



For Immediate Release:
February 22, 2017

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Christie Administration Continues Support of Energy Conservation Efforts at State Buildings, Schools and Multifamily Housing

NJ's Clean Energy Program incentives totaling \$8.2 Million for four energy efficiency projects to result in total annual energy costs saving of approximately \$825,000

TRENTON, NJ – Today, the N.J. Board of Public Utilities (Board) gave approvals needed for energy conservation projects for the Richard J. Hughes Justice Complex, the Department of Environmental Protection (DEP) Building, the East Hanover School District and two multifamily housing buildings at Summit Plaza, in Jersey City. The total incentives of \$8.2 million, provided through NJ's Clean Energy Program (CEP), for the four energy efficiency projects are expected to result in total annual energy costs saving of approximately \$835,000.

The Board approved a Memorandum of Understanding (MOU) with the N.J. Department of the Treasury, Division of Property Management and Construction (DPMC) to utilize NJ's Clean Energy Program (CEP) funds totaling \$7.5 million to support the State Facilities Initiative in making the energy efficiency upgrades at the Hughes Justice Complex and the DEP Building. The Board also approved Combined Heat and Power (CHP) & Fuel Cell (FC) Program incentives totaling approximately \$735,000 for CHP projects at the Summit Plaza and the East Hanover Middle School.

“Through the implementation of the Christie Administration’s State Energy Master Plan, the Board continues to encourage and offer significant financial incentives to residents, businesses, local governments and school districts to improve the energy efficiency of their buildings,” said Richard S. Mroz, President, N.J. Board of Public Utilities. “We have put into practice that same effort to conserve energy in State buildings to help control the State’s energy costs. In addition to lowering energy bills, the reduced demand for electricity also contributes to lower energy costs for all ratepayers and helps to improve our environment.”

As part of the MOU with DPMC, the Board agrees to commit \$7.5 million of FY17 CEP Budget funds to cover costs of the Hughes Justice Complex and DEP energy efficiency projects. The Hughes Justice Complex project is estimated to cost \$5.7 million, while the DEP project is estimated to cost \$1.8 million.

Currently, the Hughes Justice Complex total annual utility expenses are approximately \$4,163,000. The estimated total annual savings resulting from the energy efficiency is approximately \$496,000; providing a payback period of 11.6 years. The project includes the replacement of a 30-year-old pneumatic HVAC controls system with a state of the art Direct Digital Control system and other heating/cooling and lighting improvements.

DEP Building total annual utility expenses are approximately \$992,775. The estimated total annual savings resulting from the energy efficiency project is approximately \$148,900; providing a payback period of 12 years. The DEP project consists of replacement of building control components and replacement of HVAC air handling units.

“The equipment upgrades to these buildings will result in energy, operations and maintenance cost savings for the State,” said Chris Chianese, Director of DPMC. “DPMC plans to install new Building Management Systems (BMS) and controls which will increase the buildings’ energy efficiency and optimize building conditions by utilizing new energy efficient technologies.”

The Board also approved Summit Plaza’s application requesting \$600,000 in CHP incentives for the installation of three 100 kilowatt (kW) natural gas fueled engines to serve two multifamily buildings, with a total of 400,000 square feet, located at 730 Newark Avenue, Jersey City. The CHP system has a capacity of 300 kilowatts and an efficiency of 82.5 percent. The CHP unit is anticipated to generate 1,855,768 kilowatt-hours (kWh) of electricity and is estimated to recover 12,991 MMBtus in waste heat, annually. Waste heat will be utilized for space heating and domestic hot water. The project will have a total cost of approximately \$2,014,000 and is anticipated to save on average \$180,046 in annual energy costs.

The Board also gave needed approvals to provide the East Hanover School District a CHP/FC Program incentive of \$135,537 for a proposed 75 kilowatt (kW) natural gas CHP system with a total estimated capital cost of \$401,599. The school’s CHP system would consist of one internal combustion engine producing 75 kW and a heat recovery unit capturing the excess heat to be used by two new condensing boilers to provide heat to the school. The CHP system is part of the school district’s Energy Savings Improvement Plan (ESIP) and will be installed at the East Hanover Middle School, at 477 Ridgedale Ave., East Hanover, N.J.

The school is identified as a “primary congregate care shelter” in the township’s emergency operations plan, thus meets FEMA’s definition of a “critical facility.” The CHP system includes islanding and black start capabilities, which greatly increase the effectiveness of a school building to be utilized as a critical shelter in an emergency.

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