



Agenda Date: 9/7/22
Agenda Item: 8B

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st 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) ORDER
ENERGY EFFICIENCY INCENTIVES EXCEEDING)
\$500,000 – VALLEY HEALTH SYSTEM) DOCKET NO. QO22060384

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Joseph Lorino, VP Facilities Management, Valley Health System

BY THE BOARD:

The New Jersey Board of Public Utilities (“Board” or “BPU”) through its New Jersey Clean Energy Program (“NJCEP”) provides several individual Commercial & Industrial (“C&I”) Energy Efficiency (“EE”) Programs targeting the C&I 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, Order dated May 3, 2013.

The Combined Heat and Power & Fuel Cell (“CHP-FC”) Program is open to all C&I customers of investor-owned utilities. Incentives are disbursed upon completion of three (3) 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 12 months of operating data.

By this Order, the Board considers the application of Valley Health System in Ridgewood, New Jersey, submitted on June 23, 2021 under the Fiscal Year 2021 (“FY21”) CHP-FC Program pursuant to the Energy Efficiency and Renewable Energy Program Plan Filing for FY21 dated February 23, 2021. The project is located at 60 Winters Avenue, Paramus, New Jersey 07701. The applicant requests a total financial incentive of \$2,567,312.50 for a project that will cost \$10,735,213.

This project involves the installation of one (1) 2,007 kW CHP Gas Engine. It will run on natural gas and will utilize waste heat to run an absorption chiller for space cooling. The CHP equipment is expected to have an overall efficiency of 65.6% and will have black-start and islanding capability.

Annually, the project is anticipated to generate 14,608,400 kWh of electricity and is estimated to utilize 32,671 MMBtu of natural gas thermal output. The project will have an estimated annual energy cost savings of \$2,365,758. The payback period without incentives is 4.5 years; when factoring in the incentives, the payback period is reduced to 3.5 years.

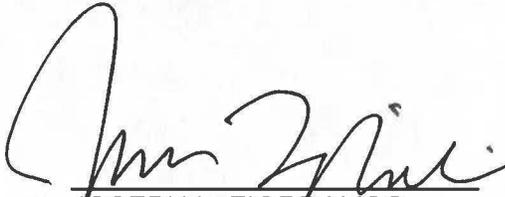
TRC Environmental Corporation (“TRC”), the Program Manager engaged by the Board to manage the NJCEP CHP-FC program, attested to the accuracy of certain information regarding the project and that the project application adheres to the current terms and conditions of the program. Further, TRC, in its role 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 TRC, Board Staff (“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 \$2,567,312.50 for Valley Health System 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 September 14, 2022.

DATED: September 7, 2022

BOARD OF PUBLIC UTILITIES
BY:


JOSEPH L. FIORDALISO
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER

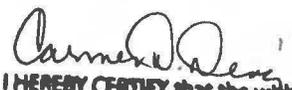

DIANNE SOLOMON
COMMISSIONER


ROBERT M. GORDON
COMMISSIONER


DR. ZENON CHRISTODOULOU
COMMISSIONER

ATTEST:


CARMEN D. DIAZ
ACTING 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 ENERGY EFFICIENCY INCENTIVES EXCEEDING \$500,000 – VALLEY
HEALTH SYSTEM

DOCKET NO. QO22060384

SERVICE LIST

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<p><u>NJBPU, cont'd</u></p> <p><u>General Counsel's Office</u></p> <p>Carol Artale, Esq., Deputy General Counsel carol.artale@bpu.nj.gov</p> <p>Ian Oxenham, Esq., Legal Specialist ian.oxenham@bpu.nj.gov</p> <p><u>Division of Clean Energy</u></p> <p>Kelly Mooij, Director kelly.mooij@bpu.nj.gov</p> <p>Stacy Ho Richardson, Esq. Deputy Director stacy.richardson@bpu.nj.gov</p> <p>Earl Thomas Pierce earl.pierce@bpu.nj.gov</p> <p>Dustin Wang, Program Specialist I dustin.wang@bpu.nj.gov</p>	<p><u>New Jersey Division of Law</u></p> <p>NJ Department of Law and Public Safety Richard J. Hughes Justice Complex Public Utilities Section 25 Market Street, P.O. Box 112 Trenton, NJ 08625</p> <p>David Apy, Assistant Attorney General david.apy@law.njoag.gov</p> <p>Daren Eppley, Section Chief, DAG daren.eppley@law.njoag.gov</p> <p>Pamela Owen, Assistant Section Chief, DAG pamela.owen@law.njoag.gov</p> <p>Matko Ilic, DAG matko.ilic@law.njoag.gov</p>
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**Program Administrator Certification
(New Incentive Commitments > \$500,000)**

I, **Maura Watkins**, TRC Companies 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: **06-13-2022**

Maura Watkins

Quality Control – TRC Companies

Application No.: **67214**

Applicant: **Valley Health System**

Payee: **Valley Health System**

Committed Amount: **\$2,567,312.50**