



Agenda Date: 5/31/17
Agenda Item: 8A

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)
AUTHORIZATION OF COMMERCIAL AND INDUSTRIAL) ORDER
PROGRAM ENERGY EFFICIENCY INCENTIVES)
EXCEEDING \$500,000 – BRISTOL-MYERS SQUIBB) DOCKET NO. QG17040440

Parties of Record:

Arturo Abacan, Associate Manager, Energy Administration, Bristol-Myers Squibb
Stefanie A. Brand, Esq., Director, 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. All proposed C&I EE financial incentives and rebates exceeding \$500,000 require explicit Board approval. See I/M/O 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 Dkt. No. EO07030203 (May 3, 2013).

By this Order, the Board considers the application of Bristol-Myers Squibb submitted under the FY16 Large Energy Users Program (LEUP) pursuant to the Energy Efficiency and Renewable Energy Program Plan Filing for the fiscal year 2016 dated April 27, 2016, for projects located at the Hopewell Campus, 311 Pennington Rocky Hill Road, Pennington, NJ; the Lawrenceville Campus, 3551 Lawrenceville Road, Princeton, NJ; and the New Brunswick facility, 1 Squibb Drive, New Brunswick, NJ. This project's incentives are within the entity cap, based on the application approval date.

Under LEUP, incentives will be awarded to customers that satisfy the program's eligibility and program requirements to invest in self-directed energy projects that are customized to meet the requirements of the customers' existing facilities, while advancing the State's energy efficiency, conservation, and greenhouse gas reduction goals. To qualify under the guidelines for LEUP that were in effect at the time of application, eligible entities must have contributed a minimum of

\$300,000.00 into New Jersey's Clean Energy Program fund in the fiscal year prior to the application date (aggregate of all buildings/sites).

Bristol-Myers Squibb has submitted an application for a total financial incentive of \$929,061.69. At the Hopewell Campus, the scope of the project includes switching out room controllers, which will allow the room exhaust system to achieve lower air flow, which will reduce energy consumption. After the controllers are upgraded, the air changes per hour rate will be reduced while maintaining a safe workspace as measured by the facility's monitoring system.

At the Lawrenceville Campus, the scope of the project involves installing new programmable logic controllers for the existing chilled water plant. Savings will be achieved by chilled water supply temperature resets, more efficient staging, and additional efficiencies that will result from the automated controls. The Lawrenceville Campus will also be switching out room controllers to achieve lower air flow, which will reduce energy consumption. After the controllers are upgraded, the air changes per hour rate will be reduced while maintaining a safe workspace as measured by the facility's monitoring system. Lastly, the Lawrenceville Campus will have its current fluorescent lamps replaced with LEDs.

At the New Brunswick facility, the scope involves replacing fluorescent lamps with LED replacements throughout 16 buildings located on the campus. Installing these measures at the Hopewell Campus, the Lawrenceville Campus, and the New Brunswick facility will collectively result in annual electric savings by an estimated 2,094,293 kWh, annual estimated electric peak demand reduction of 236 kW, and a reduction of annual natural gas usage by an estimated 63,452 therms. The proposed project will have an estimated annual energy cost savings of \$294,710.00, an estimated annual operational and maintenance savings of \$61,892.00, and a total project cost of \$4,881,786.00. The payback period without incentives is 13.69 years; and when factoring in the incentives, the payback period is reduced to 11.08 years.

TRC Environmental Corporation, the Program Manager engaged by the Board to manage the NJCEP LEUP program, submitted its certification that the incentive was calculated in accordance with the program policies and procedures, and that the listed amount is the true and accurate estimated incentive for which the applicant is eligible. Further, Applied Energy Group,¹ in its role as the NJCEP Program Administrator, also reviewed the application and submitted its certification that the incentive was calculated in accordance with the program policies and procedures, and that the listed amount is the true and accurate estimated incentive for which the applicant is eligible. Based on these certifications and the information provided by the Program Manager and Program Administrator, Board Staff recommends that the Board approve the above-referenced application.

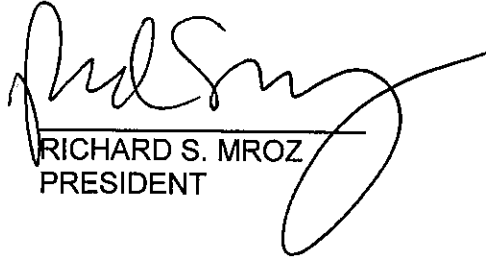
¹ On January 13, 2017, TRC Environmental Corporation acquired the NJCEP Program Administrator Contract from Applied Energy Group, Inc. (AEG) and assumed AEG's rights and duties thereunder.

The Board **HEREBY ORDERS** the approval of the aforementioned application for the total estimated incentive amount \$929,061.69 for Bristol-Myers Squibb, 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 June 10, 2017.

DATED: 5/31/17

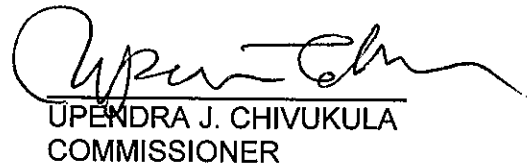
BOARD OF PUBLIC UTILITIES
BY:

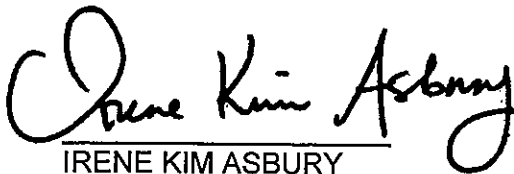

RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

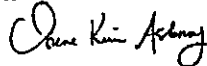

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 
IRENE KIM ASBURY
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 (C&I) PROGRAM ENERGY EFFICIENCY INCENTIVES
EXCEEDING \$500,000 – BRISTOL-MYERS SQUIBB
DOCKET NO. QG17040440

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**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: 04-25-2017

Maura Watkins

Quality Control – TRC Solutions

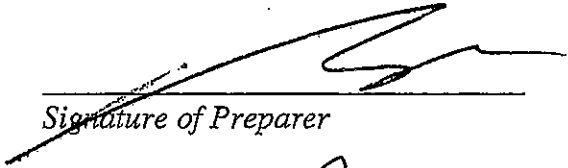
Application No.: **41770** _____

Applicant: **Bristol Myers Squibb** _____

Payee: **E.R. Squibb & Sons LLC** _____

Committed Amount: **\$929,061.69** _____

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 Large Energy Users program.



Signature of Preparer

4/10/17
Date

Brian DeLuca
Name of Preparer

41770
App#

1. Application Number: **41770**
2. Program Name: **FY16 Large Energy Users Program**
3. Customer Contact (name, company, address, phone #):

**Bristol-Myers Squibb
Arturo Abacan, Associate Manager, Energy Administration
PO Box 4000
Princeton, NJ 08543
(609) 252-6326**

4. Project Name and Address:
 1. **Hopewell Lab Controller Upgrade
311 Pennington-Rocky Hill Road
Pennington, NJ 08534**
 2. **Lawrenceville Chiller Optimization, Controller Upgrade and LED Upgrade
3551 Lawrenceville Road
Princeton, NJ 08540**
 3. **New Brunswick LED Lighting Upgrades
1 Squibb Drive
New Brunswick, NJ 08901**

5. Rebate amount: **\$929,061.69**

6. Brief description of measures:

1. **Hopewell Lab Controller Upgrade**

Hopewell building 21 is switching out room controllers from JCI/pneumatic to Siemens Controllers. The controllers will allow the room exhaust CFM to trail the supply CFM to achieve lower air flow, which will reduce energy consumption. After the controllers are upgraded, the ACH (Air changes per hour) rate will be reduced while maintaining a safe workspace as measured by the facility's air quality monitoring system.
2. **Lawrenceville Chiller Optimization**

Existing chilled water plant at Lawrenceville is controlled manually based on load, which does not allow the system to utilize the algorithm based staging approached designed to modulate the chilled water supply temperature with the efficient staging of multiple chillers. This project will install new programmable logic controllers and will utilize a logic set automated logic design and written by a consulting engineering firm. Savings will be achieved by chilled water supply temperature resets, more efficient staging and increasing the plate and frame usage at low loads.

3. Lawrenceville Controller Upgrade

Lawrenceville K4 Module is switching out room controllers from JCI/pneumatic to Honeywell CP-IPC controllers. The controllers will allow the room exhaust CFM to trail the supply CFM to achieve lower air flow, which will reduce energy consumption. After the controllers are upgraded, the ACH (Air changes per hour) rate will be reduced while maintaining a safe workspace as measured by the facility's air quality monitoring system.

4. Lawrenceville LED Upgrade

Replace existing 4' standard fluorescent T8 and T12 lamps with new LED linear replacement lamps and high bay fixtures.

5. New Brunswick LED Lighting Upgrades

Replace existing 4' standard fluorescent T8 lamps with LED linear replacement lamps in 16 buildings throughout the New Brunswick campus.

7. Annual Estimated Energy Savings:

2,094,293 kWh

236 kW peak demand

63,452 therms

8. Annual Estimated Energy Cost Savings: \$294,710.00

9. Project cost: \$4,881,786.00

10. Operational and Maintenance Savings: \$61,892

11. Simple Payback Period: 13.69 years without incentive; 11.08 years with incentive