



DSM Nutritional Products, LLC
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Filed Electronically via board.secretary@bpu.nj.gov

Aida Camacho-Welch,
Secretary of the Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350

Re: Grid Modernization Public Comments Docket No. QO2010085

Dear Secretary Camacho-Welch:

Please accept the following comments of DSM Nutritional Products (“DSM”) in response to the Grid Modernization Public comment opportunity, Docket No. QO2010085

Summary:

DSM requests that the Grid Modernization initiative continues to support localized CHP generation and renewable investments and that these solutions complement each other to help achieve the fastest and most sustainable-driven results. Therefore, DSM believes that the Grid Modernization initiative should embrace for the allowance of multiple solutions to work together, even at the same location and behind the same meter. These renewable and efficiency activities should be given the highest consideration to maximize the benefits of each, including full net-metering of renewable outputs. And further, that the treatment of non-renewable generated power be separate from an entity’s generation portfolio such that its existence does not penalize the potential and intended benefits of renewable power generating assets. That the overall consumption of an end-user should include non-renewable sources as part of its baseline demand calculation with the intended result that CHP does not impede upon the full benefits of a renewable energy commitment at the same location.

Introduction:

Royal DSM is a global, purpose-led, science-based company active in Nutrition, Health and Sustainable Living. DSM’s purpose is to create brighter lives for all. DSM addresses with its products and solutions some of the world’s biggest challenges while simultaneously creating economic, environmental and societal value for all its stakeholders – customers, employees, shareholders, and society at large. DSM delivers innovative solutions for human nutrition, animal nutrition, personal care and aroma, medical devices, and green products. DSM and its associated



companies deliver annual net sales of about €10 billion with approximately 23,000 employees. The company was founded in 1902 and is listed on Euronext Amsterdam.

DSM has made tremendous progress on its ambitious sustainability goals. The company has reduced greenhouse gas emissions by 25% since 2016, well on track to achieve the global target of 50% reduction by the year 2030. Likewise, DSM now purchases 60% of the company's global electricity demand from renewable sources, well ahead of the pace to achieve 75% renewable electricity by 2030. DSM aspires to achieve net-zero greenhouse gas emissions by the year 2050.

One of DSM's largest manufacturing sites is located in Belvidere, Warren County, New Jersey with 500 acres of property and approximately 250 employees that manufacture several vitamin forms and arachidonic acid, a vital supplement in infant formula. The site also hosts an ~11 MW-AC combined heat and power (CHP) cogeneration unit and 2 solar fields that supply a combined capacity of 14.8 MW-AC during peak sunlight. The solar fields are spread over 65 acres of DSM property and supply approximately 22,000 MW-hours of electricity annually. The combined capacity of these assets has reduced demand of grid electricity, thereby increasing supply reliability to surrounding communities and decreasing stresses and ultimately prices in the region for the benefit of all.

Successes:

DSM has long been active in New Jersey's efforts to increase power efficiency and increase renewable sources for power. In 2012, with the help of a grant from the New Jersey Economic Development Authority (EDA), DSM invested and installed an 8.4 MW CHP cogeneration plant with a 2.75 MW heat recovery system (for a total system capacity of 11.15 MW). The grant assistance was made possible in part by the State's 2008 Energy Master Plan, that envisioned and encouraged the demand side investment into efficient generation amongst other energy efficiency investments.

In fact, the 2008 EMP states in its Fourth Goal, to create "21st Century Energy Infrastructure" where it is stated more specifically the goal to "Foster development of 1500 MW of new cogeneration capacity in New Jersey by 2020." And that "Through a series of actions including rebates and sales and use tax exemptions, the State will attempt to stimulate growth in cogeneration plants, which will provide an alternative energy source for commercial and industrial customers."¹ It is with great pride that DSM's Belvidere location produces its entire steam heating demand by the cogeneration facility with the by-product electricity satisfying over half of the Belvidere site's electricity demand annually.

According to the United States Environmental Protection Agency, local combined heat and power units require less fuel to produce a given energy output and avoids transmission and distribution losses to transport the power to its point of consumption. The EPA states that the average efficiency of fossil-fueled power plants in the United States is 33 percent, meaning that two-thirds of the energy used to produce electricity is lost in the form of heat discharges. By

¹ New Jersey Energy Master Plan, October 2008 Found at www.state.nj.us/emp/docs/pdf/081022_emp.pdf
Microsoft Word - Final Energy Master Plan.doc (state.nj.us) pp. 12-13.



comparison, combined heat and power units can achieve efficiencies of 60 to 80 percent by producing heat and electricity.²

DSM continued to follow the lead of New Jersey’s energy efficiency and renewable aspirations by installing a 4.5 MW-AC solar field in 2014 and a second 10.3 MW-AC solar field in 2018. These endeavors are consistent with the New Jersey Energy Master Plan of 2008 where Goal 3 states to “Strive to exceed the current Renewable Portfolio Standard (RPS) and meet 30% of the State’s electricity needs from renewable sources by 2020”.¹ New Jersey’s Solar Renewable Energy Credit program helped make these commitments possible for DSM and resulted in the reduction of greenhouse gas emissions, increased renewable power and increased resiliency and reliability of the local grid to the communities served in the region.

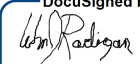
Conclusion:

DSM applauds the efficiency and renewable goals of the State of New Jersey and is grateful for the programs put in place for the realization of the efforts and commitments DSM has made to help accomplish these goals for the corporation, the community and planet that we all inhabit.

The continuous journey of sustainability in New Jersey is further demonstrated by establishing the Grid Modernization initiative. At DSM, we envision as a partner to the sustainability goals of New Jersey and we encourage the Grid Modernization initiative to continue supporting localized CHP generation and renewable investments. The Grid Modernization initiative should embrace the allowance for multiple solutions behind the same meter to work together with the highest consideration to maximize the benefits of each, including full net-metering of renewable outputs.

DSM appreciates the opportunity to provide comments in the New Jersey Grid Modernization process. We look forward to the continuance of contributing towards New Jersey’s sustainability goals and remain available to provide any additional information to the process.

Very truly yours,

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² EPA – United States Environmental Agency, “Combined Heat and Power (CHP) Partnership”, “CHP Benefits, Efficiency Benefits”, Last Updated July 5, 2021. Found at: <https://www.epa.gov/chp/chp-benefits> CHP Benefits | US EPA