

STATE OF NEW JERSEY

Board of Public Utilities 44 South Clinton Avenue, 3rd Floor, Suite 314 Post Office Box 350 Trenton, New Jersey 08625-0350 <u>www.nj.gov/bpu/</u>

	CLEAN ENERGY
IN THE MATTER OF THE CLEAN ENERGY PROGRAM) AUTHORIZATION OF COMMERCIAL AND) INDUSTRIAL PROGRAM ENERGY EFFICIENCY) INCENTIVES EXCEEDING \$500,000 – NJ TRANSIT)	ORDER
	DOCKET NO. QG18050496

Parties of Record:

Steven Jenks, Ph.D., Manager, Energy & Sustainability Programs, NJ Transit Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

The New Jersey Board of Public Utilities ("Board") through its New Jersey Clean Energy Program ("NJCEP") includes several individual Commercial & Industrial ("C&I") Energy Efficiency ("EE") Programs targeting the commercial and industrial 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. All proposed C&I EE financial incentives and rebates exceeding \$500,000 require explicit Board approval. See 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 and Budgets - Revised Renewable Energy Incentive Approval Process, BPU Dkt. No. E007030203 (June 21, 2013).

By this Order, the Board considers the application of NJ Transit submitted under the Fiscal Year 2016 ("FY16") Large Energy Users Program ("LEUP") pursuant to the NJCEP Energy Efficiency and Renewable Energy Program Plan Filing for Fiscal Year 2016 (7/1/2015 through 6/30/2016), for a project located at the Newark Bus Complex Facility, 601 Doremus Avenue, Newark, New Jersey. This project's incentives are within the entity cap, based on the application approval date.

The 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 and 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 energy efficiency, conservation, and greenhouse gas reduction goals. To qualify under LEUP guidelines in effect at the time of application, eligible entities must have contributed a minimum of \$300,000.00 into New Jersey's Clean Energy Program fund in the fiscal year prior to the application date.

NJ Transit has submitted an application for a total financial incentive of \$726,564.96 for a lighting retrofit project at the Newark Bus Complex Facility at a project cost of \$1,864,909.00. The project scope involves replacing 1,184 metal halide light fixtures with new LED fixtures through three major areas of the facility. The new LED fixtures will be equipped with sensors that dim or turn off fixtures based on occupancy levels. The existing fixtures use 458 watts each; the replacement LED fixtures will use either 221 or 209.87 watts.

Installing these measures will result in annual electric savings by an estimated 2,201,712 kWh and an annual estimated electric peak demand reduction of 369 kW. There are no natural gas savings associated with this project. The proposed project will have an estimated annual energy cost savings of \$257,608.00 and an operations and maintenance savings of \$35,520.00. The payback period without incentives is 6.36 years; when factoring in the incentives, the payback period is reduced to 1.82 years.

TRC Environmental Corporation, the Program Manager engaged by the Board to manage NJCEP LEUP, submitted its certification that the incentive to be approved for commitment was calculated in accordance with the program's policies and procedures, that the listed amount is the true and accurate estimated incentive for which the applicant is eligible, and that 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. Further, TRC,¹ in its role as the NJCEP Program Administrator, also reviewed the application and submitted its certification that the incentive was calculated in accordance with the program's policies and procedures, and that the listed amount is the true and accurate estimated incentive for which the applicant is eligible. Based on these certifications and the information provided by the Program Manager and Program Administrator, Board Staff recommends approval of the above-referenced application.

The Board <u>HEREBY ORDERS</u> the approval of the aforementioned application for the total estimated incentive amount of \$726,564.96 for NJ Transit and <u>AUTHORIZES</u> issuance of a standard commitment letter to the applicant identified above, setting forth the terms and conditions of this commitment.

¹ On January 13, 2017, TRC Environmental Corporation acquired the NJCEP Program Administrator Contract from Applied Energy Group, Inc. (AEG) and assumed AEG's rights and duties thereunder.

The effective date of this Order is July 2, 2018.

DATED: 6/22/18

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ATTEST:

AIDA CAMACHO-WELCH

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 PROGRAM ENERGY EFFICIENCY INCENTIVES EXCEEDING \$500,000 – NJ TRANSIT DOCKET NO. QG18050496

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