



Agenda Date: 6/10/26
Agenda Item: 8E

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 – OBSERVER HIGHWAY URBAN RENEWAL) DOCKET NO. QO26040119
LLC)

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Nicholas Pasquenza, Senior Vice President Development and Construction, LCOR, Inc.

BY THE BOARD:

The New Jersey Board of Public Utilities ("Board" or "BPU") through New Jersey's Clean Energy Program ("NJCEP") provides 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 for installing energy efficient technologies such as lighting, HVAC, and other energy conservation measures. Incentives are also available for projects involving distributed energy resources. The Pay for Performance Program ("P4P") has been designed to incentivize building owners, developers, or other applicants to take a comprehensive long-term approach to incorporate EE in their buildings. All proposed C&I EE financial incentives and rebates exceeding \$500,000 require explicit Board approval.¹

The Pay for Performance – New Construction ("P4P-NC") Program promotes high performance buildings, including multifamily buildings that achieve 15% or more energy cost savings than multifamily buildings built to the current energy code.² This program links incentives directly to energy savings and includes a commissioning component to ensure that the estimated savings levels are achieved. Incentives are released upon satisfactory completion of three milestones.

By this Order, the Board considers the application of Observer Highway Urban Renewal LLC

¹ In the Matter of 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

² P4P-NC has been replaced and superseded by the New Construction Program. For more information, see pages 82-88 of the NJCEP Fiscal Year 2024 Program Descriptions and Budget at <https://cdn.sanity.io/files/d0qy0d77/production/415599eb018afdf5533783ae077ee12363a71b53.pdf>

("Applicant"), submitted on February 29, 2024 under the Fiscal Year 2024 ("FY24") P4P-NC Program pursuant to the Energy Efficiency and Renewable Energy Program Plan Filing for FY24 dated June 29, 2023. The project is located in Hoboken, New Jersey. The applicant requests a total financial incentive of \$539,378.27.

The estimated first incentive, upon submittal and approval of a Proposed Energy Reduction Plan ("ERP"), is \$38,757.72. The estimated second incentive, upon submittal and approval of an As-Built ERP and Commissioning Report confirming installation and operation of recommended measures per the Proposed ERP, is \$387,577.20. The estimated third incentive, upon submitting an Energy Star Portfolio Manager benchmarking report based on the first year of operation with a score of 75 or higher, is \$113,043.35. All incentive amounts are within entity cap guidelines.

The project is anticipated to annually save 54,750 therms of natural gas and increase electricity usage by 60,665 kilowatt-hours. When comparing the increased electricity usage and decreased natural gas usage on a fuel-neutral basis, the natural gas usage equates to a decrease of 5,475 million British Thermal Units ("MMBtu") and the electricity usage equates to an increase of 207 MMBtu. This results in a net energy savings of 5,268 MMBtu. The proposed project will have an estimated annual energy cost savings of \$89,241.94.

The installed measures will include a closed loop geothermal system providing heating and cooling to water-to-air heat pumps in the building's spaces; a water-to-water heat pump providing domestic hot water; energy recovery ventilators on the building's rooftop and makeup air units; high performance windows and glass doors; and insulation that exceeds code.

TRC Environmental Corporation ("TRC"), the Program Manager engaged by the Board to manage the P4P-NC 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.

The Board **HEREBY ORDERS** the approval of the aforementioned application for the total estimated incentive amount of \$539,378.27 for the Applicant and **AUTHORIZES** issuance of a standard commitment letter to the Applicant, setting forth the terms and conditions of this commitment.

The effective date of this Order is June 17, 2026.

DATED: June 10, 2026

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


DR. XENON CHRISTODOULOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER


EMMA REBHORN
COMMISSIONER


JOSEPH COVIELLO
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 – OBSERVER HIGHWAY URBAN RENEWAL LLC
DOCKET NO. QO26040119

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