



Agenda Date: 6/29/23
Agenda Item: 8G

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
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 – BRISTOL-MYERS SQUIBB) DOCKET NO. QO23040262

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Arturo Abacan, Associate Manager, Bristol-Myers Squibb

BY THE BOARD:¹

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.²

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 Bristol-Myers Squibb (“Company” or “Applicant”) submitted on June 26, 2020 under the Fiscal Year 2020 (“FY20”) LEUP pursuant to

¹ Commissioner Marian Abdou abstained from voting on this matter.

² 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.

the Energy Efficiency and Renewable Energy Program Plan Filing for FY20 dated January 8, 2020. The project spans three (3) facilities in New Jersey and primarily involves HVAC, airflow, or central plant upgrades that will reduce carbon emissions and support the Company's net zero goals. The applicant requests a total financial incentive of \$807,691.86 for a project with a total cost of \$10,731,970.

The Company will perform the following at the facilities located below:

- 86 Morris Avenue, Summit, New Jersey 08901
 - Replacement of existing fume lab hoods with new lab hoods and upgrade of the control system which allows airflow to be reduced appropriately during occupied and unoccupied hours.

- 100 Nassau Park Boulevard, Princeton, New Jersey 08540
 - Replacement of two (2) Dedicated Outdoor Air System ("DOAS") roof top units that deliver outside air to packaged air handling units ("AHUs"). Existing units are constant-speed with direct expansion ("Dx") cooling, electric heating, and no demand-controlled ventilation controls. The new units will be equipped with a variable frequency drive ("VFD"), Dx cooling, natural gas heating, and Aircurity demand-controlled ventilation controls. The new units are being sized for less airflow since the original units were sized for more ventilation than required.
 - Replacement of six (6) packaged AHUs that received outside air from the DOAS units. The existing units are equipped with inlet guide vanes and Dx cooling. The new units will be equipped with VFDs and Dx cooling.
 - Replacement of 12 100% outside air ("OA") heat recovery units based on the reduction in outside air from the DOAS units. The units will be supplied by their own dedicated 100% OA Ducts. Aircurity ventilation controls will also be installed to optimize conditioning costs associated with ventilation.

- 1 Squibb Drive, New Brunswick, New Jersey 08901
 - Retrofit of existing heating and ventilation units in Building 46 of the central utility plant with new inverter duty motors, VFDs and controls, and replacement of four (4) existing exhaust fans with new VFD controlled exhaust fans.
 - Installation of 500-ton plate and frame heat exchanger and associated controls to meet winter demand and turn off one of the chillers during winter months when outside air conditions permit the central plant to operate in waterside free cooling mode.

The proposed project is anticipated to annually save 1,811,767 kWh of electricity and 55,949 therms of natural gas. The project will have an estimated annual energy cost savings of \$209,667. The payback period without incentives is 51.19 years; when factoring in the incentives, the payback period is reduced to 47.33 years. The lengthy payback period for these projects is primarily due to the significant capital investment required. Decarbonization projects often involve the development of new technologies or the use of existing technologies in novel ways, which can be expensive to develop, test, and deploy. They may also require significant changes to existing infrastructure, which can add to the cost and complexity of the projects. In addition to the energy savings and decarbonization benefits, the equipment upgrades provide increased system

reliability and less maintenance.

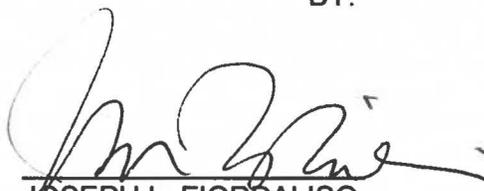
TRC Environmental Corporation ("TRC"), the Program Manager engaged by the Board to manage the LEUP program, attested to the accuracy of certain information regarding the proposed project and that the project application adheres to the current terms and conditions of the program. Further, TRC, in its 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 \$807,691.86 for Bristol-Myers Squibb 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 July 6, 2023.

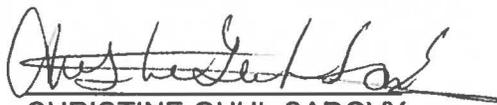
DATED: June 29, 2023

BOARD OF PUBLIC UTILITIES
BY:


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PRESIDENT


MARYANNA HOLDEN
COMMISSIONER


DR. ZENON CHRISTODOULOU
COMMISSIONER


CHRISTINE GUHL-SADOVY
COMMISSIONER

ATTEST:


SHERRI L. GOLDEN
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 – BRISTOL-MYERS SQUIBB

DOCKET NO. QO23040262

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