



Agenda Date: 11/30/16  
Agenda Item: 8C

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
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 )  
AUTHORIZATION OF COMMERCIAL AND INDUSTRIAL ) ORDER  
PROGRAM ENERGY EFFICIENCY INCENTIVES )  
EXCEEDING \$500,000 – MORGAN STREET )  
DEVELOPERS URBAN RENEWAL COMPANY LLC ) DOCKET NO. QO16080821

**Parties of Record:**

**Michael Meyer, Managing Director of Development, Morgan Street Developers Urban Renewal Company LLC**  
**Stefanie A. Brand, Esq., Director, Division of Rate Counsel**

**BY THE BOARD:**

Pursuant to N.J.S.A. 48:3-60, the New Jersey Board of Public Utilities (Board) administers the New Jersey Clean Energy Program (NJCEP). The NJCEP offers financial incentives to New Jersey Commercial and Industrial customers to encourage the adoption of energy efficient technologies. Eligible applicants may receive rebates for a portion of the cost for installing energy efficient technologies, such as lighting, HVAC and water heating at their locations. 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).

The P4P – New Construction Program promotes high performance buildings that achieve 15% or more energy cost savings than buildings built to the current energy code. This program links incentives directly to energy savings to ensure that the estimated savings levels are achieved. Incentives are released upon satisfactory completion of three milestones.

Morgan Street Developers Urban Renewal Company LLC, Florham Park, NJ, has submitted an application for a total financial incentive of \$914,748.50 under the 2015 Pay for Performance – New Construction program, for a project located at 65 Bay Street, Jersey City, NJ. This application was accepted under the TRC FY2015 Program & Budget guidelines dated September 17, 2014. The proposed project is a 54-story high-rise apartment building consisting of apartments, common areas, retail space, and a parking garage. The proposed energy

efficiency measures include high efficiency HVAC systems, high efficiency domestic hot water heaters, window and glass door upgrades, use of efficient fluorescent and LED lighting, and improved insulation.

The estimated first incentive, for the proposed energy reduction plan (ERP), is \$50,000.00. The estimated second incentive, for the as-built reduction plan based on the final installed work scope, is \$524,090.00. The estimated third incentive, for the commissioning report confirming ERP performance target achievement, is \$340,658.50. These incentive amounts are within entity cap guidelines. The project has an estimated 26% total energy savings as compared to the current energy code used in New Jersey, American Society of Heating and Air-Conditioning Engineers (ASHRAE) 90.1.2007, and will save the customer an estimated 2,067,310 kWh of electricity annually and reduce electric demand by 664 kW annually. Through this project, the customer is also anticipated to save 23,525 therms of natural gas. The total incremental project cost is \$2,143,400. Overall, this project has an estimated annual energy cost savings of \$283,170.00, with a 22% internal rate of return and a 4 year simple payback period with incentive. Absent these incentives, the project would have a 10% internal rate of return and an 8 year simple payback.

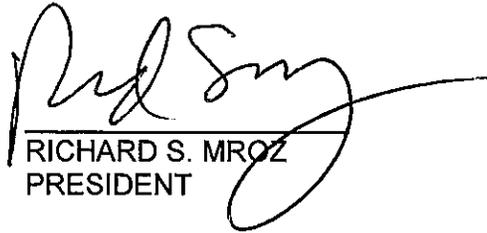
TRC, the Program Manager engaged by the Board to manage the NJCEP P4P – New Construction program, submitted its certification that the incentive was calculated in accordance with the program policies and procedures, and that the listed amount is the true and accurate estimated incentive for which the 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 \$914,748.50 for Morgan Street Developers Urban Renewal Company LLC, and **AUTHORIZES** issuance of a standard commitment letter to the applicant identified above, setting forth the terms and conditions of these commitments.

The effective date of this Order is December 10, 2016.

DATED: 11/30/16

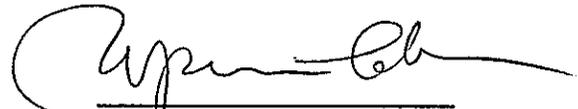
BOARD OF PUBLIC UTILITIES  
BY:

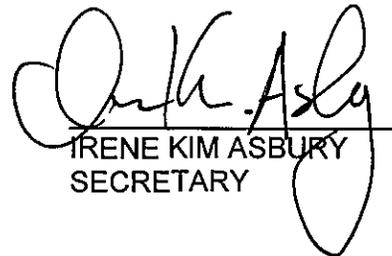
  
RICHARD S. MROZ  
PRESIDENT

  
JOSEPH L. FIORDALISO  
COMMISSIONER

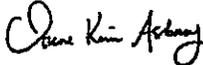
  
MARY-ANNA HOLDEN  
COMMISSIONER

  
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 – MORGAN STREET DEVELOPERS URBAN RENEWAL COMPANY LLC  
DOCKET NO. QO16080821

SERVICE LIST

Stefanie A. Brand, Esq., Director  
Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Floor  
Post Office Box 003  
Trenton, NJ 08625-0003  
[sbrand@rpa.state.nj.us](mailto:sbrand@rpa.state.nj.us)

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

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

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

Michael Ambrosio  
Applied Energy Group, Inc.  
317 George Street, Suite 305  
New Brunswick, NJ 08901  
[mambrosio@appliedenergygroup.com](mailto:mambrosio@appliedenergygroup.com)

James Nappi  
Applied Energy Group, Inc.  
317 George Street, Suite 305  
New Brunswick, NJ 08901  
[jnappi@appliedenergygroup.com](mailto:jnappi@appliedenergygroup.com)

Michael Meyer  
Managing Director of Development  
Kushner Companies  
Morgan Street Developers Urban Renewal  
Company LLC  
30A Vreeland Road, Suite 220  
Florham Park, NJ 07932

Irene Kim Asbury, Esq.  
Secretary of the Board  
Office of the Secretary  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[irene.asbury@bpu.nj.gov](mailto:irene.asbury@bpu.nj.gov)

Secil Uztetik Onat, Executive Director  
Economic Development & Energy Policy  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Secil.onat@bpu.nj.gov](mailto:Secil.onat@bpu.nj.gov)

Elizabeth Teng  
Office of Clean Energy  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Elizabeth.teng@bpu.nj.gov](mailto:Elizabeth.teng@bpu.nj.gov)

Sherri Jones  
Office of Clean Energy  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Sherri.jones@bpu.nj.gov](mailto:Sherri.jones@bpu.nj.gov)

Allison E. Mitchell  
Office of Clean Energy  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Allison.mitchell@bpu.nj.gov](mailto:Allison.mitchell@bpu.nj.gov)

Caroline Vachier, Esq.  
Deputy Attorney General  
Division of Law  
Department of Law & Public Safety  
124 Halsey Street  
Post Office Box 45029  
Newark, NJ 07102-45029  
[Caroline.vachier@dol.lps.state.nj.us](mailto:Caroline.vachier@dol.lps.state.nj.us)

Veronica Beke, Esq.  
Deputy Attorney General  
Division of Law  
Department of Law & Public Safety  
124 Halsey Street  
Post Office Box 45029  
Newark, NJ 07102-45029  
[Veronica.beke@dol.lps.state.nj.us](mailto:Veronica.beke@dol.lps.state.nj.us)

**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 application referenced below and determined that, as required by the policies and procedures applicable to the program, (1) the equipment incentives for which TRC 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 the Custom Program, Pay for Performance and Large Energy Users Program, I also certify that I was able to locate and review 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: 08-29-2016

**Maura Watkins**

Quality Assurance Manager - Applied Energy Group, Inc.

Application No.: **27760**

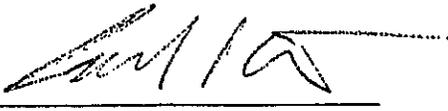
Applicant: **Morgan St Developers Urban Renewal Co. LLC (Michael Meyer)**

Payee: **Morgan Street Developers Urban Renewal Company, LLC**

Committed Amount: **\$914,748.50**

**Program 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: 

Date: 8-25-16

*Carl P. Teter, P.E., LEED AP, Associate Vice President  
App# 27760*

---

1. Application Number: **27760**
2. Program Name: **Pay for Performance – New Construction**
3. Customer Contact (name, company, address, phone #):

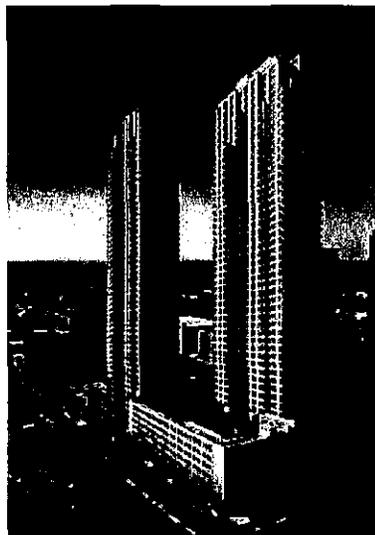
**Michael Meyer, Managing Director of Development  
Kushner Companies  
Morgan Street Developers Urban Renewal Company LLC  
30A Vreeland Road, Suite 220  
Florham Park, NJ 07932  
973-822-0050**

4. Project Name and Address:

**Trump Bay Street  
65 Bay Street, Jersey City, NJ 07302**

5. Rebate amount:  
**Incentive #1: \$50,000.00**  
**Incentive #2: \$524,090.00**  
**Incentive #3: \$340,658.50**  
**Total: \$914,748.50**

6. Brief description of facility/site: **This project consists of the construction of a brand new 54 story high-rise apartment building at 65 Bay Street in Jersey City, New Jersey. The building will consist of apartments, common areas, retail space and a parking garage. It will be approximately 524,090 gross heated square feet.**



7. Brief description of measures:

Energy Efficiency Measure	Brief Description of Measure	Manufacturer	Model	Capacity	Capacity Units	Quantity	Efficiency	Efficiency Units	Proposed Cost	Cost Source	
1	Unitary HVAC/Split Systems	Daikin GE Carrier AAON	FAQ18PVJU FTQ42BVJU FTXS09LVJU FTXS30LVJU FXA Q24PVJU FXMQ30PA VJU FXMQ36PA VJU FXMQ48PVJU FXMQ72MVJU FXMQ96MVJU FXTQ30PA VJU FXTQ42PA VJU FXTQ48PA VJU FXTQ54PA VJU FXTQ72PA VJU REYQ16TYDN REYQ240TYDN REYQ36TYDN RXS09LVJU RXS30LVJU RXYMQ48PVJU RZQ18PVJU RZQ42PVJU AZ61H09DA AZ61H12DA AZ61H15DA 48HCFD14BCA 6-0B2C0 RN-130-3-0-KA09-3N9	18 40 10.6 30 24 30 30.946 48 61.895 82.527 30 42 48 54 61.895 174.229 197.601 275.857 10.6 30 48 18 40 9.4 11.8 14.8 138.78 1420.91		MBH	3 2 1 2 3 1 1 1 3 2 1 2 2 1 1 1 2 1 2 2 1 3 298 123 539 1 1	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A 12.5 12.2 10.7 24.5 19.3 15.1 18.6 17 15.8 15.1 14 12.2 10.2	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A EER EER EER SEER SEER SEER SEER SEER SEER SEER SEER EER EER	\$2,750,000	Previous Experience
2	Water Heater (Gas) - <= 50 Gals.	AERCO	Innovation 1350	1350	MBH	3	97	EF	\$165,000	Previous Experience	
3	Other Lighting	Various	Various	Various	Various	5527	N/A	N/A	\$275,000	Previous Experience	
4	Insulation - Walls, Kneewalls, Rim Band/Joists	Greenguard; Siplast	XPS Insulation Type IV; Paratherm Polyisocyanurate Insulation	N/A	N/A	150994 sqft 44676 sqft	R12 R11	R-Value	\$1,580,000	Previous Experience	
5	Windows and Glass Doors	Architectural Windows	4400i 2542i	N/A	N/A	484	0.334 0.535 0.29 0.49	eQUEST SHGC eQUEST U-Value NFRC SHGC NFRC U-value	\$520,000	Previous Experience	

8. Annual Estimated Energy Savings (from ASHRAE 90.1-2007 Baseline):

**2,067,310 kWh**  
**23,525 therms**  
**664 kW**  
**26% energy cost savings overall**

9. Total Incremental Cost: **\$2,143,400.00**

10. Annual Estimate Energy Cost Savings (including simple payback with and without incentive, and IRR):

**Energy Cost Savings: \$283,170.00**  
**Simple Payback: 8 years (without incentive), 4 years (with incentive)**  
**IRR: 10% (without incentive), 22% (with incentive)**