



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
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 \$500,000.00 – PHILLIPS 66 COMPANY ) DOCKET NO. QG16030247

**Parties of Record:**

**Tena Hunter, Hydroprocessing Process Engineer, Phillips 66 Company**

**BY THE BOARD:**

The New Jersey Board of Public Utilities (Board) and its New Jersey Clean Energy Program (NJCEP) include nine individual Commercial & Industrial (C&I) Energy Efficiency (EE) 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, Combined Heat and Power and Fuel Cells, Large Energy Users Program (LEUP), 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. All proposed C&I EE financial incentives and rebates exceeding \$500,000.00 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 Docket No. EO07030203 (May 3, 2013).

The purpose of the LEUP is to foster self-investment in energy efficiency and combined heat and power projects while providing necessary financial support to large commercial and industrial utility customers in the State of New Jersey. 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, 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).

By this Order, the Board considers the application of Phillips 66 Company, located at 1400 S. Park Avenue in Linden, Union County. Phillips 66 Company applied for an incentive of \$875,622.00 under the 2015 LEUP program pursuant to the TRC FY 2015 Program & Budget Filing (September 17, 2014). This project incentive is within the entity cap, based upon the

application approval date. The scope of the project includes measures to reduce steam usage and upgrades to lighting. Installing these measures will reduce the annual electric usage by an estimated 15,864 kWh, and will reduce the annual natural gas usage by an estimated 350,040 therms. The proposed project will have an estimated annual energy cost savings of \$176,119.00 and a total project cost of \$1,167,496.00. The payback period without incentives is 6.63 years; and when factoring in the energy cost savings, the payback period is reduced to 1.66 years.

TRC, the Market Manager engaged by the Board to manage the NJCEP C&I EE programs, certified 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, in its role as the NJCEP Program Coordinator, reviewed the application and certified 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 upon these certifications and the information provided by the Market Manager and Program Coordinator, Board Staff recommends that the Board approve the above-referenced application.

The Board **HEREBY ORDERS** the approval of the aforementioned application for the total estimated incentive amount of \$875,622.00 for Phillips 66 Company, and **HEREBY AUTHORIZES** issuance of a standard commitment letter to the applicant identified above, setting forth the terms and conditions of this commitment.

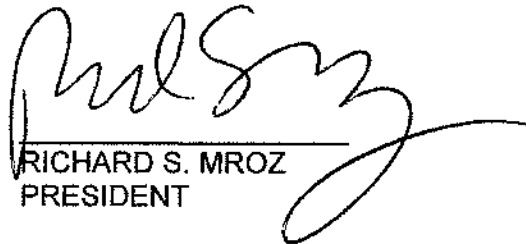
The effective date of this Order is May 7, 2016.

DATED: 4/27/16

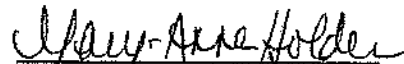
BOARD OF PUBLIC UTILITIES  
BY:



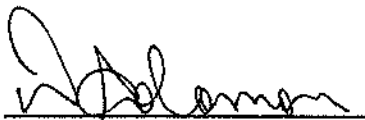
JOSEPH L. FIORDALISO  
COMMISSIONER



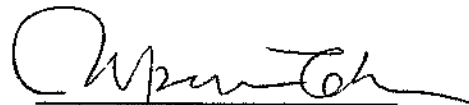
RICHARD S. MROZ  
PRESIDENT



MARY-ANNA HOLDEN  
COMMISSIONER

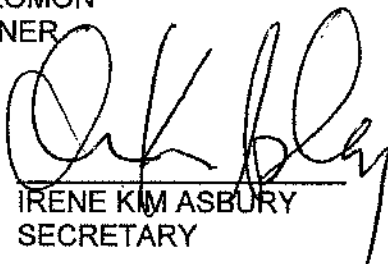


DIANNE SOLOMON  
COMMISSIONER



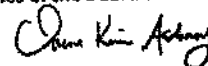
UPENDRA J. CHIVUKULA  
COMMISSIONER

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 – PHILLIPS 66 COMPANY - DOCKET NO. QG16030247**

**SERVICE LIST**

Brian DeLuca  
TRC Solutions  
900 Route 9 North, Suite 104  
Woodbridge, NJ 07095  
[BDeluca@trcsolutions.com](mailto:BDeluca@trcsolutions.com)

Carl Teter  
TRC Solutions  
900 Route 9 North, Suite 104  
Woodbridge, NJ 07095  
[CTeter@trcsolutions.com](mailto:CTeter@trcsolutions.com)

Valentina Rozanova  
TRC Solutions  
900 Route 9 North, Suite 104  
Woodbridge, NJ 07095  
[VRozanova@trcsolutions.com](mailto:VRozanova@trcsolutions.com)

Michael Ambrosio  
Applied Energy Group, Inc.  
317 George Street, Suite 305  
New Brunswick, NJ 08901  
[mambrosio@appliedenergygroup.com](mailto:mambrosio@appliedenergygroup.com)

James Nappi  
Applied Energy Group, Inc.  
317 George Street, Suite 305  
New Brunswick, NJ 08901  
[jnappi@appliedenergygroup.com](mailto:jnappi@appliedenergygroup.com)

Veronica Beke  
Deputy Attorney General  
Division of Law  
Department of Law & Public Safety  
124 Halsey Street  
Post Office Box 45029  
Newark, NJ 07102-45029  
[veronica.beke@dol.lps.state.nj.us](mailto:veronica.beke@dol.lps.state.nj.us)

Caroline Vachier  
Deputy Attorney General  
Division of Law  
Department of Law & Public Safety  
124 Halsey Street  
Post Office Box 45029  
Newark, NJ 07102-45029  
[Caroline.vachier@dol.lps.state.nj.us](mailto:Caroline.vachier@dol.lps.state.nj.us)

Irene Kim Asbury, Esq.  
Secretary of the Board  
Office of the Secretary  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[irene.asbury@bpu.state.nj.us](mailto:irene.asbury@bpu.state.nj.us)

Secil Uztetik Onat, Executive Director  
Economic Development & Emerging Issues  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Secil.onat@bpu.state.nj.us](mailto:Secil.onat@bpu.state.nj.us)

Elizabeth Teng  
Office of Clean Energy  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Elizabeth.teng@bpu.state.nj.us](mailto:Elizabeth.teng@bpu.state.nj.us)

Sherri Jones  
Office of Clean Energy  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Sherri.jones@bpu.state.nj.us](mailto:Sherri.jones@bpu.state.nj.us)

Allison E. Mitchell  
Office of Clean Energy  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Allison.mitchell@bpu.state.nj.us](mailto:Allison.mitchell@bpu.state.nj.us)

Tena Hunter  
Hydroprocessing Engineer  
Phillips 66 Company  
1400 S. Park Avenue  
Linden, NJ 07036

**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: 03-15-2016

**Maura Watkins**

Quality Assurance Manager - Applied Energy Group, Inc.

Ref: \_\_\_\_\_  
App # L16273  
Applicant Phillips 66 Company  
Payee Phillips 66 Company

Committed Amount: \$875,622.00

**Program 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: \_\_\_\_\_ Date: 03-16-2016  
*Carl P. Teter, P.E., LEED AP, Associate Vice President*  
*App# L16273*

1. Application Number: **L16273**
2. Program Name: **FY15 Large Energy Users Program**
3. Customer Contact:

**Tena Hunter, Hydroprocessing Process Engineer, Bayway Refinery  
Phillips66 Company  
1400 S. Park Avenue  
Linden, NJ 07036  
(908) 523-5008**

4. Project Name and Address:

**Bayway Refinery Isomerization Retray Project and Locker Room Lighting Upgrade  
1400 S. Park Avenue  
Linden, NJ 07036**

5. Incentive Amount: **\$875,622.00**
6. Brief description of measures:

Isomerization Retray Project involves replacement of tower trays in the refinery's C4 Isomerization unit T-502 stabilizer column. Tower trays allow vapor to travel vertically through the column as it is heated by steam. The new tower trays have a moveable design which opens and closes valves as the vapor rate varies during the refinery process. The measure lowers therm energy consumption by automatically closing valves to prevent excess steam usage during periods of lower production in the tower. Reducing excess steam results in less natural gas usage.

Lighting in the ISOM Control House and Locker Room will be replaced with new LED light fixtures. Existing fixtures are fluorescent T8s in 2x2 and 2x4 configurations and will be replaced with new 2x2 and 2x4 LED fixtures that use less energy.

7. Annual Estimated Energy Savings:

**Electric: 15,864 kWh**

**Gas: 350,040 therms**

8. Annual Estimated Cost Savings: **\$176,119.00**
9. Project Cost: **\$1,167,496.00**

10. Operational and Maintenance Savings: n/a

11. Simple Payback period: **6.63 years without incentives. 1.66 years with incentive.**

12. IRR: **14.8% without incentives. 60.3% with incentive.**