



Agenda Date: 5/8/19  
Agenda Item: 8D

**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 )  
AUTHORIZATION OF COMMERCIAL AND )  
INDUSTRIAL PROGRAM ENERGY EFFICIENCY )  
INCENTIVES EXCEEDING \$500,000 – JOURNAL )  
SQUARE II URBAN RENEWAL )

ORDER

DOCKET NO. QO19030375

**Parties of Record:**

**Joe Punia**, Journal Square II Urban Renewal  
**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 & 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 ("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 May 3, 2013.

The Pay for Performance – New Construction ("P4P-NC") Program promotes high performance buildings that achieve 15% or more energy cost savings than buildings built to the current energy code. This program links incentives directly to energy savings and includes a commissioning 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 Journal Square II Urban Renewal in Jersey City, New Jersey, submitted on January 18, 2016 under the Fiscal Year 2016 ("FY16") P4P-NC program pursuant to the Energy Efficiency and Renewable Energy Program Plan Filing for FY16 dated June 25, 2015. The project is located at 605 Pavonia Avenue, Jersey City, New Jersey.

The applicant requests a total financial incentive of \$1,011,044.75 for a project that will cost \$12,613,321.00.

This application covers the installation of a host of energy efficiency measures in a new high rise apartment building that will efficiently utilize natural gas, water, and electricity. The project includes 71 stories and 701 apartments, building amenities, parking, and ground floor retail, with a total area of approximately 711,885 square feet of conditioned space. The building's HVAC system will be served by a central chiller and boiler system. In addition, the boilers will provide hot water service throughout the facility. The measures include:

- Various efficient HVAC systems, including:
  - Water source heat pumps serving apartment spaces;
  - Ductless split systems serving the basement and first floor common areas; and
  - Rooftop units serving corridors;
- Upgraded Remote Terminal Unit ("RTU") controls to allow dual enthalpy economizer operation;
- Variable Frequency Drives ("VFDs") on garage exhaust fans;
- Condensing boilers, upgraded from hot water heaters;
- Low flow fixtures for faucets and showers;
- Demand based booster water pumps;
- Improved wall insulation;
- Windows with improved solar heat gain coefficient ratings;
- LED interior lighting;
- LED parking lot lighting;
- EnergyStar qualified refrigerators and dishwashers; and
- Regenerative elevator motor upgrades.

The estimated first incentive, awarded after the approval of an energy reduction plan, is \$50,000.00. The estimated second incentive, for completed installation of the system, is \$711,885.00. The estimated third incentive, granted after acceptance and confirmation of required performance threshold data, is \$249,159.75. These incentive amounts are within entity cap guidelines. Annually, the project is anticipated to save 878,582 kWh of electricity and reduce peak electricity demand by 326 kW. Additionally, these upgrades will save 4,534 therms of natural gas per year. The proposed project will have an estimated annual energy cost savings of \$149,186.00. The payback period without incentives is 9.0 years; when factoring in the incentives, the payback period is reduced to 2.2 years. Implementation of these measures will also assist in compliance with P.L. 2018, c. 17, § C.48:3-87.10, which requires the owner or operator of commercial buildings over 25,000 square feet to benchmark the building's energy and water use. The required inspection of sites that receive funding through the P4P-NC program following the installation of energy efficient measures will not only help to ensure adherence to agreed-upon performance and energy savings baselines, but will also allow for a more defined pathway for commercial building owners to report their energy usage.

TRC Environmental Corporation, the Program Manager engaged by the Board to manage the NJCEP P4P-NC 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

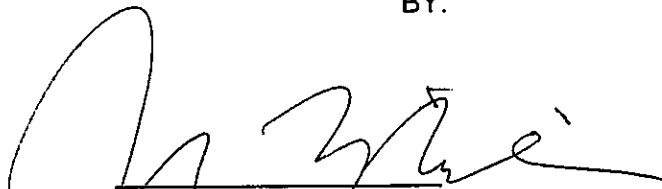
the documentation supporting estimated energy savings inputs was located, reviewed, and made available to calculate the rebate amounts as required by the program's policies and procedures. Based on these certifications and the information provided by the Program Manager and Program Administrator, Board Staff recommends approval of the above-referenced application.


The Board **HEREBY ORDERS** the approval of the aforementioned application for the total estimated incentive amount of \$1,011,044.75 for Journal Square II Urban Renewal 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 May 18, 2019.


DATED: 5/8/19

BOARD OF PUBLIC UTILITIES  
BY:

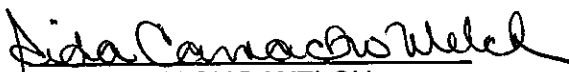
  
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COMMISSIONER

ATTEST:   
AIDA CAMACHO-WELCH  
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 PROGRAM ENERGY EFFICIENCY INCENTIVES EXCEEDING \$500,000 –  
JOURNAL SQUARE II URBAN RENEWAL

DOCKET NO. QO19030375

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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*

03/07/2019

*Date*

1. Application Number: **36263**
2. Program Name: **Pay for Performance – New Construction**
3. Application Received: **01/18/2016**
4. Customer Contact (name, company, address, phone #):  
**Joe Punia**  
**Journal Square II Urban Renewal**  
**520 Route 22**  
**Bridgewater, NJ 08807**  
**908-725-8100**
5. Project Name and Address:  
**605 Pavonia Ave. - Journal Square**  
**605 Pavonia Avenue**  
**Jersey City, NJ 07030**
6. Rebate amount:  
**Incentive #1: \$50,000.00**  
**Incentive #2: \$711,885.00**  
**Incentive #3: \$249,159.75**  
**Total: \$1,011,044.75**
7. Brief description of facility/site: **The project includes the development of a total of (3) high rise towers, this application includes the 2nd building as part of the scope of this P4P application. The project includes 71 stories of primarily rental apartments with some building amenities, parking and ground floor retail. The total square footage is approximately 711,885 sf of conditioned space and includes 701 apartments. The building's HVAC system will be served by a central chiller and boiler system. In addition, the boilers will provide hot water service throughout the facility.**
8. Brief description of measures:
  - 1) **Installation of various HVAC systems**
    1. **Water Source Heat Pumps serving apartment spaces**
    2. **Ductless Split Systems serving basement and first floor common space**

**3. Rooftop units serving corridors**

- 2) Upgrade RTU controls to allow dual enthalpy economizer operation**
- 3) Variable Frequency Drives on garage exhaust fans**
- 4) Upgrade hot water heaters to condensing boilers**
- 5) Low flow fixtures for faucets and showers**
- 6) Demand based booster water pumps**
- 7) Improved wall insulation**
- 8) Improved window Solar Heat Gain Coefficient**
- 9) LED interior lighting**
- 10) LED parking lot lighting**
- 11) EnergyStar refrigerators and dishwashers**
- 12) Regenerative elevator motor upgrade**

**9. Annual Estimated Energy Savings (beyond ASHRAE 90.1-2007):**

- 13) 878,582 kWh**
- 14) -326 kW demand**
- 15) 4,534 therms natural gas**

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

- 16) \$149,186**
- 17) Payback: 9 years without incentive, 2.2 years with**
- 18) IRR: 8.8% without incentive, 44% with**

**11. Estimated Project Cost:**

- 19) Incremental Cost: \$1,348,833**
- 20) Total Project Cost: \$12,613,321**

**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: 03-13-2019

**Maura Watkins**

Quality Control – TRC Solutions

Application No.: 36263

Applicant: Journal Square II Urban Renewal

Payee: Journal Square II Urban Renewal LLC

Committed Amount: \$1,011,044.75