



Agenda Date: 10/29/18  
Agenda Item: 8A

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

CLEAN ENERGY

IN THE MATTER OF THE CLEAN ENERGY PROGRAM )  
AUTHORIZATION OF COMMERCIAL AND ) ORDER  
INDUSTRIAL PROGRAM ENERGY EFFICIENCY )  
INCENTIVES EXCEEDING \$500,000 – ATLANTICARE )  
REGIONAL MEDICAL CENTER ) DOCKET NO. QO18090994L

**Parties of Record:**

**Michael Owen, Corporate Director, Construction and Real Estate, AtlantiCare**  
**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. Incentives are also available for projects involving Distributed Energy Resources ("DER"). 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 Pay for Performance – Existing Buildings ("P4P – EB") Program uses a comprehensive, whole building approach to energy efficiency in existing commercial and industrial buildings or eligible multifamily facilities. Similar to performance contracting programs offered in other states, this program links incentives directly to energy savings and includes a measurement and verification 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 AtlantiCare Regional Medical Center in Pomona, New Jersey, submitted on July 19, 2017 under the Fiscal Year 2018 ("FY18") P4P – EB 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 AtlantiCare Regional Medical

Center Mainland Campus, 65 West Jimmie Leeds Road, Pomona, New Jersey. The applicant requests a total financial incentive of \$559,338.60 for a project that will cost \$4,649,799.

This application covers chiller plant optimization, including installing new Variable Frequency Drives ("VFDs") on water pumps that allow for partial load sequencing, as well as replacing existing fluorescent lights with LED lighting. VFDs control the speed of the HVAC's equipment's motors to ensure the most efficient amount of energy is being used based on demand. The Company also wishes to install a number of HVAC upgrades, including adding Energy Recovery Ventilation to the Variable Air Volume ("VAV") HVAC system and adding VFD to the kitchen HVAC system. This application further covers reconfiguring existing Constant Volume HVAC units to more efficient VAV HVAC units with dampers and VFDs that will schedule energy usage based on the hospital's occupancy.

The estimated first incentive, to offset the cost of services for developing the energy reduction plan ("ERP"), is \$50,000. The estimated second incentive, based on projected energy savings as estimated in the approved ERP, to be paid after the installation of the recommended measures, is \$254,669.30. The estimated third incentive, which is paid upon submittal of a Post Construction Benchmarking Report that verifies the level of savings achieved, is \$254,669.30. These incentive amounts are within entity cap guidelines.

The project is estimated to save 1,485,492 kWh of electricity and 79,361 therms of natural gas annually. The proposed project will have an estimated annual energy cost savings of \$247,695. The payback period without incentives is 18.8 years; when factoring in the incentives, the payback period is reduced to 16.5 years.

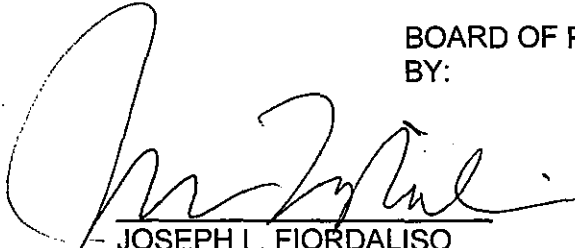
TRC Environmental Corporation, the Program Manager engaged by the Board to manage the NJCEP P4P – EB program, attested to the accuracy of certain information regarding the project and that the project application adheres to the current terms and conditions of the program. Further, TRC, in its role as 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 \$559,338.60 for AtlantiCare Regional Medical Center 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 November 8, 2018.

DATED: 10/29/18

BOARD OF PUBLIC UTILITIES  
BY:



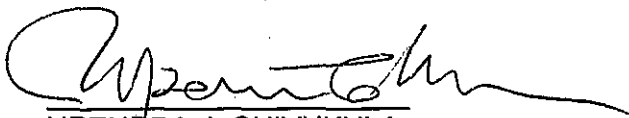
JOSEPH L. FIORDALISO  
PRESIDENT



MARY-ANNA HOLDEN  
COMMISSIONER



DIANNE SOLOMON  
COMMISSIONER

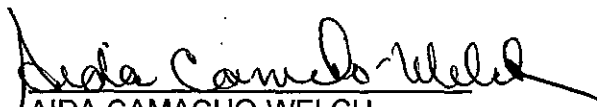


UPENDRA J. CHIVUKULA  
COMMISSIONER



ROBERT M. GORDON  
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 – ATLANTICARE REGIONAL MEDICAL CENTER**

**DOCKET NO. QO18090994L**

**SERVICE LIST**

Michael Owen, Corporate Director  
Construction and Real Estate  
AtlantiCare  
65 West Jimmie Leeds Road  
Pomona, NJ 08240

Stefanie A. Brand, Esq., Director  
Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Floor  
Post Office Box 003  
Trenton, NJ 08625-0003  
[sbrand@rpa.nj.gov](mailto:sbrand@rpa.nj.gov)

**TRC Energy Solutions:**  
900 Route 9 North, Suite 404  
Woodbridge, NJ 07095

Carl Teter, P.E., LEED AP  
Vice President  
[cteter@trcsolutions.com](mailto:cteter@trcsolutions.com)

Marybeth Brenner  
Associate Vice President  
[mbrenner@trcsolutions.com](mailto:mbrenner@trcsolutions.com)

Valentina Rozanova  
Associate Director, Engineering  
[vrozanova@trcsolutions.com](mailto:vrozanova@trcsolutions.com)

Brian Deluca  
Program Manager  
[bdeluca@trcsolutions.com](mailto:bdeluca@trcsolutions.com)

Maura Watkins  
Manager, Technical Support  
[mwatkins@trcsolutions.com](mailto:mwatkins@trcsolutions.com)

Michael Ambrosio  
Director, Policy and Planning  
317 George Street, Suite 520  
New Brunswick, NJ 08901  
[mambrosio@trcsolutions.com](mailto:mambrosio@trcsolutions.com)

**Board of Public Utilities:**  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350

Aida Camacho-Welch  
Secretary of the Board  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

**Counsel's Office**

Stacy Ho Richardson, Esq.  
Counsel's Office  
[stacy.richardson@bpu.nj.gov](mailto:stacy.richardson@bpu.nj.gov)

**Division of Clean Energy**

Ken Sheehan, Director  
[ken.sheehan@bpu.nj.gov](mailto:ken.sheehan@bpu.nj.gov)

Sherri Jones, Assistant Director  
[sherri.jones@bpu.nj.gov](mailto:sherri.jones@bpu.nj.gov)

Benjamin S. Hunter, Manager  
[benjamin.hunter@bpu.nj.gov](mailto:benjamin.hunter@bpu.nj.gov)

Mona Mosser  
Energy Efficiency Manager  
[mona.mosser@bpu.nj.gov](mailto:mona.mosser@bpu.nj.gov)

Mahogany A. Hall  
Program Specialist 2  
[mahogany.hall@bpu.nj.gov](mailto:mahogany.hall@bpu.nj.gov)

Benjamin Goldstein,  
Program Specialist Trainee  
[benjamin.goldstein@bpu.nj.gov](mailto:benjamin.goldstein@bpu.nj.gov)

**Deputy Attorneys General:**

Department of Law & Public Safety  
Division of Law  
124 Halsey Street  
Post Office Box 45029  
Newark, NJ 07101-45029

Caroline Vachier, DAG  
[caroline.vachier@law.njoag.gov](mailto:caroline.vachier@law.njoag.gov)

Peter Van Brunt, DAG  
[peter.vanbrunt@law.njoag.gov](mailto:peter.vanbrunt@law.njoag.gov)

*The undersigned preparer attests that, to the best of their knowledge and belief, the below information is accurate and the subject project application adheres to the current terms and conditions of the Pay for Performance program.*



*Signature of Preparer*

*Valentina Rozanova, TRC- P4P Program Manager*

09/12/2018

*Date*

1. Application Number: **48115**
2. Program Name: **Pay for Performance – Existing Buildings**
3. Customer Contact (name, company, address, phone #):  
**Michael Owen, Corporate Director, Construction and Real Estate**  
**AtlantiCare**  
**65 West Jimmie Leeds Road**  
**Pomona, NJ 08240**  
**609-272-2461**
4. Project Name and Address:  
**AtlantiCare Regional Medical Center Mainland Campus**  
**65 West Jimmie Leeds Road**  
**Pomona, NJ 08240**
5. Incentive amount:  
Incentive #1: **\$50,000.00**  
Incentive #2: **\$254,669.30**  
Incentive #3: **\$254,669.30**  
**Total: \$559,338.60**
6. Brief description of facility/site: **Approximately 400,000SF hospital in Pomona, NJ. 1974 construction, multiple renovations, most recent in 2015. Building is 24/7 hospital. According to AtlantiCare: 1500 staff, 240 inpatients, 150 outpatients and 360 visitors on average.**
7. Brief description of measures:
  - 1) **Chiller plant optimization including new VFDs on water pumps allowing for partial load sequencing**
  - 2) **Adding Energy Recovery Ventilation to the VAV HVAC system**
  - 3) **Adding VFD to kitchen HVAC so that unit will cycle with occupancy**
  - 4) **Reconfigure existing Constant Volume HVAC units to VAV HVAC with dampers and VFDs and program schedule based on occupancy**
  - 5) **Replace existing fluorescent lights with LED lighting**

8. Annual Estimated Energy Savings:

- 1) 1,485,492 kWh
- 2) 347.0 kW
- 3) 79,361 therms natural gas

9. Annual Estimate Energy Cost Savings (including simple payback with and without incentive, and IRR):

- 1) \$247,695
- 2) Payback: 18.8 years without incentive, 16.5 years with
- 3) IRR: 0.8% without incentive, 2.1% with

10. Estimated Project Cost:

- 1) Total Project Cost: \$4,649,799

**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: 09-13-2018

**Maura Watkins**

Quality Control – TRC Solutions

Application No.: **48115** \_\_\_\_\_

Applicant: **AtlantiCare Regional Medical Center** \_\_\_\_\_

Payee: **AtlantiCare Regional Medical Center** \_\_\_\_\_

Committed Amount: **\$559,338.60** \_\_\_\_\_