	)	ORDER
AUTHORIZATION OF COMMERCIAL AND INDUSTRIAL	)	
PROGRAM ENERGY EFFICIENCY INCENTIVES	)	
EXCEEDING \$500,000 - READINGTON FARMS, INC	)	DOCKET NO QG16060504

**Parties of Record:**

**Bob Weil, Plant Engineer, Readington Farms, Inc.**

**BY THE BOARD:**

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 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 \$500,000.00 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 2016 Combined Heat and Power & Fuel Cell (2016 CHP/FC) program is open to all C&I customers contributing to the Societal Benefits fund and installing CHP or FC systems to further energy efficiency in their buildings through on-site power generation thereby reducing existing and new demands to the electric power grid. Incentives 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.

By this Order, the Board considers one application for an incentive submitted under the 2016 CHP/FC program pursuant to the TRC FY 2016 Program & Budget Filing (June 15, 2015), located at Readington Farms, Inc., at 12 Mill Road, in Whitehouse, Hunterdon County. This application was accepted under the above-referenced program guidelines in effect from July 1, 2015 through June 30, 2016. The project's incentive is within the entity cap, based on the application approval date.

Readington Farms, Inc. submitted an application for a financial incentive of \$1,448,450.70 under the 2016 CHP/FC Program. The project includes the installation of one 1.2 MW CHP system with heat recovery. The system is estimated to have an overall annual efficiency of 68.3%. The estimated first incentive, for purchase of the equipment, is \$434,535.21. The estimated second incentive, for completed installation of the system, is \$869,070.42. The estimated third incentive, granted after acceptance and confirmation of required performance threshold data, is \$144,845.07. The project is anticipated to generate 9,408,428.3 kWh of electricity annually, and is estimated to recover 18,464 MMBtus in natural gas annually. The project will have a cost of \$4,828,169.00 and will save on average \$378,753.91 in annual energy costs after a first year cost savings of \$328,911.78. The project has a 9.24 year payback without incentives, which is reduced to 6.47 years with incentive.

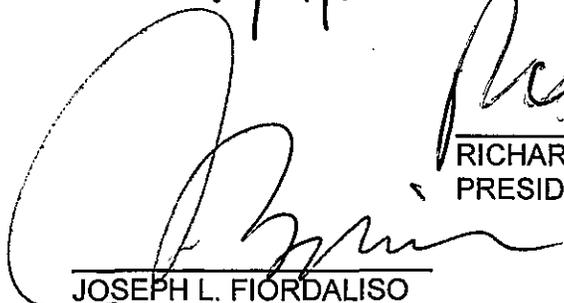
ICF International, the Program Manager engaged by the Board to manage the NJCEP CHP/FC program, submitted its certification that the incentive was calculated in accordance with the program policies and procedures, and that the listed amount is the true and accurate estimated incentive for which the applicant is eligible. Further, Applied Energy Group, in its role as the NJCEP Program Administrator, also reviewed the application and submitted its 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 Program Manager and Program Administrator, Board Staff recommends that the Board approve the above-referenced application.

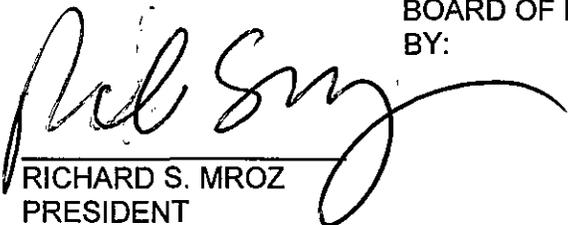
The Board **HEREBY ORDERS** the approval of the aforementioned application for the total estimated incentive amount of \$1,448,450.70 for Readington Farms Inc., and **HEREBY AUTHORIZES** issuance of a standard commitment letter to the applicant identified above, setting forth the terms and conditions of this commitment.

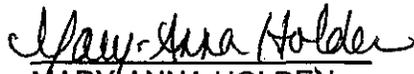
The effective date of this Order is July 9, 2016.

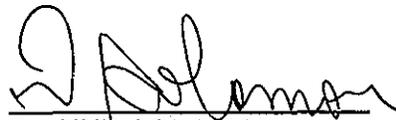
DATED: 6/29/16

BOARD OF PUBLIC UTILITIES  
BY:

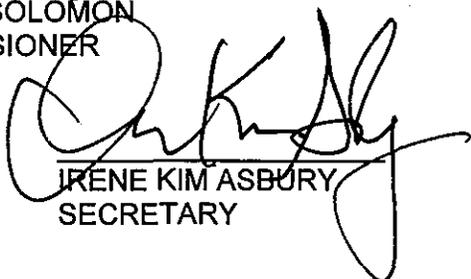
  
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JOSEPH L. FIORDALISO  
COMMISSIONER

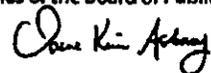
  
\_\_\_\_\_  
RICHARD S. MROZ  
PRESIDENT

  
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MARYANNA HOLDEN  
COMMISSIONER

  
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DIANNE SOLOMON  
COMMISSIONER

  
\_\_\_\_\_  
UPENDRA J. CHIVUKULA  
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  
\$500,000.00 – READINGTON FARMS INC  
DOCKET NO. QG16060504

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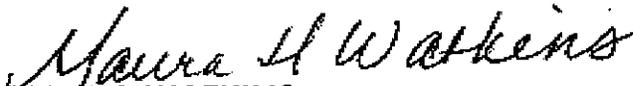
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**Program Administrator Certification  
(New Incentive Commitments > \$500,000)**

I, **MAURA WATKINS**, Quality Assurance Manager for NJCEP Program Administrator, Applied Energy Group, Inc., here by certify that, I have reviewed the Combined Heat & Power and Fuel Cells Program application referenced below and determined that, as required by the policies and procedures applicable to the program, (1) the equipment incentives for which ICF now seeks approval to commit NJCEP funds have been calculated in accordance with those policies and procedures, and (2) that the amount shown below is the true and accurate estimated incentive for which the applicant(s) is(are) eligible.

Additionally, for incentives based on estimated energy savings that are uniquely calculated, including those granted for approved Combined Heat & Power and Fuel Cells Program projects, I also certify that I was able to locate and review documentation supporting the inputs used to calculate the rebate amount and evidencing ICF's evaluation of those inputs as required by the program's policies and procedures.

By:   
**MAURA WATKINS**

Date: 6/6/16

Quality Assurance Manager - Applied Energy Group, Inc.

Application No.: NJFCPS1532412246

Applicant: Readington Farms, Inc.

Payee: UE-00216NJ, LLC

Committed Amount: \$1,448,450.70

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

I Kathryn O'Rourke hereby certify that application(s) on the attached list have been reviewed by ICF or its subcontractors as required by the policies and procedures applicable to each program, that the incentives for which ICF 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. This review does not include an analysis of the financial viability of the project(s) on this list. Item #11 on following page is provided for informational purposes only based on data submitted by applicant.

By: Kathryn O'Rourke Date: 6/8/2016

*Kathryn O'Rourke, Program Manager*  
*Application Number: BPUCHP-5*  
*Vision Number: NJFCPS1532412246*

1. Application Number: **BPUCHP-5**
2. Vision Number: **NJFCPS1532412246**
3. Program Name: **NJ Clean Energy Program Combined Heat and Power/Fuel Cells**
4. Customer Contact (name, title, company, address, phone #):  
**Bob Weil**  
**Plant Engineer**  
**Readington Farms Inc.**  
**12 Mill Road**  
**Whitehouse, NJ 08889**  
**908-534-2121 ext. 2225**
5. Project Name and Address:  
**Readington Farms**  
**12 Mill Road**  
**Whitehouse, NJ 08889**
6. Rebate amount:  
**Incentive #1: \$ 434,535.21**  
**Incentive #2: \$ 869,070.42**  
**Incentive #3: \$ 144,845.07**  
**Total: \$1,448,450.70**
7. Brief description of CHP plant to be installed:  
**The host site is a dairy processing facility. The facility receives and processes bulk product seven days per week with packaging operating five days per week. Project proposes installing (1) 1,200 KW Gas Engine CHP system with heat recovery (18,464 MMBtu annually) and an efficiency of 68.3%. The CHP system has blackstart capabilities.**
8. Annual Estimated Energy Savings:  
**Estimated Annual Electric Production: 9,408,428.3 kWh**
9. Project Cost: **\$4,828,169.00**
10. Project Funding Type (capital purchase, lease, finance, PPA, other/describe):  
**Power Purchase Agreement**
11. Financials:  

Simple Payback Period (years) w/o incentive	9.24
Simple Payback Period (years) w/ incentive	6.47
IRR w/o incentive	10%
First Year (Annual) Cost Savings	\$328,911.78
Average Annual Cost Savings	\$378,753.91
Lifecycle Savings	\$77,671.05