



Agenda Date: 3/13/19  
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 PROGRAM ENERGY EFFICIENCY )  
INCENTIVES EXCEEDING \$500,000 – INSPIRA )  
HEALTH NETWORK ) ORDER  
DOCKET NO. QO19020197

**Parties of Record:**

**Brandon Bardowsky, Vice President of Facilities, Inspira Health Network**  
**Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel**

**BY THE BOARD:**

The New Jersey Board of Public Utilities ("Board" or "BPU") 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. In the Matter of 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 Docket No. EO07030203 (May 3, 2013).

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.

By this Order, the Board considers the application of Inspira Health Network in Mullica Hill, New Jersey, submitted on September 26, 2018 under the Fiscal Year 2019 ("FY19") CHP/FC Program pursuant to the Energy Efficiency and Renewable Energy Program Plan Filing for

FY19, dated June 22, 2018. The project is located at Inspira Medical Center Mullica Hill, Mullica Hill Road, Mullica Hill, New Jersey 08062.<sup>1</sup> The applicant requests a total financial incentive of \$1,503,364 for a project that will cost \$5,011,214.

The CHP system consists of a GE Jenbacher 1,141 kW unit with 4.451 MMBtu/h of potential thermal output. The system will operate in a grid-connected operating mode with a fuel consumption value of approximately 10.7 MMBtu/h higher heating value ("HHV") and a resultant fuel conversion efficiency of 77.8%. The projected on-site annual system efficiency is 71.4%. The system will augment the space heating and domestic hot water heating needs of the hospital.

The estimated first incentive, for purchase of the equipment, is \$451,009. The estimated second incentive, for completed installation of the system, is \$751,682. The estimated third incentive, granted after acceptance and confirmation of required performance threshold data, is \$300,673. These incentive amounts are within entity cap guidelines. Annually, the project is anticipated to generate 9,128,730.90 kWh of electricity and is estimated to utilize 30,196.60 MMBtu in waste heat. Specifically, the CHP system will provide 24,157.00 MMBtu for space heating and 6,039.60 MMBtu for domestic hot water heating. The system will also reduce electrical grid demand by producing 1,141 kW of its own power. Additionally, the proposed project will have an estimated annual energy cost savings of \$572,326. The payback period without incentives is 8.76 years; when factoring in the incentives, the payback period is reduced to 6.13 years.

TRC Environmental Corporation, the Program Manager engaged by the Board to manage the NJCEP CHP/FC program, attested to the accuracy of certain information regarding the project and that the project application adheres to the current terms and conditions of the program. Further, TRC, in its role as the NJCEP Program Administrator, submitted its certification that the incentives were calculated in accordance with the program's policies and procedures, the listed amounts are the true and accurate estimated incentives for which the applicant is eligible, and the 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. 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 \$1,503,364 for Inspira Health Network and **AUTHORIZES** issuance of a standard commitment letter to the applicant identified above, setting forth the terms and conditions of this commitment.

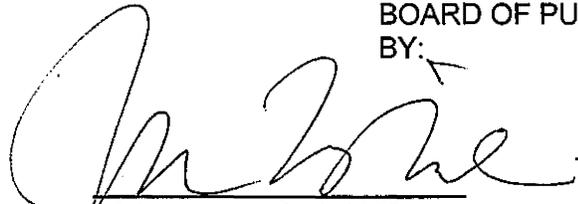
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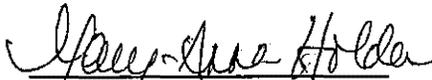
<sup>1</sup> This site is currently under construction and therefore does not yet have an official address.

The effective date of this Order is March 23, 2019.

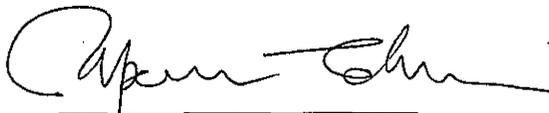
DATED: 3/13/19

BOARD OF PUBLIC UTILITIES  
BY: 

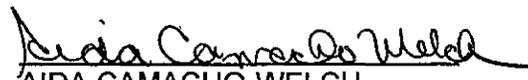
  
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JOSEPH L. FIORDALISO  
PRESIDENT

  
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COMMISSIONER

  
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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 –  
INSPIRA HEALTH NETWORK - DOCKET NO. QO19020197

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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.



1-22-2019

Signature of Preparer

Date

Valentina Rozanova, TRC- Program Manager

1. Application Number: **53028**
2. Initial Application Received Date: **9/26/2018**
3. Program Name and Filing Date: **NJ Clean Energy Program - Combined Heat and Power; Filing TRC FY19 Compliance Filing Volume 2, dated June 22, 2018**
4. Customer Contact (name, title, company, address, phone #):  
**Brandon Bardowsky**  
**Vice President Facilities**  
**Inspira Medical Center Woodbury, Inc.**  
**509 North Broad Street**  
**Woodbury NJ 08096**  
**856-641-6640**
5. Project Name and Address:  
**Inspira Health Mullica Hill CHP**  
**Mullica Hill Rd**  
**Mullica Hill NJ 08062**
6. Rebate amount:  
  
**Incentive #1: \$451,009**  
  
**Incentive #2: \$751,682**  
  
**Incentive #3: \$300,673**  
  
**Total: \$1,503,364**
7. Brief description of CHP system to be installed (e.g. capacity and efficiency):  
**The CHP system consists of (1) GE Jenbacher 1141 kW unit with 4.451 MMBtu/hr of potential thermal output. The system will operate in a grid-connected operating mode. It has a fuel consumption value of approximately 10.7 MMBtu/h HHV and a resultant fuel conversion efficiency of 77.8%. The projected on-site annual system efficiency is 71.4%. The system will augment the space heating and domestic hot water heating needs of the hospital.**

8. Expected Annual Performance:

**Estimated Electricity Production: 9,128,730.9 kWh**

**Estimated Waste Heat Utilized: 30,196.6 MMBTU**

**The system will provide 24,157 MMBTU for space heating, and 6,039.6 MMBTU for domestic hot water heating.**

9. Project Cost: **\$5,011,214**

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

**Capital Purchase**

11. Financials:

**Simple Payback Period (years) without incentive and tax credit: 8.76**

**Simple Payback Period (years) with incentive and tax credit: 6.13**

**Avoided Energy Cost Savings: \$ 572,326**

**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: 02-04-2019

**Maura Watkins**

Quality Control – TRC Solutions

Application No.: **53028** \_\_\_\_\_

Applicant: **Inspira Med. Ctr./Inspira Health Network** \_\_\_\_\_

Payee: **Inspira Medical Center, Inc./Inspira** \_\_\_\_\_

Committed Amount: **\$1,503,364.00** \_\_\_\_\_