



Agenda Date: 8/23/17
Agenda Item: 8A

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 – 3 ECCH OWNER, LLC) DOCKET NO. QG17070753

Parties of Record:

Lauren Anderson, Vice President of Property Management, 3 ECCH Owner, LLC
Stefanie A. Brand, Esq., Director, New Jersey 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 heating, ventilation, and air conditioning (HVAC), lighting, 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).

By this Order, the Board considers the application of 3 ECCH Owner, LLC under the 2016 Pay for Performance (P4P) Existing Buildings Program pursuant to the Energy Efficiency and Renewable Energy Program Plan Filing for Fiscal Year 2016 dated October 6, 2015, for a project located at 3 Executive Campus, Cherry Hill, Camden County. The project's incentives total \$714,834.06, and are within the entity cap, based on the application approval date.

The Pay for Performance (P4P) – Existing Buildings Program takes a comprehensive, whole building approach to energy efficiency in existing commercial and industrial buildings. Similar to performance contracting programs offered in other states, this Program links incentives directly to energy savings and includes a measurement and verification component to ensure that the estimated savings levels are achieved. Incentives are released upon satisfactory completion of three milestones.

Under this application, 3 EECH Owner, LLC proposes to upgrade interior lighting to LEDs, to install occupancy sensors to control lighting, to install a new building management system (BMS) to control HVAC economizers, to integrate the HVAC system into the BMS, to implement demand control ventilation throughout the building, to replace existing rooftop units with new direct expansion units, and to convert systems from using electric heat as a fuel to natural gas.

The estimated first incentive, for the proposed energy reduction plan (ERP), is \$43,569.10. The estimated second incentive, to be paid after the installation of the recommended measures, is \$335,632.48. The estimated third incentive, which is paid upon submittal of a Post Construction Benchmarking Report that verifies the level of savings achieved, is \$335,632.48. These incentive amounts are within entity cap guidelines. The project has an estimated 25.6% total energy savings, and will save the customer an estimated 3,727,035 kWh of electricity annually and reduce peak electric demand by 490 kW annually. However, through this project, the customer is anticipated to increase its natural gas consumption by 59,473 therms annually. The estimated project cost is \$4,437,712.00. Overall, this project has an estimated annual energy cost savings of \$359,057.00, an estimated operation and maintenance savings of \$108,000, a 9.2% internal rate of return, and a 10.4 year simple payback period with incentive. Absent these incentives, the project would have a 6.4% internal rate of return and a 12.4-year simple payback.

TRC Environmental Corporation, the Program Manager engaged by the Board to manage the NJCEP P4P – New Construction program, submitted its certification that for each application, 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,¹ 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 Manager and Program Administrator, Board Staff recommends that the Board approve the above-referenced applications.

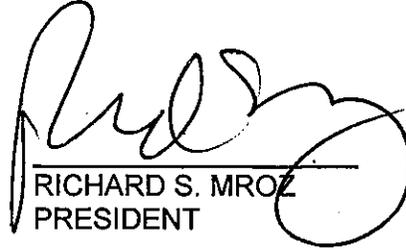
The Board **HEREBY ORDERS** the approval of the aforementioned application for the total estimated incentive amount of \$714,834.06 for 3 ECCH Owner, LLC, and **AUTHORIZES** issuance of standard commitment letters to the applicants identified above, setting forth the terms and conditions of this commitment.

¹ 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.

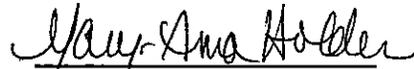
The effective date of this Order is September 2, 2017.

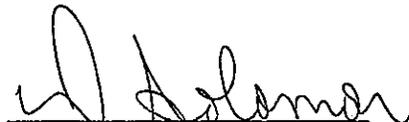
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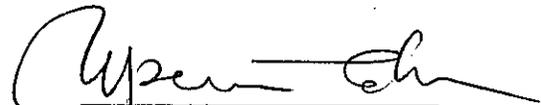
BOARD OF PUBLIC UTILITIES
BY:

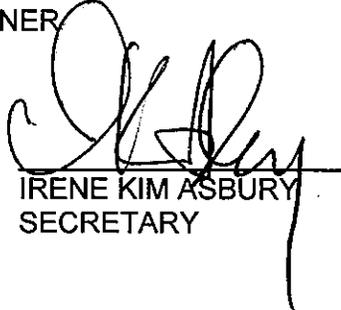

RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

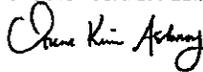

MARY-ANNA HOLDEN
COMMISSIONER


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 – 3 ECCH OWNER, LLC

DOCKET NO. QG17070753

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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: _____

Date: 06-06-2017

Maura Watkins

Quality Control – TRC Solutions

Application No.: 41855

Applicant: 3 ECCH Owner, LLC (Lauren Anderson)

Payee: 3 ECCH Owner LLC

Committed Amount: \$714,834.06

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



Signature of Preparer
Valentina Rozanova, TRC- P4P Program Manager

06/07/2017
Date

1. Application Number: **41855**
2. Program Name: **Pay for Performance – Existing Buildings**
3. Customer Contact (name, company, address, phone #):
Lauren Anderson, Vice President, Property Management
3 ECCH Owner, LLC
3 Executive Campus, Suite 130
Cherry Hill, NJ 08002
856-316-7809
4. Project Name and Address:
3 Executive Campus
3 Executive Campus
Cherry Hill, NJ 08002
5. Rebate amount:
Incentive #1: \$43,569.10 (original commitment \$43,680.00)
Incentive #2: \$335,632.48
Incentive #3: \$335,632.48
Total: \$714,834.06
6. Brief description of facility/site:
3 Executive Campus is a six-story commercial building, predominantly rented as commercial office space. Other uses include private lab space and classrooms. The building originally consisted of 4 wings (North, South, East, West) and a connecting core, all of which was constructed in 1976. The building was constructed to house a single occupant, Stone & Webster Engineering. In 1984, the East wing was expanded to include an additional wing (South-East).
The building has two mechanical penthouses designed to hold chilled water plants consisting of 3 chillers a piece. Each original wing was served by dual air handling units and vertical supply and return shafts. The supply shafts supply a distribution of VAV boxes that are confined to the respective wings that the AHU's serve. The return shafts work in conjunction with ceiling plenum returns on each floor. The addition of the South-East is conditioned by a chilled water plant (located in the addition's penthouse) that serves two 110-ton rooftop units. In 1998, the original air-

handling equipment and chiller plant was replaced with eight (8) 135-ton McQuay packaged RTU's with DX cooling coils and electric heating coils. The South-East wing is still served by the original equipment.

7. Brief description of measures:

- 1) Replace interior lights with new LED fixtures
- 2) Install occupancy sensors to control lighting
- 3) Install new building management system to control HVAC economizers
- 4) Overhaul of HVAC VAV system including integration into building management system
- 5) Implement demand control ventilation throughout the building
- 6) Replacement of ten existing rooftop units with new direct expansion units
- 7) Fuel conversion from electric heat to natural gas heating. Natural gas will be piped to new rooftop unit furnaces

8. Annual Estimated Energy Savings:

- 1) 3,727,035 kWh
- 2) 490 kW
- 3) -59,473 therms

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

- 1) \$359,057 (plus \$108,000 in operation and maintenance savings)
- 2) Payback: 12.4 years without incentive, 10.4 years with.
- 3) IRR: 6.4% without incentive, 9.2% with.

10. Estimated Project Cost:

- 1) Total Project Cost: \$4,437,712