



Agenda Date: 7/16/25

Agenda Item: 8C

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 – PASSAIC VALLEY SEWERAGE) DOCKET NO. QO25030171
COMMISSION)

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
John Rotolo P.E., Chief Engineer, Passaic Valley Sewerage Commission

BY THE BOARD:

By this Decision and Order, the New Jersey Board of Public Utilities ("Board" or "BPU") considers the Passaic Valley Sewerage Commission's ("Commission" or "PVSC") June 26, 2023 application to the Fiscal Year 2023 ("FY23") Large Energy Users Program ("LEUP") ("Application").¹ By the Application, PVSC requested authorization to fund a project for replacement of existing natural gas hot water boilers at its Operations, Engineering, and Maintenance ("OEM") facility located at 600 Wilson Avenue, Newark, New Jersey, with a heat recovery system that uses the "Zimpro" process ("Project").²

The Project is located at the Commission's campus in Newark, New Jersey. The applicant requested a total financial incentive of \$1,483,543.95 for a project with an estimated total cost of \$10,770,000. The applicant may apply for a federal tax credit of approximately \$4,000,000 which would further reduce the project cost to \$6,770,000.

BACKGROUND

The New Jersey Board of Public Utilities, 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 ("Programs"). Through the Programs, eligible

¹ The Board established the FY23 LEUP via Order dated April 12, 2023. See In re the Clean Energy Programs and Budget for Fiscal Year 2023, BPU Docket No. QO22020113, Order dated April 12, 2023.

² Commercialized by Fred J. Zimmermann, the Zimmermann Process, or Zimpro, for wet air oxidation involves the oxidation of soluble or suspended components in an aqueous environment which can be used to treat wastewater and reduce solids in sludge.

applicants may receive rebates for a portion of the cost of installing EE technologies such as light-emitting diode lighting; efficient heating, ventilation, and air conditioning technologies, and other energy conservation measures ("ECMs"). Via the Programs, the NJCEP offers incentives to large energy users to upgrade or install ECMs in existing buildings to help offset capital costs. By Order dated May 3, 2013, the Board directed that all proposed C&I EE financial incentives and rebates exceeding \$500,000 require Board approval before the Board's contracted program manager may issue a rebate approval letter.³

One such Program, the LEUP, fosters self-investment in EE and combined heat and power projects for New Jersey's largest C&I customers. Through the LEUP, the Board awards incentives 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.

As part of the LEUP, the Board engages TRC Environmental Corporation ("TRC") as a program manager to evaluate LEUP applications and attest to the accuracy of certain information regarding project applications. In its role as program manager, TRC submits certification attesting to whether LEUP incentives are appropriate for a given project which the Board subsequently reviews prior to deciding whether to approve a given project in the LEUP.

The Project involves removing the Commission's existing natural gas hot water boilers and replacing them with new boilers coupled with heat exchangers and associated control and interconnection equipment to recover heat using the "Zimpro" wet air oxidation process. Waste heat from the Zimpro process then pre-heats feedwater for new boilers. During the heating season, steam from the boilers then feeds the OEM building's central heating system via a heat exchanger to offset the additional steam required for campus heating and subsequently used to supply heating to up to sixteen (16) buildings on PVSC's campus.

The Project is part of the Commission's agreement with the New Jersey Department of Environmental Protection to install non-emitting technology where possible as a condition to construct a gas-fired backup generation plant.

³ 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 ("May 2013 Order").

TRC estimated that the Project will annually increase electricity usage by 326,310 kilowatt-hours of electricity and increase peak demand by 32.25 kilowatts but save 424,327 therms of natural gas, \$120,125 in energy costs, and \$20,000 in operational and maintenance costs. When comparing the increased electricity usage and decreased natural gas usage on a fuel-neutral basis, the electricity usage equates to an increase of 1,113 million British Thermal Units (“MMBtu”) and the natural gas usage equates to a decrease of 42,432 MMBtu. This results in a net energy savings of 41,319 MMBtu.

Without the federal tax credit or the NJCEP incentive, the estimated payback period for the Project is 76.9 years; when factoring in the NJCEP incentive without the federal tax credit, the estimated payback period is 66.3 years; when factoring in the federal tax credit without the NJCEP incentive, the estimated payback period is 48.3 years; when factoring in the federal tax credit and the NJCEP incentive, the estimated payback period is reduced to 37.7 years. Furthermore, the Project will also reduce boiler exhaust emissions, benefiting nearby overburdened communities.⁴

Upon review of the Application, by attestation dated April 4, 2025 (“Attestation”), TRC confirmed the accuracy of certain Project information, including Project design and cost, and that the Application adheres to the current terms and conditions of the LEUP. 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 LEUP’s policies and procedures.

DISCUSSION AND FINDINGS

Upon review of the record in this proceeding, including the Attestation, the Board **HEREBY FINDS** the Project and related proposed incentives have been calculated in accordance with the policies and procedures applicable to the LEUP. The Board **FURTHER FINDS** that the estimated incentive is appropriate for the Project.

As such, in accordance with the May 2013 Order, Board **HEREBY ORDERS** the approval of the Application for the total estimated incentive amount of \$1,483,543.95 for the Project and **HEREBY AUTHORIZES** issuance of a standard commitment letter to the Commission setting forth the terms and conditions of this commitment.

⁴ Pursuant to the Environmental Justice Law, N.J.S.A. 13:1D-157, the New Jersey Legislature designated an overburdened community as any census block group, as determined in accordance with the most recent United States Census, in which: 1) at least 35% of the households qualify as low-income households (at or below twice the poverty threshold as determined by the United States Census Bureau); 2) at least 40% of the residents identify as minority or as members of a State recognized tribal community; or 3) at least 40% of the households have limited English proficiency (without an adult that speaks English “very well” according to the United States Census Bureau).

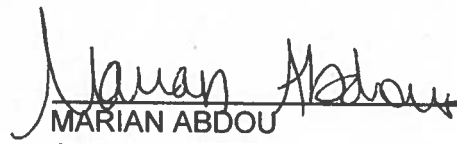
The effective date of this Order is July 23, 2025.

DATED: July 16, 2025

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GURL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOULOU
COMMISSIONER


MARIAN ABDOU
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 – PASSAIC VALLEY SEWERAGE COMMISSION

DOCKET NO. QO25030171

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