



Agenda Date: 3/24/21

Agenda Item: 8C

**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 ) ORDER  
AUTHORIZATION OF COMMERCIAL AND )  
INDUSTRIAL PROGRAM ENERGY EFFICIENCY )  
INCENTIVES EXCEEDING \$500,000 – WEST )  
WINDSOR-PLAINSBORO HIGH SCHOOL SOUTH ) DOCKET NO. QO21020092

**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 South, 346 Clarksville Road, Princeton Junction, New Jersey. The applicant requests a total financial incentive of \$799,429.91 for a project that will cost \$12,282,061.22.

The energy conservation measures (“ECMs”) proposed in this application are comprehensive and incorporate several energy efficient technologies. The WWP BOE aims to install new high efficiency air-cooled chillers and a condensing boiler, as well as new, highly efficient air handling units and transformers. The application also includes new HVAC motors with variable frequency drives (“VFDs”) and HVAC controls to optimize heating and cooling efficiency, with hot and cold-water pumps being retrofitted with VFDs as well. Additionally, the school’s lighting will be retrofitted with interior and exterior LEDs, and the interior lights will have controls as well. Finally, a building management system would be installed to give school staff even greater control over the school’s energy usage, linking the new HVAC and lighting controls in one place for maximum efficiency.

The estimated first incentive, for purchase of the equipment, is \$20,714.45. The estimated second incentive, for completed installation of the system, is \$389,357.73. The estimated third incentive, granted after acceptance and confirmation of required performance threshold data, is \$389,357.73. These incentive amounts are within entity cap guidelines. Annually, this project is anticipated to conserve 1,749,549 kWh of electricity and 1,783 therms of natural gas. The project will also reduce peak demand by an anticipated 464 kW per year. The proposed project has an estimated annual energy cost savings of \$206,952.00. The payback period without incentives is 59 years; when factoring in the incentives, the payback period is reduced to 55 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 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.

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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.

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 \$799,429.91 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.

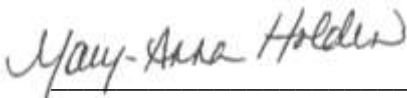
The effective date of this Order is April 3, 2021.

DATED: March 24, 2021

BOARD OF PUBLIC UTILITIES  
BY:



JOSEPH L. FIORDALISO  
PRESIDENT



MARY-ANNA HOLDEN  
COMMISSIONER



DIANNE SOLOMON  
COMMISSIONER

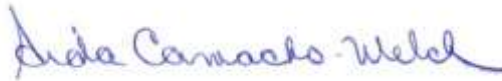


UPENDRA J. CHIVUKULA  
COMMISSIONER



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 SOUTH

DOCKET NO. QO21020092

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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

01/04/2021  
Date

1. Application Number: **59957**
2. Program Name: **Pay for Performance – Existing Buildings**
3. Application Received: **01/10/2020 (FY20 Compliance Filing, Rev 1.0, January 8, 2020)**
4. Customer Contact (name, company, address, phone #):  
**Chris Russo, Building Administrator**  
**609-716-5000**  
**West Windsor-Plainsboro Board of Education**  
**321 Village Road East**  
**West Windsor, NJ 08550**
5. Project Name and Address:  
**West Windsor-Plainsboro Regional School District - High School South**  
**346 Clarksville Road**  
**Princeton Junction, NJ 08550**
6. Rebate amount:

<b>Incentive #1:</b>	<b>\$ 20,714.45</b>
<b>Incentive #2 Incentive:</b>	<b>\$389,357.73</b>
<b>Incentive #3 Incentive:</b>	<b>\$389,357.73</b>
<b>Total:</b>	<b>\$799,429.91</b>
7. Brief description of facility/site:  
**High School South was constructed in 1971 with additions or renovations in 1989, 1995, and 2007. The building is about 50% single floor construction and 50% two-story construction consisting of admin offices, classrooms, two gymnasiums, cafeteria, media center, pool, two auditoriums, and electrical and mechanical spaces.**
8. Brief description of measures:
  - 1) **Retrofit interior and exterior lights with LEDs**
  - 2) **Interior lighting controls**
  - 3) **High efficiency air-cooled chillers**
  - 4) **High efficiency condensing gas boiler**
  - 5) **Hot and cold-water pump variable frequency drives**

- 6) HVAC motors with variable frequency drives
- 7) New air handling units
- 8) HVAC controls
- 9) Building management system, temperature setpoints and setbacks
- 10) High efficiency transformers

9. Annual Estimated Energy Savings:

- 1) 1,749,549 kWh
- 2) 464 kW demand reduction
- 3) 1,783 therms natural gas

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

- 1) \$206,952
- 2) Payback: 59 years without incentive, 55 years with\*

11. Estimated Project Cost:

- 1) Total Project Cost: \$12,282,061.22

**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: **01-06-2021**

**Maura Watkins**

Quality Control – TRC Companies

Application No.: **59957**

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

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

Committed Amount: **\$799,429.91**