



Agenda Date: 12/20/19  
Agenda Item: 8A

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://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 – VINELAND	)	
VETERANS MEMORIAL HOME	)	DOCKET NO. QO19111466

**Parties of Record:**

**William Golubinski, Manager of Energy Initiatives, New Jersey Department of Treasury**  
**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 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. 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 and 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 the State of New Jersey ("State") on behalf of the Vineland Veterans Memorial Home in Vineland, New Jersey. The application was submitted on March 28, 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 the Vineland Veterans Memorial Home, 524 Northwest Boulevard, Vineland, New Jersey. The State requests a total financial incentive of \$1,162,700.00 for a project that has a total cost of 4,060,121.00.

The proposed CHP system consists of a 557 kW gas engine prime mover that will generate electricity to power the facility. The thermal output from the system will be used to assist space heating and cooling needs, including through a 125 ton capacity absorption chiller that will be installed in order to enable space cooling. The annual system efficiency is expected to reach 65.7%, exceeding the FY19 CHP Program's 60% minimum efficiency requirement. The system also incorporates blackstart and islanding capabilities, allowing the facility to operate in the event of a blackout or other event during which it might become disconnected from the grid.

The estimated first incentive, for purchase of the equipment, is \$317,100.00. The estimated second incentive, for completed installation of the system, is \$528,500.00. The estimated third incentive, granted after acceptance and confirmation of required performance threshold data, is \$211,400.00. Additionally, this project qualifies for a bonus incentive of \$105,700.00 by being a qualifying critical facility, which is a public facility with a CHP system that incorporates islanding and blackstart capabilities. The bonus incentive is disbursed with the second incentive. These incentive amounts are within entity cap guidelines. Annually, the project is anticipated to generate 4,419,226.3 kWh of electricity and utilize 13,855 MMBtu in waste heat. The proposed project is projected to save the facility \$590,869.00 in energy costs annually.

This project is being pursued in conjunction with the Energy Savings Improvement Program ("ESIP"), which provides New Jersey government agencies with flexible financing to incorporate energy efficient upgrades. The ESIP allows eligible entities to pay for Energy Conservation Measures ("ECMs") to be installed using the future value of energy savings in lieu of paying up-front costs. Governmental authorities can enter into contracts that ensure efficiency upgrades are installed in such a way that annual payments are lower than the savings projected. ESIP projects allow entities lacking significant capital resources to reduce their energy consumption and energy bills. The payback period for this application without incentives and the tax credit is 6.87 years; when factoring in the incentives and tax credit granted through ESIP, the payback period is reduced to 4.9 years.

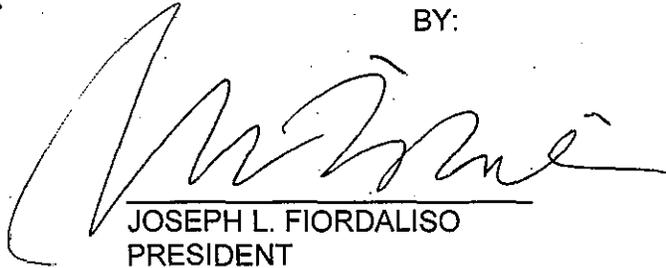
TRC Environmental Corporation, the Program Manager engaged by the Board to manage the NJCEP CHP/FC program, attested to the accuracy of certain information regarding the project and that the project application adheres to the current terms and conditions of the program. Further, TRC, in its role as the 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 \$1,162,700.00 for the Vineland Veterans Memorial Home and **AUTHORIZES** issuance of a standard commitment letter to the applicant identified above, setting forth the terms and conditions of this commitment.

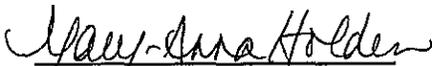
The effective date of this Order is December 30, 2019.

DATED: 12/20/19

BOARD OF PUBLIC UTILITIES  
BY:



JOSEPH L. FIORDALISO  
PRESIDENT



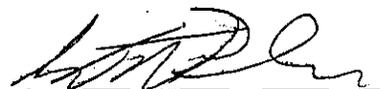
MARYANNA HOLDEN  
COMMISSIONER



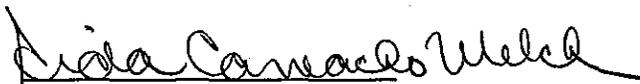
DIANNE SOLOMON  
COMMISSIONER



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 –  
VINELANDS VETERANS MEMORIAL HOME - DOCKET NO. QO19111466

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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 Combined Heat and Power Program



Signature of Preparer

Valentina Rozanova, TRC- Program Manager

11-4-19

Date

1. Application Number: 55737
2. Initial Application Received Date: 3/28/19
3. Program Name and Filing Date: NJ Clean Energy Program - Combined Heat and Power; Filing FY19, dated 06/22/18
4. Customer Contact (name, title, company, address, phone #):  
William Golubinski  
Manager of Energy Initiatives  
State of NJ  
20 West State Street, PO Box 235  
Trenton NJ 08608  
609-292-5210
5. Project Name and Address:  
Vineland Veterans Memorial Home  
524 NW Blvd  
Vineland NJ 08360

6. Rebate amount:

Incentive #1: \$317,100  
Incentive #2: \$528,500  
Incentive #3: \$211,400  
Bonus - Incentive #4: \$105,700  
Total: \$1,162,700

*Bonus is for qualifying critical facility (i.e. public facility, including any federal, state, county, or municipal facility with system incorporating islanding and blackstart mode).*

7. Brief description of CHP system to be installed (e.g. capacity and efficiency):  
The CHP system will consist of (1) 557 kW gas engine prime mover. The thermal output will be used to assist space heating and space cooling needs. An absorption chiller, capacity 125 tons, is being installed as part of this project in order to provide space cooling utilizing the thermal

output from the CHP system. Annual system efficiency is expected to reach 65.7%. The system will be capable of blackstart and islanding mode.

8. Expected Annual Performance:

**Estimated Electricity Production: 4,419,226.3 kWh**

**Estimated Waste Heat Utilized: 13,855 MMBTU**

**Of the 13,855 MMBTU utilized, it is expected 7,653 MMBTU will be used to assist the space heating needs of the facility. The remaining 6,202 MMBTU is expected to be utilized in space cooling.**

9. Project Cost: **\$4,060,121**

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

**NJ DPMC ESIP Financing**

11. Financials:

**Simple Payback Period (years) without incentive and tax credit: 6.87**

**Simple Payback Period (years) with incentive and tax credit: 4.9**

**Avoided Energy Cost Savings: \$590,869**

**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: 11-07-2019

**Maura Watkins**

Quality Control – TRC Solutions

Application No.: 55737

Applicant: State of New Jersey

Payee: Centrica Business Solutions

Committed Amount: \$1,162,700.00