



Agenda Date: 10/12/22
Agenda Item: 8F

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 – WATCHUNG HILLS REGIONAL HIGH)
SCHOOL BOARD OF EDUCATION) DOCKET NO. QO22080485

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Tim Stys, Building Administrator, Watchung Hills Regional High School Board of Education

BY THE BOARD:

The New Jersey Board of Public Utilities (“Board” or “BPU”) through New Jersey’s 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. The Pay for Performance (“P4P”) Program has been designed to incentivize building owners, developers, or other applicants to take a comprehensive, long-term approach to incorporating EE in their buildings. 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 Pay for Performance – Existing Buildings (“P4P-EB”) Program uses a comprehensive, whole-building approach to EE in existing C&I buildings or eligible multi-family 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 determine whether the estimated savings levels were achieved. Incentives are released upon satisfactory completion of three (3) milestones.

By this Order, the Board considers the application that the Watchung Hills Regional High School Board of Education in Warren, New Jersey submitted on May 4, 2021 under the Fiscal Year 2021 (“FY21”) P4P-EB Program pursuant to the Energy Efficiency and Renewable Energy Program Plan Filing for FY21 dated February 23, 2021. The project is located at the Watchung Hills

Regional High School at 108 Stirling Road, Warren, New Jersey 07059. The applicant requests a total financial incentive of \$534,576.02 for a project with a total cost \$4,569,057.13.

The full list of EE measures to be installed in the high school includes interior and exterior lighting retrofits, insulation, air sealing, weatherstripping, a high efficiency air-cooled chiller, high efficiency rooftop units, high efficiency motors installed with variable frequency drives, and building management system upgrades for ventilation control. This project is an enhanced incentive project and is included as part of a larger Energy Savings Improvement Program (“ESIP”) scope of work for the Watchung Hills Regional High School.

The estimated first incentive, for submitting a complete energy reduction plan prepared by an approved program partner, is \$25,000. The estimated second incentive, for the installation of recommended measures per the energy reduction plan, is \$254,788.01. The estimated third incentive, for completing the Post-Construction Benchmarking Report demonstrating achieved energy savings, is \$254,788.01. The second and third incentives include enhanced incentives because the project is a K–12 school, and all incentive amounts are within entity cap guidelines. The project is anticipated to annually save 1,012,594 kWh of electricity and 20,068 therms of natural gas. The project will also reduce peak demand by an anticipated 405 kW per year. The proposed project will provide estimated annual energy cost savings of \$136,592. The payback period without incentives is 33.5 years; when factoring in the incentives, the payback period is reduced to 29.5 years.

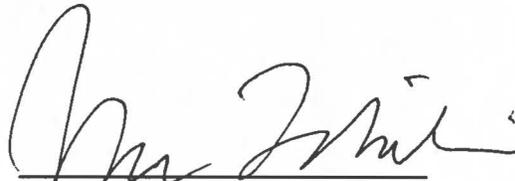
TRC Environmental Corporation (“TRC”), the Program Manager engaged by the Board to manage the NJCEP P4P-EB program, attested to the accuracy of certain information regarding the project and that the project application adheres to the current terms and conditions of the program. Further, TRC, in its role 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 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 \$534,576.02 for the Watchung Hills Regional High School Board of Education 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 19, 2022.

DATED: October 12, 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 –
WATCHUNG HILLS REGIONAL HIGH SCHOOL BOARD OF EDUCATION

DOCKET NO. QO22080485

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>Rupa Deshmukh, Energy Efficiency Manager rupa.deshmukh@bpu.nj.gov</p> <p>Dustin Wang, Program Specialist I dustin.wang@bpu.nj.gov</p> <p>Earl Thomas Pierce earl.pierce@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>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: **07-11-2022**

Maura Watkins

Quality Control – TRC Companies

Application No.: **66510**

Applicant: **Watchung Hills Regional High School BOE**

Payee: **Watchung Hills Regional High School BOE**

Committed Amount: **\$534,576.02**