



Agenda Date: 7/10/19
Agenda Item: 8B

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 – CASCADES)
HOLDING US INC.) DOCKET NO. QG19060696

Parties of Record:

Doug Munn, Cascades Holding US Inc.
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 ("ECMs"). Incentives are also available for projects involving Distributed Energy Resources ("DER"). 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 Pay for Performance – New Construction ("P4P – NC") Program 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.

By this Order, the Board considers the application of Cascades Holding US Inc. in Piscataway, New Jersey, submitted on September 5, 2017 under the Fiscal Year 2018 ("FY18") P4P – NC Program pursuant to the Energy Efficiency and Renewable Energy Program Plan Filing for FY18 dated June 28, 2017. The project is located at Cascades Holding LLC, 2 Turner Place, Piscataway, New Jersey. The applicant requests a total financial incentive of \$789,187.20 for a project that will cost \$3,322,639.00.

This application covers ECMs for a new construction facility that will consist of a cardboard manufacturing plant, a storage building, and office space. The proposed construction design consists of high efficiency HVAC systems, LED lighting, building shell improvements, and several other elements. The proposed HVAC systems include a high efficiency electric hot water heater, gas furnaces, and a gas steam boiler, the latter of which includes an economizer and heat recovery capabilities. The other proposed HVAC measures are high efficiency variable air volume ("VAV") rooftop units and variable refrigerant flow ("VRF") heat pumps with heat recovery. VRF heat pumps will allow different rooms in a central system to set their own temperature, increasing efficiency by providing HVAC services based on demand rather than based on a static load. The waste heat recovered will be utilized for domestic hot water and space heating needs. Besides the HVAC systems, the project proposes to install both interior and exterior LED lighting with occupancy sensors, as well as insulated roller doors and low-emissivity windows that will reduce the amount of heat that escapes the facility. Finally, the company proposes to install destratification fans that will balance and equalize the temperature within the buildings as well as install a variable frequency drive ("VFD") on the air compressor's motor.

The estimated first incentive, for purchase of the equipment, is \$50,000.00. The estimated second incentive, for completed installation of the system, is \$554,390.40. The estimated third incentive, granted after acceptance and confirmation of required performance threshold data, is \$184,796.80. These incentive amounts are within entity cap guidelines. Annually, this project is anticipated to conserve 1,030,313 kWh of electricity and 27,093 therms of natural gas. It will also reduce annual peak electricity demand by 221.2 kW. The proposed project will have an estimated annual energy cost savings of \$70,957.94, which represents a 7.2% cost savings compared to the code baseline. The payback period without incentives is 15.0 years; when factoring in the incentives, the payback period is reduced to 4.1 years. Implementation of these measures will also assist in compliance with P.L. 2018, c. 17, § C.48:3-87.10, which requires the owner or operator of commercial buildings over 25,000 square feet to benchmark the building's energy and water use. The required inspection of sites that receive funding through the P4P – NC following the installation of energy efficient measures will not only help to ensure adherence to agreed-upon performance and energy savings baselines, but will also allow for a more defined pathway for commercial building owners to report their energy usage.

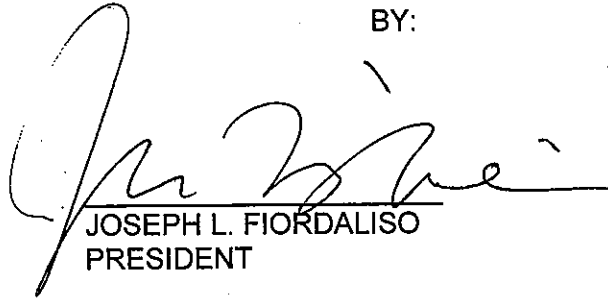
TRC Environmental Corporation, the Program Manager engaged by the Board to manage the NJCEP P4P – NC program, attested to the accuracy of certain information regarding the project and that the project application adheres to the current terms and conditions of the program. Further, TRC, in its role as 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 \$789,187.20 for Cascades Holding US Inc. 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.

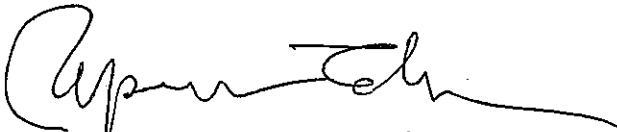
DATED: 7/10/19

BOARD OF PUBLIC UTILITIES
BY:

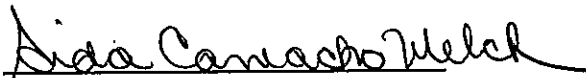

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COMMISSIONER

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 –
CASCADES HOLDING US INC.

DOCKET NO. QG19060696

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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

05/22/2019

Date

1. Application Number: **48748**
2. Program Name: **Pay for Performance – New Construction**
3. Application Received: **9/5/2017; FY18 Compliance Filing June 28, 2017**
4. Customer Contact (name, company, address, phone #):
Doug Munn
709-685-1474
Cascades Holdings US Inc.
1061, Rue Parent
Saint-Bruno-De-Montarville
Canada J3V 6R7
5. Project Name and Address:
Cascades Holding LLC
2 Turner Place
Piscataway, NJ 08854
6. Rebate amount:
Incentive #1: \$50,000.00
Incentive #2: \$554,390.40
Incentive #3: \$184,796.80
Total: \$789,187.20
7. Brief description of facility/site: **461,992 sq. foot new construction facility. The building will consist of a cardboard manufacturing plant, storage facility, and office space. The plant will make corrugated cardboard boxes and printing and labeling processes for specific clients. The proposed building design includes high efficiency HVAC systems, destratification fans, building shell improvements, LED lighting inside as well as LED site lighting. In addition, the project will include the capturing and use waste heat from the manufacturing process for DHW and space heating needs.**
8. Brief description of measures:
 - 1) **HVAC:**
 - **High efficiency gas steam boiler with economizer and heat recovery**

- VRF heat pumps with heat recovery
 - High efficiency gas furnaces
 - High efficiency VAV rooftop units
 - High efficiency electric domestic hot water heater
- 2) Envelope:
- Insulated overhead roller doors
 - Low-e windows and reduced window-to-wall area
- 3) Lighting:
- Interior LED lighting
 - Exterior LED lighting
 - Lighting occupancy sensors
- 4) Other:
- Destratification fans
 - VFD on air compressor motor

9. Annual Estimated Energy Savings (beyond ASHRAE 90.1-2013):

- 1,030,313 kWh
- 221.2 kW demand
- -27,093 therms natural gas

10. Annual Estimate Energy Cost Savings:

- 7.2% energy cost savings (compared to code baseline)
- \$70,957.94
- Payback: 15 years without incentive, 4.1 years with

11. Estimated Project Cost:

- Incremental Cost: \$1,082,678.00
- Total Project Cost: \$3,322,639.00

**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: 05-22-2019

Maura Watkins

Quality Control – TRC Solutions

Application No.: 48748

Applicant: Cascades Holding US Inc.

Payee: Cascades Holding US Inc.

Committed Amount: \$789,187.20