



Agenda Date: 3/24/17
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) ORDER
AUTHORIZATION OF COMMERCIAL AND INDUSTRIAL)
PROGRAM ENERGY EFFICIENCY INCENTIVES)
EXCEEDING \$500,000 – AGFA CORPORATION) DOCKET NO. QG17030179

Parties of Record:

Leonard Damico, Senior Buyer, Agfa Corporation
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).

By this Order, the Board considers the application of Agfa Corporation for an incentive submitted under the Fiscal Year 2017 (FY17) CHP/FC Program pursuant to the Energy Efficiency and Renewable Energy Program Plan Filing for FY17 dated June 28, 2016, for a project located at 50 Meister Avenue, Branchburg, NJ. This project’s incentive is within the entity cap, based on the application approval date.

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.

Agfa Corporation has submitted an application for a total financial incentive of \$2,024,700.00 under the FY17 CHP/FC Program. The project includes the installation of a CHP system with a total capacity of 1.954 MW and system efficiency of 83.5%. Waste heat will be utilized for provision of steam to the existing steam distribution system through a heat recovery steam generator, and hot water from the generator will be connected to the existing hot water distribution system. The system does not have blackstart capability. The estimated first incentive, for purchase of the equipment, is \$607,410.00. The estimated second incentive, for completed installation of the system, is \$1,012,350.00. The estimated third incentive, granted after acceptance and confirmation of required performance threshold data, is \$404,940.00. The project is anticipated to generate 15,414,366.1 kWh of electricity annually, and is estimated to recover 49,680.8 MMBtus in waste heat annually. The project will have a cost of \$8,755,257.00 and is anticipated to save on average \$1,104,113.94 in annual energy costs. The project has a 7.93 year payback without incentive, which is reduced to 6.51 years with incentive.

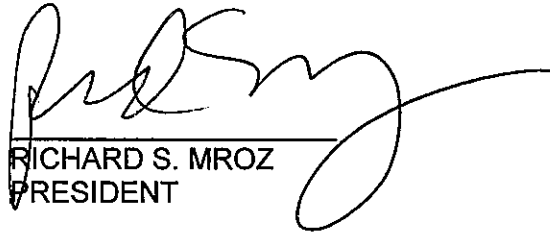
ICF International, the Program Manager engaged by the Board to manage the NJCEP CHP/FC program, submitted its certification that the incentive was calculated in accordance with the program policies and procedures, and that the listed amount is the true and accurate estimated incentive for which the applicant is eligible. Further, TRC Environmental Corporation, in its capacity as the Program Administrator, 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 \$2,024,700.00 for Agfa Corporation, and **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 April 3, 2017.

DATED: 3/24/17


BOARD OF PUBLIC UTILITIES
BY:



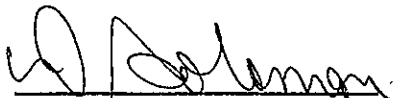
RICHARD S. MROZ
PRESIDENT



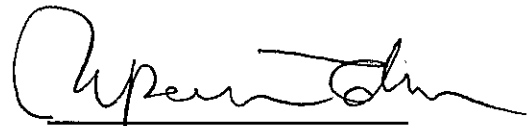
JOSEPH L. FIORDALISO
COMMISSIONER



MARY-ANNA HOLDEN
COMMISSIONER

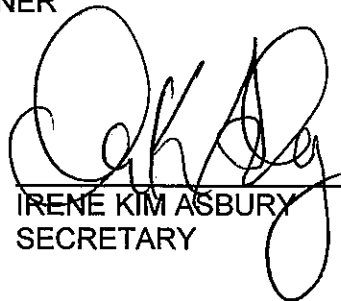


DIANNE SOLOMON
COMMISSIONER



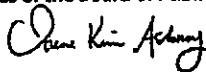
UPENDRA J. CHIVUKULA
COMMISSIONER

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 – AGFA CORPORATION
DOCKET NO. QG17030179

SERVICE LIST

Michael Ambrosio
TRC Energy Solutions
317 George Street, Suite 520
New Brunswick, NJ 08901
mambrosio@trcsolutions.com

James Nappi
TRC Energy Solutions
317 George Street, Suite 520
New Brunswick, NJ 08901
jnappi@trcsolutions.com

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

Kathryn O'Rourke
Manager, C&I Energy Efficiency
ICF International
7125 Thomas Edison Drive
Columbia, MD 21046
kathryn.o'rourke@icfi.com

Brendan Cassidy
Technical Specialist
ICF International
2005 Market Street
Suite 3110
Philadelphia, PA 19103
Brendan.Cassidy@icf.com

Leonard Damico
Senior Buyer
Agfa Corporation
611 River Drive, Center 3
Elmwood Park, NJ 07407-1325

Irene Kim Asbury, Esq.
Secretary of the Board
Office of the Secretary
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
Irene.asbury@bpu.nj.gov

Marisa Slaten, Director
Economic Development & Energy Policy
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
marisa.slaten@bpu.nj.gov

Elizabeth Teng
Office of Clean Energy
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
Elizabeth.teng@bpu.nj.gov

Sherri Jones
Office of Clean Energy
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
Sherri.jones@bpu.nj.gov

Allison E. Mitchell
Office of Clean Energy
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
Allison.mitchell@bpu.nj.gov

Stefanie A. Brand, Esq., Director
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003
sbrand@rpa.state.nj.us

Maureen Wagner
Legal Specialist
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
Maureen.Wagner@bpu.nj.gov

Veronica Beke
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

1. Application Number: **NJFCPS1532861873**
2. Program Name: **NJ Clean Energy Program Combined Heat and Power**
3. Customer Contact (name, title, company, address, phone #):

Leonard Damico

Senior Buyer

Agfa Corporation

611 River Drive, Center 3

Elmwood Park, NJ 07407-1325

908-231-5299

5. Project Name and Address:

AGFA Corporation

50 Meister Avenue

Branchburg, NJ 08876

6. Rebate amount:

Incentive #1: \$607,410.00

Incentive #2: \$1,012,350.00

Incentive #3: \$404,940.00

Total: \$2,024,700.00

7. Brief description of CHP to be installed:

The CHP system will be driven by a 1,954 kW capacity natural gas-fired engine and operate in electrical base load mode with thermal load following. Heat Recovery Steam Generator will provide steam to the existing steam distribution system (existing steam boiler is retained to meet site demand/periods when CHP is being maintained for example). Hot water from the generator will be connected to the existing hot water distribution system (existing hot water boiler is retained

to meet site demand/periods when CHP is being maintained for example). A new absorption chiller will ensure maximum opportunity to utilize as much waste heat as is available year round. The system will provide an overall efficiency of 83.5% and will be operated by AGFA site personnel.

8. Expected Annual Performance:

Estimated Electricity Production: 15,414,366.1 kWh

Estimated Waste Heat Utilized: 49,680.8 MMBTU

9. Project Cost: **\$8,755,257.00**

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

Capital purchase

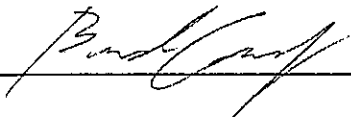
11. Financials:

Simple Payback Period (years) without incentive: 7.93

Simple Payback Period (years) with incentive: 6.51

Avoided Energy Cost Savings: \$1,104,113.94

The undersigned preparer attests that, to the best of their knowledge and belief, the above information is accurate and the subject project application adheres to the current terms and conditions of the CHP program.

By:  _____

Date: 2/22/2017

Brendan Cassidy, Program Manager

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

I, **MAURA WATKINS**, TRC Solutions Quality Control, hereby 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 the NJCEP Program Manager 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 Pay for Performance Program, Large Energy Users Program, and the Combined Heat and Power Program, I also certify that I was able to locate and review documentation supporting the inputs used to calculate the rebate amount and evidencing the NJCEP Program Manager's evaluation of those inputs as required by the program's policies and procedures.

Maura H Watkins

By: **MAURA WATKINS**

Date: 2/28/17

Quality Control – TRC Solutions

Application No.: NJFCPS1532861873

Applicant: Agfa Corporation

Payee: Agfa Corporation

Committed Amount: \$2,024,700.00