



Agenda Date: 2/22/17
Agenda Item: 8D

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
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) ORDER
PROGRAM ENERGY EFFICIENCY INCENTIVES)
EXCEEDING \$500,000 – SUMMIT PLAZA ASSOCIATES) DOCKET NO. QG17010064

Parties of Record:

Marci Booth, Chief Financial Officer, Summit Plaza Associates
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.

Summit Plaza Associates, in Jersey City, NJ, has submitted an application for a total financial incentive of \$600,000.00 under the 2017 CHP/FC Program, for a project located at 730 Newark Avenue, Jersey City, NJ. The application was accepted 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. This project incentive is within the entity cap, based on the application approval date.

The project includes the installation of three 100 kW natural gas fueled engines with a system capacity of 300 kW and system efficiency of 82.5%. The project will be located at two multifamily buildings totaling 400,000 square feet. Waste heat will be utilized for space heating and domestic hot water. The system does not have blackstart capability. The estimated first incentive, for purchase of the equipment, is \$180,000.00. The estimated second incentive, for completed installation of the system, is \$300,000.00. The estimated third incentive, granted after acceptance and confirmation of required performance threshold data, is \$120,000.00. The project is anticipated to generate 1,855,768 kWh of electricity annually, and is estimated to recover 12,991 MMBtus in waste heat annually. The project will have a cost of \$2,014,268.00 and is anticipated to save on average \$180,046.00 in annual energy costs. The project has an 11.19 year payback without incentives and the investment tax credit (ITC),¹ which is reduced to 7.86 years with incentive and the ITC.

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, the NJCEP Program Administrator² also reviewed the application and submitted its certification 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 the 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 application.

The Board **HEREBY ORDERS** the approval of the aforementioned application for the total estimated incentive amount of \$600,000.00 for Summit Plaza Associates, and **AUTHORIZES** issuance of a standard commitment letter to the applicant identified above, setting forth the terms and conditions of this commitment.

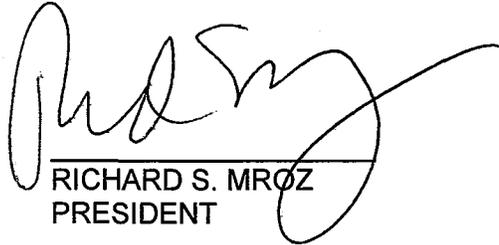
¹ Under the 2017 CHP program effective August 1, 2016, all eligible projects must pass a cost-effectiveness test of a ten-year simple payback or less, inclusive of federal tax benefits and program incentives. Thus, applicants present a payback calculated inclusive of any applicable investment tax credits.

² On January 13, 2017, TRC Environmental Corporation acquired the NJCEP Program Administrator Contract from Applied Energy Group, Inc. (AEG) and assumed AEG's rights and duties thereunder.

The effective date of this Order is March 4, 2017.

DATED: 2/22/17

BOARD OF PUBLIC UTILITIES
BY:



RICHARD S. MROZ
PRESIDENT



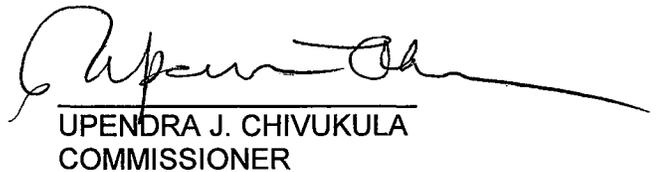
JOSEPH L. FIORDALISO
COMMISSIONER



MARY-ANNA HOLDEN
COMMISSIONER

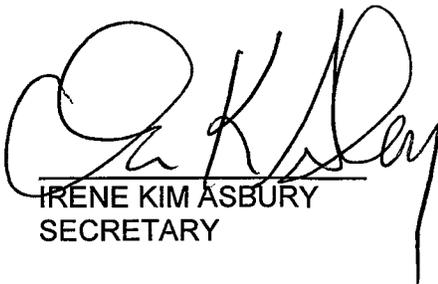


DIANNE SOLOMON
COMMISSIONER



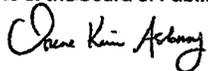
UPENDRA J. CHIVUKULA
COMMISSIONER

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 – SUMMIT PLAZA ASSOCIATES
DOCKET NO. QG17010064

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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 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: 01-05-2017

Maura Watkins

Quality Assurance Manager - Applied Energy Group, Inc.

Application No.: **NJFCPS1532824313**

Applicant: **Summit Plaza Associates**

Payee: **EVCO MECHANICAL CORPORATION**

Committed Amount: \$600,000.00

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

I, Brendan Cassidy, 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:  Date: 1/17/2017

Brendan Cassidy, Program Manager
Application Number: NJFCPS1532824313

1. Application Number: **NJFCPS1532824313**
2. Program Name: **NJ Clean Energy Program - Combined Heat and Power**
3. Customer Contact (name, title, company, address, phone #):

Marci Booth, Chief Financial Officer

Summit Plaza Associates

730 Newark Avenue, Jersey City, NJ 07306

(201) 798-2973

5. Project Name and Address:

Summit Plaza Associates

730 Newark Avenue, Jersey City, NJ 07306

6. Rebate amount:

Incentive #1: \$180,000.00

Incentive #2: \$300,000.00

Incentive #3: \$120,000.00

Total: \$600,000.00

7. Brief description of CHP system to be Installed:

Project site consists of two multi-family buildings totaling 400,000 square feet with approximately 1000 residents and was built in 1971. Project consists of (3) 100kW Tecogen INV-100e+ natural gas fueled reciprocating engines for a total of 300 kW installed capacity and a system efficiency of 82.5%. Waste heat will be utilized for space heating and domestic hot water. The CHP system does not have blackstart capability. Existing emergency generators will remain in place.

8. Expected Annual Performance:

Estimated Electricity Production: 1,855,768 kWh

Estimated Waste Heat Utilized: 12,991 MMBTU

9. Project Cost: **\$2,014,268.00**

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

Capital Purchase

11. Financials:

Simple Payback Period (years) without incentive and ITC: 11.19

Simple Payback Period (years) with incentive and ITC: 7.86

Avoided Energy Cost Savings: \$180,046