



Agenda Date: 8/29/18
Agenda Item: 8B

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
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE CLEAN ENERGY PROGRAM) ORDER
AUTHORIZATION OF COMMERCIAL AND)
INDUSTRIAL PROGRAM ENERGY EFFICIENCY)
INCENTIVES EXCEEDING \$500,000 – REFRESCO US) DOCKET NO. QG18080855

Parties of Record:

Andre Voogt, Chief Financial Officer, Refresco US
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:¹

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. Incentives are also available for projects involving Distributed Energy Resources ("DER"). Under the category of DER, the NJCEP offers incentives for Combined Heat and Power ("CHP") and Fuel Cell with heat recovery projects to enhance energy efficiency through on-site power generation and to reduce overall system Peak demand to the electrical power grid. 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 & Budgets - Revised Rebate Approval Process, BPU Docket No. EO07030203 (May 3, 2013).

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 months of operating data.

¹ Commissioner Robert M. Gordon did not participate.

By this Order, the Board considers the application of Refresco US in Wharton, New Jersey, submitted on December 8, 2017 under the Fiscal Year 2018 (FY18) CHP/FC Program pursuant to the Energy Efficiency and Renewable Energy Program Plan Filing for Fiscal Year 2018 dated June 28, 2017. The project is located at Refresco US, 92 North Main Street, Wharton, New Jersey. The applicant requests a total financial incentive of \$1,857,500.00 for a project that will cost \$10,444,723.00.

Refresco operates a contract beverage manufacturing facility and is undertaking a comprehensive energy management plan for the facility, including installation of an onsite solar and natural gas fired cogeneration system. This application covers the cogeneration system, which consists of five (5) Flex Energy GT333 Microturbines delivering hot water directly into the site pasteurization process, which offsets steam production by the facility boiler plant. The cogeneration system's electrical output has been designed to operate in baseload, grid-parallel operations, serving the electricity that is not served by the separate solar system. Hourly production of the solar system will be monitored by the cogeneration system, and the cogeneration system will provide the difference between the daily facility demand and the daily solar production. The CHP system will usually not operate when the grid is inoperable. However, in major storms similar to Hurricane Sandy, the system can isolate from the grid and maintain minimal life safety and refrigeration loads to maintain product integrity.

The estimated first incentive, for purchase of the equipment, is \$557,250.00. The estimated second incentive, for completed installation of the system, is \$928,750.00. The estimated third incentive, granted after acceptance and confirmation of required performance threshold data, is \$371,500.00. These incentive amounts are within entity cap guidelines. The project is anticipated to generate 11,599,996 kWh of electricity annually and is estimated to recover 63,378 MMBTUs in waste heat annually. The proposed project will have an estimated annual energy cost savings of \$876,451.94. The payback period without incentives is 11.92 years; when factoring in the incentives, the payback period is reduced to 9.8 years.

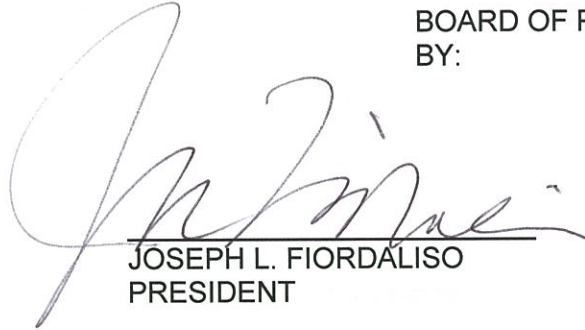
TRC Environmental Corporation, the Program Manager engaged by the Board to manage the NJCEP CHP/FC program, attested to the accuracy of certain information regarding the project and that the project application adheres to the current terms and conditions of the program. Further, TRC, in its role as the NJCEP Program Administrator, 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 the Program Manager and Program Administrator, Board 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 \$1,857,500.00 for Refresco US 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 September 8, 2018.

DATED: 8/29/18

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



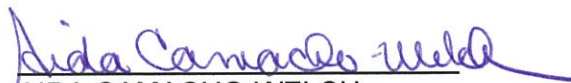
MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER

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 –
REFRESCO US

DOCKET NO. QG18080855

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1. Application Number: **NJFCPS1534602154**
2. Program Name: **NJ Clean Energy Program, Combined Heat and Power**
3. Filing: **Application Received 12/08/2017, FY18 Compliance Filing dated 06/28/2017**
4. Customer Contact (name, title, company, address, phone #):
Andre Voogt, Chief Financial Officer
Refresco US
92 N Main Street
Wharton, NJ 07885
Office: 973-967-0960

5. Incentive Payee Contact*:
Michael Mills, Managing Member
Main St NJ CHP, LLC
718 w Business Highway 60
Dexter, MO 63841
573-489-9007

**Main St NJ CHP LLC is the financing company that owns the CHP System and then provides CHP Services to Refresco through an energy savings agreement.*

6. Project Name and Address:
Refresco US
92 N. Main St
Wharton, NJ 07885

5. Rebate amount:
Incentive #1: \$557,250.00
Incentive #2: \$928,750.00
Incentive #3: \$371,500.00
Total: \$1,857,500.00

6. Brief description of CHP system to be installed (e.g. capacity and efficiency):
Refresco operates a contract beverage manufacturing facility in Wharton, NJ and is undergoing a comprehensive energy management plant, consisting of both solar and natural gas fired cogeneration. This application covers the cogenerations system being installed on site. The cogeneration system consists of five (5) Flex Energy GT333 Microturbines, delivering hot water directly into the site pasteurization process, which offsets steam production by the facility boiler plant. The cogeneration system electrical output has been designed to operate in baseload, grid-parallel operations; serving the electricity that is not served by the separate solar system. Hourly production of the solar system will be monitored by the cogeneration system, and the cogeneration system will provide the difference between the daily facility demand and the daily solar production. The CHP system will usually not operate when the grid is inoperable. However, in major storms similar to Hurricane Sandy, the system can isolate from the grid and maintain minimal life safety and refrigeration loads to maintain product integrity.

7. Expected Annual Performance:
Estimated Electricity Production: 11,599,996 kWh
Estimated Waste Heat Utilized: 63,378 MMBTU
8. Project Cost: **\$ 10,444,723.00 (inclusive of 10 year service contract)**
9. Project Funding Type (capital purchase, lease, finance, PPA, other/describe):
Financing and service cash flow
10. Financials:
Simple Payback Period (years) without incentive: 11.92
Simple Payback Period (years) with incentive: 9.8
Avoided Energy Cost Savings: \$ 876,451.94

The undersigned preparer attests that, to the best of their knowledge and belief, the above information is accurate and the subject project application adheres to the current terms and conditions of the CHP program.

By: 
Brendan Cassidy, Program Manager

Date: 6/29/2018

**Program Administrator Certification
(New Incentive Commitments > \$500,000)**

I, **Maura Watkins**, TRC Solutions Quality Control, hereby certify that, I have reviewed the application referenced below and determined that, as required by the policies and procedures applicable to the program, (1) the equipment incentives for which the NJCEP Program Manager now seeks approval to commit NJCEP funds have been calculated in accordance with those policies and procedures, and (2) that the amount shown below is the true and accurate estimated incentive for which the applicant(s) is(are) eligible.

Additionally, for incentives based on estimated energy savings that are uniquely calculated, including the Pay for Performance Program, Large Energy Users Program, and the Combined Heat and Power Program, I also certify that I was able to locate and review documentation supporting the inputs used to calculate the rebate amount and evidencing the NJCEP Program Manager's evaluation of those inputs as required by the program's policies and procedures.

Maura H Watkins

By: _____

Date: 07-27-2018

Maura Watkins

Quality Control – TRC Solutions

Application No.: **NJFCPS1534602154**

Applicant: **Refresco US**

Payee: **Main St NJ CHP, LLC**

Committed Amount: **\$1,857,500.00**