



Agenda Date: 3/24/21

Agenda Item: 8B

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
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 )  
INDUSTRIAL PROGRAM ENERGY EFFICIENCY )  
INCENTIVES EXCEEDING \$500,000 – WEST )  
WINDSOR-PLAINSBORO HIGH SCHOOL NORTH )      ORDER  
DOCKET NO. QO21020114

**Parties of Record:**

**Chris Russo, Building Administrator**, West Windsor-Plainsboro Board of Education  
**Stefanie A. Brand, Esq., Director**, New Jersey Division of Rate Counsel

BY THE BOARD:

The New Jersey Board of Public Utilities ("Board" or "BPU") through its New Jersey Clean Energy Program ("NJCEP") includes several individual Commercial and 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. All proposed C&I EE financial incentives and rebates exceeding \$500,000 require explicit Board approval. 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 Rebate Approval Process, BPU Docket No. EO07030203, Order dated 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 the West Windsor-Plainsboro Board of Education (“the WWP BOE”), submitted on January 10, 2020 under the Fiscal Year 2020 (“FY20”) P4P – EB Program pursuant to the Energy Efficiency and Renewable Energy Program Plan Filing for FY20 dated January 8, 2020. The project is located at the West Windsor-Plainsboro High School North, 90 Grovers Mill Road, Plainsboro, New Jersey. The WWP BOE requests a total financial incentive of \$762,415.65 for a project that will cost \$10,261,111.81.

The energy conservation measures (“ECMs”) proposed in this application are comprehensive and run the gamut of energy efficient technologies. The school’s existing boiler and absorption chillers will be replaced with several new, highly efficient models with variable speed pumps. New rooftop units will also be installed, and these units will be scheduled to run at different speeds during occupied and unoccupied hours. High efficiency transformers will be installed as well, as will energy recovery HVAC units that will also be optimized to run based on building occupancy. Finally, the school’s interior and exterior lighting will be retrofitted with LEDs and occupancy sensors.

The estimated first incentive, for purchase of the equipment, is \$23,963.33. The estimated second incentive, for completed installation of the system, is \$369,226.16. The estimated third incentive, granted after acceptance and confirmation of required performance threshold data, is \$369,226.16. These incentive amounts are within entity cap guidelines. Annually, this project is anticipated to conserve 458,355 kWh of electricity and 107,355 therms of natural gas. The proposed project has an estimated annual energy cost savings of \$147,591.00. The payback period without incentives is 69.50 years; when factoring in the incentives, the payback period is reduced to 64.25 years.

While the payback period here is longer than is typical for applications that Staff recommends for approval, Staff believes that the project is still worthwhile and should be approved, most notably because the project’s ECMs are part of a larger Energy Savings Improvement Program (“ESIP”) application. Government facilities such as K-12 public schools may pursue large-scale capital improvement projects through ESIP that are paid for by the value of the project’s future energy savings. The scope of the ESIP project must result in a positive cash flow and meet payback requirements of no more than 15 years for most projects or no more than 20 years for projects with a combined heat and power component. While this particular energy efficiency application shows an unusually lengthy payback period due to the high cost of some of the proposed measures, the larger ESIP project itself will result in a positive overall cash flow to the WWP BOE over the 20-year payback period, while also resulting in significant energy savings.<sup>1</sup> Staff views this project as representative of the type of comprehensive project that the Board typically incentivizes through the P4P – EB Program and recommends approval of the related application despite the longer than usual payback period.

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

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<sup>1</sup> The West Windsor-Plainsboro Board of Education ESIP includes a combined heat and power project, so the payback period is 20 years.

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 TRC, Board Staff recommends approval of the above-referenced application.

After thorough review of the record and Staff's recommendation, the Board **HEREBY ORDERS** the approval of the aforementioned application for the total estimated incentive amount of \$762,415.65 for the West Windsor-Plainsboro Board of Education 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 April 3, 2021.

DATED: March 24, 2021

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

IN THE MATTER OF THE CLEAN ENERGY PROGRAM AUTHORIZATION OF  
COMMERCIAL AND INDUSTRIAL PROGRAM ENERGY EFFICIENCY INCENTIVES  
EXCEEDING \$500,000 – WEST WINDSOR-PLAINSBORO HIGH SCHOOL NORTH

DOCKET NO. QO21020114

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

I, **Maura Watkins**, TRC Companies 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.



By: \_\_\_\_\_

Date: **02-03-2021**

**Maura Watkins**

Quality Control – TRC Companies

Application No.: **59956**

Applicant: **W. Windsor-Plainsboro Regional School**

Payee: **West Windsor-Plainsboro Regional School**

Committed Amount: **\$762,415.65**