



Agenda Date: 4/12/23  
Agenda Item: 8I

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://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 – PORT AUTHORITY OF NEW YORK AND )  
NEW JERSEY ) DOCKET NO. QO23010011

**Parties of Record:**

**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel  
**Erika Choi, Acting Director of the Office of Sustainability**, Port Authority of NY & NJ

BY THE BOARD:

The New Jersey Board of Public Utilities (“Board” or “BPU”) through New Jersey’s Clean Energy Program (“NJCEP”) manages several individual commercial and industrial (“C&I”) energy efficiency (“EE”) programs targeting the C&I market segments. Eligible applicants may receive rebates for a portion of the cost of installing energy efficient technologies such as light-emitting diode (“LED”) lighting, heating ventilation, and air conditioning (“HVAC”), and other energy conservation measures (“ECMs”). NJCEP offers incentives to large energy users to upgrade or install ECMs in existing buildings to help offset these capital costs. Incentives are also available for projects involving distributed energy resources. All proposed C&I EE financial incentives and rebates exceeding \$500,000 require explicit Board approval.<sup>1</sup>

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 requirements, in addition to the 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 EE, conservation, and greenhouse gas reduction goals.

By this Order, the Board considers the application of the Port Authority of New York and New Jersey (“Port Authority”), submitted on October 25, 2021, under the Fiscal Year 2022 (“FY22”) LEUP pursuant to the Energy Efficiency and Renewable Energy Program Plan Filing for FY22

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<sup>1</sup> In re 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.

dated June 24, 2021. The project is located at APM Terminals at 5080 McLester Street, Port Elizabeth, New Jersey 07201 and Millennium Marine Rail at 2380 Tripoli Street, Port Elizabeth, New Jersey 07201. The applicant requests a total financial incentive of \$998,671.41 for a project with a total cost approximately \$3,474,490.

APM Terminals and Millennium Marine Rail are shipping container terminals at the Port Authority's Port Elizabeth Terminal. These sites are primarily lit by existing high mast poles, each containing 10 or 16 1000-watt high pressure sodium fixtures. The project involves removing the existing high pressure sodium fixtures and replacing them with six (6) to 10 new LED fixtures per pole, depending on pole location and area operation. New pole-level controls will be installed on a portion of the light poles to allow for additional dimming in areas, where allowable, while maintaining required light levels.

On March 24, 2021, the Board approved a revision to the LEUP mandating that lighting may not constitute more than 50% of the energy savings of a single energy plan.<sup>2</sup> This change was designed to encourage comprehensive projects with deeper energy savings and to better align LEUP's lighting incentives with the generally lower lighting incentives provided by the SmartStart Program, thereby maximizing energy savings using limited funds. However, program rules as of FY23 allow for the issue of waivers to this rule if the applicant can demonstrate that the project's scope of work is otherwise comprehensive in that it: 1) assesses the cost-effectiveness of installing HVAC, domestic hot water, and building envelope energy conservation measures and 2) implements all the cost-effective measures identified from the assessment or, as to any such measures not implemented, explains why any such measures would not be practicable.<sup>3</sup> APM Terminals and Millennium Marine Rail are exterior facilities where lighting consumes the plurality of the site's energy. There are no non-lighting measures available to include in the Port Authority's project scope. Therefore, Board Staff ("Staff") believes the Port Authority satisfies the requirements for a waiver to the LEUP lighting requirement.

The project is anticipated to annually save 3,026,277 kWh of electricity and annually reduce peak demand by 589.9 kW. The proposed project will have an estimated annual energy cost savings of \$274,413 and operational and maintenance savings of \$61,322. The simple payback for the project without incentives is 10.35 years; when factoring in the incentives, the payback is reduced to 7.37 years.

TRC Environmental Corporation ("TRC"), the Program Manager engaged by the Board to manage the 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 upon these certifications and the information provided by TRC, Staff recommends approval of the above-referenced application.

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<sup>2</sup> In re the Clean Energy Order Programs and Budget for Fiscal Year 2021 – True-up and Revised Budgets and Program Changes, BPU Docket No. QO20080539, Order dated March 24, 2021.

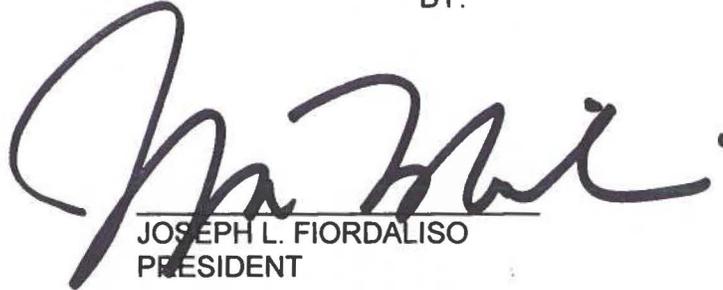
<sup>3</sup> In re the Clean Energy Programs and Budget for Fiscal Year 2023, BPU Docket No. QO22020113, Order dated July 18, 2022.

The Board **HEREBY ORDERS** the approval of the aforementioned application for the total estimated incentive amount of \$998,671.41 for the Port Authority of New York and New Jersey 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 April 19, 2023.

DATED: April 12, 2023

BOARD OF PUBLIC UTILITIES  
BY:



JOSEPH L. FIORDALISO  
PRESIDENT



MARY-ANNA HOLDEN  
COMMISSIONER

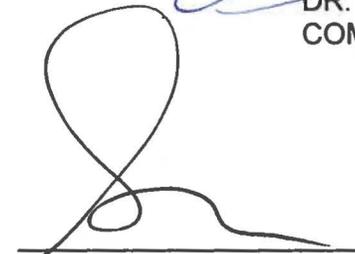


DIANNE SOLOMON  
COMMISSIONER



DR. ZENON CHRISTODOULOU  
COMMISSIONER

ATTEST:



SHERRIL L. GOLDEN  
SECRETARY

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 – PORT AUTHORITY OF NEW YORK AND NEW  
JERSEY

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