



Agenda Date: 10/14/20
Agenda Item: 8E

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
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 – BRISTOL-)
MYERS SQUIBB) DOCKET NO. QO20090601

Parties of Record:

Arturo Abacan, Associate Manager, Energy Administration, 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"). 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, Order dated May 3, 2013.

The Large Energy Users Program ("LEUP") fosters self-investment in EE and combined heat and power projects for New Jersey's largest C&I customers. Incentives are awarded to customers that satisfy the program's 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.

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

By this Order, the Board considers the application of Bristol-Myers Squibb (“BMS”), submitted on June 21, 2018 under the Fiscal Year 2018 (“FY18”) LEUP pursuant to the Energy Efficiency and Renewable Energy Program Plan Filing for FY18 dated January 26, 2018. BMS requests a financial incentive of \$815,483.78 for a project that will cost \$1,949,867.00. The proposed project will take place at the following three locations across New Jersey:

- 1 Squibb Drive, New Brunswick, New Jersey 08901;
- 3401 Princeton Pike, Lawrenceville, New Jersey 08648; and
- 3551 Lawrenceville Road, Lawrenceville, New Jersey 08540.

The energy conservation measures (“ECMs”) proposed through this application vary by location. At the New Brunswick location, custom steam insulation blankets will be installed at over 254 exposed points throughout the steam-piping network in order to reduce heat losses. At the Princeton Pike location, new occupancy-based lighting controls will be installed to reduce runtime of existing LED lighting on 4th floor offices, 3rd floor offices, and four perimeter stair towers. The Lawrenceville Road location will feature the most extensive upgrades of the three project sites. In addition to installing custom steam insulation blankets at 490 exposed points, existing pressure reducing valve controls will be retrofitted with digital controls that will be tied into the building automation system to allow pressure set points to be reduced based on necessary instantaneous steam load. Also, an existing constant speed fan motor cooling tower will be replaced with a more efficient tower with variable speed electronically commutated motors that reduce fan speed while maintaining the condenser water set point. Finally, two existing gas compressors will be replaced with new compressors that have variable frequency drives and controls to optimize system efficiency by regulating gas flow based on need.

BMS estimates that this project will annually accomplish the following: conserve 1,396,449 kWh of electricity and 141,166 therms of natural gas, reduce peak demand by 69 kW, and result in energy cost savings of \$209,373.14. The payback period without incentives is 9.31 years; when factoring in the incentives, the payback period is reduced to 5.42 years.

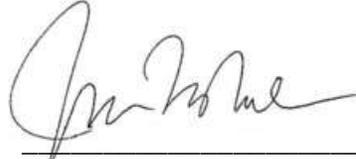
TRC Environmental Corporation, the Program Manager engaged by the Board to manage the NJCEP LEUP program, attested to the accuracy of certain information regarding the project and that the project application adheres to the current terms and conditions of the program. Further, TRC, in its role as the 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 \$815,483.78 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.

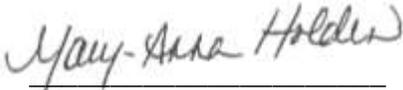
The effective date of this Order is October 24, 2020.

DATED: October 14, 2020

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER

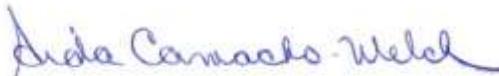


DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE CLEAN ENERGY PROGRAM AUTHORIZATION OF COMMERCIAL
AND INDUSTRIAL PROGRAM ENERGY EFFICIENCY INCENTIVES EXCEEDING \$500,000 –
BRISTOL-MYERS SQUIBB

DOCKET NO. QO20090601

SERVICE LIST

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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.



By: _____

Date: **04-17-2020**

Maura Watkins

Quality Control – TRC Solutions

Application No.: **51781**

Applicant: **E.R Squibb and Sons/Bristol-Myers Squibb**

Payee: **E.R Squibb and Sons/Bristol-Myers Squibb**

Committed Amount: **\$815,483.78**

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.

Brian DeLuca

Signature of Preparer

4-20-2020
Date

Brian DeLuca

Name of Preparer

51781
App#

1. Application Number: **51781**
2. Application Received Date and Fiscal Year: **6/21/2018, FY18 Large Energy Users Program**
3. Compliance Filing: **FY2018 Compliance Filing dated 1/26/2018**
4. Customer Contact (name, company, address, phone #):

Arturo Abacan
Associate Manager, Energy Administration
Bristol-Myers Squibb
PO Box 4000
Princeton, NJ 08543

5. Project Name and Address:
New Brunswick: Steam Blanket Insulation
1 Squibb Drive
New Brunswick, NJ 08901

Lawrenceville: Steam Blanket Insulation, Pneumatic to Digital PRV Controls, CDC
Cooling Tower Upgrade, Gas Compressor Upgrade
3551 Lawrenceville Road
Lawrenceville, NJ 08540

Princeton Pike: Lighting Controls
3401 Princeton Pike
Lawrenceville, NJ 08648

6. Rebate amount: **\$815,483.78**

7. Brief description of measures:

New Brunswick

- **Steam Blanket Insulation:** Install custom steam insulation blankets at more than 254 exposed points throughout the steam piping network such as valves, bonnets and strainers in order to reduce heat losses.

Lawrenceville

- **Steam Blanket Insulation:** Install custom steam insulation blankets at 490 exposed points throughout the steam piping network such as valves, bonnets and strainers in order to reduce heat losses.
- **Pneumatic to Digital PRV Controls:** Retrofit existing controls at pressure-reducing valve (PRV) stations in the campus steam network with digital controls that will be tied into the building automation system to allow pressure set point to be reduced based on necessary instantaneous steam load. By operating with reduced steam pressures to only hold the energy necessary for the system load, saving will be realized by a reduced heat loss

rate through lower steam condensing losses and reduced radiant losses in the approximate 2,000 feet of steam piping.

- **CDC Cooling Tower Upgrade:** Replace existing constant speed fan motor cooling tower serving the Child Development Center (CDC) with a new, more efficient cooling tower which has variable speed electronically-commutated motors to reduce fan speed while maintaining the condenser water setpoint.
- **Gas Compressor Upgrade:** Replace 2 existing constant-speed water cooled gas compressors with new compressors with variable frequency drives and controls to optimize equipment operation. Since the pressure and flow requirements vary, savings can be realized by optimizing the operation of the gas compressors. This is achieved by modulating the control valves to open to the fullest extent and modulating the speed of the compressors to maintain the desired flow and pressure for the gas turbine system.

Princeton Pike

- **Lighting Controls Upgrade:** Install new occupancy-based on/off or dimming controls to reduce runtime of existing LED lighting on 4th floor offices, 3rd floor offices and 4 perimeter stair towers.

8. Annual Estimated Energy Savings:

1,396,449 kWh

69 kW peak demand

141,166 therms

9. Annual Estimated Energy Cost Savings: \$209,373.14

10. Project cost: \$1,949,867.00

11. Operational and Maintenance Savings: \$0

12. Simple Payback Period: 9.31 years without incentive; 5.42 years with incentive