



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

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 – PAULSBORO)
REFINING COMPANY, LLC) DOCKET NO. QG18050588

Parties of Record:

Lou Katogir, Energy Specialist, Paulsboro Refining Company, 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 and 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. All proposed C&I EE financial incentives and rebates exceeding \$500,000 require explicit Board approval. See In the Matter of Comprehensive Energy Efficiency and Renewable Energy Resources Analysis for the 2009 through 2012 Clean Energy Program – Revised 2012-2013 Programs and Budgets – Revised Renewable Energy Incentive Approval Process, BPU Dkt. No. E007030203 (June 21, 2013).

By this Order, the Board considers the application of Paulsboro Refining Company, LLC submitted under the Fiscal Year 2016 Large Energy Users Program (“LEUP”) pursuant to the NJCEP Energy Efficiency and Renewable Energy Program Plan Filing for Fiscal Year 2016 (7/1/2015 through 6/30/2016), for a project at the Coker Gas Plant, 800 Billingsport Road, Paulsboro, New Jersey. This project’s incentives are within the entity cap based on the application approval date.

The LEUP fosters self-investment in EE and combined heat and power projects for New Jersey largest C&I customers. Incentives are awarded to customers that satisfy the programs eligibility and program requirements for investing in self-directed energy projects that are customized to meet the requirements of the customers; existing facilities, while advancing the State’s energy efficiency, conservation, and greenhouse gas reduction goals. To qualify under the LEUP

guidelines in effect at the time of the applications, eligible entities must have contributed a minimum of \$300,000 into the NJCEP fund in the fiscal year prior to the application date.

Paulsboro Refining Company, LLC has submitted an application for a total financial incentive of \$1,044,525 at a project cost of \$1,392,700. The project scope involves a wet gas compressor steam turbine driver upgrade in the Coker Gas Plant. The turbine is used in the refinery process to drive a centrifugal compressor that compresses light gases resulting from the coking process for further use in the refinery's fuel gas header. The existing vintage turbine will be replaced with a new, modern, high efficiency turbine.

Installing these measures will result in annual estimated energy savings of 472,023 therms. The proposed project will have an estimated annual energy cost savings of \$158,400. The payback period without the incentive is 8.79 years; when factoring in incentives, the payback is reduced to 0.57 years.

TRC Environmental Corporation, the Program Manager engaged by the Board to manage NJCEP LEUP, submitted its certification that the incentive to be approved for commitment 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 inputs was located, reviewed, and made available to calculate the rebate amounts as required by the program's policies and procedures. Further, TRC,¹ in its role as the NJCEP Program Administrator, also reviewed the application and submitted its certification that the incentive 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. Based on these certifications and the information provided by the Program Manager and Program Administrator, Board Staff recommends approval of the above-referenced application.

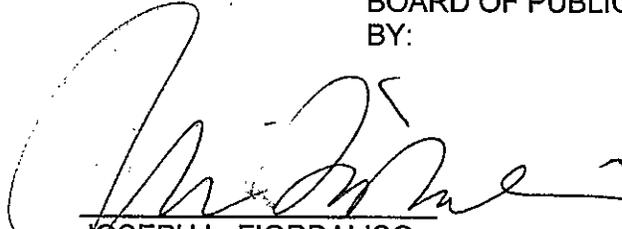
The Board **HEREBY ORDERS** the approval of the aforementioned application for the total estimated incentive amount of \$1,044,525 for Paulsboro Refining Company, LLC and **AUTHORIZES** issuance of a standard commitment letter to the applicant identified above, setting forth the terms and conditions 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.

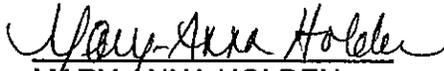
The effective date of this Order is July 2, 2018.

DATED: 6/22/18

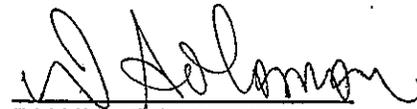
BOARD OF PUBLIC UTILITIES
BY:



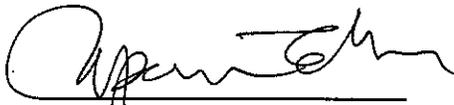
JOSEPH L. FIORDALISO
PRESIDENT



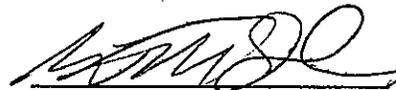
MARY-ANNA HOLDEN
COMMISSIONER



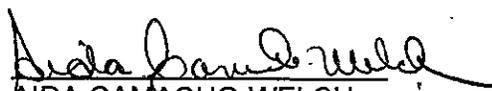
DIANNE SOLOMON
COMMISSIONER



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 –
PAULSBORO REFINING COMPANY, LLC

DOCKET NO. QG18050588

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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: 05-22-2018

Maura Watkins

Quality Control – TRC Solutions

Application No.: **41873** _____

Applicant: **Paulsboro Refining Company, LLC** _____

Payee: **Paulsboro Refining Company, LLC** _____

Committed Amount: **\$1,044,525.00** _____

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 Large Energy Users program.



Signature of Preparer

5/17/18
Date



Name of Preparer

41873
App#

1. Application Number: 41873
2. Application received: 6/29/2016
3. Program Name: Large Energy Users Program, FY16 Filing Dated 4/27/2016
4. Customer Contact (name, company, address, phone #):

Lou Katogir
Energy Specialist
Paulsboro Refining Company, LLC
800 Billingsport Road
Paulsboro, NJ 08066
(856) 224-6056

5. Project Name and Address:
Wet Gas Compressor Steam Turbine Driver Upgrade
800 Billingsport Road
Paulsboro, NJ 08066
6. Rebate amount: \$1,044,525.00
7. Brief description of measures:
This project involves replacement of a turbine in the Coker Gas Plant. The turbine is used in the refinery process to drive a centrifugal compressor that compresses light gases resulting from the coking process for further use in the refinery's fuel gas header. The existing vintage turbine will be replaced with a new modern high efficiency turbine.
8. Annual Estimated Energy Savings:
472,023.00 therms
9. Annual Estimated Energy Cost Savings: \$158,400.00
10. Project cost: \$1,392,700.00
11. Operational and Maintenance Savings: \$0.00
12. Simple Payback Period: 8.79 years without incentive; 0.57 years with incentive