

## GREEN BUILDINGS

### By Ken Sheehan, Genova Burns Giantomasi Webster Retrofitting clean and green technology with the State's help

There may not be any such thing as a free lunch, but there is no shame in trying to get your "fair share." The New Jersey Board of Public Utilities ("BPU") may be taking with one hand, but they have developed a number of programs that give back with the other, and owners and developers of commercial, industrial, and multi-



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family dwellings should make sure to take full advantage of a number of programs for new and retrofit buildings.

Under State law, N.J.S.A. 48:3-60, all gas and electric public utilities in the State collect an SBC or "societal benefits charge." This SBC is designed to allow for the recovery of the costs associated with a number of State programs, including social programs, nuclear decommissioning, energy efficiency and renewable energy, remediation and financial assistance to low-income customers. The SBC

is collected on the retail sale of electricity and natural gas from any of the State's public utility companies, and, according to the 2011 New Jersey Energy Master Plan, consisted of 3.6% of an average bill.

Each and every customer of a public utility in the State has been paying into this fund with every energy bill they pay. Customers are unable to be relieved from the obligation to pay, but they can minimize the impact in one of two ways — pay less or take back more.

Under the recently enacted SBC Credit Program, commercial and industrial ratepayers may take a credit against the SBC for energy efficient products and services they purchase. In essence, rather than paying the State, and then having the State in turn provide an incentive or rebate, the SBC Credit Program cuts out the middleman. Under this program, commercial and industrial customers receive a credit of 50% of the total project costs, capped at 50% of the total SBC yearly payments. While the products and services must be eligible for incentives under the existing Clean Energy Program, this process allows the customer to immediately reduce their energy costs through both the credit and through the installation of energy efficient products and services.

In addition, traditional rebate and incentive programs continue to operate in the State. Under the Smart Start Buildings program, rebates are available for both new and retrofit projects, and cover major equipment such as chillers, water heaters, lighting control, and refrigeration. These rebates range from \$10 for lamps to \$1,000 per freezer units, up to \$450 per ton for gas absorption chillers. The equipment must be pre-approved, and the State is currently offering increased incentives for Hurricane Sandy repairs.

Under the Pay For Performance program, large energy users who can develop and implement a plan to reduce energy savings at least 15% in a renovation or come in 15% under the standard code for new construction are eligible for a tiered incentive structure that is directly related to the value of energy saved. Likewise, the Direct Install program is de-

continued on next page

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### LF Driscoll manages Abington Memorial Hosp. project PWI Engineering designs new Cogeneration facility

**J**ENKINTOWN, PA — In 2008 Abington Memorial Hospital (AMH) began to pursue an aggressive energy master plan that would assist in lowering energy costs and reducing its environmental footprint. At that time energy prices were skyrocketing, oil and natural gas were at all time highs and electric prices were very unpredictable with deregulation approaching.

AMH contracted **PWI Engineering Inc.** to do a full scale energy audit to identify areas for improvement. After months of research and surveying, a number of projects were approved. At the center of it all was a new Cogeneration facility that PWI would design to generate up to 66% of electric demand. It would also generate steam to supplement the existing on-site boiler plant.

**LF Driscoll** was selected to manage the project that would be located in the middle of the hospital complex.

AMH's Cogeneration facility uses a natural gas fired combustion turbine to generate electricity for less than it can be purchased from the grid. The process is also more efficient than commercial power generation because AMH is able to recover the steam and heat for on-site processes. The project budget was \$9.7 million; the estimated net savings were \$2 million per year.

AMH was awarded \$3 million through the PA Green Energy Works! Grant that was funded through the American Recovery and Reinvestment Act of 2009. PA received nearly \$100 million from the U.S. Department of Energy to stimulate the economy and create jobs. ■

**By Ken Sheehan . . .**

**continued from page 20B** signed for smaller customers but uses pre-qualified contractors who perform a "turnkey" program, with incentives of 70% of the retrofit costs, capped at \$125,000.

Additional details are available at the BPU's website: [www.njcleanenergy.com/](http://www.njcleanenergy.com/) - but the important concept to remember is that since you've already paid for it, why not get the benefits?

**Ken Sheehan is director of the Energy & Utility Law Group at Genova Burns. ■**



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