



Agenda Date: 5/21/25

Agenda Item: 8F

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 – EQUISTAR CHEMICALS, LP) DOCKET NO. QO25010006

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
John DiGiacinto, CapEx Manager, Equistar Chemicals, LP

BY THE BOARD:

The New Jersey Board of Public Utilities ("Board") 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 lighting, heating, ventilation, and air conditioning, 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 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 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 twelve (12) months of operating data.

By this Order, the Board considers the application of Equistar Chemicals, LP ("Applicant"), submitted on June 28, 2024 under the Fiscal Year 2024 ("FY24") CHP-FC Program pursuant to the Energy Efficiency and Renewable Energy Program Plan Filing for FY24 dated April 30, 2024.²

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.

² See In re the Clean Energy Programs and Budget for Fiscal Year 2024 – True-Up, Revised Budgets and Program Changes, BPU Docket No. QO23040236, Order dated April 30, 2024.

The project is located at its facility in Edison, New Jersey. Applicant requested a total financial incentive of \$1,500,000 for a project that is expected to cost \$8,623,000. The applicant also anticipates receiving a federal tax credit of approximately \$3,449,200 which would further reduce the project cost to \$5,173,800.

This project involves the installation of a 1,000-kilowatt combined heat and power system with an overall system efficiency of 66.8%.

The project is anticipated to annually produce 8,584,800 kilowatt-hours ("kWh") of electricity and 115,823 million British thermal units ("MMBtu") of recovered heat. Considering the federal tax credit, the estimated payback period without NJCEP incentives is 14.62 years; when factoring in the NJCEP incentives, the estimated payback period is reduced to 10.38 years.

TRC Environmental Corporation ("TRC"), the Program Manager engaged by the Board to manage the 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, certified 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 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 recommends approval of the above-referenced application.

DISCUSSION AND FINDINGS

The Board **HEREBY ORDERS** the approval of the aforementioned application for the total estimated incentive amount of \$1,500,000 for Equistar Chemicals, LP and **AUTHORIZES** issuance of a standard commitment letter to the Applicant identified above, setting forth the terms and conditions of this commitment.

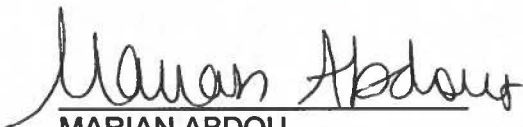
The effective date of this Order is May 28, 2025.

DATED: May 21, 2025

BOARD OF PUBLIC UTILITIES
BY:



CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOULOU
COMMISSIONER


MARIAN ABDU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER

ATTEST:


SHERRI L. LEWIS
BOARD 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 – EQUISTAR CHEMICALS, LP

DOCKET NO. QO25010006

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