



Agenda Date: 7/10/19
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 – E.R. SQUIBB &)
SONS/BRISTOL-MYERS SQUIBB) DOCKET NO. QO19050608

Parties of Record:

Andrew Maude, Associate Director, Central Utilities, Bristol-Myers Squibb
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:¹

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).

¹ Commissioner Robert M. Gordon recused himself due to a potential conflict of interest and as such took no part in the discussion of this matter.

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 E.R. Squibb & Sons/Bristol-Myers Squibb ("Bristol-Myers Squibb") in Princeton, New Jersey, submitted on March 4, 2019 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 3551 Lawrenceville Road, Princeton, New Jersey 08540. The applicant requests a total financial incentive of \$3,000,000 for a project that will cost \$32,238,000.

This CHP project involves the installation of a 5,420 kW gas turbine with a heat recovery steam generator ("HRSG"). A steam chiller is also being installed as part of this project. The recovered waste heat will serve the heating and cooling needs of new buildings under construction at this campus. The annual system efficiency is expected to be 61.1%. Additionally, the system will have blackstart and islanding capability. If installed, this project is projected to result in the following emissions reductions on an annual basis: 17,965 pounds of nitrogen oxides (NO_x); 531,617 pounds of sulfur dioxide (SO₂); and the emission of 95,663,660.92 pounds of carbon dioxide (CO₂).

Annually, this project is anticipated to generate 34,970,267 kWh of electricity and is estimated to utilize 141,828 MMBtu in waste heat. The project will also reduce electrical grid demand by producing 5,420 kW of its own power. Additionally, annual electricity savings from offsetting electric space cooling is anticipated to total 20,350,296 kWh. The proposed project will have an estimated annual energy cost savings of \$4,805,575. The payback period without incentives is 6.71 years; when factoring in the incentives, the payback period is reduced to 5.73 years.

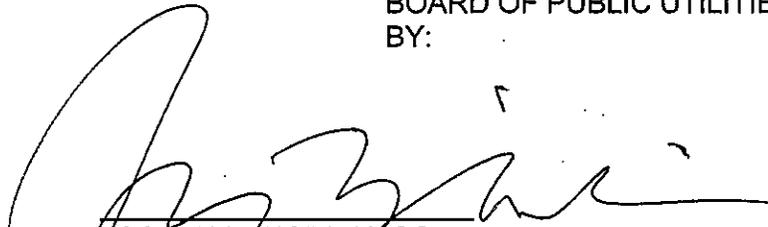
TRC Environmental Corporation, the Program Manager engaged by the Board to manage the NJCEP CHP/FC program, attested to the accuracy of certain information regarding the project and that the project application adheres to the current terms and conditions of the program. Further, TRC, in its role as the 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 \$3,000,000 for Bristol-Myers Squibb and **AUTHORIZES** issuance of a standard commitment letter to the applicant identified above, setting forth the terms and conditions of this commitment.

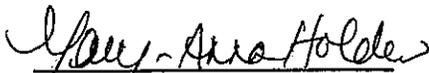
The effective date of this Order is July 20, 2019.

DATED: 7/10/19

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



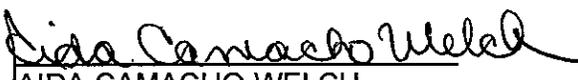
MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
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 –
E.R. SQUIBB & SONS/BRISTOL-MYERS SQUIBB

DOCKET NO. QO19050608

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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 Combined Heat & Power program.



Signature of Preparer

05-10-2019

Date

Valentina Rozanova, PE

Name of Preparer

55172

App#

1. Application Number: **55172**
2. Application Received Date and Fiscal Year: **3/4/2019 FY 2019**
3. Compliance Filing: **TRC Compliance Filing FY 2019 Vol 1 v4**
4. Customer Contact (name, company, address, phone #):
**Andrew Maude, Associate Director Central Utilities
Bristol Myer Squibb
3551 Lawrenceville Road, Princeton NJ 08540
217-412-5624**
5. Project Name and Address:
**BMS Lawrenceville Cogeneration Project
3551 Lawrenceville Road, Princeton NJ 08540**
6. Rebate amount:
**Incentive #1: \$900,000
Incentive #2: \$1,500,000
Incentive #3: \$600,000
Total: \$3,000,000**
7. Brief description of CHP to be installed (size, efficiency, emission, equipment to be replaced, blackstart/islanding?): **This CHP project involves the installation of a 5,420 kW gas turbine with a heat recovery steam generator (HRSG). Fuel input is rated at 66.3 MMBtu/hr HHV. The rated thermal output of the turbine HRSG combination is 24.6 MMBtu/hr. A steam chiller is also being installed as part of this project. The recovered waste heat will serve the heating and cooling needs of new buildings under construction at this campus. Annual system efficiency is expected to be 61.1%. The unit will reduce annual NOx emissions by 17,956 lbs and SO₂ by 531,617 lbs. CO₂ emissions are expected to be 95,663,660.92 lbs annually. The system will have blackstart and islanding capability. This system expands on an existing 4.3 MW gas turbine, which was previously approved for program funding in 2013 under the Large Scale CHP solicitation managed by the Economic Development Authority.**
8. Annual Estimated Energy Savings:
**Expected Annual Electricity Production: 34,970,267 kWh
Expected Annual Thermal Energy Production: 141,828 MMBtu of utilized waste heat annually. Specifically, 72,393 MMBtu for space heating and 69,435 MMBtu for space cooling. Electricity savings from offsetting electric space cooling sum to 20,350,296 kWh annually.**
9. Project Cost: **\$ 32,238,000 (inclusive of 10 year warranty/service contract)**
10. Project Funding Type (capital purchase, lease, finance, PPA, other/describe):
Capital Funds, Federal Tax Credit
11. Financials:

6.71 year Simple Payback without incentives, 5.73 with incentives, and \$4,805,575 in avoided energy costs.

**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: 05-10-2019

Maura Watkins

Quality Control – TRC Solutions

Application No.: 55172

Applicant: E.R.Squibb & Sons/Bristol-Myers Squibb

Payee: E.R.Squibb & Sons/Bristol-Myers Squibb

Committed Amount: \$3,000,000.00