



Agenda Date: 10/28/20

Agenda Item: 8D

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 CITY OF NEWARK - PAY FOR)
PERFORMANCE AND COMBINED HEAT AND POWER) ORDER
APPLICATIONS - REQUEST RELIEF AND)
EXTENSION) DOCKET NO. QO19060447

Parties of Record:

Robert Letso, Honeywell Energy Services Group, on behalf of the City of Newark
Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

By letter received March 31, 2020, Honeywell Energy Services Group ("Honeywell") filed a petition ("Petition") in the above-captioned matter on behalf of the City of Newark ("Newark"), seeking additional time to submit final paperwork for thirteen energy efficiency projects and a combined heat and power ("CHP") project. By Order dated August 12, 2020 in this docket, the Board granted Petitioner's request for additional time to submit the required paperwork for the Pay for Performance ("P4P") projects but declined to rule upon Petitioner's request regarding its CHP application. Since the issuance of the above Order, Staff has gathered additional information from Honeywell on the CHP project, and the Board will now consider that portion of the petition.

BACKGROUND

The Board administers NJCEP pursuant to its authority under the Electric Discount and Energy Competition Act ("EDECA"), N.J.S.A. 48:3-49 to -109. NJCEP's energy efficiency ("EE") and renewable energy ("RE") programs are open to all customers paying into the Societal Benefits Fund.¹ The Board's Program Administrator, TRC Environmental Corporation ("TRC"), administers NJCEP.

The CHP/FC program allows a project eighteen months from the date of approval to purchase and install the new unit. An applicant may submit for a percentage of the total incentive at the time of purchase and a second portion upon installation. As with the P4P program, the third and final incentive is paid following twelve months of system performance and is based upon the ratio of actual generation to that proposed in the application. If a project expires, the applicant will

¹ The Fund is comprised of the monies collected through the societal benefits charge ("SBC") paid by ratepayers. See N.J.S.A. 48:3-60.

receive an expiration letter, which requires the applicant to respond with a full submission or extension request within thirty (30) days. If the applicant fails to timely respond, the expired project will be cancelled. Applicants may appeal to reopen the cancelled projects and receive an additional extension to submit the required documentation.

PROCEDURAL HISTORY

Petitioner submitted the initial application for its 100-kilowatt CHP project at JFK Recreation Center on May 7, 2015. TRC approved the application on December 11, 2015, assigning the project NJCEP CHP # 32755 and authorizing an initial expiration date of June 10, 2017. Petitioner sought and was granted two 12-month extensions of that expiration date; the second extension expired on June 10, 2019. Honeywell submitted proof of payment for its system on March 13, 2020, and received the first installment of its incentive. However, on May 26, 2020, the project was cancelled because of the failure to timely complete installation.

On March 31, 2020, prior to project cancellation, Honeywell submitted the instant Petition to the Board, seeking additional time to submit the required program documentation for its CHP project and to qualify for the second installation of the CHP incentive.

By Order dated August 12, 2020 in this docket, the Board granted Petitioner's request for additional time to submit the required paperwork for the P4P projects but declined to rule upon Petitioner's request regarding its CHP application.

STAFF RECOMMENDATION

The petition filed on March 31, 2010 indicated that it sought the same extension for its CHP project as for its P4P projects. At the time of the August 12 Order, however, Petitioner had not provided any documentation of the CHP project's history. Since that time, Petitioner has provided documentation of its initial approval and of the two extensions granted. The extension letters indicate that substantial progress had been made on the project, justifying the grant of additional time. As a result, Staff now recommends that the Board approve an extension of sixty (60) days for NJCEP CHP application # 32755.

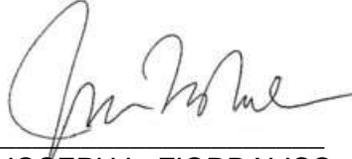
DISCUSSION AND FINDINGS

After thorough review of the record and of Staff's recommendation, the Board **FINDS** that Petitioner has demonstrated that it pursued the CHP project in a timely manner and merited the extensions previously granted. The Board **FURTHER FINDS** that the CHP project has now been completed and that a final extension to complete the program requirements for the second incentive installment is merited. The Board **HEREBY APPROVES** Petitioner's request for additional time to complete the program requirements for the second CHP incentive payment and **GRANTS** Petitioner sixty (60) days to do so.

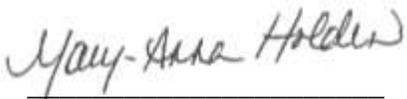
The effective date of this Order is November 7, 2020.

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

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HEAT AND POWER APPLICATIONS - REQUEST RELIEF AND EXTENSION

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