



Agenda Date: 6/22/18
Agenda Item: 8F

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 PROGRAM ENERGY EFFICIENCY)
INCENTIVES EXCEEDING \$500,000 – HHFT)
HOLDINGS, LLC)
ORDER
DOCKET NO. QG18050566

Parties of Record:

Mendy Reich, Chief Financial Officer, HHFT Holdings, 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 Commercial & Industrial (“C&I”) Energy Efficiency (“EE”) programs targeting the commercial and industrial market segments. These programs collectively offer financial incentives to encourage the installation of energy efficient products and technologies. Eligible applicants may receive rebates for a portion of the cost of installing energy efficient technologies such as lighting, heating, ventilation and air conditioning, water heating, and other measures in new or existing buildings. 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 – New Construction Program (“P4P NC”) promotes high performance buildings that achieve 15% or more energy cost savings than buildings built to the current energy code. This program links incentives directly to energy savings and includes a commissioning component to ensure that the estimated savings levels are achieved. Incentives are released upon satisfactory completion of three milestones.

HHFT Holdings, LLC has submitted an application for a total financial incentive in the amount of \$545,974.77 for a total project cost of \$1,443,386.00 under the Fiscal Year 2018 P4P NC program, for a project located at Kennedy International Warehouse, 1800 Old Water Works Road, Old Bridge, New Jersey. The warehouse will store clothing and jewelry and have a small office support area, surface parking, and loading docks. The proposed energy efficiency measures include six high efficiency rooftop units for direct extension cooling and furnace heating, insulated overhead roller doors and metal doors, LED lighting throughout warehouse and office spaces, LED lighting in the parking lot and exterior walkways, high efficiency split system air conditioning for the machine room, four destratification fans in the warehouse, three high efficiency makeup air units for heating, and underfloor insulation.

The first estimated incentive, for the proposed energy reduction plan ("ERP") is \$39,231.72. The estimated second incentive, for the as-built energy reduction plan based on the final installed scope of work, is \$392,317.20. The estimated third incentive, for the commissioning report confirming ERP performance target achievement, is \$114,425.85. These incentive amounts are within entity cap guidelines. The project has an estimated 22% total energy savings as compared to the energy code used in New Jersey at the date of application¹ and will save the customer an estimated 642,698 kWh of electricity annually, with an estimated annual demand reduction of 145.6kW. Through this project, the customer will also save an estimated - 9,391 therms of natural gas annually. The incremental project cost is \$564,675.00. Overall, this proposed project will have estimated annual energy cost saving of \$77,434.00 with a 22% internal rate of return on a 4.3 year payback. Absent these incentives, the project would have a 10.9% internal rate of return and a 7.3 year payback.

TRC Environmental Corporation, the Program Manager engaged by the Board to manage the NJCEP Pay for Performance – New Construction Program, submitted its certification that for each application the incentive was calculated in accordance with the program's policies and procedures, that the listed amount is the true and accurate estimated incentive for which the applicant is eligible, and that documentation supporting estimated energy savings input was located, reviewed, and made available to calculate the rebate amounts as required by the program's policies and procedures. Further, Applied Energy Group, in its role as the NJCEP Program Administrator,² 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 application.

The Board **HEREBY ORDERS** the approval of the aforementioned application for the total estimated incentive amount of \$545,974.77 for HHFT Holdings, LLC and **AUTHORIZES** issuance of a standard commitment letter to the applicant identified above, setting forth the terms and conditions of this commitment.

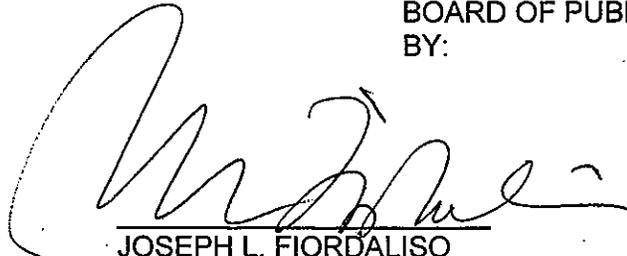
¹ American Society of Heating and Air-Conditioning Engineers ("ASHRAE") 90.1-2013 applies to this application.

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.

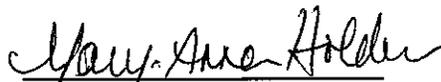
The effective date of this Order is July 2, 2018.

DATED: 6/22/18

BOARD OF PUBLIC UTILITIES
BY:



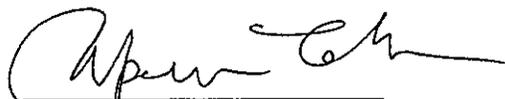
JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



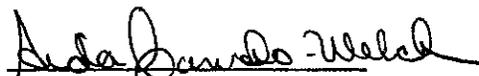
DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 
AIDA CAMACHO-WELCH
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 PROGRAM ENERGY EFFICIENCY INCENTIVES EXCEEDING \$500,000 –
HHFT HOLDINGS, LLC

DOCKET NO. QG18050566

SERVICE LIST

Mendy Reich, CFO
HHFT Holdings, LLC
11 Corn Road
Dayton, NY 08810

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.nj.gov

TRC Energy Solutions:
900 Route 9 North, Suite 404
Woodbridge, NJ 07095

Carl Teter, P.E., LEED AP
Vice President
cteter@trcsolutions.com

Marybeth Brenner
Associate Vice President
mbrenner@trcsolutions.com

Valentina Rozanova
Associate Director, Engineering
vrozanova@trcsolutions.com

Brian Deluca
Program Manager
bdeluca@trcsolutions.com

Maura Watkins
Manager, Technical Support
mwatkins@trcsolutions.com

Michael Ambrosio
Director, Policy and Planning
317 George Street, Suite 520
New Brunswick, NJ 08901
mambrosio@trcsolutions.com

Board of Public Utilities:
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350

Aida Camacho-Welch
Secretary of the Board
aida.camacho@bpu.nj.gov

Stacy Ho Richardson, Esq.
Counsel's Office
stacy.richardson@bpu.nj.gov

**Division of Economic Development and
Emerging Issues**

Kenneth J. Sheehan, Director
ken.sheehan@bpu.nj.gov

Sherri Jones, Assistant Director
sherri.jones@bpu.nj.gov

Benjamin S. Hunter, Manager
benjamin.hunter@bpu.nj.gov

Mahogany A. Hall, Program Specialist 2
mahogany.hall@bpu.nj.gov

Caroline Vachier, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
caroline.vachier@law.njoag.gov

**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: 05-11-2018

Maura Watkins

Quality Control – TRC Solutions

Application No.: 47733

Applicant: HHFT Holdings, LLC

Payee: HHFT Holdings, LLC

Committed Amount: \$545,974.77

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

04/26/2018

Date

1. Application Number: 47733
2. Program Name: Pay for Performance – New Construction
3. Customer Contact (name, company, address, phone #):
Mendy Reich, CFO
HHFT Holdings, LLC
11 Corn Road
Dayton, NY 08810
609-409-4515
4. Project Name and Address:
Kennedy International Warehouse
1800 Old Water Works Road
Old Bridge, NJ 08857
5. Rebate amount:
Incentive #1: \$39,231.72
Incentive #2: \$392,317.20
Incentive #3: \$114,425.85
Total: \$545,974.77
6. Brief description of facility/site: The project is a storage warehouse for clothing and jewelry with a small office support area. The site includes surface parking and one side of the building serves as loading docks. The main warehouse will be 304,682 sqft and the office will be 22,249 sqft.
 1. Brief description of measures:
 - 1) Install six high efficiency rooftop units for DX cooling and furnace heating
 - 2) Install insulated overhead roller doors and metal doors
 - 3) Install LEDs throughout warehouse and office space
 - 4) Install LEDs in parking lot and exterior walkways
 - 5) Install high efficiency split system AC for machine room
 - 6) Install four destratification fans in warehouse space
 - 7) Install three high efficiency makeup air units for heating
 - 8) Install underfloor insulation

2. Annual Estimated Energy Savings (beyond ASHRAE 90.1-2013):
 - 1) 642,698 kWh
 - 2) 145.6 kW
 - 3) -9,391 therms natural gas

3. Annual Estimate Energy Cost Savings (beyond ASHRAE 90.1-2013):
 - 1) \$77,434.00 energy cost savings per year
 - 2) Payback: 7.3 years without incentive, 4.3 years with
 - 3) IRR: 10.9% without incentive, 22% with

4. Estimated Project Cost:
 - 1) Incremental Cost: \$564,675.00
 - 2) Total Project Cost: \$1,443,386.00