



Agenda Date: 6/18/14
Agenda Item: 8H

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
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)	
(C&I) PROGRAM ENERGY EFFICIENCY INCENTIVES)	
EXCEEDING \$500,000)	
)	
NEW JERSEY TRANSIT CORPORATION)	DOCKET NO. QG14060546
)	
PHILLIPS 66 COMPANY)	DOCKET NO. QG14060547

Party of Record:

Dave Gillespie, Director of Energy and Sustainability, New Jersey Transit Corporation
Rebecca Gauthier, Energy Engineer, Phillips 66 Company

BY THE BOARD:

The New Jersey Board of Public Utilities' (the Board) Commercial & Industrial (C&I) Energy Efficiency Program includes nine (9) individual programs targeting the commercial and industrial market segments, consisting of New Construction, Retrofit, Pay for Performance - New Construction, Pay for Performance - Existing Buildings, Local Government Energy Audit, Direct Install, Small Combined Heat and Power (CHP) and Fuel Cells (FC), Large Energy Users Program, and the Societal Benefits Charge Credit Program. These programs collectively offer financial incentives to encourage the installation of energy efficient products and technologies. Eligible applicants may receive incentives for a portion of the cost of installing energy efficient technologies such as lighting, heating, ventilation and air conditioning, water heating and other measures in new or existing buildings.

New Jersey Transit Corporation, Newark, NJ, has submitted an application for a financial incentive in the amount of \$673,357.08 under the 2012 Large Energy Users Pilot Program described in the TRC 2012 Program Descriptions and Budget guidelines dated December 20, 2011, for a project located at their administrative office at One Penn Plaza East, Newark, NJ, and at 180 Boyden Avenue, Maplewood, NJ. The applicant proposes upgrading the lighting and replacing existing electric motors with new, more efficient units including variable frequency drives. Installing these measures will enable an estimated annual energy savings of 2,140,734 kWh. Overall, this applicant will have an estimated annual energy cost savings of \$248,043.33 at a total project installation cost of \$1,217,000. The project has a 4.91 year payback without incentive, which is reduced to 2.19 years after receiving the incentive.

Phillips 66 Company, Linden, NJ, has submitted an application for a financial incentive in the amount of \$1,725,750 under the 2014 Large Energy Users Program ("LEUP"), for a project located at 1400 Park Avenue, Linden, NJ. The applicant proposes installation of furnace carbon monoxide monitoring, upgrading of steam control valves, upgrade of gas oil turbine, and lighting upgrades. Installing these measures will enable an estimated annual energy savings of 547,978 kWh and 1,068,720 therms. Overall, this applicant will have an estimated annual energy cost savings of \$631,150 at a total project installation cost of \$2,301,000. The project has a 27% internal rate of return and a 3.6 year payback without incentive, which is reduced to 0.91 years upon receipt of incentive.

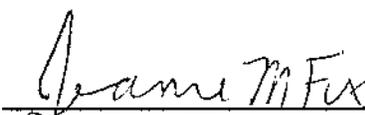
TRC, the Market Manager engaged by the Board to manage the New Jersey Clean Energy Program (NJCEP) C&I energy efficiency programs, has submitted certifications that the incentives for which TRC now seeks approval to commit have been calculated in accordance with the program policies and procedures, and that the listed amounts are the true and accurate estimated incentives for which the applicants are eligible. Further, Applied Energy Group, in its role as the NJCEP Program Coordinator, has reviewed the applications and submitted certifications that the incentives for which TRC now seeks approval to commit have been calculated in accordance with the program policies and procedures, and that the listed amounts are the true and accurate estimated incentives for which the applicants are eligible. Based on the above, the Staff recommends that the Board approve the above-referenced applications.

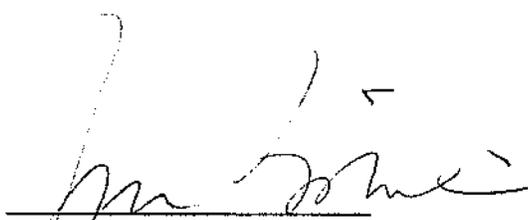
The Board **HEREBY ORDERS** the approval of the aforementioned applications for the total estimated incentive amounts of \$673,357.08 for New Jersey Transit Corporation and \$1,725,750.00 for Phillips 66 Company, and **AUTHORIZES** issuance of standard commitment letters to the applicants identified above, setting forth the terms and conditions of these commitments. The effective date of this Order is June 27, 2014.

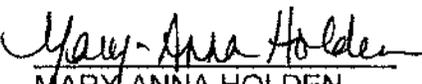
DATED: 6/18/14

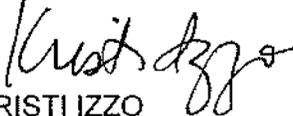
BOARD OF PUBLIC UTILITIES
BY:

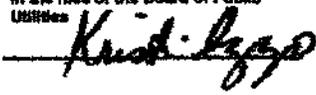

DIANNE SOLOMON
PRESIDENT


JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

ATTEST:

KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities


BPU DOCKET NOS. QG14060546
and QG14060547

IN THE MATTER OF THE CLEAN ENERGY PROGRAM AUTHORIZATION OF
COMMERCIAL AND INDUSTRIAL (C&I) PROGRAM ENERGY EFFICIENCY INCENTIVES
EXCEEDING \$500,000 – NEW JERSEY TRANSIT CORPORATION AND PHILLIPS 66
COMPANY - DOCKET NOS. QG14060546 & QG14060547

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Energy/Solomon Engineer
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**Program Coordinator Certification
(New Incentive Commitments > \$500,000)**

I, **Maura Watkins**, hereby certify that in its role as Program Coordinator, Applied Energy Group, Inc. has reviewed the referenced below, as required by the policies and procedures applicable to each program, that the standardized equipment incentives for which TRC now seeks approval to commit have been calculated in accordance with those policies and procedures, and that the amount shown below is the true and accurate estimated incentive for which the applicant(s) is(are) eligible.

For incentives based on uniquely calculated estimated energy savings, including the Custom Program, Pay for Performance, Combined Heat & Power and Large Energy Users Program, Applied Energy Group certifies locating documentation supporting the inputs used to calculate the rebate amount and evidencing TRC's evaluation of those inputs as required by the program's policies and procedures.

Maura H Watkins

By: _____

Date: 05-22-2014

Maura Watkins

Quality Assurance Manager - Applied Energy Group, Inc.

Ref:	L16250
App #	_____
Applicant	NJ Transit
Payee	NJ Transit

Committed Amount: \$673,357.08

Market Manager Certification
(New Incentive Commitments > \$500,000)

I, Carl Teter, hereby certify that applications on the attached list have been reviewed by TRC or its subcontractors as required by the policies and procedures applicable to each program, that the incentives for which TRC now seeks approval to commit have been calculated in accordance with those policies and procedures, and that the listed amounts are the true and accurate estimated incentives for which each applicant is eligible.

By:



Carl P. Teter, P.E., LEED AP, Associate Vice President
App# L16250

Date:

5-23-14

1. Application Number: **L16250**
2. Program Name: **2012 Large Energy Users Pilot Program**
3. Customer Contact (name, company, address, phone #):
Dave Gillespie, Director, Energy and Sustainability
NJ Transit
One Penn Plaza East, 8th Floor
Newark, NJ 07105-2246
973-491-8522
4. Project Name and Address:
NJ Transit:
Location 1 – One Penn Plaza East, Newark, NJ 07105
Location 2 – 180 Boyden Avenue, Maplewood, NJ 07040
5. Rebate amount: **\$673,357.08**
6. Brief description of measures:
 - **ECM 1: Lighting Upgrade**
 - *Retrofit over 6,000 existing T8 fixtures with lower wattage T8 lamps and electronic ballasts.*
 - **ECM 2: Motor/VFD Upgrade**
 - *Replace existing electric motors with new, more efficient units including variable frequency drives.*
7. Annual Estimated Energy Savings:
 - 1) **2,140,734 kWh**
8. Annual Estimated Energy Cost Savings: **\$248,043.33**
9. Project Cost: **\$1,217,000**

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

I, **Maura Watkins**, hereby certify that in its role as Program Coordinator, Applied Energy Group, Inc. has reviewed the referenced below, as required by the policies and procedures applicable to each program, that the standardized equipment incentives for which TRC now seeks approval to commit have been calculated in accordance with those policies and procedures, and that the amount shown below is the true and accurate estimated incentive for which the applicant(s) is(are) eligible.

For incentives based on uniquely calculated estimated energy savings, including the Custom Program, Pay for Performance, Combined Heat & Power and Large Energy Users Program, Applied Energy Group certifies locating documentation supporting the inputs used to calculate the rebate amount and evidencing TRC's evaluation of those inputs as required by the program's policies and procedures.

Maura H Watkins

By: _____

Date: 05-22-2014

Maura Watkins

Quality Assurance Manager - Applied Energy Group, Inc.

Ref: _____
App # L16257

Applicant Phillips66 Company

Payee Phillips66 Company

Committed Amount: \$1,725,750.00

Market Manager Certification
(New Incentive Commitments > \$500,000)

I, Carl Teter, hereby certify that applications on the attached list have been reviewed by TRC or its subcontractors as required by the policies and procedures applicable to each program, that the incentives for which TRC now seeks approval to commit have been calculated in accordance with those policies and procedures, and that the listed amounts are the true and accurate estimated incentives for which each applicant is eligible.

By: 

Carl P. Teter, P.E., LEED AP, Associate Vice President
App# L16257

Date: 5-23-14

1. Application Number: **L16257**
2. Program Name: **FY2014 Large Energy Users Program**
3. Customer Contact (name, company, address, phone #):
Rebecca Gauthier, Energy/Solomon Engineer
Phillips66 Company
1400 Park Avenue
Linden, NJ 07036
908-523-5465
4. Project Name and Address:
Phillips66 Company, 1400 Park Ave, Linden, NJ 07036
5. Rebate amount: **\$1,725,750.00**
6. Brief description of measures:
 - **ECM 1: Furnace CO Monitoring**
 - *This project's objective is to reduce the excess air in the flue gas in the Atmospheric Crude Unit's Furnace F701 for higher energy efficiency and fuel savings.*
 - **ECM 2: Steam Control Valve**
 - *This project's objective is to reduce the amount of steam used in the Desulfurization Unit's Product Stripper tower (T401) by operating the steam on control. The current controls are manual and the upgrade will include automatic controls.*
 - **ECM 3: Gas Oil Turbine Upgrade**
 - *This project's objective is to install a more energy efficient turbine on one of the gas oil pumps (P1505) in our Greater Elizabeth tank field. The current turbine is a 170 HP Whiston turbine (serial number 4513) rated at 75 lbs/HP/hr which uses ~12.8klbs/hr of high pressure steam. The new turbine from Dresser Rand at the same 170 HP rating will consume only 59.4 lbs/HP/hr which uses 10.2 klb/hr.*
 - **ECM 4: Lighting Upgrade**
 - *The lighting upgrade project will consist of retrofitting the Phillips66 employee office building 2x2 and 2x4 fluorescent T12 troffer fixtures with high quality LED upgrade kits and occupancy controls.*
7. Annual Estimated Energy Savings:
 - 1) **547,978 kWh**
 - 2) **1,068,720 Therms**
8. Annual Estimated Energy Cost Savings: **\$631,150**
9. Project Cost: **\$2,301,000**