



Agenda Date: 10/20/17  
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 )  
AUTHORIZATION OF COMMERCIAL AND INDUSTRIAL ) ORDER  
("C&I") PROGRAM ENERGY EFFICIENCY INCENTIVES )  
EXCEEDING \$500,000 – ML PLAZA OWNERS LLC ) DOCKET NO. QG17091012

**Parties of Record:**

**Randall Thayer, Vice President Asset Manager, ML Plaza Owners LLC**  
**Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel**

**BY THE BOARD:<sup>1</sup>**

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).

The Pay for Performance ("P4P") – Existing Buildings Program incentivizes lower total energy consumption with 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.

<sup>1</sup> Commissioner Dianne Solomon did not participate.

By this Order, the Board considers the application of ML Plaza Owners LLC under the 2017 P4P – Existing Buildings Program pursuant to the Energy Efficiency and Renewable Energy Program Plan Filing for Fiscal Year 2017 dated June 26, 2016, for a project located at the Hilton Meadowlands, 2 Meadowlands Plaza, East Rutherford, Bergen County, NJ.

Under this application, ML Plaza Owners LLC proposes to upgrade common area lighting to LEDs, replace kitchen make-up air units that will tie into the building's new automation system, retrofit air handling unit boxes to convert from constant air volume to variable air volume, implement a building automation system that will respond to occupancy of various spaces, and optimize the chiller plant with variable frequency drives.

The project's incentives total \$656,961.82 and are within the entity cap, based on the application approval date. The estimated first incentive, for the proposed energy reduction plan, is \$30,328.30. The estimated second incentive, to be paid after the installation of the recommended measures, is \$313,316.76. The estimated third incentive, which is paid upon submittal of a Post Construction Benchmarking Report that verifies the level of savings achieved, is \$313,316.76. The project has an estimated 38.4% total energy savings, and will save the customer an estimated 2,854,266 kWh of electricity annually and reduce peak electric demand by 282 kW annually. There are no thermal savings associated with this project. The estimated project cost is \$2,004,021.12. Overall, this project has an estimated annual energy cost savings of \$396,405.61, a 29% internal rate of return, and a 3.4 year simple payback period with incentive. Absent these incentives, the project would have an 18.4% internal rate of return and a 5 year simple payback.

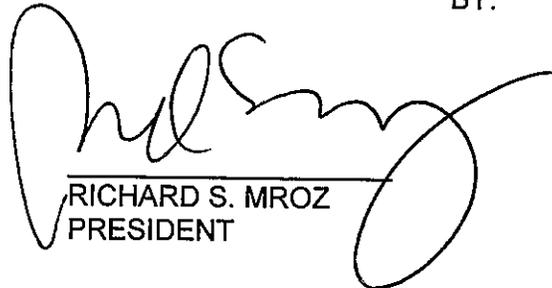
The Pay for Performance – New Construction Program Manager submitted its certification that the incentive for the application was calculated in accordance with the Program's policies and procedures, and that the listed amount is the true and accurate estimated incentive for which the applicant is eligible. TRC Environmental Corporation, in its role as the NJCEP Program Administrator, also reviewed the application and submitted its certification that the incentives were calculated in accordance with the Program's 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 \$656,961.82 for ML Plaza Owners LLC and **AUTHORIZES** issuance of standard commitment letters to the applicants identified above, setting forth the terms and conditions of this commitment.

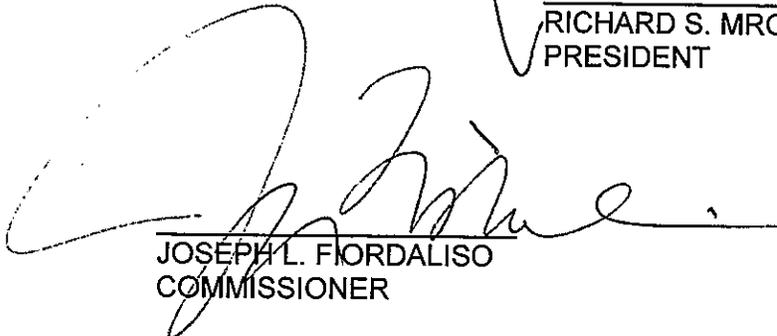
The effective date of this Order is October 30, 2017.

DATED: 10/20/17

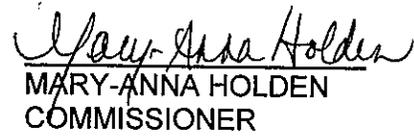
BOARD OF PUBLIC UTILITIES  
BY:



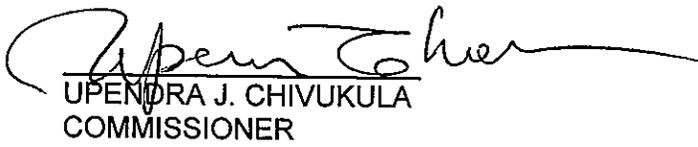
RICHARD S. MROZ  
PRESIDENT



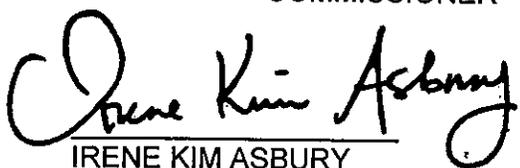
JOSEPH L. FIORDALISO  
COMMISSIONER



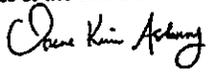
MARY-ANNA HOLDEN  
COMMISSIONER



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 – ML PLAZA OWNERS LLC

DOCKET NO. QG17091012

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*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*

09-22-2017

*Date*

1. Application Number: 42686
2. Program Name: **Pay for Performance – Existing Buildings**
3. Customer Contact (name, company, address, phone #):

**Randall Thayer, VP Asset Manager  
ML Plaza Owners LLC dba Hilton Meadowlands  
2020 K Street NW, Suite 600  
Washington, DC 20006**

4. Project Name and Address:

**Hilton Meadowlands  
2 Meadowlands Plaza, East Rutherford, NJ 17073**

5. Rebate amount:

**Incentive #1: \$30,328.30  
Incentive #2: \$313,316.76  
Incentive #3: \$313,316.76  
Total: \$656,961.82**

6. Brief description of facility/site: **This is a 21 story hotel and conference center. It is a single structure and approximately 30 years old. There is a high rise tower for 427 guest rooms and a two story pedestal which has the conference center and ballrooms on the second floor, guest check in, restaurants and offices on the ground floor. The parking lot has a solar PV system installed which serves to provide electricity for the building. The facility is located in the Meadowlands area of New Jersey immediately adjacent to New York City. The building is owned by the Buccini/Pollin Group and operated by Pollin Miller Hospitality Services.**
7. Brief description of measures:

**1) Interior Lighting – Upgrade common area lighting to LED**

- 2) **Kitchen make-up air units – replace and tie into new building automation system.**
  - 3) **Air Handling Units – retrofit boxes to convert from constant air volume to variable air volume system.**
  - 4) **Building Automation System (common areas) – schedule shut-off of banquet area air-handling units during unoccupied times; program temperature set-backs during unoccupied times; program enthalpy based economizer to air handling units; program static pressure reset to air handling units based on critical zone; program demand control ventilation on air handling units; program optimum start for equipment based on external variables (space temperature, outside temperature).**
  - 5) **Chiller Plant Optimization – add VFDs, return air temperature reset, and tie into building automation system.**
8. **Annual Estimated Energy Savings:**
- 1) **2,854,266 kWh**
  - 2) **282 kW**
9. **Annual Estimate Energy Cost Savings (including simple payback with and without incentive, and IRR):**
- 1) **\$396,405.61**
  - 2) **Simple payback 5 years w/o incentive, 3.4 years with.**
  - 3) **IRR 18.4% w/o incentive, 29% with.**
10. **Estimated Project Cost:**
- 1) **\$2,004,021.12**

**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: 09-25-2017

**Maura Watkins**

Quality Control – TRC Solutions

Application No.: 42686

Applicant: ML Plaza Owners LLC (Randall Thayer)

Payee: ML Plaza Owners LLC

Committed Amount: \$656,961.82