

Agenda Date: 3/9/22 Agenda Item: 8B

STATE OF NEW JERSEY Board of Public Utilities 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, New Jersey 08625-0350 <u>www.nj.gov/bpu/</u>

CLEAN ENERGY

ORDER

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IN THE MATTER OF THE CLEAN ENERGY PROGRAM AUTHORIZATION OF COMMERCIAL AND INDUSTRIAL PROGRAM ENERGY EFFICIENCY INCENTIVES EXCEEDING \$500,000 – EQUINIX LLC

DOCKET NO. QO22010021

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel Nathan Flood, Project Manager/Sr. Mechanical Engineer, Equinix LLC

BY THE BOARD:

The New Jersey Board of Public Utilities ("Board" or "BPU") through its New Jersey Clean Energy Program ("NJCEP") provides several individual Commercial & Industrial ("C&I") Energy Efficiency ("EE") Programs that target the C&I 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 ("ECMs"). The NJCEP can incentivize large energy users to upgrade or install ECMs in existing buildings and to help offset these capital costs. 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. 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, Order dated May 3, 2013.

The Large Energy Users Program ("LEUP") fosters self-investment in EE and combined heat and power projects for New Jersey's largest C&I customers. Incentives are awarded to customers that satisfy the program's eligibility and program requirements for investing in self-directed energy projects that are customized to meet the requirements of the customers' existing facilities, while advancing the State's EE, conservation, and greenhouse gas reduction goals.

By this Order, the Board considers the application of Equinix LLC ("Company") submitted on September 25, 2020 under the Fiscal Year 2020 ("FY20") LEUP pursuant to the Energy Efficiency and Renewable Energy Program Plan Filing for FY20 dated July 29, 2020. The project is located at three (3) of the Company's data centers throughout New Jersey.

The Company requested a total financial incentive of \$2,450,094.87 for a project that will cost \$8,843,399.33.

The locations and their respective upgrades include the following:

- 1400 Federal Blvd, Carteret, NJ 07008
 - Replacement of 70 existing constant speed 30-ton Computer Room Air Conditioning ("CRAC") units with new units outfitted with variable speed fans, variable speed scroll compressors, and networked controls with economizer capability.
 - Replacement of 14 existing humidifiers with adiabatic style humidifiers with direct evaporated wet polymer media and electronically commutated fans.
- 800 Secaucus Rd, Secaucus, NJ 07094
 - Installation of new sensors necessary to update economizer sequence of operations to maximize free cooling opportunities.
- 5851 West Side Ave, North Bergen, NJ 07047
 - Retrofit of seven (7) data halls with full cold aisle containment systems which enclose Information Technology equipment in order to more efficiently deliver cold air and reduce required fan energy. Addition of supply air temperature ("SAT") controls on Computer Room Air Handlers in order to modulate fan speeds and cooling staging.

The project is anticipated to annually save 10,453,782 kWh of electricity and reduce peak demand by 1021.17 kW. The proposed project has an estimated annual energy cost savings of \$1,058,636, as well as operational and maintenance savings of \$151,000. The payback period without incentives is 7.3 years; when factoring in the incentives, the payback period is reduced to 5.3 years.

TRC Environmental Corporation ("TRC"), the Program Manager engaged by the Board to manage the NJCEP LEUP, 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 TRC, Board Staff ("Staff") recommends approval of the above-referenced application.

The Board <u>HEREBY</u> <u>ORDERS</u> the approval of the aforementioned application for the total estimated incentive amount of \$2,450,094.87 for Equinix LLC and <u>AUTHORIZES</u> 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 March 16, 2022.

DATED: March 9, 2022

BOARD OF PUBLIC UTILITIES BY:

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ATTEST:

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SERVICE LIST

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