



Agenda Date: 7/26/23
Agenda Item: 8A

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) ORDER
AUTHORIZATION OF COMMERCIAL AND INDUSTRIAL)
ENERGY EFFICIENCY INCENTIVES EXCEEDING)
\$500,000 – PRINCETON UNIVERSITY) DOCKET NO. QO23050289

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
William A. Broadhurst, Director – Campus Energy, Princeton University

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.¹

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.

¹ 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.

By this Order, the Board considers the application of Princeton University, submitted on December 16, 2022, under the Fiscal Year 2023 (“FY23”) LEUP pursuant to the Energy Efficiency and Renewable Energy Program Plan Filing for FY23 dated June 29, 2022. The project is located at Schultz, Scully, and Moffett Halls and Butler College in Princeton, New Jersey. The applicant requested a total financial incentive of \$753,174.42 for a project with an estimated total cost of \$14,396,224.09.

The full list of EE measures is as follows:

- Replacement of the existing coils in the central air handling units (“AHUs”) in Schultz, Scully, and Moffett Halls and Butler College with coils that have additional heat transfer surface area that can extract adequate heat from the low temperature hot water (“LTHW”) being supplied from the new central plant.
- Installation of central heat exchangers and pumps in Scully Hall and Butler College to transfer the source water feeding various terminal equipment to the LTHW being supplied from the new central plant. Terminal equipment shall include cabinet heaters, unit heaters, and dorm room valence units.
- Replacement of instantaneous steam generators in Schultz, Scully, and Moffett Halls with plate-and-frame heat exchangers that heat domestic hot water from the LTHW being supplied from the new central plant.
- Installation of heat transfer coils in the central exhaust ductwork in Schultz Hall to preheat the outlet water off of the newly installed AHU pre-heat coils before it enters the heat exchanger to be reheated by the campus loop.

The project is anticipated to annually increase electricity usage by 1,070,926 kWh of electricity and save 295,088 therms of natural gas. The proposed project will have an estimated annual energy cost savings of \$106,633. The simple payback period without incentives is 135.01 years; when factoring in the incentives, the simple payback period is reduced to 127.94 years. The lengthy payback period for this decarbonization-focused project is primarily due to the significant capital investment. Decarbonization projects often involve the development of new technologies or the use of existing technologies in new ways, which can be expensive to develop, test, and deploy. In addition, such projects may require significant changes to existing infrastructure, which can add to the cost and complexity of the project. Further, Princeton University’s project avoids a steam piping replacement that would cost approximately \$40 million in the first 10 years and another \$20 million in the following 20 years.

TRC Environmental Corporation (“TRC”), the Program Manager engaged by the Board to manage the LEUP, 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 \$753,174.42 for Princeton University 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 August 2, 2023.

DATED: July 26, 2023

BOARD OF PUBLIC UTILITIES
BY:



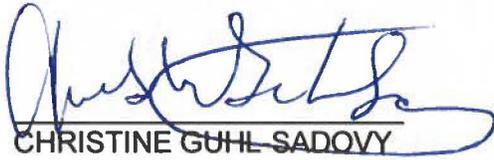
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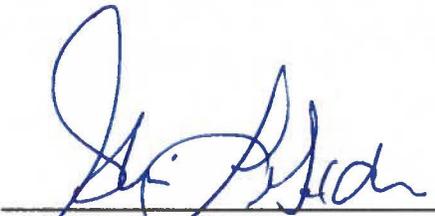


CHRISTINE GUHL SADOVY
COMMISSIONER



MARIAN ABDU
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 – PRINCETON UNIVERSITY

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