

PAY FOR PERFORMANCE COVID Guidance – December 22, 2020

Overview

As you know, due to the COVID crisis, many commercial, industrial, and government buildings have been operating at reduced capacity, or in some cases are completely shut down, which is resulting in reduced energy use. Multifamily properties on the other hand are experiencing a spike in energy use as most of the population finds themselves spending more time at home. This has been occurring since approximately March 16th upon passing of NJ Executive Order 104 and is likely to continue, in some capacity, for an undetermined amount of time.

This situation is making it difficult for C&I Programs to collect meaningful utility usage data. The proposed modifications to program guidelines/operations set out below are meant to address our immediate challenges and to provide flexibility to customers that are making good faith efforts to meet existing program guidelines.

Once more is known about the length and impact COVID is having on facility operations the below recommendations may be adjusted. Note, the guidance below only applies to facilities whose operations have been impacted by COVID.

Pre-Retrofit/Baseline Utility Bills (Existing Buildings only)

Utility bills submitted as part of the Initial Application, and subsequently the Energy Reduction Plan, should span the period prior to the COVID shutdowns. In other words, the twelve months of utility data should be selected so that the final meter reading is no later than March 16, 2020. For example, a project may use a baseline period of January-December 2019, March 2019-February 2020, etc. Use of older bills assumes that the project facility has not undergone any significant changes, whether in equipment, structure, or operation, during the older time period. This guidance also assumes that the operation of the facility has not been changed *permanently*, and that pre-COVID operations have, or will, resume.

Post-Retrofit/Performance Utility Bills

Existing Buildings: Below are several options that will be considered depending on which is the most appropriate given each project's circumstances.

- Shift Performance Period Back: Typically, the twelve-month performance period begins after approval of the Installation/As-Built ERP. The performance period may begin earlier so long as the program can verify that this period begins after equipment installation/start-up, for example through a completed post-inspection (date completed) or dated invoices. The goal of this "shift" is to have the twelve-month performance period end prior to the COVID shutdowns.
- Shift Performance Period Forward: An applicant will be able to request the maximum extensions allowed by the program, as well as appeal for additional time if needed, in order to establish a twelve-month utility performance period outside of the COVID period.
- Calculate Missing Data Using Regression: If either of the above options do not work for the project or would result in a significant delay of incentive payment, the applicant will be able to submit partial year data and use regression analysis to estimate usage during the COVID period. For this option to be feasible, uncompromised data must be available for summer, winter, and either fall or spring months. TRC will then leverage ETracker to project usage during the missing

COVID months. For example, if a project has “good” performance data spanning July 2019-February 2020, this data adequately spans summer, fall, and winter. TRC will be able to use this data to estimate usage during March-June 2020. If the needed data is not available, the project will be recommended to file an extension as described above. *(Note: Partner should still submit all 12 months of utility data to the program, including usage during the COVID period).*

Additionally, flexibility may be allowed for estimated meter readings during the COVID period. It is preferred that the performance period at least begins and ends with an actual meter reading. If this is not possible due to extenuating circumstances, then estimated readings may be accepted so long as the usage pattern makes sense.

New Construction: Facilities eligible to receive a 1-100 ENERGY STAR score from Portfolio Manager shall follow COVID guidance issued by ENERGY STAR: <https://energystar-mesa.force.com/PortfolioManager/s/article/Has-COVID-19-affected-ENERGY-STAR-certification-1600088524169>

All other facilities will use guidance outlined for Existing Buildings above.