



Agenda Date: 10/28/20
Agenda Item: 8B

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)
AUTHORIZATION OF COMMERCIAL AND)
INDUSTRIAL PROGRAM ENERGY EFFICIENCY)
INCENTIVES EXCEEDING \$500,000 – HUDSON)
COUNTY CORRECTIONAL FACILITY) DOCKET NO. QO20090603

Parties of Record:

Ralph Sax, Deputy Director, Hudson County
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"). 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 and Budgets - Revised Rebate Approval Process, BPU Docket No. EO07030203, Order dated May 3, 2013.

The Pay for Performance – Existing Buildings ("P4P – EB") Program uses a comprehensive, whole-building approach to energy efficiency in existing commercial and industrial buildings or eligible multifamily facilities. Similar to performance contracting programs offered in other states, this program links incentives directly to energy savings and includes a measurement and verification 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 Hudson County submitted on February 7, 2020, under the Fiscal Year 2020 (“FY20”) P4P – EB Program pursuant to the Energy Efficiency and Renewable Energy Program Plan Filing for FY20 dated January 8, 2020. The project is located at the Hudson County Correctional Facility in Kearny, New Jersey. The applicant requests a total financial incentive of \$1,068,670.98 for a project that will cost \$5,081,250.00.

Numerous energy conservations measures are proposed through this application. First, the facility’s interior and exterior lighting will be replaced with LEDs. The building will also receive envelope upgrades in the form of air sealing to prevent heat from leaking. The facility’s existing hot water pump motor will be replaced with a new, highly efficient model that utilizes a variable frequency drive, and the existing building management system will be upgraded to control HVAC and ventilation. Finally, the measures will include a new, high-efficiency hot water heater, condensing boiler, and transformers.

The estimated first incentive, for purchase of the equipment, is \$50,000.00. The estimated second incentive, for completed installation of the system, is \$509,335.49. The estimated third incentive, granted after acceptance and confirmation of required performance threshold data, is \$509,335.49. These incentive amounts are within entity cap guidelines. The project is anticipated to accomplish the following on an annual basis: conserve 1,927,980 kWh of electricity and 75,273 therms of natural gas, reduce peak demand by 254 kW, and result in energy cost savings of \$272,743.00. The payback period without incentives is 15.3 years; when factoring in the incentives, the payback period is reduced to 11.7 years.

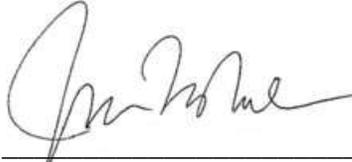
TRC Environmental Corporation, the Program Manager engaged by the Board to manage the NJCEP P4P – EB program, attested to the accuracy of certain information regarding the project and that the project application adheres to the current terms and conditions of the program. Further, TRC, in its role as 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 \$1,068,670.98 for Hudson County 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 November 7, 2020.

DATED: October 28, 2020

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

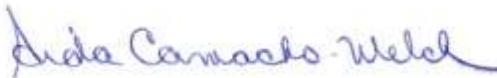


UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
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 –
HUDSON COUNTY CORRECTIONAL FACILITY
DOCKET NO. QO20090603

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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: **07-15-2020**

Maura Watkins

Quality Control – TRC Solutions

Application No.: **60320**

Applicant: **Hudson County**

Payee: **Hudson County**

Committed Amount: **\$1,068,670.98**