



Agenda Date: 1/25/17  
Agenda Item: 8A

**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	)	ORDER
AUTHORIZATION OF COMMERCIAL AND INDUSTRIAL	)	
PROGRAM ENERGY EFFICIENCY INCENTIVES	)	
EXCEEDING \$500,000:	)	DOCKET NOS.
	)	
COUNTY OF OCEAN	)	QG16121157
	)	
ACUTECARE MANAGEMENT SERVICES LLC	)	QG16121158

**Parties of Record:**

**Michael Fiure, Director, Department of Management & Budget, County of Ocean**  
**Daniel Czermack, President, Acutecare Management Services LLC**  
**Stefanie A. Brand, Esq., Director, Division of Rate Counsel**

**BY THE BOARD:**

The New Jersey Board of Public Utilities (Board) through its New Jersey Clean Energy Program (NJCEP) includes several individual Commercial & Industrial (C&I) Energy Efficiency (EE) Programs targeting the commercial and industrial market segments. Eligible applicants may receive rebates for a portion of the cost for installing energy efficient technologies such as lighting, HVAC and other energy conservation measures. Incentives are also available for projects involving Distributed Energy Resources (DER). Under the category of DER, the NJCEP offers incentives for Combined Heat and Power (CHP) and Fuel Cell with heat recovery projects to enhance energy efficiency through on-site power generation and to reduce overall system peak demand to the electrical power grid. 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 Combined Heat and Power & Fuel Cell (CHP/FC) Program is open to all C&I customers of investor-owned utilities. 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 two applications for incentives submitted under the 2017 CHP/FC Program pursuant to the Energy Efficiency and Renewable Energy Program Plan Filing for Fiscal Year 2017 dated June 28, 2016: (1) County of Ocean, located at the Ocean County Justice Complex (Ocean County), 120 Hooper Avenue, Toms River, NJ; and (2) Acutecare Management Services LLC (Acutecare), at 1075 Stephenson Avenue, in Oceanport, Monmouth County. These project incentives are within the entity cap, based on the application approval date.

Ocean County submitted an application for a total financial incentive of \$1,100,000.00 under the 2017 CHP/FC Program. The project includes the installation of one 600 kW natural gas fueled engine with a system efficiency of 72.7%. The system will serve three buildings comprising the Ocean County Justice Complex. Waste heat will be utilized for space heating, cooling, and hot water. The system will have blackstart capability. The estimated first incentive, for purchase of the equipment, is \$330,000.00. The estimated second incentive, for completed installation of the system, is \$550,000.00. The estimated third incentive, granted after acceptance and confirmation of required performance threshold data, is \$220,000.00. The project is anticipated to generate 4,777,872 kWh of electricity annually, and is estimated to recover 13,259 MMBtus in waste heat annually. The project will have a cost of \$4,155,081.00 and is anticipated to save on average \$383,150.00 in annual energy costs. The project has a 10.84 year payback without incentives, which is reduced to 7.97 years with incentive.

Acutecare submitted an application for a total financial incentive of \$690,000.00 under the 2017 CHP/FC Program. The project includes the installation of one 345 kW natural gas fueled engine with a system efficiency of 83.6%. The project will be located at the former Patterson Army Hospital at Fort Monmouth, which is currently being retrofitted for medical support, including mental health services and adult daycare. Additionally, 87 apartments will be configured and used to serve homeless veterans. Waste heat will be utilized for space heating and cooling, and the system will have blackstart capability. The estimated first incentive, for purchase of the equipment, is \$207,000.00. The estimated second incentive, for completed installation of the system, is \$345,000.00. The estimated third incentive, granted after acceptance and confirmation of required performance threshold data, is \$138,000.00. The project is anticipated to generate 2,566,452 kWh of electricity annually, and is estimated to recover 21,027 MMBtus in waste heat annually. The project will have a cost of \$2,269,270.00 and is anticipated to save on average \$704,565.00 in annual energy costs. The project has a 3.22 year payback without incentives and the investment tax credit (ITC),<sup>1</sup> which is reduced to 2.24 years with incentive and the ITC.

ICF International, the Program Manager engaged by the Board to manage the NJCEP CHP/FC program, submitted its certifications that the incentives were calculated in accordance with the program policies and procedures, and that the listed amounts are the true and accurate estimated incentives for which each applicant is eligible. Further, Applied Energy Group, in its role as the NJCEP Program Administrator, also reviewed the applications and submitted its certifications that the incentives were calculated in accordance with the Program policies and procedures, and that the listed amounts are the true and accurate estimated incentives for

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<sup>1</sup> Under the 2017 CHP program effective August 1, 2016, all eligible projects must pass a cost-effectiveness test of a ten-year simple payback or less, inclusive of federal tax benefits and program incentives. Thus, applicants present a payback calculated inclusive of any applicable investment tax credits.

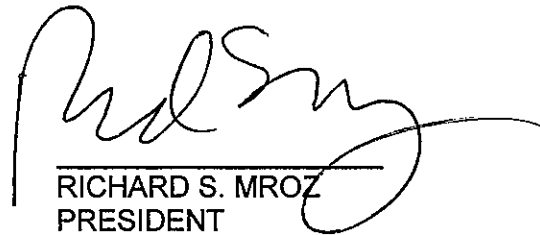
which each applicant is eligible. Based on these certifications and the information provided by the Program Managers and Program Administrator, Board Staff recommends that the Board approve the above-referenced applications.

The Board **HEREBY ORDERS** the approval of the aforementioned applications for the total estimated incentive amounts of \$1,100,000.00 for the County of Ocean, and \$690,000.00 for Acutecare Management Services LLC, and **AUTHORIZES** issuance of standard commitment letters to the applicants identified above, setting forth the terms and conditions of these commitments.

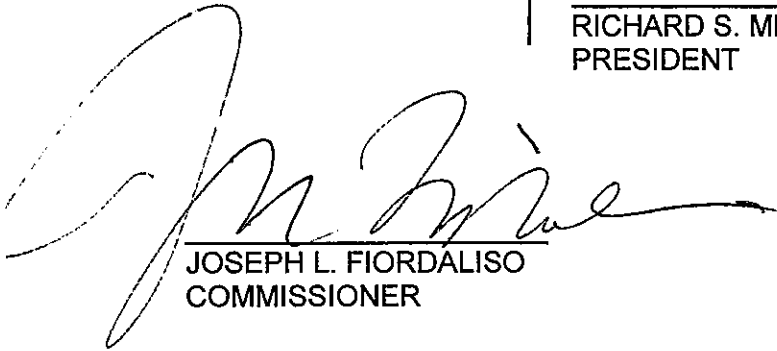
The effective date of this Order is February 4, 2016.

DATED: 1/25/17

BOARD OF PUBLIC UTILITIES  
BY:



RICHARD S. MROZ  
PRESIDENT



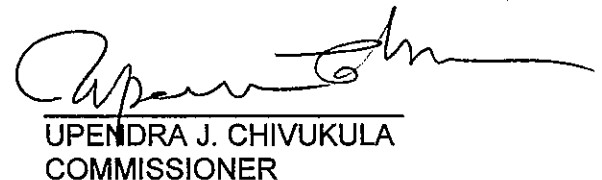
JOSEPH L. FIORDALISO  
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MARY-ANNA HOLDEN  
COMMISSIONER



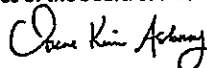
DIANNE SOLOMON  
COMMISSIONER



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 – COUNTY OF OCEAN & ACUTECARE MANAGEMENT SERVICES  
LLC

DOCKET NOS. QG16121157 & QG16121158

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Daniel Czermak  
President  
Acutecare Management Services LLC  
1075 Stephenson Avenue  
Oceanport, NJ 07703

**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: 11-15-2016

**Maura Watkins**

Quality Assurance Manager - Applied Energy Group, Inc.

Application No.: **NJFCPS1532591010**

Applicant: **County of Ocean**

Payee: **County of Ocean**

Committed Amount: **\$1,100,000.00**

**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: 11/10/2016

*Kathryn O'Rourke, Program Manager*  
*Application Number: NJFCPS1532591010*

1. Application Number: **NJFCPS1532591010**
2. Program Name: **NJ Clean Energy Program Combined Heat and Power**
3. Customer Contact (name, title, company, address, phone #):

**Michael Fiure**

**County of Ocean**

**101 Hooper Avenue**

**Toms River, NJ 08754**

**(732) 929-2099**

4. Project Name and Address:

**Ocean County Justice Complex Microgrid CHP**

**120 Hooper Avenue**

**Toms River, NJ 08754**

6. Rebate amount:

**Incentive #1: \$330,000.00**

**Incentive #2: \$550,000.00**

**Incentive #3: \$220,000.00**

**Total: \$1,100,000.00**

7. Brief description of CHP to be Installed:

The CHP plant will serve three (3) buildings comprising the Ocean County Judicial Complex: (1) Justice Complex (164,000 SF mixed-use building constructed in 1982); (2) New Jail (168,000 SF jail building constructed in 2012); and (3) Courthouse Square (which consists of three interconnected buildings totaling 108,800 SF built in 1851, 1961 and 1965). Project consists of (1) 600kW Caterpillar CG132-12 natural gas fueled gas engine with a designed system efficiency of 72.7%. Waste heat will be utilized for space heating, cooling, and domestic hot water. The system will have blackstart capability.



8. Expected Annual Performance:

**Estimated Electricity Production: 4,777,872 kWh**

**Estimated Waste Heat Utilized: 13,259 MMBTU**

9. Project Cost: **\$4,155,081.00**

10. Project Funding Type (capital purchase, lease, finance, PPA, other/describe):

**Finance**

11. Financials:

**Simple Payback Period (years) without incentive: 10.84**

**Simple Payback Period (years) with incentive: 7.97**

**Avoided Energy Cost Savings: \$383,150**

**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.



By: \_\_\_\_\_

Date: 12-13-2016

**Maura Watkins**

Quality Assurance Manager - Applied Energy Group, Inc.

Application No.: **NJFCPS1532593215**

Applicant: **Acutecare Management Services LLC**

Payee: **AcuteCare Management Services, L.L.C.**

Committed Amount: **\$690,000.00**

**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: 11/15/2016

*Kathryn O'Rourke, Program Manager*  
*Application Number: NJFCPS1532593215*

1. Application Number: NJFCPS1532593215
2. Program Name: **NJ Clean Energy Program - Combined Heat and Power**
3. Customer Contact (name, title, company, address, phone #):

**Daniel Czermak, President**

**Acutecare Management Services LLC**

**1075 Stephenson Ave**

**Oceanport, NJ 07703**

**(732) 806-3215**

5. Project Name and Address:

**Acutecare Management Services**

**1075 Stephenson Ave**

**Oceanport, NJ 07703**

6. Rebate amount:

**Incentive #1: \$207,000.00**

**Incentive #2: \$345,000.00**

**Incentive #3: \$138,000.00**

**Total: \$690,000.00**

7. Brief description of CHP to be installed:

**The site, originally Patterson Hospital operated by the US Army at Ft. Monmouth, is currently being retrofitted for medical support which includes mental health services and adult daycare. The addition of 87 apartments will be used to serve homeless veterans. The site offers meals and maintains 7 days of supplies for support during an emergency. The facility will be approximately 120,000 ft<sup>2</sup> when completed. Project consists of (1) 345kW natural gas fueled engine with a system efficiency of 83.6%. Waste heat will be utilized for space heating and cooling; and the system will have blackstart capability.**

8. Expected Annual Performance:

**Estimated Electricity Production: 2,566,452 kWh**

**Estimated Waste Heat Utilized: 21,027 MMBTU**

9. Project Cost: **\$2,269,270.00**

10. Project Funding Type (capital purchase, lease, finance, PPA, other/describe):

**Capital Purchase**

11. Financials:

**Simple Payback Period (years) without incentive and ITC: 3.22**

**Simple Payback Period (years) with incentive and ITC: 2.24**

**Avoided Energy Cost Savings: \$704,565**