New Jersey's Clean Energy Program
Fiscal Year 2015 Program Descriptions and Budget

Commercial & Industrial
Energy Efficiency Programs
Managed by TRC as C&I Market Manager

FY 2015 Program & Budget Filing

September 17, 2014

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Introduction

This fiscal year 2015 Filing provides program descriptions and budgets for programs managed by TRC, the Commercial and Industrial (C&I) Energy Efficiency Market Manager who took over management of the C&I Programs from the seven electric and natural gas utilities effective April 1, 2007.

Please note, New Jersey's Clean Energy Program has moved from a calendar year to a fiscal year basis. The fiscal year start date is July 1 and end date is June 30. The budget, goals and the marketing plan reflect the twelve month period July 1, 2014 through June 30, 2015.

Changes to programs and incentive levels are effective upon approval by the Board of Public Utilities and subsequent notice to the industry.

Appendix A - 12-Month Marketing Activity Plan
Appendix B - 12-Month C&I Market Manager Budgets
Appendix C - 12-Month Goals

Fiscal Year 2015 C&I Programs

General Overview

New Jersey's Commercial & Industrial (C&I) Energy Efficiency Program includes nine individual programs targeting the commercial and industrial market segments: 1) New Construction, 2) Retrofit, 3) Pay for Performance New Construction, 4) Pay for Performance, 5) Local Government Energy Audit, 6) Direct Install, 7) Combined Heat and Power (CHP) and Fuel Cells, 8) Large Energy Users Program, 9) SBC Credit Program.

Unless specifically stated in the following program descriptions, customers eligible for incentives under New Jersey's Commercial & Industrial Energy Efficiency Program are defined as non-residential electric and/or gas customers of one of New Jersey's regulated electric or gas utilities who contribute to the Societal Benefits Charge fund. *

**Please note, for a limited time, funding may be made available from the Department of Energy under Grant Award Number DE-EE0000353 (EE Programs for Non Investor Owned Utility Customers) for a State Energy Program which would allow participation in Direct Install, Pay for Performance, and the Local Government Energy Audit Program by oil and propane customers and those who are served by municipal and rural electric cooperatives (non-investor owned electric utilities). Funds will be available on a first come, first-served basis. Existing program guidelines and rules related to Direct Install, Pay for Performance and the Local Government Energy Audit Program will apply.*

Construction projects are subject to prevailing wage requirements pursuant to P.L. 2009, c. 203, which amends P.L. 2009, c. 89, as well as the prevailing wage regulations promulgated by the New Jersey Department of Labor and Workforce Development pursuant to P.L. 1963 c. 150 as amended, and N.J.A.C. 17:27-1.1 et seq. and Affirmative Action rules. The prevailing wage rate shall be paid to workers employed in the performance of any construction undertaken in connection with Board of Public Utilities financial assistance programs. This law applies to contracts greater than $15,444. By submitting an application to the program and receiving program incentives, customers self-certify that they are complying with prevailing wage requirements.

The C&I New Construction and C&I Retrofit components (a.k.a. SmartStart) offer prescriptive and custom efficiency measure incentives plus technical support. For budget purposes, these are shown as two different programs, but they offer similar services as described under Program Offerings and Customer Incentives below.

The Pay for Performance components, for both existing building and new construction, uses a "whole building approach" to energy efficient construction and offers incentives based on the level of savings achieved.

The Programs are designed to:

- Capture lost opportunities for energy efficiency savings that occur during customer-initiated construction events (i.e., when customers normally construct buildings or purchase building systems equipment).
- Achieve market transformation by helping customers and designers make energy efficient equipment specification, building/system design**,** lighting design**,** and commissioning part of standard business practices.
- Stimulate commercial and industrial customer investments in energy efficiency measures.
- Facilitate effective implementation of New Jersey's new commercial energy code as well as future upgrades to that code.

The Programs have been designed to address key market barriers to energy efficient building construction and design on the part of developers, designers, engineers, and contractors including:

- Unfamiliarity or uncertainty with energy efficient building technologies and designs;
- Bias toward lower first cost versus operating costs;
- Compressed time schedules for design and construction;
- Aversion to perceived risk-taking involved with specifying technologies less familiar to the local design community, despite the proven reliability of efficient technologies and designs; and,
- Incentive structures and priorities for engineers, designers and contractors, which often do not align with energy efficiency considerations.

The Programs employ a comprehensive set of offerings and strategies to address these market barriers noted above, and to subsequently achieve market transformation in equipment specification, building/system design and lighting design. These include:

- Program emphasis on customer-initiated construction and equipment replacement events that are a normal part of their business practice.
- Coordinated and consistent marketing to commercial and industrial customers, especially large and centralized players, such as national/regional accounts, major developers, etc.
- Consistent efficiency and incentive levels for efficient electric and gas equipment and design practices to permanently raise efficiency levels.
- Prescriptive incentives for pre-identified energy-efficient equipment and custom measure incentives for more complex and aggressive measures to permanently raise the efficiency levels of standard equipment.

The C&I Programs have established maximum annual per-entity incentive caps which are in addition to individual program incentive caps. The caps are as follows:

Existing Program Incentive Caps:

New Construction and Retrofit Programs - $500,000 per electric account and $500,000 per natural gas account, per fiscal year. A customer is defined as a utility account.

Pay for Performance Program (P4P) - $1 million per electric account and $1 million per natural gas account per fiscal year, not to exceed $2 million per project.

A Pay for Performance project is defined as a single building owned by an entity, which has met Pay for Performance eligibility requirements and is, or will be, participating in the Pay for Performance. If a project possesses more than one electric account and more than one gas account, the multiple electric accounts will be treated as a single electric account and the multiple gas accounts will be treated as a single gas account, and the project will be held to the above mentioned cap.

Combined Heat and Power and Fuel Cell Program (CHP / FC) – The combination of utility incentives plus NJCEP incentives may equal up to $2 million for systems ≤1MW and $3 million for systems >1MW. However, "% of project cost" caps listed in the table under the Combined Heat & Power Program section of this filing will still apply. Up to an additional $250,000 is available for entities that successfully participate in Pay for Performance, in addition to installing an eligible CHP/FC system at the project site.

Large Energy Users Program - $4 million per eligible entity per fiscal year.

Direct Install – Project incentive cap of up to $125,000. Direct Install participants will also be held to a fiscal year entity cap of $250,000 per entity. The signed Scope of Work Agreement will be the milestone used to determine proximity to the entity cap.

Local Government Energy Audit Program (LGEA) – LGEA participants will be held to a fiscal year entity cap of $100,000 per entity.

Program-Wide Entity Caps:

If an entity brings more than one project through the New Jersey Clean Energy Program in one fiscal year in addition to the project caps defined above, they will be held to a fiscal year entity cap. Application approval (Retrofit and New Construction), Energy Reduction Plan approval (Pay for Performance) and fully executed Scopes of Work (Direct Install) are the milestones used to determine the incentive. Therefore, those same milestones will be used in determining proximity to the fiscal year entity cap.

Annual Entity Cap:

An entity cap of $4 million per entity, per fiscal year, or $5 million per entity, per fiscal year if any of the project(s) includes installation of a CHP/Fuel Cell project. The entity cap will be based on a fiscal year.

Entity Cap "fiscal year":

The C&I Program will use a fiscal 12-month period for tracking entity cap limits. Once the entity cap limit for applications has been reached, based on approved applications or Energy Reduction Plans, the earliest an entity may apply for subsequent incentive funding is July 1st of the following year.

Incentives received under all C&I Programs, except the Local Government Energy Audit, count toward the fiscal year incentive cap.

Applicants to any of the NJCEP C&I Program must be contributors to the Societal Benefits Charge fund.

In addition to the existing Commercial & Industrial Energy Efficiency Programs, the Board has approved a number of other initiatives including programs run by New Jersey's investor-owned utilities, and, , when funds are approved, management of SEP funding for Non Investor Owned Utility entities which will supplement existing Clean Energy Programs. TRC will process applications and provide general support for these initiatives that impact the Commercial & Industrial Energy Efficiency Programs and the fees associated with processing these applications will be paid with NJCEP funds.

New Construction and Retrofit Programs

Program Description

The C&I New Construction and C&I Retrofit Programs (a.k.a. SmartStart) offer prescriptive efficiency measure incentives that provide fixed incentives for energy efficiency measures. The Programs also offer custom measures incentives.

Target Markets and Eligibility

The C&I New Construction and C&I Retrofit Programs target commercial, educational, governmental/institutional, industrial, and agricultural customers engaged in customer-initiated construction events including public schools construction, other new building construction, renovations, remodeling, equipment replacement, and manufacturing process improvements. The Program offers incentives and technical support for both existing buildings and new construction. In addition, the Program may be used to address economic development opportunities and transmission and distribution system constraints.

Applicants to the Program must be contributors to the Societal Benefits Charge (SBC) fund.

Program Offerings and Customer Incentives for the C&I New Construction and C&I Retrofit Programs

The Programs will include the following program offerings for the various market segments:

- Prescriptive Efficiency Measure Incentives that provide fixed incentives for energy efficiency measures. Incentives are based on incremental costs (i.e., the additional cost above baseline equipment), in consideration of market barriers, changes in baselines over time and market transformation objectives. Eligible measures include:
    - Electric Chillers
    - Natural Gas Chillers
    - Unitary HVAC (Heating, Ventilating, Air Conditioning) Systems
    - Ground Source Heat Pumps (Geothermal)
    - Gas Fired Boilers
    - Gas Furnaces
    - Variable Frequency Drives
    - Gas Fired Water Heating
    - Gas Fired Water Booster Heating
    - Tankless Water Heaters
    - Premium Efficiency Motors
    - Prescriptive Lighting & Lighting Controls

- Performance Based Lighting
- Kitchen Hood Variable Frequency Drives
- Low Intensity Infrared Heaters
- Boiler/AC Economizing Controls
- Refrigeration Controls
- Refrigerated Doors/Covers
- Food Service Equipment
- Custom Measures

- Custom Measure Incentives for more complex and aggressive efficiency measures. The process for calculating custom measure incentives entails a performance-based approach for custom equipment with a set value of incentives for electric and gas energy savings projects which may include a commissioning component. Incentives are evaluated and determined via an incremental cost and energy savings analysis to be provided by the customer or customer's authorized representative (vendor/contractor). Determination of the appropriate baseline (existing conditions and/or industry standard) will be reviewed on a case-by-case basis subject to program review and approval. The Market Manager has the discretion to determine the reasonableness of project costs for proposed technologies based on industry standards and other market research. Eligible electric and gas measures include lighting systems, HVAC systems, motor systems, large boiler systems, gas-engine driven chillers and other non-prescriptive measures proposed by the customer. Technologies not explicitly listed as custom (per the filing and/or Program Guide) will be reviewed for eligibility and are subject to approval at the discretion of the Market Manager. More details regarding this process can be found later in this document in the section entitled "C&I Construction Program Incentives".

Customers should submit an application for the type of equipment they have chosen to install. The application should be accompanied by a related worksheet, where applicable, a manufacturer's specification sheet for the selected equipment and one month of the most recent electric/natural gas utility bill for a prescriptive application or twelve months for a custom application. To qualify for incentives, customers must be contributors to the SBC fund for the type of incentive being applied – electric or natural gas. For example: customers applying for prescriptive lighting incentives must provide an IOU electric bill identifying SBC fund contribution. Similarly, an IOU gas bill identifying SBC fund contribution is required for natural gas saving measures such as gas heating) Program representatives will then review the application package and approve it, reject it, and/or advise of additional upgrades to equipment that will save energy costs.

C&I New Construction

This Program component offers incentives and technical support for new construction projects.

C&I Retrofit

The Retrofit component is offered to all eligible C&I customers and provides incentives for replacing standard equipment with high efficiency alternatives. The Program also offers custom measure incentives.

Regional and National Initiatives

- *New Jersey SmartStart Buildings* has, and will continue to support efforts to upgrade efficiency standards and state building codes. Activities include technical support, dissemination of information, sponsorship of conferences/workshops on codes and standards, tracking of activities and monitoring developments, and review and modification of program designs to integrate changes to the standards and codes.

C&I New Construction and C&I Retrofit Program Incentives

The table below lists existing FY 2014 statewide incentives for the C&I New Construction, and C&I Retrofit program components and, where noted, proposed changes that will take place upon approval of this filing for FY 2015. The incentives vary by size, technology and efficiency level and will be paid based on specific eligibility requirements. The program offers both prescriptive incentives and custom measure incentives.

Incentives are available for up to $500,000 per electric account and $500,000 per natural gas account per fiscal year. A customer is defined as a utility account.

Custom Measure Incentives:

The Program provides a set level incentive for electric and gas savings. This process is more of a performance-based approach for custom equipment. Established incentive caps for the program are the lesser of a set value of $0.16/kWh and $1.60/therm based on estimated annual savings, 50% of total installed project cost or a buy down to a one-year payback. Eligible projects must have a minimum first year energy savings of 75,000 kWh for custom electric projects or 1,500 therms for custom gas projects. This requirement may be waived by the Market Manager on a case-by-case basis if project savings are within 10% of these minimum requirements. Projects with both electric and gas savings

may be considered for incentives if either of the minimum savings requirements are met.

Multiple applications for separate, individual facilities may not be grouped to meet minimum savings requirements. The program will allow a single facility with multiple utility accounts to submit a proposed custom project under one application. . A customized set of Microsoft Excel-based forms is required for all projects. These forms summarize the critical components of the custom measure including a detailed description of the technology, installed cost, and projected savings. Upon project completion, additional documentation is required to confirm that the measures were installed as proposed and that any changes during construction are reflected in the final savings values. As is clearly described in the Program forms, certain measures may require post-installation metering, trending analysis, and/or the installing contractor's Statement of Substantial Completion. The evaluation of custom measure applications includes cost effectiveness calculations to assess Internal Rate of Return (IRR) and project payback with and without incentive. Projects must have an IRR of 10% or greater. Baseline for custom retrofit projects are existing conditions, however the custom measure must exceed ASHRAE 90.1-2007 standards by at least 2% where specific guidelines exist. In cases where ASHRAE guidelines do not apply, the Program will require that custom measures exceed industry standards per the Consortium for Energy Efficiency (CEE), EPA Energy Star, or using such resources as: current New Jersey baseline studies and other market research; the program experience of the Commercial/Industrial Market Manager; experience of the New Jersey utilities or utility/public program experience from other comparable jurisdictions. New construction/gut-rehab projects will use ASHRAE 90.1-2007 as the baseline for estimating energy savings. TRC will provide contractors with Program spreadsheets that include standard formats for reporting Program savings as well as standard incentive and IRR calculations.

The Program can limit the number of custom applications accepted for the same technology in order to evaluate if a prescriptive incentive can be developed. For most technologies, three (3) applications will be the limit. During the prescriptive evaluation period no new custom applications for the same technology will be accepted. Customers applying to the program will be formally notified that any applications received over the limit will not be accepted by the Program. The customer will not be able to resubmit an application until the technology has been evaluated and/or a prescriptive incentive has been developed.

Inspection protocols for custom measure projects in FY 2015 will require 100% pre & post inspections for projects with an estimated incentive equal to and above $25,000. Inspections for projects with incentives below $25,000 will be sampled at random.

On 9/7/10, the State of NJ adopted the ASHRAE 90.1-2007 for all commercial and industrial buildings, in regards to energy conservation. For FY 2015, New Jersey's Clean Energy Program will continue to utilize this code, ASHRAE 90.1-2007, as reflected in the tables below.

C&I Sandy Relief Plan

New Jersey's Clean Energy Program has developed a Sandy Relief Plan to assist eligible C&I customers affected by the storm. The Plan, identified below, will be targeted to C&I customers' whose facilities are within storm damaged areas, which will be designated by the NJ BPU. Customers within designated areas and/or customers not in the designated areas who can demonstrate they have incurred storm related damages to their respective facilities would qualify for program incentives. Incentives will be available for equipment purchased on or after October 29, 2012. Applications must be received by the Market Manager prior to June 30, 2015. All applicants must self-certify that their facility was damaged by the storm.

The Sandy Relief Plan offers enhanced C&I Retrofit Program Incentives for eligible customers, as follows:

- All prescriptive incentives except for prescriptive lighting, lighting controls and food service measures will be increased by 50% for eligible customers. Performance lighting will be eligible for the 50% increased incentives however custom measures will not be eligible for the 50% incentive increase.
- Customers eligible for program enhancements will be permitted to participate in the performance lighting portion of the program for their existing building.
- Some programs require an inventory of existing equipment to determine the eligible incentive. For customers impacted by Sandy with existing equipment that may be heavily damaged, not on site, or removed from use, customers will be eligible for incentives if they are able to provide satisfactory proof (maintenance records, recent pictures, energy audit, etc.) of existing conditions (i.e. fixtures, motors, types, counts, etc.).
- Waive pre-inspection and pre-approval requirements for eligible customers

To serve eligible customers affected by Hurricane Sandy, all FY 2015 prescriptive incentives identified in the tables below (except for food service, prescriptive lighting and lighting controls incentives) will be increased by 50%.

Technology Classification	Current FY 2014 Incentive	Proposed FY 2015 Incentive
Custom Measure Incentives:		
Measures not covered by the prescriptive incentive tables	Performance incentives of $0.16/kWh and $1.60/therm of first year savings, 50% of total installed project cost, or buy down to 1-year payback. Based on estimated savings - minimum of 75,000 kWh or 1,500 Therms saved annually required. Projects must have an IRR of 10% or greater Minimum savings requirements may be waived by the Market Manager on a case-by-case basis if project savings are within 10% of these minimum requirements. Projects with both electric and gas savings may be considered for incentives if either of the minimum savings requirements are met. Multiple smaller applications may not be grouped to meet minimum savings requirements.	No Change
Qualifying Prescriptive Equipment Incentives: (no incentive shall exceed total installed cost of the measure(s) excluding NJ sales tax)		

Electric Chillers:

Note A *- See application for changes in efficiency requirements to comply with ASHRAE 90.1-2007 Also, electric chiller full and part-load efficiencies are determined in accordance with A.H.R.I. Standard 550/590-2003. Refer to electric chiller incentives in table below.*

Electric Chillers Efficiency Levels and Incentives*

Water-Cooled Chillers		
All Compressor Types	Incentives (<70 tons)	Incentives (70 to <150 tons)
kW/Ton	Full Load $/Ton	Full Load $/Ton
0.75	$16	$25
0.74	$18	$26
0.73	$20	$27
0.72	$22	$28
0.71	$24	$30
0.70	$26	$32
0.69	$28	$34
0.68	$30	$36
0.67	$32	$38
0.66	$34	$40
0.65	$36	$42
0.64	$38	$44
0.63	$40	$46
0.62	$42	$48
0.61	$44	$50
0.60	$46	$52
0.59	$48	$54
0.58	$50	$56
0.57	$52	$58
0.56	$54	$60

Water-Cooled Chillers				
All Compressor Types	Incentives (150 to <300 tons)		Incentives (≥300 tons)	
kW/Ton	Full Load $/Ton	(PLV) $/Ton	Full Load $/Ton	(PLV) $/Ton
0.56	$16			
0.55	$21			
0.54	$26			
0.53	$31			
0.52	$36			
0.51	$41			
0.50	$46	$16		
0.49	$51	$22		
0.48	$56	$29		
0.47	$61	$35	$12	
0.46	$66	$41	$14	$12
0.45	$71	$47	$16	$14
0.44	$76	$54	$18	$16
0.43	$81	$60	$20	$18
0.42	$86	$66	$25	$20
0.41	$91	$72	$30	$25
0.40	$96	$79	$40	$30
0.39	$101	$85	$50	$42
0.38	$106	$91	$60	$53
0.37	$111	$97	$70	$65
0.36	$116	$104	$80	$77
0.35	$121	$110	$90	$89
0.34	$126	$116	$100	$100
0.33	$131	$122	$110	$112
0.32	$136	$129	$120	$124
0.31	$141		$130	
0.30			$140	
0.29			$150	
0.28			$160	
0.27			$170	
0.26				

Air-Cooled Chillers		
All Compressor Types	Incentives (<150 tons)	Incentives (≥150 tons)
kW/Ton	Full Load $/Ton	Full Load $/Ton
1.20	$14	$8
1.19	$16	$10
1.18	$18	$12
1.17	$20	$14
1.16	$22	$16
1.15	$24	$18
1.14	$26	$20
1.13	$28	$22
1.12	$30	$24
1.11	$32	$26
1.10	$34	$28
1.09	$36	$30
1.08	$38	$32
1.07	$40	$34
1.06	$42	$36
1.05	$44	$38
1.04	$46	$40
1.03	$48	$42
1.02	$50	$44
1.01	$52	$46

Water Cooled Chillers	$12 - $170 per ton depending on size and efficiency	No Change
Air Cooled Chillers	$8 - $52 per ton depending on size and efficiency	No Change

Natural Gas Chillers:

For gas chillers, full load efficiencies are determined in accordance with A.H.R.I. 560, however, part load efficiencies are not rated.

Gas Absorption Chillers	≥1.1 full load or part load Coefficient of Performance (COP)	No Change
< 100 tons	Up to $450 per ton	No Change
100 to 400 tons	Up to $230 per ton	No Change
> 400 tons	Up to $185 per ton	No Change
Gas Engine Driven Chillers	Treated under Custom measure path (≥1.1 full or part load COP)	No Change
Desiccant Systems	Up to $1.00 per cfm (gas or electric)	No Change

Technology Classification	Current FY 2014 Incentive	Proposed FY 2015 Incentive
Unitary HVAC Systems:		***Refer to Note A above***
Unitary AC and Split Systems < 5.4 tons ≥ 5.4 to < 11.25 tons ≥ 11.25 to < 20 tons ≥ 20 to 30 tons	 14.0 SEER, Up to $92/ton 11.5 EER, Up to $73/ton 11.5 EER, Up to $79/ton 10.5 EER, Up to $79/ton	No Change
Air to Air Heat Pumps < 5.4 tons ≥ 5.4 to < 11.25 tons ≥ 11.25 to < 20 tons ≥ 20 to 30 tons	 ≥ 14.0 SEER & 7.8 HSPF, Up to $92/ton 11.5 EER, Up to $73/ton 11.5 EER, Up to $79/ton 10.5 EER, Up to $79/ton	No Change
Packaged Terminal AC & HP < 9,000 BTUH ≥ 9,000 to 12,0000 BTUH > 12,000 BTUH	Up to $65 per ton 12.0 EER, Up to $65/ton 11.0 EER, Up to $65/ton 10.0 EER, Up to $65/ton	No Change
Dual Enthalpy Economizers	All Up to $250/unit	No Change
Central DX AC Systems ≥ 9.5 EER	>30 to 63 tons, Up to $40 per ton > 63 tons, Up to $72 per ton Incentives for qualifying Central DX AC systems > 63 tons for existing buildings only. New construction ineligible.	No Change .
Water Source Heat Pumps	14.0 EER, Up to $81/ton for qualifying equipment	No Change
Occupancy Controlled Thermostats for Hospitality / Institutional Facilities	Up to $75/per occupancy controlled thermostat	No Change
A/C Economizing Control	≤5 tons - $85 >5 tons - $170	No Change

Technology Classification	Current FY 2014 Incentive	Proposed FY 2015 Incentive
Closed Loop ≥ 16 EER	≥ 16 EER up to $450 per ton ≥ 18 EER up to $600 per ton ≥ 20 EER up to $750 per ton Closed loop systems only	No Change
Gas Fired Boilers:		
< 300 MBH ≥ 85% AFUE	$2.00 per MBH but not less than $300 per unit	No Change
≥300 MBH - 1500 MBH ≥ 85% AFUE hot water boilers ≥ 84% AFUE steam boilers	Up to $1.75 per MBH	No Change
> 1500 MBH - 4000 MBH ≥ 84% AFUE for hot water boilers ≥ 83% AFUE for steam boilers	Up to $1.00 per MBH	No Change
> 4000 MBH	Treated under Custom Measure Path	No Change
Boiler Economizer Controls	BTU - Incentive ≤800,000 - $1,200 >800,000 - <1.6mil - $1,500 ≥1.6mil - <3mil- $1,800 ≥3mil - <3.5mil - $2,100 ≥3.5mil - <4mil - $2,400 ≥4mil $2,700	No Change
Gas Furnaces		
AFUE to ≥ 95% ≥ 2.0% Fan Efficiency, ENERGY STAR qualified	Incentive up to $400 per furnace	No Change

Technology Classification	Current FY 2014 Incentive	Proposed FY 2015 Incentive
Gas Infrared Heating	Low Intensity Infrared Heater with Reflectors ≤100,000 btu/hr - $500 per unit >100,000 btu/hr - $300 per unit Indoor Only	No Change
Variable Frequency Drives (HVAC):		
Variable Air Volume (add on to existing VAV HVAC systems only)	$65 - $155 per hp	No Change
VFDs for existing Constant Volume HVAC systems	Custom	Up to $80/hp (Max $6,000 per VFD)
Chilled Water Pumps	Up to $60 per hp, > 20HP	No Change
Cooling Tower Fans	$60/HP, Existing cooling tower Fan Motors Only > 10HP	No Change
Air Compressors with VFD's	Incentives will be paid as a Prescriptive Measure based on specific eligibility requirements. Available incentives are to be paid in accordance with the information below: **Installed HP** — **Incentive** 25 to 29 — Up to $5,250 30 to 39 — Up to $6,000 40 to 49 — Up to $7,200 50 to 59 — Up to $8,000 60 to 199 — Up to $9,000 200 to 249 — Up to $10,000 ≥ 250 — Up to $12,500	No Change

Technology Classification	Current FY 2014 Incentive	Proposed FY 2015 Incentive
Boiler VFDs	Draft Air Fans for Boilers ≥5 to <10 HP - $155/HP ≥10 to <20HP - $120/HP ≥20HP - $65/HP Boiler Feed Water Pumps ≥5 to <10 HP - $155/HP ≥10 to <20HP - $120/HP ≥20HP - $60/HP	No Change
Kitchen Hood VFDs – New Hoods Prescriptive incentive based on cumulative motor HP controlled	<5 hp $250/hp 5 to <10 hp $200/hp 10 to <15 hp $150/hp 15 to <20 hp $125/hp 20 to <25 hp $105/hp 25 to <30 hp $90/hp 30 to ≤50 hp $55/hp	No Change
Kitchen Hood VFDs – Existing Hoods/Retrofit Prescriptive incentive based on cumulative motor HP controlled	<5 hp $300/hp 5 to <10 hp $200/hp 10 to <15 hp $160/hp 15 to <20 hp $125/hp 20 to <25 hp $95/hp 25 to <30 hp $80/hp 30 to ≤50 hp $55/hp	No Change
Gas Fired Water Heating:		
≥ 0.82 energy factor, Energy Star, or require 90% Thermal Efficiency with shield combustion	Up to $300 per tankless water heater	No Change
≤ 50 gallons; ≥0.067 Energy Factor	Up to $50 per water heater	No Change
> 50 gallons; < 300 MBH ≥ 85% AFUE	Up to $2.00 per MBH, but not less than $50/unit	No Change
300 MBH - 1500 MBH ≥ 85% AFUE	Up to $1.75 per MBH	No Change
>1500 MBH - 4000 MBH ≥ 84% AFUE	Up to $1.00 per MBH	No Change
Gas Fired Water Booster Heaters:		
≤ 100 MBH	Up to $17 per MBH	No Change
> 100 MBH	Up to $35 per MBH	No Change

Technology Classification	Current FY 2014 Incentive	Proposed FY 2015 Incentive
Premium Efficiency Motors:		
Fractional (< 1 HP) Electronic Commutated Motors (ECM)	Up to $40 per ECM for replacement of existing shaded-pole motor in refrigerated/freezer cases Premium Motors application revised to read Refrigerator/Freezer Case Premium Efficiency Motors effective March 1, 2013	No Change
Three phase motors	Follows the Regional MotorUp Program Incentive Schedule (below) Incentives discontinued as of March 1, 2013 except for Sandy Relief Participants.	Incentives discontinued for all C&I customers including Sandy Relief participants
Prescriptive Lighting: For all prescriptive lighting, fixture or lamp must be listed by UL or other OSHA approved Nationally Recognized Testing Laboratory (NRTL) in accordance with applicable US standards		
T-5 and T-8 lamps with electronic ballast replacing T-12 lamps	Up to $10 per fixture for T12 to T8/T5 retrofit. This incentive is only available for Sandy Relief Participants No incentives for new construction or complete renovation. Complete renovation is defined as 100% fixture replacement for the space involved. Electronic ballast replacement necessary for all eligible delamped fixtures. Incentives for T12 to T8/T5 retrofits discontinued effective March 1, 2013 except for Sandy Relief Participants.	Incentives discontinued for all C&I customers including Sandy Relief participants Incentives discontinued for all C&I customers including Sandy Relief participants
T-8 lamps retrofitted to reduced wattage T8 lamps	Up to $10 per fixture for T8 to reduced wattage T8 (28W/25W 4') retrofit – requires lamp and ballast replacement For retrofit to T8 lamps – requires High Performance or Reduced Wattage lamps and ballasts qualified by CEE for 4' systems only.	Incentives available for new fixture replacement in addition to retrofit

Permanently De-lamp Fixtures and Add Reflectors as long as changing to a more efficient lighting system.	Eliminate 75 kW threshold for prescriptive lighting Up to $15 per fixture for the retrofit of T8 to T8 technology with permanent delamping and adding new reflectors. Incentives for T12 to T8/T5 retrofits were discontinued effective March 1, 2013. T12 retrofit/replacement incentives are only available for Sandy Relief participants. For retrofit to T8 lamps – requires High Performance (4' Only) or Reduced Wattage lamps (4' Only) and ballasts qualified by CEE	Incentives discontinued for T12 retrofits/replacements for all C&I customers including Sandy Relief participants Incentives available for new fixture replacement in addition to retrofit
Permanently De-lamp fixtures, continued	Up to $20 per fixture for the retrofit of T12 technology with permanent delamping adding new reflectors For retrofit to T8 lamps – requires High Performance or Reduced Wattage lamps and ballasts qualified by CEE for 4' systems only. Incentives for T12 to T8/T5 delamping discontinued effective March 1, 2013 except for Sandy Relief Participants.	No Change. Incentives discontinued for T12 retrofits/replacements for all C&I customers including Sandy Relief participants
T-5 and T-8 fixtures replacing T-12 fixtures < 250W	Up to $25 per fixture (1-4 lamps For retrofit to T8 lamps – requires High Performance or Reduced Wattage lamps) and ballasts qualified by CEE for 4' systems only. Incentives for T12 to T8/T5 replacements discontinued effective March 1, 2013 except for Sandy Relief Participants.	Incentives discontinued for T12 retrofits/replacements for all C&I customers including Sandy Relief participants

Technology Classification	Current FY 2014 Incentive	Proposed FY 2015 Incentive
LED Exit Signs (New Fixtures Only)	Incentive discontinued effective January 1, 2013	No Change
Metal Halide w/ pulse start ballast, for fixtures > 150 watts	Up to $25 per fixture	Incentive discontinued
T-5 and T-8 Fixtures replacing HID, 250 watt or greater T-12 fluorescent, or 250 watt or greater incandescent fixtures	Incentives will be paid as a Prescriptive Measure based on specific eligibility requirements. • T-5 or T-8 fluorescent fixtures replacing 1000 Watt or greater HID, or incandescent fixtures: Up to $200 per fixture removed. Incentives for T12 replacements discontinued effective March 1, 2013 except for eligible Sandy Relief Participants. • T-5 or T-8 fluorescent fixtures replacing 400 - 999 Watt HID, T-12 fluorescent, or incandescent fixture: Up to $100 per fixture removed. Incentives for T12 replacements discontinued effective March 1, 2013 except for eligible Sandy Relief Participants. • T-5 or T-8 fluorescent fixtures replacing 250 - 399 Watt HID, T-12 fluorescent, or incandescent fixture: Up to $50 per fixture removed. Incentives for T12 replacements discontinued effective March 1, 2013 except for eligible Sandy Relief Participants.	No change Incentives discontinued for T12 retrofits/replacements for all C&I customers including Sandy Relief participants Incentives discontinued for T12 retrofits/replacements for all C&I customers including Sandy Relief participants Incentives discontinued for T12 retrofits/replacements for all C&I customers including Sandy Relief participants

T-5 and T-8 Fixtures replacing 75 – 250 Watt HID fixture	• T-5 or T-8 fluorescent fixtures replacing 175 to 249 Watt HID fixture: Up to $43 per fixture removed.	No Change
	• T-5 or T-8 fluorescent fixtures replacing 100 to 174 Watt HID fixture: Up to $30 per fixture removed.	No Change
	• T-5 or T-8 fluorescent fixtures replacing 75 to 99 Watt HID fixture: Up to $16 per fixture removed. The current requirement for one to one replacement will be eliminated Refer to Application and/or website for standards that apply to these measures	No Change
New Construction and Complete Renovation	No prescriptive lighting incentives for new construction. Complete renovation of existing buildings eligible for prescriptive lighting incentives only.	No Change
Induction Lighting Fixtures Retrofit of HID	Up to $50 per HID (≥100W) fixture retrofitted with induction lamp, power coupler and generator. Replacement unit must use 30% less wattage per fixture than existing HID system.	No Change
Replacement of HID	Up to $70 per HID(≥100W) fixture with a new induction fixture	No Change

LED Prescriptive Lighting – For incentive eligibility LED equipment must be listed on the current Energy Star or Design Lights Consortium qualified products list. LED (integral/screw-in) lamp and recessed downlight incentives are provided for replacement of incandescent/halogen lamps only. Incentives will not be provided for:

- LEDs replacing existing LED lamps/fixtures; or LEDs replacing existing T12 equipment
- .LED Lamps (Integral/Screw-In) replacing HID and CFL lamps.

Installation of eligible screw-in/plug-in lighting measures in non-permanent and non-hard-wired fixtures (Example - refrigerator, oven, floor/desk lamps, etc).

LED Lamp (Integral/Screw-In)	$10/lamp for R/PAR20, MR/PAR16, Globe, Candelabra and other miscellaneous types $20/lamp for R/BR/PAR 30, R/BR/PAR 38-40, A-Lamp	$5/lamp for R/PAR20, MR/PAR16, Globe, Candelabra and other miscellaneous types $10/lamp for R/BR/PAR 30, R/BR/PAR 38-40, A-Lamp
LED Refrigerated Case Lighting	Up to $30 per 4' LED Fixture Up to $42 per 5' LED fixture Up to $65 per 6' LED fixture Incentive for replacement of fluorescent lighting system in medium or low temperature display cases. Technical requirements of this incentive are listed on the prescriptive lighting application.	No Change No Change
LED Display Case Lighting	Up to $30 per display case	No Change
LED Shelf-mounted display and task lights	Up to $15 per foot	No Change
LED Portable Desk Lamps	Up to $20 per fixture	No Change
LED Wall-wash Lights	Up to $30 per fixture	No Change
LED Recessed Down Lights	Up to $35 per fixture	No Change
LED Stairwell and Passageway Luminaires	Up to $40 per fixture	No Change
LED Outdoor Pole/Arm-Mounted Area and Roadway Luminaires	Up to $175 per fixture	No Change
LED Outdoor Pole/Arm-Mounted Decorative Luminaires	Up to $175 per fixture	No Change

LED Outdoor Wall-Mounted Area Luminaires	Up to $100 per fixture	No change
LED Parking Garage Luminaires	Up to $100 per fixture	No Change
LED Track or Mono-point Directional Lighting Fixtures	Up to $50 per fixture	Up to $30 per fixture
LED high-bay and Low-bay fixtures for Commercial & Industrial Buildings	Up to $150 per fixture	No Change
LED High-bay Aisle Lighting	Up to $150 per fixture	No Change
LED Bollard Fixtures	Up to $50 per fixture	No Change
LED Linear Panels (Luminaires for Ambient Lighting of Interior Commercial Spaces)	Up to $50 per fixture for 1X4, 2X2 and 2X4 Fixtures only	No Change
LED Fuel Pump Canopy	Up to $100 per fixture	No Change
LED Architectural Flood and Spot Luminaries	Custom	Up to $50 per fixture
LED Linear Ambient Luminaires (Indirect, Indirect/Direct, Direct/Indirect, Direct)	Custom	Up to $20 per 2' fixture Up to $30 per 3' fixture Up to $45 per 4' fixture Up to $60 per 6' fixture Up to $75 per 8' fixture
LED Retrofit Kits	Incentive offered as a Custom measure. DLC qualified Outdoor Roadway Decorative Luminaries Four-foot linear replacement lamps	No Change

Technology Classification	Current FY 2014 Incentive	Proposed FY 2015 Incentive
Lighting Controls:	**Hard-Wired Only**	**Wireless and Hard-Wired**
Occupancy Sensors (Turning fixtures off in Existing facilities only Wall Mounted Remote Mounted (e.g., ceiling)	 Up to $20 per control Up to $35 per control	 No Change No Change
Day Lighting Dimmers – All facilities Fluorescent, HID or LED Fixtures	For both fluorescent fixtures, HID or Fluorescent Hi-Bay, and LED controls - $45 per fixture controlled.	No Change
Hi-Low Controls - All facilities: Fluorescent, HID or LED Fixtures	For all Hi-Low Controls, $35 per fixture controlled	No Change

Technology Classification	Current FY 2014 Incentive	Proposed FY 2015 Incentive
Performance Based Lighting incentives for indoor and outdoor installations (attached to building) – New Construction Only	Code changed to ASHRAE 90.1.2007 Available for New Construction Only. No longer available for Complete Renovation. New construction additions (add-ons) to an existing building are eligible for Performance incentives Existing buildings, regardless of connected load, are eligible for Prescriptive Lighting incentives and are not eligible for Performance incentives. However, performance based lighting incentives are available for Sandy Relief participants.	No Change
Performance Based Lighting incentives for indoor/outdoor installations (attached to building) – Existing Construction	Available for New Construction Only. No longer available for Complete Renovation. However, performance based lighting incentives are available for Sandy Relief participants with existing buildings. New construction additions (add-ons) to an existing building are eligible for Performance incentives	No Change
Refrigeration Controls:		
Door Heater Control	$50 per control	No Change
Electric Defrost Control	$50 per control	No Change
Evaporator Fan Control	$75 per control	No Change
Novelty Cooler Shutoff	$50 per control	No Change
Refrigeration Doors/Covers:		
Energy-Efficient Doors for open Refrigerated Doors/Covers	$100 per door	No Change

Aluminum Night Curtains for Open Refrigerated Cases	$3.50 per linear foot	No Change
Multiple Measure Bonus	Multiple Measure Bonus is not offered.	No Change
Technology Classification	**Current FY 2014 Incentive**	**Proposed FY 2015 Incentive**
Food Service: Commercial Dishwashers – Equipment must be qualified by the current version* of ENERGY STAR® or CEE*[1]		
Under Counter Door Type Single Tank Conveyor Multiple Tank Conveyor	$400 per unit $700 per unit $1,000 per unit $1,500 per unit	No Change No Change No Change No Change
Food Service: Commercial Combination Oven/Steamer (Electric) o Equipment must be qualified by the current version of ENERGY STAR® or CEE or ASTM criteria defined below. o ASTM Criteria: o Must meet the idle energy rate requirements in the Electric Combination Oven/Steamer Table, utilizing American Society for Testing and Materials (ASTM) F2861. o Must have a cooking energy efficiency of 50 percent or greater in steam mode and 70 percent cooking energy efficiency or greater in convection mode, utilizing (ASTM) F2861. o Combination oven/steamer pan capacity based on the maximum capacity of full-size 2 1/2-inch deep hotel pans. This must be consistent with the number of pans used to meet the energy-efficiency qualifications per ASTM F2861.		
Pan Capacity Less than 15 pans 15-28 pans Greater than 28 pans	$1,000 per oven	No Change
Food Service: Commercial Combination Oven/Steamer (Gas) o Equipment must be qualified by the current version of ENERGY STAR® or CEE or ASTM criteria defined below. o ASTM Criteria: o Must have a cooking energy efficiency of 38 percent or greater in steam mode and 44 percent or greater in convection mode, utilizing ASTM F2861. o Must meet the idle energy rate requirements in the Gas Commercial Combination Oven/Steamer Table, utilizing ASTM F2861.		

~~* Version in place at time of application submittal~~

○ Combination oven/steamer pan capacity on based on the maximum capacity of full-size 2 1/2-inch deep hotel pans. This must be consistent with the number of pans used to meet the energy-efficiency qualifications per ASTM F2861.		
Pan Capacity Less than 15 pans 15-28 pans Greater than 28 pans	$750 per oven	No Change
Food Service: Commercial Convection Oven (Electric) ○ Equipment must be qualified by the current version of ENERGY STAR® or CEE or ASTM criteria defined below. ○ ASTM Criteria: ○ Must have a tested heavy load (potato) cooking energy efficiency of 70 percent or more, utilizing ASTM F1496. ○ Full-size electric ovens must have a tested idle energy rate of 1.6 kW or less, utilizing ASTM F1496. ○ Half-size electric ovens must have a tested idle energy rate of 1.0 kW or less, utilizing ASTM F1496.		
Commercial Convection Oven (Electric)	$350 per oven	No Change
Food Service: Commercial Convection Oven (Gas) ○ Equipment must be qualified by the current version of ENERGY STAR® or CEE or ASTM criteria defined below. ○ ASTM Criteria: ○ Must have a tested heavy load (potato) cooking energy efficiency of 44 percent or greater and an idle energy rate of 13,000 Btu/h or less, utilizing ASTM F1496.		
Commercial Convection Oven (Gas)	$500 per oven	No Change
Food Service: Commercial Rack Oven (Gas) ○ Equipment must be qualified by the current version of ENERGY STAR® or CEE or ASTM criteria defined below. ○ ASTM Criteria: ○ Must have a tested baking energy efficiency of 50 percent or greater, utilizing ASTM F2093.		
Commercial Rack Oven Single (Gas) Commercial Rack Oven Double (Gas)	$1,000 per single oven $2,000 per double oven	No Change No Change

<table>
<tr><td colspan="3">Food Service:
Commercial Conveyor Oven (Gas)
o Equipment must be qualified by the current version of ENERGY STAR® or CEE or ASTM criteria defined below.
o ASTM Criteria:
o Must have a tested baking energy efficiency of 42 percent or greater, utilizing ASTM F1817.
o Small conveyor ovens with total conveyor width 25 inches or less must have a tested idle energy rate that is 29,000 Btu/h or less, utilizing ASTM F1817.
o Large conveyor ovens with total conveyor width greater than 25 inches must have a tested idle energy rate that is 57,000 Btu/h or less, utilizing ASTM F1817.
o Multiple-deck oven configurations are paid per qualifying oven deck.</td></tr>
<tr><td>Commercial Conveyor Oven – Small (Conveyor width 25in. or less, Gas).

Commercial Conveyor Oven – Large (Conveyor width greater than 25in., Gas).</td><td>$500 per deck

$750 per deck</td><td>No Change

No Change</td></tr>
<tr><td colspan="3">Food Service:
Commercial Fryer (Electric)
o Equipment must be qualified by the current version of ENERGY STAR® or CEE or ASTM criteria defined below.
o ASTM Criteria:
o Must have a tested heavy load cooking energy efficiency of 80 percent or greater and an idle energy rate of 1.0 kW or less, utilizing ASTM F1361.
o Multiple vat configurations are paid per qualifying vat.</td></tr>
<tr><td>Commercial Fryer (Electric)</td><td>$200 per vat</td><td>No Change</td></tr>
<tr><td colspan="3">Food Service:
Commercial Fryer (Gas)
o Equipment must be qualified by the current version of ENERGY STAR® or CEE or ASTM criteria defined below.
o ASTM Criteria:
o Must meet a tested heavy load cooking energy efficiency of 50 percent or greater and an idle energy rate of 9,000 Btu/h or less, utilizing ASTM F1361.
o Multiple vat configurations are paid per qualifying vat.</td></tr>
</table>

Commercial Fryer (Gas)	$749 per vat	No Change
Food Service: Commercial Large Vat Fryer (Electric) o Equipment must be qualified by the current version of ENERGY STAR® or CEE or ASTM criteria defined below. o ASTM Criteria: o Must have a tested heavy load (French fry) cooking energy efficiency of 80 percent or greater, utilizing ASTM F2144. o Multiple vat configurations are paid per qualifying vat.		
Commercial Large Vat Fryer (Electric)	$200 per vat	No Change
Food Service: Commercial Large Vat Fryer (Gas) o Equipment must be qualified by the current version of ENERGY STAR® or CEE or ASTM criteria defined below. o ASTM Criteria: o Must have a tested heavy load (French fry) cooking energy efficiency of 50 percent or greater, utilizing ASTM F2144. o Multiple vat configurations are paid per qualifying vat.		
Commercial Large Vat Fryer (Gas)	$500 per vat	No Change
Food Service: Commercial Griddle (Electric) o Equipment must be qualified by the current version of ENERGY STAR® or CEE or ASTM criteria defined below. o ASTM Criteria: o Must have a tested heavy load cooking energy efficiency of 70 percent or greater and an idle energy rate of 355 watts per square foot of cooking surface or less, utilizing ASTM F1275.		
Commercial Griddle (Electric)	$300 per griddle	No Change

Food Service: Commercial Griddle (Gas) o Equipment must be qualified by the current version of ENERGY STAR® or CEE or ASTM criteria defined below. o ASTM Criteria: o Must have a tested heavy load cooking energy efficiency of 38 percent or greater and an idle energy rate of 2,650 Btu/h per square foot of cooking surface or less, utilizing ASTM F1275.		
Commercial Griddle (Gas)	$125 per griddle	No Change
Food Service: Commercial Steam Cooker (Electric) o Equipment must be qualified by the current version of ENERGY STAR® or CEE or ASTM criteria defined below. o ASTM Criteria: o Must have a tested heavy load (potato) cooking energy efficiency of 50 percent or greater, utilizing ASTM F1484.		
Commercial Steam Cooker (Electric)	$1,250 per steamer	No Change
Food Service: Commercial Steam Cooker (Gas) o Equipment must be qualified by the current version of ENERGY STAR® or CEE or ASTM criteria defined below. o ASTM Criteria: o Must have a tested heavy load (potato) cooking energy efficiency of 38 percent or greater, utilizing ASTM F1484.		
Commercial Steam Cooker (Gas)	$2,000 per steamer	No Change
Food Service: Insulated Holding Cabinets o Must meet CEE Tier II specification. o Does not include cook and hold equipment. o All measures must be electric hot food holding cabinets that are fully insulated and have solid doors.		
Insulated Holding Cabinet, Full Size Insulated Holding Cabinet, ¾ Size Insulated Holding Cabinets, ½ Size	$300 per unit $250 per unit $200 per unit	No Change No Change No Change

Food Service: Commercial Glass Door Refrigerators o The refrigeration system must be built-in (packaged). o Cases with remote refrigeration systems do not qualify. o Must meet ENERGY STAR® Version 2.0 specification.		
ENERGY STAR® Glass Door Refrigerators – Internal volume <15 ft^3	$75 per unit	No Change
ENERGY STAR® Glass Door Refrigerators – Internal volume 15 ft^3–29.9 ft^3	$100 per unit	No Change
ENERGY STAR® Glass Door Refrigerators – Internal volume 30 ft^3–49.9 ft^3	$125 per unit	No Change
ENERGY STAR® Glass Door Refrigerators – Internal volume ≥ 50 ft^3	$150 per unit	No Change
Food Service: Commercial Solid Door Refrigerators o The refrigeration system must be built-in (packaged). o Cases with remote refrigeration systems do not qualify. o ENERGY STAR® specification Version 1.0 refrigerators do not qualify. o Must meet ENERGY STAR® Version 2.0 specification.		
ENERGY STAR® Solid Door Refrigerators – Internal volume <15 ft^3	$50 per unit	No Change
ENERGY STAR® Solid Door Refrigerators – Internal volume 15 ft^3–29.9 ft^3	$75 per unit	No Change
ENERGY STAR® Solid Door Refrigerators – Internal volume 30 ft^3–49.9 ft^3	$125 per unit	No Change
ENERGY STAR® Solid Door Refrigerators – Internal volume ≥ 50 ft^3	$200 per unit	No Change

Food Service: Commercial Glass Door Freezers o The refrigeration system must be built-in (packaged). o Cases with remote refrigeration systems do not qualify. o Must meet ENERGY STAR Version 2.0 specification.		
ENERGY STAR® Glass Door Freezers – Internal volume <15 ft^3	$200 per unit	No Change
ENERGY STAR® Glass Door Freezers – Internal volume 15 ft^3– 29.9 ft^3	$250 per unit	No Change
ENERGY STAR® Glass Door Freezers – Internal volume 30 ft^3– 49.9 ft^3	$500 per unit	No Change
ENERGY STAR® Glass Door Freezers – Internal volume ≥ 50 ft^3	$1,000 per unit	No Change
Food Service: Commercial Solid Door Freezers o The refrigeration system must be built-in (packaged). o Cases with remote refrigeration systems do not qualify. o ENERGY STAR® specification Version 1.0 freezers do not qualify. o Must meet ENERGY STAR® Version 2.0 specification.		
ENERGY STAR® Solid Door Freezers – Internal volume <15 ft^3	$100 per unit	No Change
ENERGY STAR® Solid Door Freezers – Internal volume 15 ft^3– 29.9 ft^3	$150 per unit	No Change
ENERGY STAR® Solid Door Freezers – Internal volume 30 ft^3– 49.9 ft^3	$300 per unit	No Change
ENERGY STAR® Solid Door Freezers – Internal volume ≥ 50 ft^3	$6000 per unit	No Change
Food Service: Commercial Ice Machines o Ice machines must be tested in accordance with the Air Conditioning and Refrigeration Institute (ARI) Standard 810. o Includes machines generating ice cubes that are 60 grams (2 oz.) or lighter. It also includes flaked, crushed and fragmented ice makers. o Only air-cooled machines (self-contained, ice making heads, or remote condensing) qualify. o The entire ARI tested ice making system must be purchased.		

o Remote machines must be purchased with qualifying remote condenser or remote condenser/compressor unit. o The efficiency specifications for the two qualifying tiers are equivalent to ENERGY STAR® or Super-Efficient.		
ENERGY STAR® Ice Machine (101–200 lbs/day)	$50 per unit	No Change
ENERGY STAR® Ice Machine (201–300 lbs/day)	$50 per unit	No Change
ENERGY STAR® Ice Machine (301–400 lbs/day)	$75 per unit	No Change
ENERGY STAR® Ice Machine (401–500 lbs/day)	$75 per unit	No Change
ENERGY STAR® Ice Machine (501–1000 lbs/day)	$125 per unit	No Change
ENERGY STAR® Ice Machine (1001–1500 lbs/day)	$200 per unit	No Change
ENERGY STAR® Ice Machine (greater than 1500 lbs/day)	$250 per unit	No Change
Super-Efficient Ice Machine (101–200 lbs/day)	$100 per unit	No Change
Super-Efficient Ice Machine (201–300 lbs/day)	$100 per unit	No Change
Super-Efficient Ice Machine (301–400 lbs/day)	$150 per unit	No Change
Super-Efficient Ice Machine (401–500 lbs/day)	$150 per unit	No Change
Super-Efficient Ice Machine (501–1000 lbs/day)	$250 per unit	No Change
Super-Efficient Ice Machine (1001–1500 lbs/day)	$400 per unit	No Change
Super-Efficient Ice Machine	$500 per unit	No Change

(greater than 1500 lbs/day)		

Note: The incentives identified above may be lowered with the approval of the Office of Clean Energy.

Delivery Methods

All of New Jersey's Commercial & Industrial Clean Energy Programs will be managed by TRC as the Commercial & Industrial Market Manager ("Market Manager"). The Programs will be offered on a consistent program design and implementation basis to ensure consistency across the state.

As new technologies are introduced and prices for measures change, sometimes in response to program offerings, program managers will continuously monitor technologies and costs and adjust program incentives accordingly. The Market Manager will propose adjustments to program offerings based on program experience, the results of any evaluations, program and market studies as well as other state/regional market research, and current pilot/demonstration projects.

Goals

New Construction, completed jobs	Refer to Appendix C
Existing Construction, completed jobs	Refer to Appendix C

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all C&I program participants. All applications are reviewed upon receipt to verify adherence to eligibility requirements. In addition, all technical information submitted in support of the application is reviewed to confirm measure qualification and to verify the incentive calculation. Applicant supplied information and Market Manager performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence.

A minimum of 10% of all incentive applications are selected for pre-installation and/or post-installation inspection by a Market Manager inspector (or one of its subcontractors). Inspections include a site visit to verify customer eligibility and energy efficient measure technical specifications that result in a verification of the incentive calculation. A field inspection report is prepared and maintained in the project file for future verification.

Budget

A detailed state-wide budget for all of New Jersey's Clean Energy Commercial & Industrial Programs is attached in Appendix B. The Program will be offered on a consistent program design and implementation basis to ensure consistency across the State.

Minimum Requirements for Program Administration

Not Applicable.

Local Government Energy Audit Program (LGEA Program)

Description

The Program provides incentives to subsidize the cost of an energy audit for eligible facilities owned by municipalities or other local government agencies (Agency) as well as New Jersey State Colleges and Universities. The LGEA Program is also open to select nonprofits. Select nonprofits include charitable organizations which refer to organizations that are exempt from taxation under Section 501 (c) (3) of the Internal Revenue Code.

The Program is implemented as follows:

- New Jersey Department of the Treasury has established, based on its review of proposals received in response to its RFP, a list of qualified contractors that are available to contract directly with the participating Agencies to provide energy audit services. The list of contractors includes hourly rates for the provision of energy audit services.
- In order to provide compatibility with the Energy Savings Improvement Program (ESIP) Energy Savings Plans, the audit scope must include demand response equipment and water conservation measures along with greenhouse gas reductions for the recommended measures. The contractors will also be required to obtain their DPMC certification so that their audits are ESIP compliant.
- The Applicant will submit applications to the Program identifying the building type, square footage, and energy usage information for each building to be audited.
- The Market Manager will issue an approval letter to the Applicant to allow the Applicant to move forward to have an audit conducted by one of the prequalified, auditing firms, for a specified dollar incentive.
- The auditing firm will submit a copy of the invoice for the audit work to the Market Manager. After all program requirements have been met, the Market Manager will review requests for funding, including scope and cost, and issue an incentive approval for payment processing which will be added to the file. Payment will be made directly to the applicant or selected auditing firm. The entity is encouraged to install energy efficiency upgrades identified in the audit, preferably within 12 months of audit report approval.
- The Applicant will contract directly with the firm they have selected to perform the energy audit.

Upon completion of the audit, the Market Manager will review the energy audit report and, provided that all program requirements are met, the Program will issue the incentive to the Applicant or designated auditing firm, for the total cost of the energy audit.

Participants in the Local Government Energy Audit Program will be able to take advantage of incentives available under existing New Jersey Clean Energy incentive programs to implement specific measures recommended in the energy audit.

The LGEA Program will provide incentives up to $100,000 per fiscal year, per Agency to subsidize the cost of the energy audit.

Target Markets & Eligibility

This program offers qualifying municipalities and other government agencies, including New Jersey State Colleges and Universities and select non-profits, incentives to subsidize the cost of having an energy audit of their facilities performed. Select non-profits are those entities that are exempt from taxation under Section 501 (c) (3) of the Internal Revenue Code. Entities with peak monthly demand ≤ 150 kW will not be audited but will be moved to Direct Install. Market Manager will have the ability to grant exceptions in cases where the entity has already participated in Direct Install or demonstrates interest in measures that are not available under the Direct Install Program, such as building shell measures and windows and/or participation in New Jersey's Energy Savings Improvement Program (ESIP).

Goals and Energy Savings

Local Government Energy Audit Program Goals can be found in Appendix C.

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all LGEA Program participants. All applications are reviewed upon receipt to verify adherence to eligibility requirements. Technical information in the energy audit is also verified. Applicant supplied information is entered in to the database, and files are created for all documents and ongoing project correspondence. On a random basis, on-site facility inspections are also conducted to verify building and audit data. The inspection rate is up to 20% of audits but may be exceeded at the discretion of the Market Manager.

Direct Install Program

Background

Under the Direct Install Program, the unique needs of New Jersey's small business community will be addressed.

Program Description

The Direct Install Program offers eligible small business customers the opportunity to retrofit existing inefficient equipment with more energy efficient systems. Municipal and other local government agencies that have successfully participated in the Local Government Energy Audit Program are also be eligible. The Program provides turn-key services including technical assistance, financial incentives, education to encourage the early replacement of existing equipment with high efficiency alternatives, as well as the installation of new equipment. A variety of electric and natural gas energy using systems are eligible for improvements including lighting, controls, refrigeration, HVAC, motors, and variable speed drives. The Program strives to include a comprehensive package of cost-effective energy efficiency improvements in each customer's project.

Target Market and Eligibility

The Direct Install Program is open to all eligible commercial and industrial customers whose peak demand did not exceed 200 kW in any of the preceding twelve months. The small business sector targeted by the Program tends to have a historical reluctance or inability to fund energy efficiency improvements. In addition, their small size tends to exclude them as beneficiaries of services from other energy service providers.

Program Offerings and Incentives

The Direct Install Program provides turn-key services and offers customers a single source of technical assistance, financial incentives and installation services. The Program will be delivered across the state by multiple regional Participating Contractors who have been selected via a Request for Proposal (RFP) process to deliver installation and related services. Participating Contractors will be responsible for promotion of the program and providing program installation services in addition to reporting to TRC on a regular basis. The Program has developed comprehensive listings of unit pricing for all eligible equipment. Eligible equipment categories include but may not be limited to:

- Energy efficiency lamps, ballast and fixtures including Super T8 and T5 Lamp and Ballast Retrofit
- Energy star approved LED lamps
- New T5 & T8 fixtures to replace older HID's
- HVAC & HW controls

- LED Exit Signs
- Commercial CFL Lamps
- Occupancy Sensors
- VFDs
- ENERGY STAR Programmable Thermostats
- ENERGY STAR/High Efficiency Boilers and Furnaces (up to 500,000 Btuh)*
- High Efficiency Cooling Systems
- ENERGY STAR Products
- Refrigeration Measures
- Other measures may be added after evaluation by the Program

*In cases where the existing boiler or furnace is oversized, the existing larger boiler and furnaces may be evaluated and considered for replacement as long as the replacement unit does not exceed 500,000 Btuh.

Customer incentives are offered to reduce the cost of installing energy efficient equipment and are based on the total installed cost of the retrofits. Qualifying C&I customers are eligible for incentives up to 70% of the installed cost of cost-effective, approved measures with a project incentive cap of $125,000. Direct Install participants will also be held to a fiscal year entity cap of $250,000 per entity. Incentives are paid to the installation contractor and the contractor will invoice the customer for the remaining balance of the installation.

Direct Install Participating Contractors are responsible for the following program components:

- Marketing to eligible customers (marketing materials to be approved by the Market Manager)
- Performing site visits and collecting all equipment and energy data, analyzing information and identifying opportunities for efficiency improvements, and making recommendations to the customer ;
- Presentation of comprehensive recommendations to the customer, including costs and savings estimates, and obtaining customer agreement to proceed with installation. The customer agreement will be a standard agreement approved by the Program;
- Preparation and submission of completed customer incentive applications, including pre-implementation report to Market Manager for review and approval;
- Installation of eligible measures per customer agreement, including all appropriate permitting;
- Submission of post-implementation report, including payment request. The Market Manager will review all post-implementation reports and either forward to OCE as approved for payment or send back to the contractor with questions or issues

- Tracking and reporting on program activity including, but not limited to:
  - Customer name, address and contact person
  - Customer account number(s)
  - Project type (electric, gas, both)
  - Business type (SIC or NAICS code)
  - Inventory of equipment to be replaced, including quantity, type, location, hours of use
  - Estimates of energy (kWh &/or therms) and demand (kW) savings and total project costs
- Proper disposal of all removed equipment.
- Any reporting requirements identified by the Market Manager (e.g. ARRA reporting)

Program Goals

Direct Install Program goals can be found in Appendix C.

External Evaluation

Ongoing evaluation services will be provided by the OCE through its external evaluation vendor.

Program Budget

A detailed state-wide budget is shown in appendix B.

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all Direct Install Program participants. All applications are reviewed upon receipt to verify adherence to eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of energy efficient measure qualification and incentive calculation. Applicant supplied information and program administrator performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence

Delivery Methods

The Direct Install Program will be managed by the C&I Market Manager and will be delivered by a competitively selected pool of subcontractors. The program will be offered on a consistent program design and implementation basis to ensure consistency across the state.

Pay for Performance

Program Description

The C&I Pay for Performance Program takes a comprehensive, whole building approach to energy efficiency in existing commercial and industrial buildings. Similar to performance contracting programs offered in other states, this Program links incentives directly to energy savings and includes a measurement and verification (M&V) component to ensure that the estimated savings levels are achieved. This market-based program relies on a network of Program Partners, selected through a Request for Qualifications process. Once approved, Partners provide technical services to program participants. Certain entities who have their own in house professional engineering expertise can become a Partner for their own facility. Their staff will be oriented through a fast-track process. This option is geared toward larger customers. This opportunity will be evaluated on a case-by-case basis by the Market Manager. All other Program requirements will be in effect. Partners are required to strictly follow program policy but will work under contract to owners, acting as their "energy expert". Partners are required to develop an Energy Reduction Plan for each project. The Energy Reduction Plan includes the whole-building technical analysis component of a traditional energy audit along with a financial plan for funding the energy efficiency improvements and a construction schedule for installation. A set minimum energy reduction goal is required of all projects and is based on an approved whole-building energy simulation. The achievement of the energy reduction goal is verified using post-retrofit billing data and EPA Portfolio Manager methodology.

Target Market and Eligibility

The C&I Pay for Performance Program is open to existing commercial and industrial buildings with peak demand in excess of 100 kW in any of the preceding twelve months. Market Manager reserves the right to approve projects that are within 10% of the minimum 100kW threshold. In addition, any multifamily facility which does not meet the eligibility requirements of the New Jersey Clean Energy Home Performance Program is eligible to participate in the Pay for Performance Program. Participants are required to work with an approved Pay for Performance Partner to develop the Energy Reduction Plan and facilitate installation of the recommended package of energy efficiency improvements. In order to receive the full suite of incentives offered in the Pay for Performance Program, the submitted Energy Reduction Plan must include a package of energy efficiency measures that achieve the minimum performance threshold or Energy Target (i.e., 15% of total building source energy consumption). A custom savings threshold is offered to customers whose annual energy consumption is heavily weighted to manufacturing and process loads. This approach will be reviewed on a case-by-case basis. In order to be considered for a custom savings threshold (i.e., other than a 15% reduction in total building source energy consumption, the project must involve:

- A manufacturing facility, including such industries as plastics and packaging, chemicals, petrochemicals, metals, paper and pulp, transportation, biotechnology, pharmaceutical, food and beverage, mining and mineral processing, general manufacturing, equipment manufacturers and data centers.
- Manufacturing and/or process-related loads, including data center consumption, consume 50% or more of total facility energy consumption.
- Energy target for projects meeting the above criteria will have annual energy savings of 100,000 kWh, 350 MMBTU or 4% of total building source energy consumption, whichever is greater.

Market Manager, in collaboration with the Office of Clean Energy, reserves the right to consider alternative minimum threshold savings requirement in these types of situations. In addition, the Energy Reduction Plan must include a comprehensive mix of measures: e.g. lighting cannot make up more than 50% of the total projected savings. All other Pay for Performance Program rules apply.

The 15% minimum energy reduction will be based on source energy, which is consistent with EPA's Portfolio Manager benchmarking software. Pre-approval of the Energy Reduction Plan is required for all projects, which may include a site inspection. An Energy Reduction Plan must be approved by the program and an approval letter sent to the customer in order for incentives to be committed. Upon receipt of an Energy Reduction Plan, all project facilities must be pre-inspected. Measures installed prior to pre-inspection of the facility shall not be included as part of the ERP scope of work and will not be eligible for incentives. Measure installation undertaken prior to ERP approval, but after pre-inspection, is done at the customer's own risk. In the event that an Energy Reduction Plan is rejected by the program, the customer will not receive any incentives.

Projects that cannot identify efficiency improvements that meet the minimum performance level will be referred to the appropriate SmartStart Buildings Program(s).

The Pay for Performance Program offers two types of incentives which will be disbursed upon satisfactory completion of three Program milestones. The first incentive type is related to completion of the Energy Reduction Plan. The second incentive type is performance-based and is related to the installation of recommended measures. The performance-based incentive will be paid out in two phases – the first at the completion of installation of the recommended measures, the second upon submittal of a Post Construction Benchmarking Report that verifies the level of savings achieved. These incentives are explained below in more detail.

Definition of a Project

A project is defined as a single, detached commercial, industrial, or multifamily building. The entire building must be analyzed under the Program and achieve a 15% source energy reduction.

Campuses: The Program will also service campus-style facilities. A campus-style facility is one where ALL the following conditions apply:

- There are two or more P4P-eligible buildings that are located on adjacent properties
- Buildings are owned by a single entity
- AND one of the following:
    - Buildings are master-metered
    - Buildings are served by a common heating and/or cooling plant.
    - Buildings share walls and/or are connected via a physical structure.

Campus facilities are encouraged to participate in the C&I Sector Specific offering to assist in prioritizing each building for energy efficiency improvements. The Sector Specific offering will provide benchmarking services for all buildings and assist the building owner(s) in developing a multi-year plan for addressing the energy efficiency improvements across the campus. Through this plan, building owners can schedule major building improvement projects over several years to maximize energy efficiency as well as taking full advantage of Clean Energy Program incentives. Once a set of buildings within a campus is selected to be included in the P4P Program, they will be addressed in a single Energy Reduction Plan (ERP).

For administrative purposes of tracking technical reviews and site inspections, each building addressed within a multi-building ERP will be considered a separate project. This is necessary because although a single ERP will include all of the necessary project information, the review of each of the building simulation models will require individual attention. Similarly, site inspections will take considerably longer for multi-building projects as each building will require an inspection. Where applicable, administrative tracking will be associated with any approved sampling of building simulation models (i.e., if a single model is developed to represent several similar buildings).

Multifamily Buildings: The Program will also accommodate certain types of multifamily buildings. Specifically, multifamily customers that fit the following description will be able to participate in the Pay for Performance program:

- High-rise/Mid-rise buildings
    - High-rise/Mid-rise apartment complexes are apartments, cooperative, and/or condominiums structures that are 4-stories or more above ground.

- Low-rise, garden-style buildings with central heating and/or cooling or master meters
    - Garden-style apartment complexes consist of multiple low-rise apartments, cooperatives, condominiums and/or townhouses that are 3 stories or less, surrounded by landscaped grounds.
    - Central heating and/or cooling means that each individual unit *does not* contain its own heating or cooling systems. The building must contain a central heating and/or cooling plant that serves multiple buildings and/or units.
    - Master meters means electric and/or gas meters that serve multiple buildings (rather than individual units or a single building).

Low-rise (and mid-rise where appropriate), garden-style complexes will be treated as one project under the Pay for Performance program. In other words, if there are 10 garden-style buildings that are part of one multifamily community, all 10 will be aggregated into one P4P application. The 100kW participation threshold will be met through this aggregation (including common area and in-unit billing). The 15% savings requirement (as well as all other program requirements) will be achieved in aggregate, as well. The same process will apply for affordable-rate housing, except for the fact that they will not need to meet the 100kW requirement to participate. Only one set of incentives will be paid per project, and all incentive caps apply. Please see logic tree at the end of this Pay for Performance section – page 49 - for guidance on Program eligibility. TRC will coordinate with the Residential Market Manager to make sure that multifamily customers are served by New Jersey's Clean Energy Programs.

Multifamily complexes and campus-style facilities are viewed as a single entity that is eligible for Pay for Performance incentives subject to the annual incentive caps of $1 million per electric account and $1 million per gas account to the campus, not to exceed $2 million per project.

Program Offerings and Incentives

The Pay for Performance Program has developed a network of Program Partners who can provide the technical, financial, and construction-related services necessary for completing the Energy Reduction Plan. One of the goals of this program is to expand the network of energy efficiency firms that can provide these services in order to make this Program accessible for all eligible commercial and industrial customers. This market-based approach is a key component of market transformation by creating "green collar" jobs and helping to develop the workforce necessary to achieve ambitious long-term energy savings targets. The Program has enrollment periods during the year where firms that are interested in becoming Program Partners are required to submit an application, including case studies and resumes showing recent successful experience and expertise in C&I energy efficiency projects. Applications are reviewed by a technical evaluation panel who will determine if an applicant meets the criteria to become an approved

program Partner. Once approved, Partners must attend a program orientation session before being able to bring projects into the Program.

Program incentives are performance-based and not specifically tied to the project cost or the recommended energy efficiency measures. Disassociating incentives from project cost is a key program design decision as it streamlines program administration by eliminating the collection of bid documents, construction contracts and change orders. This incentive structure also provides the benefit of allowing Program Partners to estimate and explain incentives to prospective participants as part of the program sales process. The performance-based incentives are capped not to exceed 50% of the total project cost.

Incentives, up to $1,000,000 per electric and $1,000,000 per gas utility account are available, not to exceed $2,000,000 per project, and will be released in phases upon satisfactory completion of each of three Program milestones, which are:

1. Submittal of a complete Energy Reduction Plan
2. Installation of all recommended measures per the Energy Reduction Plan
3. Completion of Post Construction Benchmarking Report.

Incentive #1 – Energy Reduction Plan – This incentive has been developed to offset the cost of services associated with the development of the Energy Reduction Plan. This incentive is based on the square footage of the building(s) and is paid at $0.10/sq ft with a maximum incentive of $50,000 and minimum of $5,000. This incentive is capped at 50% of annual energy cost. This incentive cap assists in limiting incentives for facilities with large square footage but very low energy intensity (e.g. warehouses). Please note, for customers who have successfully participated in the Local Government Energy Audit Program, Incentive #1 related to the Energy Reduction Plan will be reduced by 50% to $0.05 per square foot up to $25,000 to recognize the value of the audit provided through the LGEA Program. Incentive #1 is contingent upon moving forward with the installation of measures identified in the Energy Reduction Plan and must be supported by a signed Installation Agreement. Market Manager, in coordination with the Office of Clean Energy, may waive this contingency due to extenuating circumstances. If a project is cancelled after the receipt of Incentive #1 and the Incentive #1 payment is not returned to NJCEP, the customer/Partner may reapply to the Program in the future but will not be eligible for another Incentive #1 payment for the same facility.

Incentive #2a – Installation of Recommended Measures – This incentive is based on the projected energy savings estimated in the approved Energy Reduction Plan. The performance-based incentives to be paid at completion of construction are as follows: (designed to be roughly 50% of the total performance-based incentive):

1. Projected first year electric savings from $0.09/kWh for the minimum 15% savings up to $0.11/kWh, based on $0.005/kWh per additional 1% savings.

2. Projected first year natural gas savings from $0.90/therm for the minimum 15% savings up to $1.25/therm based on $0.05/therm per additional 1 % savings.

Savings projections will be calculated using calibrated energy simulation. The approach involves the following steps:

- Develop whole building energy simulation using approved simulation tools. The list of approved tools will be based on the software requirements outlined in ASHRAE 90.1 2007 Section 11 or Appendix G, or as approved by the Market Manager.
- Calibrate simulation to match pre-retrofit utility bills
- Model proposed improvements to obtain projected energy savings
- Calculate percent energy reduction to demonstrate achievement of Energy Target.

Modeling methodology will be in general compliance with national programs such as LEED and EPAct Federal Tax Deductions for Commercial Buildings, which will allow taking advantage of the expertise of a growing number of engineering and consulting firms involved in these programs.

Incentive #2b – Post Construction Benchmarking Report – Upon submittal of a Post Construction Benchmarking Report that verifies that the level of savings actually achieved by the installed measures meets or exceeds the minimum performance threshold, the performance-based incentive will be released. The performance-based incentives are as follows (designed to be roughly 50% of the total performance-based incentive):

(1) Actual first year electric savings from $0.09/kWh for the minimum 15% savings up to $0.11/kWh, based on $0.005/kWh per additional 1% savings.
(2) Actual first year natural gas savings from $.90/therm for the minimum 15% savings up to $1.25/therm based on $0.05/therm per additional 1 % savings.

The Post Construction Benchmarking Report will be based on the approved Energy Reduction Plan and will provide an accurate verification of savings while keeping the costs associated with M&V at a reasonable level. Specifics of the M&V requirements will be a critical component of the program and should be as simple as possible to reasonably verify savings while not overburdening the Partner or TRC. M&V requirements will follow the International Performance Measurement & Verification Protocol (IPMVP). Option D – Calibrated Simulation will be the required M&V approach for all projects. Options A – Partially Measured Retrofit Isolation, B – Retrofit Isolation, may be used as guidelines for data collection. The Post Construction Benchmarking Report must demonstrate savings over at least one year of post-construction consumption. Market Manager may grant up to an additional twelve (12) month extension for extenuating circumstances where projected savings levels were not reached based on the initial one year post-construction consumption.

To validate the savings and achievement of the Energy Target, the EPA Portfolio Manager, in conjunction with Program tools, will be used. The steps of this process are summarized below:

- Develop and document building energy baseline based on at least one full year of historical energy use data for the building.

- Document annual energy use during the post-retrofit period. Collect energy consumption data for the 12-month post-installation period.

- Perform weather-normalization and calculate Percent Reduction of Source Energy Use as the difference between baseline and post-retrofit energy consumption as a percentage of the baseline energy consumption (baseline – post retrofit energy consumption / baseline).

Upon verified installation of all measures in the approved Energy Reduction Plan, 50% of the total performance-based incentive will be released. The remaining 50% of the performance-based incentive will be released upon completion of the Post Construction Benchmarking Report which reflects that the minimum performance threshold has been met or exceeded.

Incentive #2a and #2b combined will be capped not to exceed 50% of the total project cost, and Incentive #1, #2a, and #2b combined will not exceed $2 million per project (if both electric and gas measures are implemented; $1 million if all-electric or all-gas) whichever is less. Entity caps of $4 million per fiscal year (or $5 million with CHP) also apply.

There will be no 100kW eligibility requirement for the following types of customers: hospitals, select nonprofits*, public colleges & universities, government entities (including K-12) and affordable multi-family customers ("affordable" as defined as low income, subsidized, HUD, etc.). *Nonprofits are defined as organizations that are exempt for taxation under Section 501 (c) (3) of the Internal Revenue Code so that smaller entities in this customer class can take advantage of a whole building approach to energy efficiency.

Program Goals

The Pay for Performance Program goals may be found in Appendix C.

Program Deliverables

The Pay for Performance Program will provide the following services:

1. Maintain a pool of Program Partners that can offer Program services and publicize this list to potential participants.

2. Continue to develop new Program Partners as market demand warrants. Depending on program demand, provide up to two (2) full-day Program Orientation seminars for Program Partners to introduce the Program and the Energy Reduction Plan development. OCE staff will also be invited.
3. Conduct quarterly Partner webinars to supplement program orientations in order to educate existing Partners on program requirements.
4. Conduct Monthly Partner Conference Calls to present Program updates and discuss any issues that Partners may be encountering.
5. 100% Quality Control review of all submitted Energy Reduction Plans.
6. Pre and Post on-site inspections.

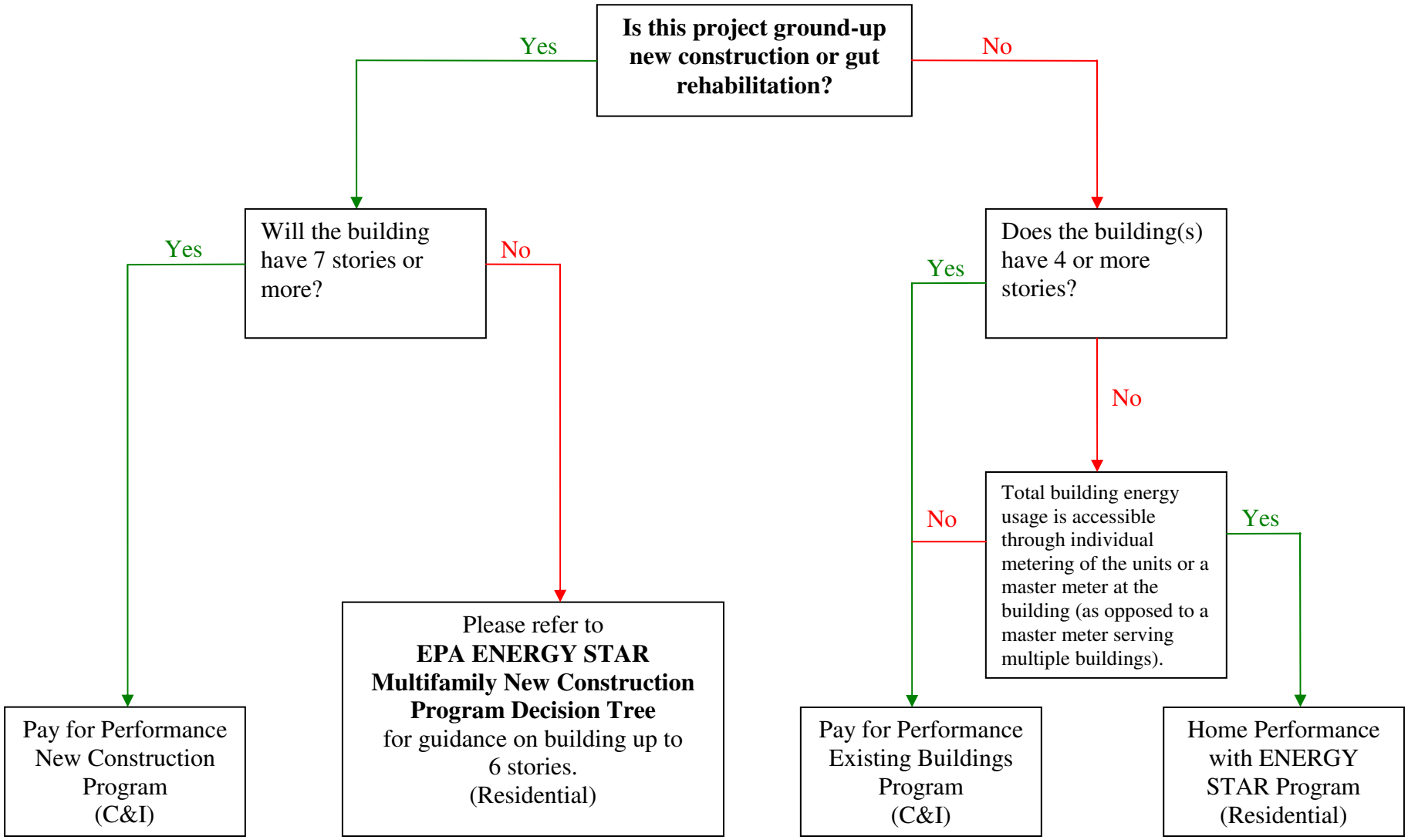
Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all Pay for Performance Program projects. All applications are reviewed upon receipt to verify adherence to eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of energy efficient measure qualification and incentive calculation. Applicant supplied information and program administrator performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence. Pre and/or post inspections are conducted as required.

Program Evaluation

Ongoing evaluation services will be provided by the OCE through its external evaluation vendor

Multifamily Buildings



Any multifamily building that is not eligible for residential programs above will automatically be considered for Pay for Performance under the C&I suite of programs.

Combined Heat and Power and Fuel Cells

The following is a description of both the small and large scale Combined Heat and Power (CHP) and Fuel Cell (FC) Program. For FY 2015, the C&I Market Manager will continue to manage the program for small scale systems (≤ 1MW). Large scale systems (> 1 MW) will be managed by OCE Staff on an interim basis

Program Description

New Jersey's Clean Energy Program offers a stand-alone Combined Heat and Power (CHP) and Fuel Cell (FC) Program. Program participants are eligible to receive financial incentives for Combined Heat and Power and Fuel Cell installations to further enhance energy efficiency in their buildings through on-site power generation with recovery and productive use of waste heat, and reducing existing and new demands to the electric power grid. The Program offers financial incentives for both fuel cells with and without waste heat recovery.

By installing CHP and Fuel Cell systems, participants will assist in reducing overall system peak demand, furthering the use of emerging technologies, reducing emissions, and using distributed generation to provide reliability solutions for New Jersey while supporting the State's Energy Master Plan. (Please note, the combination of incentives for Fuel Cells with those for CHP under the same Program is not meant to define fuel cells that do not utilize waste heat recovery as a CHP technology.)

Target Market and Eligibility

The CHP-FC program is open to all New Jersey-based commercial and industrial (C&I) customers paying into the Societal Benefits Fund. Applications are reviewed and funds committed on a first come, first serve basis provided all program requirements are met. CHP-FC systems that receive funding from the Energy Resiliency Bank will not be eligible for incentives through New Jersey's Clean Energy Program.

Equipment Eligibility

To qualify for incentives, CHP and Fuel Cell equipment must meet all of the following eligibility criteria:

- For Fuel Cells without waste heat recovery only: System must be sized to meet all or a portion of the customer's on-site load, not to exceed 100% of most recent historical annual consumption or peak demand. For all projects, CHP and Fuel Cell, any surplus power that may become available during the course of a given year may be sold to PJM.

- Natural gas, hydrogen, and mixed fuel (e.g. natural gas and biogas) CHP and Fuel Cell equipment installed on the customer side of the utility meter is eligible. Mixed fuel projects will be accepted and reviewed for incentive eligibility on a pilot basis. Upon receipt and review of a mixed-fuel CHP/FC project, the Market Manager will determine if any other eligibility criteria may be required to approve the project and commit incentives. The Market Manager has the ability to recommend reduced incentives from those shown in Table 1 if equipment output is derated based on fuel input or other factors associated with mixed-fuel system performance, subject to review and approval by BPU Staff. Mixed-fuel system incentives will not exceed those listed in Table 1.

- Equipment must be new, commercially available, and permanently installed.

- Expansion of an existing system with new equipment is also eligible, however, only the incremental expansion would be eligible for incentives.

- The following applies to CHP systems, including fuel cells that utilize waste heat:
    - The CHP system must achieve an annual system efficiency of at least 65% (Lower Heating Value – LHV), based on total energy input and total utilized energy output. Mechanical energy may be included in the efficiency evaluation.
    - Waste heat utilization systems or other mechanical recovery systems are required. Even though waste heat systems are produced with many configurations, they all perform the same task of capturing waste heat energy in the radiator or exhaust systems of a generator and delivering it to a heat load or cooling load. The captured energy is used in heating processes, such as water heating, pasteurizing, product preheating, etc. New electric generation equipment which captures waste heat or energy from existing systems is also allowed.

- The following only applies to Fuel Cells without waste heat utilization:
    - Fuel Cell systems must achieve an annual electric system efficiency of at least 50% (LHV).

- In order to qualify for incentives, systems must operate a minimum of 5,000 full load equivalent hours per year (i.e. run at least 5,000 hours per year at full rated KW output). The Office of Clean Energy (OCE) may grant exceptions to this minimum operating hours requirement for critical facilities (as defined by the Office of Emergency Management and FEMA), provided the proposed system operates a minimum of 3,500 full load equivalent hours per year.

- Projects are subject to ten (10) year warranty requirements

- Third party ownership (or leased equipment), such as those procured under Power Purchase Agreements, are permitted within the program with the following provisions:
  - In order to ensure the equipment remains on site and is in operation for the term of the agreement, a binding agreement is required between the parties. A copy of this agreement shall be provided to the Market Manager prior to commitment of incentives. The agreement should state that the equipment could be transferred to new owners should the property be sold or otherwise have a buyout provision so the equipment remains on site and stays operational so the projected energy savings can accrue. The intent is to provide incentives for generating equipment, which is installed and functioning for the duration of its useful life. Under the Program, only permanently installed equipment is eligible for incentives and this must be physically demonstrable to the Market Manager, upon inspection, prior to receiving an incentive. This can be demonstrated by electrical, thermal and fuel connections in accordance with industry practices for permanently installed equipment and be secured to a permanent surface (e.g. foundation). Any indication of portability, including but not limited to temporary structures, quick disconnects, unsecured equipment, wheels, carrying handles, dolly, trailer or platform will deem the system ineligible.
  - The customer/applicant will be allowed to sign over the incentive to the third party owner. A valid project cost shall be demonstrated as part of the application in order to establish an appropriate incentive level.
  - All other program rules apply.

- The following criteria may also apply during review of CHP and Fuel Cell project applications:
  - Environmental performance;
  - Projected system startup date;
  - Annual system utilization;
  - Alignment with programmatic goals;
  - Project clarity;
  - Facility's operation as an Emergency Management Center

Not Eligible for CHP or Fuel Cell Incentives

The following types of generating systems/equipment are not eligible for the program:

- Used, refurbished, temporary, pilot, demonstration, or portable equipment/systems.

- Back-Up Generators - systems intended for emergency or back-up generation purposes.

- Any system/equipment that uses diesel fuel, other types of oil and coal for continuous operation.

- 100% renewable fueled projects, including biodiesel and landfill gas, must be submitted through the renewable energy programs. Please refer to the FY 2015 Renewable Program Compliance Filing for requirements and funding details.

Incentives

Incentives vary based on CHP or Fuel Cell technology, type, project size and total project cost. Table 1 below summarizes the qualifying technologies and available incentives. Please note, incentives for small scale systems (≤1MW) are managed by the C&I Market Manager. Large scale systems (> 1MW) are currently managed by OCE Staff and will be transitioned to the C&I Market Manager pending approval by Treasury and the Board.

TABLE 1: CHP AND FUEL CELL TECHNOLOGY AND INCENTIVE LEVELS

Eligible Technology	**Size (Installed Rated Capacity)**	**Incentive ($/Watt)[2]**	**P4P Bonus[3] ($/Watt) (cap $250,000)**	**% of Total Cost Cap per project**	**$ Cap per project**
Combined Heat & Power Powered by non-renewable fuel source • Gas Internal Combustion Engine • Gas Combustion Turbine • Microturbine	≤500 kW	$2.00	$0.25	30-40%[4]	$2 million
	>500 kW – 1 MW	$1.00			
	>1 MW – 3 MW[1]	$0.55		30%	$3 million
	>3 MW[1]	$0.35			
Fuel Cells Powered by non-renewable fuel source. Incentives available for systems both with and without waste heat recovery.	≤1 MW w. waste heat	$4.00		60%	$2 million
	≤1 MW	$3.00			
	>1 MW w. waste heat	$2.00		45%	$3 million
	>1 MW	$1.50			
Heat Recovery[5] Powered by non-renewable fuel source. Heat recovery or other mechanical recovery from existing equipment utilizing new electric generation equipment (e.g. steam turbine)	≤1 MW	$1.00		30%	$2 million
	>1 MW	$0.50		30%	$3 million

- Incentives for CHP systems greater than 1 MW are tiered. For example, a 4 MW CHP system would receive $0.55/watt for the first 3 MW and $0.35/watt for the last 1 MW. No other incentives are tiered.

- In the past, utilities have offered incentives towards CHP and Fuel Cell technologies ranging from $0 to $1,000,000. Although no utility incentives are currently available, should they become available at a later time NJCEP incentives will subsidize utility incentives to bring the combined incentive up to the $/Watt amount shown in the table above, up to the maximum caps listed, to ensure a consistent incentive is paid throughout New Jersey.

- Any facility successfully participating in Pay for Performance prior to applying for CHP or Fuel Cell incentives will be eligible for an additional $0.25 per Watt from the NJCEP, not to exceed $250,000. This amount is in addition to the "$ cap per project" listed above. The "% of project cost" caps listed above will be maintained.

- The maximum incentive will be limited to 30% of total project. This cap will be increased to 40% where a cooling application is used or included with the CHP system (e.g. absorption chiller).

Projects will receive program incentives in three partial payments. The first incentive will be paid upon proof of purchase of equipment. The second payment paid upon project installation and operation, including successful inspection. The remainder of the project incentive will be paid upon acceptance and confirmation the project is achieving the required performance thresholds based on twelve (12) months of operating data. The payment structure is summarized in Table 2 below:

TABLE 2: CHP AND FUEL CELL INCENTIVE PAYMENT SCHEDULE

Purchase	**Installation**	**Acceptance of 12 months post-installation data**
30%	60%	10%

In FY 2015, New Jersey's Clean Energy Program will continue to provide an incentive for CHP projects fueled by renewable resources eligible for incentives under New Jersey's Clean Energy Renewable Program. Please refer to the FY 2015 Renewable Program Compliance Filing for requirements and funding details.

Applicants will not be allowed to receive incentives for the installed generation equipment from other available SBC-funded programs.

Warranty Requirements

Systems installed must be covered by a minimum ten (10) year warranty, extended warranty or service contract.

Application Guidelines for CHP and Fuel Cell Projects

The following guidelines apply to all projects. Additional detail is provided in the CHP-FC Application:

- Prior to equipment installation, Participants must submit the required Application, including all appendices, to the Market Manager. Upon review and approval of the Application, a commitment/award letter will be issued approving the eligibility of the system and reserving the incentive.

- The Application must include information demonstrating that the proposed system will meet all applicable technical and eligibility requirements as specified by the Program.

- Applicants must allow inspection of eligible systems. The Market Manager will inspect 100% of the installations prior to issuing the incentive.

- Funding will be reserved for eighteen (18) months from the date of the award letter after which Market Manager may cancel the funding. Any circumstances which will result in a delay past the 18-month timeframe must be reported to the Market Manager at least one month prior to the expiration of the funding award. Applicants must submit a request for extension in writing. The request must identify the reason for the request, and a schedule that identifies how much extra time is needed to complete the project. Requests for extensions may be granted by the Market Manager for up to twelve (12) months so long as applicant can demonstrate proof of significant project advancement. This could be in the form of copies of permits, equipment invoices, installation invoices indicating percentage complete, updated project schedules, etc. Any further requests for extension must be presented to the Market Manager for Board staff consideration. In addition, Market Manger reserves the right to conduct an inspection of the project to confirm project advancement. Approval of a request for extension will not change or modify any other program terms and conditions.

- Applicant must provide twelve (12) months of operational data demonstrating the equipment has:
  - Achieved at least the minimum required efficiency levels, and
  - Annual generated kWhs are within 20% of that stated in the approved Application.

This shall be done by implementing appropriate metering as part of the system installation. Data collected should include, but not be limited to, fuel input (MMBtu), electrical output (kWh, MMBtu), recoverable and utilized thermal output (MMBTU). A detailed metering plan shall be included within the feasibility analysis. If the review of the twelve (12) months of operational data demonstrates the equipment is not achieving the required level of efficiency, the applicant may submit a request to the Market Manager for an extension. Requests for extensions may be granted by the Market Manager for up to twelve (12) months (two, six (6) month extensions). These extensions are in addition to any extension granted during project construction, as discussed in the previous section.

Applicants are required to submit operational data to demonstrate system performance for the first five years the system is in operation. This data will aid the New Jersey Board of Public Utilities in various efforts related to supporting CHP and Fuel Cell development in the state. No additional incentives will be available for this effort.

- All submittals must be signed by a New Jersey Professional Engineer (PE) certifying that the information is accurate to the best of their knowledge.

Program Goals

The Combined Heat and Power and Fuel Cell Program goals may be found in Appendix C.

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all CHP and Fuel Cell projects. All applications are reviewed upon receipt to verify adherence to eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of energy efficient measure qualification and incentive calculation. Applicant supplied information and program administrator performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence.

Each awarded CHP or Fuel Cell project will be inspected by the Market Manager. A field inspection report will be prepared and kept in the project file for record purposes.

Upon completion of the project, the award recipient will submit documentation that the work is complete (i.e., As-Built Drawings, P and ID Drawings, if necessary) and certification that the project has been constructed in accordance with the accepted application. This may include, but not be limited to, the following:

- Review of documentation to support “Eligible Project costs” as defined above.

- Verification that the information stated in the application matches what was installed.
- Confirmation that the equipment is new and permanently installed and not used, refurbished, temporary, pilot or demonstration equipment.
- Confirmation that the installed system is covered by a minimum 10 year warranty, extended warranty, or service contract.
- Confirmation that the system does not use diesel fuel, other types of oil, coal, or renewable sources for continuous operation.

The Market Manager will review this documentation, and, in conjunction with the post installation inspection, will confirm the project has been installed per the specifications of the approved application as well as in line with all program requirements. A post inspection will be performed on 100% of projects which include CHP or Fuel Cell systems. The Market Manager may also request additional project information or documentation required to verify the project has met the program requirements based on the original application.

If the project has not been installed in accordance with the approved application, the Market Manager will review the project and assess the variances between the project as installed and as submitted. The Market Manager will request additional support documentation from the Applicant which may be helpful in evaluating the discrepancy. The Market Manager will review the discrepancies, perform a technical evaluation, and make a recommendation to the Program Coordinator and the OCE. Upon receiving approval of the recommendation, the Market Manager will notify the applicant and process the appropriate incentive.

Pay for Performance New Construction

In order to address new buildings in the C&I market more comprehensively, TRC will continue implementing a Pay for Performance New Construction Program. The Pay for Performance New Construction Program promotes high performance buildings that achieve 15% or more energy cost savings than buildings built to the current energy code. By taking a performance-based approach, this Program allows architects, engineers, and energy professionals the flexibility to incorporate energy efficiency into the building design in a manner that best suits the project. Much of the program design and incentive structure is similar to the C&I Pay for Performance Program that is designed for existing buildings.

Program Description

The C&I Pay for Performance New Construction Program takes a comprehensive, whole building approach to energy efficiency in new commercial and industrial buildings. Similar to performance contracting programs offered in other states, this Program links incentives directly to energy savings and includes a commissioning component to ensure that the estimated savings levels are achieved. This market based-program relies on a network of Program Partners, selected through a Request for Qualifications process. Once approved, Partners will provide technical services to program participants. Partners are required to strictly follow program policy but will work under contract to owners, acting as their "energy expert". Partners will be required to develop an Energy Reduction Plan for each project. The Energy Reduction Plan details a set of recommended measures that will achieve the performance target. A set minimum performance target will be required of all projects and will be established using a 15% energy cost reduction from a reference building based on applicable energy code[2]. Market Manager reserves the right to consider alternative minimum threshold savings requirement in unique situations. The achievement of this energy reduction goal will be verified through post-construction commissioning.

Target Market and Eligibility

The C&I Pay for Performance Program is open to new commercial and industrial construction projects with 50,000 sq ft or more of conditioned space. Market Manager reserves the right to approve projects that are within 10% of the minimum 50,000 sq ft threshold. Projects may include a single building meeting square footage requirements, or multiple buildings as long as those buildings are owned by the same entity, are located on adjacent properties, and are designed and constructed within the same time period.

[2] Current energy code in New Jersey is ASHRAE 90.1.2007

Multifamily Buildings – The Pay for Performance New Construction Program will accommodate certain types of multifamily buildings. Specifically, multifamily customers that fit the following description will be able to participate in the Pay for Performance program (reference logic tree at end of P4P Existing Buildings section):

- High-rise buildings: 7 stories or greater
  Mid-rise buildings: 4-6 stories with central heating and/or cooling. Mid-rise buildings may also qualify for the Residential ENERGY STAR Multifamily High Rise program. See the Residential Program Compliance Filing for details.

Low-rise (and mid-rise where appropriate), garden-style complexes will be treated as one project under the Pay for Performance program. In other words, if there are 10 garden-style buildings that are part of one multifamily community, all 10 will be aggregated into one P4P application. The 50,000 square foot participation threshold will be met through this aggregation (including common area and in-unit). The 15% savings requirement (as well as all other program requirements) will be achieved in aggregate, as well. The same process will apply for affordable-rate housing, except for the fact that they will not need to meet the 50,000 square foot requirement to participate. Only one set of incentives will be paid per project, and all incentive caps apply. There are no additional changes to the program.

Participants will be required to work with an approved Pay for Performance Partner to develop the Energy Reduction Plan and facilitate the incorporation of the recommended energy efficient design features. In order to receive the full suite of incentives offered in the Pay for Performance Program, the submitted Energy Reduction Plan must include a package of energy efficiency measures that achieve the minimum performance threshold (i.e., 15% less energy costs better than the ASHRAE-based reference building). In addition, the Energy Reduction Plan must include a comprehensive mix of measures; lighting cannot make up more than 50% of the total projected savings.

Energy cost will be used in the performance target calculation. Energy cost is also used by ASHRAE 90.1 and Appendix G, EPAct Federal Tax Deductions, and LEED NC. Pre-approval of the Energy Reduction Plan is required for all projects. Projects that cannot identify efficiency measures that meet the minimum performance target will be referred to the appropriate SmartStart Buildings Program(s). The Energy Reduction Plan will include a commissioning report for all recommended measures.

Generally, pre-inspections will not be performed. Projects may complete construction, however, in the event that the equipment selected does not qualify for an incentive, it will be removed from the Proposed ERP and no incentives will be paid for that equipment. Customer's proceeding with installation prior to Proposed ERP approval are doing so at their own risk. To avoid "old" projects entering the program (i.e. buildings completed prior to applying for the program), invoices for qualifying measures cannot pre-date the initial application receipt date by more than 6 months. This will be verified through (a)

proposed timeline outlined in the initial application and (b) dates on invoices collected at construction completion.

Multifamily complexes and campus-style facilities are viewed as a single entity that is eligible for Pay for Performance incentives subject to the annual incentive caps of $1 million per electric account and $1 million per gas account, not to exceed $2 million per project.

For administrative purposes of tracking technical reviews and site inspections, each building addressed within a multi-building ERP will be considered a separate project. This is necessary because although a single ERP will include all of the necessary project information, the review of each of the building simulation models will require individual attention. Similarly, site inspections will take considerably longer for multi-building projects as each building will require an inspection. Where applicable, administrative tracking will be associated with any approved sampling of building simulation models (i.e., if a single model is developed to represent several similar buildings).

Program Offerings and Incentives

A key component of the Pay for Performance New Construction Program is the development of a network of Program Partners who can provide the technical, financial, and construction-related services necessary for completing the Energy Reduction Plan. The Partner network developed by the Pay for Performance Program for existing buildings includes firms that are also qualified to serve new construction projects. One of the goals of this program is to expand the network of energy efficiency firms that can provide these services. This market-based approach is a key component of market transformation by creating "green collar" jobs and helping to develop the workforce necessary to achieve ambitious energy savings targets. Firms interested in becoming Program Partners will be required to submit case studies and resumes showing experience and expertise in C&I energy efficiency projects for new buildings.

Program incentives are performance-based and not specifically tied to the project cost or the recommended energy efficiency measures. Disassociating incentives from project cost is a key program design decision as it streamlines program administration by eliminating the collection of bid documents, construction contracts and change orders. This incentive structure also provides the benefit of allowing Partners to estimate and explain incentives to prospective participants as part of the program sales process.

Incentives up to $1,000,000 per electric and $1,000,000 per gas utility account, not to exceed $2,000,000 per project, are available and will be released in phases upon satisfactory completion of each of three Program milestones, which are:

- Submittal and approval of a of a Proposed Energy Reduction Plan,
    - Incentive paid in the amount of $0.10/ghsf up to $50,000

    - Additional submittals required: Signed Developer/Partner Contract, proof of 75% of design team's fees paid by developer, Copy of Drawing Sheet Index & Specification Booklet Table of Contents
    - Market Manager reserves the right to approve projects that are within 10% of the minimum 50,000 sq ft threshold.
    - Incentive is contingent on moving forward with construction and must be supported by a signed Installation Agreement. Market Manager, in coordination with the Office of Clean Energy, may waive this contingency in extreme situations where construction is halted due to economic or other external factors. If a project is cancelled after the receipt of Incentive #1 and the Incentive #1 payment is not returned to NJCEP, the customer/Partner may reapply to the Program but will not be eligible for another Incentive #1 payment for the same facility.
- Submittal and approval of the As-Built Energy Reduction Plan
    - Incentive paid in the amount of $1.00/ghsf
    - Additional submittals required: Invoices (or similar proof of purchase), passing post-installation inspection.
- Submittal and Approval of the Commissioning Report that indicates achievement of a performance target of at least 15% by the proposed design
    - For a performance target 15%-17%, incentive paid at $0.35/ghsf.
    - For a performance target 18%-20%, incentive paid at $0.45/ghsf.
    - For a performance target greater than 20%, incentive paid at $0.65/ghsf.

Incentive #1 – Proposed Energy Reduction Plan – This incentive is intended to help offset the cost of services associated with the development of the Energy Reduction Plan and design fees. This incentive will be $0.10 per gross heated square foot up to a maximum amount of $50,000.

Incentive #2 – As-Built Reduction Plan – This incentive will be based on the final installed work scope. The incentive rate will be $1.00 per gross heated square foot to be paid upon construction completion.

Incentive #3 – Commissioning Report – This incentive will be based upon confirmation that the building achieved the performance target value indicated in the Proposed Energy Reduction Plan. This incentive will range from $0.35 - $0.65 per gross heated square foot, increasing with the percentage of cost reduction achieved. Incentive #3 is payable upon construction completion and approval of the Commissioning Report. Changes during construction that result in a greater than 10% variation in projected energy cost savings must be incorporated into the As-Built Energy Reduction Plan and Incentive #3 re-calculated.

Incentive #2 and #3 combined will be capped not to exceed 75% of the total project incremental cost or $2 million per project (if both electric and gas measures are implemented; $1 million if all-electric or all-gas) whichever is less. Entity caps of $4 million per fiscal year (or $5 million with CHP) also apply. Incremental costs will

include both soft and hard costs associated with participation in this Program and the achievement of the 15% performance target. Market Manager, in coordination with the Office of Clean Energy may consider alternative incentive caps in unique situations where incremental costs are difficult to quantify.

There will be no 50,000 sf eligibility requirement for the following types of customers: hospitals, select non-profits*, public colleges & universities, government entities (including K-12) and affordable multi-family customers ("affordable" as defined as low income, subsidized, HUD, etc.). *Non-profits are defined organizations that are exempt for taxation under Section 501 (c) (3) of the Internal Revenue Code so that smaller entities in this customer class can take advantage of a whole building approach to energy efficiency.

Program Goals

The Pay for Performance New Construction Program goals may be found in Appendix C.

Program Deliverables

Pay for Performance – New Construction will provide the following services:

1. Maintain pool of Program Partners that can offer Program services and publicize this list to potential participants.
2. Depending on program demand, provide up to two (2) half-day Program Orientation seminars for Program Partners to introduce the Program and the Energy Reduction Plan development.
3. Depending on program demand, provide two (2) subsidized Energy Modeling Training Sessions for Program Partners related to ASHRAE 90.1-2007 Appendix G.
4. Conduct Monthly Partner Conference Calls to present Program updates and discuss any issues that Partners may be encountering.
5. Conduct quarterly Partner webinars to educate existing Partners on program requirements.
6. 100% Quality Control review of all submitted Energy Reduction Plans.
7. One post-installation inspection per approved Proposed Energy Reduction Plan

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all Pay for Performance Program participants. All applications are reviewed upon receipt to verify adherence to eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of energy efficient measure qualification and incentive calculation. Applicant supplied information and program administrator performed incentive calculations are

entered into the database, and files are created for all documents and ongoing project correspondence. Post installation inspections will be conducted for all projects; pre installation inspections as required.

Program Evaluation

Ongoing evaluation services will be provided by the OCE through its evaluation vendor

Outreach

(This section was previously referred to as Sector Specific Program Enhancement. TRC is working with staff to modify this into a program outreach plan.)

Background

The goal of the outreach initiative is to achieve greater energy efficiency awareness and energy efficiency program participation to all commercial and industrial customer segments. This outreach utilizes a sector-based approach for industrial, higher education, institutional, multifamily, and hospitality buildings. In addition, outreach will focus on chain accounts, commercial real estate companies, and data centers. Sector-based outreach makes it easier for customers to access specific programs, services, products and technologies that are relevant to them; contractors and other allies to help them achieve their energy reduction goals, and trade organizations and other associations for further support. This outreach works hand in hand with ongoing program marketing efforts and tactics. TRC, as OCE C&I Market Manager, has developed programmatic strategies that resonate for each of the sectors, resulting in actions that make their new or existing facilities more energy efficient. Strategies being implemented include, but are not limited to: benchmarking, one-on-one interaction, leveraging partnerships with trade associations, integration with regional and national efforts, as well as guidance for customers in using the existing NJ Clean Energy Programs and services. Outreach services are provided across all NJCEP C&I Programs.

Program Description

The objective of outreach is to provide targeted sectors with customized services so that customers may better understand and implement: energy efficiency, sustainable design and operation, and renewable energy as appropriate to their sector.

A TRC outreach manager is responsible for overseeing the selected efforts and coordinating internally to ensure that there is consistency in the information provided to customers and that it reflects the goals and objectives of the New Jersey Clean Energy Program. All sectors will continue to be supported by the NJ Clean Energy website.

Outreach is an information transfer and marketing effort that uses existing core New Jersey Clean Energy Programs along with the services and strategies developed for each sector. A list of generalized approaches include:

- Strengthen Partnerships – organizations, communities, associations, etc.
  - Maintain contacts with local civic organizations such as Rotary Clubs or Chambers of Commerce
  - Maintain and expand relationships with key stakeholders in New Jersey including local governments, associations and trade groups (ex:

ASHRAE, AEE), community groups (ex: Sustainable Woodbridge NJ Green Team)

- Identify and direct outreach to facilities with large capital plans
- Maintain and expand communications with local utility contacts and account representatives
- Work with key market participants (energy service companies, the P4P partner Network) to promote energy efficiency through existing market channels

A list of targeted approaches include:

- Targeting prior customers – mine our existing database with a focus on the identified sectors. Customers who have previously shown an interest in efficiency have a better understanding of its benefits and may be more included to further participate in the program.
- In coordination with the Marketing Plan, maintain a regular schedule of outreach activities (those that are recurring every year/planned) for which additional outreach resources will be allocated to supplement the marketing budget
- Maintain the flexibility to attend and present at unplanned events as they arise.
- Coordinate with Marketing Team to develop tools, case studies, webinars, trainings, fact sheets, etc. targeted to the C&I Market as well as sector specific clients
- Maximize the Trade Ally Network – TRC has historically worked closely with the pay for Performance and Direct Install Participating Contractor network, while other Trade Allies have remained more loosely affiliated with the program. They self-identify as Trade Allies, but they do not undergo formal training. TRC will establish regular outreach to the existing Trade Ally list so that we can get a better understanding of pending or potential projects, train them on program changes, and enhance participation in the suite of programs available. In particular, this outreach will be critical to increasing participation in the Combined Heat & Power (CHP) Program due to the critical role Trade Allies play in identifying and implementing these projects
- Integration with regional and national efforts — collaboration with national and regional efforts and organizations such as the: the U.S. Environmental Protection Agency (EPA), the U.S. Department of Energy (DOE), Northeast Energy Efficiency Partnership, the Consortium for Energy Efficiency, the American Council for an Energy Efficient Economy, Motor Decisions Matter, ENERGY STAR®, Pump Systems Matter, and the Compressed Air Challenge. Understanding and prioritizing these efforts and partnering with these organizations will help keep New Jersey's Clean Energy Programs on the leading edge of process and technology innovation and provide opportunities to leverage these resources to better serve New Jersey sectors.

- To better tap into potentially large sources of energy savings, we propose to place additional emphasis on the large energy user and the combined heat & power communities. This will be in the form of intensified outreach to key groups (particularly the Large Energy Users Coalition and the CHP Working Group) and their customers, with a goal of working with them to understand their challenges and reduce barriers to participation. We will encourage participation in the C&I Programs by demonstrating short payback periods, positive cost-to-benefit ratios and solid returns-on-investment (ROIs). Outreach and educational sales, technical and financial assistances materials, and targeted messages will be crafted to consistently promote the business case of energy efficiency.
- Targeted CHP – Focus on submarket sectors (e.g., manufacturing, hospitality, hotels, and campuses) that have an energy profile that benefits from CHP. Target their trade associations, conferences, and seminars with NJCEP information and outreach
- In addition, energy performance benchmarking will be offered. Energy performance benchmarking is a critical step in any building upgrade projects because it helps to identify how and where energy is used, and what factors drive that use. TRC will use the EPA ENERGY STAR Program (through tools such as Portfolio Manager and/or Target finder) to help facility owners compare their buildings against the national benchmarks established by the EPA ENERGY STAR Program.

Target Markets and Eligibility

Outreach is available to all qualifying customers interested in the NJCEP suite of commercial and industrial programs, with a primary focus on industrial, higher education, institutional, multifamily, and hospitality, as described below. In addition, outreach will consider and be coordinated with Energy Savings Improvement Program activities where applicable.

Industrial — The industrial sector is defined generally as those facilities that manufacture, process, or store goods, equipment, or merchandise. It is the broadest and most varied of the sectors targeted by this initiative. Facilities vary widely in terms of types of business activities, energy intensities, energy-using equipment, and sizes. Though many energy efficiency measures, such as lighting, HVAC, various types of controls, and other building measures are common to nearly all manufacturing plants, potential energy savings varies significantly across different industry and facility types. Significant energy savings opportunities at a particular manufacturing facility come from process-related activities which are highly industry and site specific. TRC's outreach approach will focus on the unique needs and barriers faced by this sector. In addition, TRC will also place special emphasis on waste water treatment plants because of their unique energy profile and energy savings opportunities.

Higher Education — This sector includes public or private post-secondary educational facilities including, but not limited to, colleges and universities and community colleges. Each college and university campus presents a unique set of challenges, requiring customized energy efficiency strategies. Residence halls and classrooms use lots of energy but often may be relatively minor power users as compared to the energy used by labs and some other campus buildings. Some schools attribute up to half of their energy use to research facilities, mainly because the labs often require 6-8 air changes per hour with 100% outside air. Labs need outside air but air exchangers are very costly. Even though automation may help reduce these costs, a lab still needs about six air changes per minute when occupied and about three or four changes a minute when unoccupied. Fume hoods equipped with proximity sensors can ensure that researchers are safe while working and can be set to automatically slow down when no one is present, helping to save some energy. In comparison, large auditoriums or conference rooms have carbon dioxide monitors that allow air to safely and economically re-circulate within a given CO_2 set point. Campus parking lots and walkways use electricity to provide exterior lighting and there is increased use attributable to the need to improve overall, campus-wide security, a top concern among higher education facilities.

Historically, compared to other industries, colleges and universities have been slow to adopt energy-saving techniques. Colleges in particular often lack cohesive strategies to reduce energy use. Many institutions spend millions of dollars per year powering inefficient equipment, outdated cooling and heating systems, and antiquated clusters of research data servers stored in lab closets and back rooms. A typical college or university classroom building, lighting accounts for 31%, space heating 28%, and water heating 25% of total energy use, making those systems good targets for energy savings.

Institutional — For the purposes of this Outreach Plan, the Institutional sector will generally focus on K-12 schools, hospitals, and healthcare facilities and municipal government buildings.

K-12 schools represent the largest of sub-group in the Institutional sector and a significant opportunity for energy efficiency in New Jersey. However, because of the diffuse decision making in this sector, with over 2,500 public schools spanning 590 districts, TRC will work with key organizations to develop marketing and outreach programs for K-12 schools statewide. We will focus on highlighting the successes of past participants in NJCEP. In each of the past three years, a K-12 participating in either the LGEA or P4P Program has been recognized as a U.S. Department of Education Green Ribbon School District Sustainability Awardee. Developing case studies showcasing the success of New Jersey schools participating in NJCEP will be an integral part of TRC's K-12 outreach activities.

Hospitals are among New Jersey's most complex, diverse, and energy-intensive facilities. Unlike most other commercial buildings, hospitals must be fully operational 24 hours a day, seven days a week, able to maintain services during power outages, natural disasters, and emergencies that could force other facilities to close. Increased

participation in the programs will continue with developing sector-wide partnerships with the decision makers and organizations/associations which influence the industry. Through continuously communicating program benefits and offerings, and with extensive marketing, education, and training, the barriers will diminish. Specifically, communication with hospital executives (administrator or president/CEO), others responsible for important business functions (Board of Directors or Trustees), and in-house staff responsible for building operations will yield the most benefit. Buy-in from upper management will result in organizational commitment, and the ability of facilities personnel to initiate and follow through with the necessary capital projects and to exerting more control over vendor / contractor relationships to attain the facility goals set for sustainability and energy efficiency.

Municipal and Local Government Buildings make up the final key market segment within the Institutional Sector. These facilities include offices, courtrooms, town halls, police and fire stations, sanitation buildings, transportation structures, libraries, and community centers throughout the 556 municipalities in the State of New Jersey. Adding municipal facilities to this sector has allowed TRC to offer benchmarking and training to enhance and support the Local Government Energy Audit program, and includes all buildings eligible for LGEA program incentives.

Multifamily - Two thirds of New Jersey's 1.5 million units are rented, and many of those are in need of repair and improvement. TRC has a long track record of working with multifamily building owners, affordable and market-rate, to make their facilities more energy efficient. The New Jersey Apartment Association reports that 1951 is the median year of construction for rental units in New Jersey. An older housing stock provides significant opportunities for repairs, renovations, and energy efficiency improvements. In 2007 alone, ten percent of New Jersey existing housing units received building permits for improvements ranging from new decks to extensive reconstruction or gut rehabilitation.

The sector-specific approach for increased energy efficiency program participation will continue to focus on offering educational information, technical assistance and training, and financial incentives that multifamily building owners can access to build and execute effective and comprehensive energy reduction plans. TRC will continue to forge relationships with owners, managers, architects, and developers, a task facilitated by providing value-added support throughout the building process and by offering benchmarking.

Hospitality - The hospitality industry is a large and expanding sector of New Jersey's economy. According to the U.S. Energy Information Administration (EIA), facilities involved in the *Lodging Industry* are the third most energy intensive commercial buildings in the northeastern United States (after healthcare and education). Facilities involved in *Food Service* and *Public Assembly* were sixth and seventh respectively in national rankings of energy intensity by commercial building type.

TRC will continue to focus on facilities that are involved in lodging such as: hotels (including casino hotels), motels, inns, and extended stay facilities. We also included full service restaurants (but not other facilities involving food service such as cafeterias or fast food). Common to these facilities is a constant high turnover of large numbers of people and the challenge of providing temporary accommodations for them. Energy is primarily used for heating, ventilation, air conditioning, lighting, hot water, refrigeration, food service, and when not outsourced, laundry. The demand for rapid service, maximum convenience and comfort, and high turnover of people can create resource and energy waste, and good opportunities for energy savings.

Large full service hotels tend to have all of the energy demands of other large commercial facilities, plus the demands of HVAC for individual rooms, food service, swimming pools, laundry, and maintenance. Restaurants tend to have smaller floor space and energy demand but like the other facilities in this sector, offer food service, so there is overlap of potential energy efficiency measures that are common to all.

Though the hospitality sector has been expanding in recent years in New Jersey, the global economic downturn has hit it particularly hard. Disposable income and corporate spending for hospitality services have significantly decreased everywhere. However, this also creates an excellent opportunity for significant systems upgrades and renovations because lighting retrofits, HVAC upgrades, and installation of new building EMS systems, etc. generally cannot be done while hotels and other facilities are fully occupied. Since the industry has a great need to reduce expenses and has been severely impacted in recent years by escalating energy costs, a temporary decrease in business could actually lead to an increased interest in energy efficiency projects, therefore TRC will continue to pursue this opportunity.

Commercial Buildings – Efforts in this sector will be focused on chain accounts, commercial real estate companies, and data centers. There is much opportunity for increasing Program participation, working cooperatively with utility key account representatives, and reducing energy use and waste within the commercial sector in general. Data centers, in particular, can reduce energy use dramatically by installing high-efficiency servers, virtualization software, high-efficiency lighting and cooling systems, efficient power systems, humidity controls, and cable raceways. Additional opportunities for energy savings for all building types within this sector will be identified during the plan design phase.

Program Offerings and Incentives

The following are brief descriptions of outreach information and services. It is important to remember the overall goal is to offer a portfolio of services and strategies which cost-effectively provide the greatest impact on energy awareness, and increase Program participation.

The overarching outreach goal, is to empower facility and building owners/operators to make energy efficiency decisions. To reach this goal, TRC proposes a twofold strategy which it will apply across all subsectors – general outreach and targeted outreach, which were discussed in the Program Description. Outreach activities will be carried out by both TRC staff and our subcontractor, EAM, and will include any combination of the following four activities (the degree to which we will use each one will depend on the sector, customer need, and energy savings potential):

- Targeted individual and group meetings and presentations with customers
- Targeted individual and group meetings and presentations with Trade Allies and key stakeholders
- Joint meetings with utility key account representatives
- Energy performance benchmarking

TRC will aggressively pursue an educational campaign to transform facility managers into knowledgeable energy customers and supply them with the data they need to make decisions about their own facilities. This is vital to NJ OCE's effort because they are then able to take the initiative to become agents of change within their organizations. This outreach will include benchmarking, and one-on-one technical assistance. It will take advantage of collaborative relationships with a range of market participants detailed below. Concurrently, TRC will continue to diligently market NJ OCE's program offerings so that facility and building owners/operators understand how NJ OCE can help them translate their initiative into action.

In addition, integrating with regional and national efforts and leveraging partnerships with trade associations are guiding principles of TRC's approach to serving the specific sectors. Integrating with regional and national efforts allows NJ OCE to benefit from the capabilities of specialized organizations to complement TRC's in-house expertise. These organizations may include the U.S. Environmental Protection Agency (EPA), the Northeast Energy Efficiency Partnership (NEEP), and the U.S. Green Building Council (USGBC). TRC's strategy for bringing these technical skills to the individuals on the front line of energy efficiency such as facilities' directors, business officials, agency heads, and university boards is to take advantage of the relationships they have with specific organizations.

Energy Benchmarking of Electricity and Heating Fuel Use is a cornerstone of TRC's education strategy. TRC has found that benchmarking reports are very successful in providing facility managers a complete picture of energy use and cost among their various buildings. By giving them information on how well or poorly their buildings are

performing relative to their peers, benchmarking helps facility managers see where their needs are and provides impetus for prioritizing and addressing those needs. The benchmarking report also provides an excellent medium for presenting information on NJ OCE programs. TRC will build upon our current success in benchmarking close to 3,000 facilities around the country by making a concerted effort to reach out to individual sector components, as well as modifying our benchmarking system to accommodate the range of building types.

Outreach Goals

Outreach goals and measures of effectiveness will include the following:

- Increase number of program applications received and energy savings committed by 10% over fiscal year 2014 results.
- Hold 50 direct outreach meetings per month (customers, trade allies, trade organizations)
- Conduct joint customer meetings with utilities
- Make 24 presentations to group gatherings of trade allies and/or key stakeholders at meetings, conferences, or trade shows
- Conduct energy performance benchmarking on 400 buildings
- Participate in 20 Chamber of Commerce events (attend/present)
- Prepare and deliver 30 recent building improvement case studies/success stories

A list of potential outreach events/Trade Shows is included at the end of the Marketing Plan in Appendix A.

Program Deliverables

The Outreach Initiative will provide the following services:

- Continue to customize TRC's existing proprietary energy benchmarking system, *Building Energy Performance System™ (BEPS),* for use in each sector.
- Present NJCEP program incentives and sector specific offerings at Trade Association meetings and events.
- Make marketing, website, and communication recommendations to appropriate staff.
- Improve communication between TRC and Staff. This includes improving the format and content of reports. TRC will continue to report on upcoming client/customer meetings and providing additional detail in the backup support provided in our monthly invoice. In addition, we will institute a new monthly progress report that provides more detail related to outreach activities that have been implemented including:

- Number and descriptions of outreach activities performed by type, e.g. meetings, site visits, conferences attended, etc.
- Number of referrals made to each NJCEP program
- Number of buildings benchmarked
- Number of applications received

Program Evaluation

Ongoing evaluation services will be provided by the OCE's evaluation vendor as part of overall Program evaluation.

SEP - EE Programs for Non Investor Owned Utility Customers

Funding may be made available from the Department of Energy for a State Energy Program which would allow for participation in Direct Install and the Local Government Energy Audit Programs by oil and propane customers and those who are served by municipal and rural electric cooperatives (non-investor owned electric utilities).

Funds will be available on a first-come, first-served basis. The Market Manager's fees to implement the program (e.g. application processing, inspections, etc.) will be charged to New Jersey's Clean Energy Program using existing program contract price lines.

Other than expiration dates, existing program guidelines and rules related to Direct Install and the Local Government Energy Audit Program will apply. Expiration dates are subject to the timeframe defined in the Grant Award.

Large Energy Users Program

Program Description

The purpose of the Large Energy Users Program is to foster self-investment in energy efficiency, and combined heat and power projects while providing necessary financial support to large commercial and industrial utility customers in the state of New Jersey. Incentives will be awarded to customers that satisfy the program's eligibility and program requirements ("Eligible Entities or Eligible Customers"), to invest in self-directed energy projects that are customized to meet the requirements of the customers' existing facilities, while advancing the State's energy efficiency, conservation, and greenhouse gas reduction goals.

Target Markets and Eligibility

The Large Energy Users Program is available on a first come, first served basis to existing, large commercial and industrial buildings that meet the following qualifications:

- Eligible entities must have contributed a minimum of $300,000 (on a pre-sales tax basis) into New Jersey's Clean Energy Program fund in fiscal year 2014 defined as from July 1, 2013 to June 30, 2014 (aggregate of all buildings/sites). (Eligible Entities shall be defined as (1) Public: having distinct and separate budgetary authority; (2) Public Schools: having distinct and separate budgetary authority; (3)Private: Non-residential companies including all related subsidiaries and affiliates regardless of separate EIN numbers or locations within New Jersey. Consistent with DOCKET NO. EOO7030203).
- The total fiscal year 2014 contribution is calculated as $0.025905/therm times total therms plus $0.003437/kWh times total kWh or by updated conversion factors provided and approved by BPU staff
- In order to be considered for incentives, the average billed peak demand of all facilities submitted in the Draft Energy Efficiency (DEEP)/Final Energy Efficiency Plan (FEEP) must meet or exceed 400kW and/or 4,000 DTh.
    - Example: Entity submits DEEP/FEEP for two buildings. Building one has a metered peak demand of 200kW, building two has a metered peak demand of 600kW. Per the above guideline, both buildings would be considered for incentives as the average would be equal to 400kW.

The program will be available via an open enrollment with funding committed on a first come, first served basis.

Entities interested in applying to participate in the program will submit the following information (limit 2 pages excluding attachments):

- Number of buildings/sites and list of all associated fiscal year 2014 utility and third-party supplier accounts.
- Total usage and number of location or premise IDs as provided by utility.
- Total contribution to New Jersey's Clean Energy Program (NJCEP) fund in previous fiscal year from above buildings/sites.

Program Offerings and Incentives:

The Program will offer a maximum incentive per entity which will be the lesser of:

  - $4 million
  - 75% of total project(s) cost as identified in the Final Energy Efficiency Plan (FEEP). Total project costs may include pre-engineering costs, soft costs, and other costs associated with the preparation of the FEEP.
  - 90% of total NJCEP fund contribution in previous year (i.e. from all entity facilities)
  - $0.33 per projected kWh saved annually; $3.75 per projected Therm saved annually

The program has a minimum incentive commitment of $200,000. Projects with incentives below this threshold will be redirected to other NJCEP programs. Incentives shall be reserved upon approval of the DEEP. Program funds will be committed upon approval of FEEP by the Program Manager and, if required, by the Board of Public Utilities. Incentive shall be paid upon project completion and verification that all program requirements are met. Entities may submit up to three (3), DEEP/FEEPs throughout the program year.

Submittal Requirements for Fund Reservation:

Qualifying entities shall submit a DEEP to the Program Manager for existing facilities only. This shall be in a report format and must include at a minimum:

  - Executive Summary:
    - Existing energy use by source from previous 12 months (kWh, kW, MMBtu)
    - Projected annual energy savings by source (kWh, kW, MMBtu, and %)

        - Projected annual total site energy savings (kBtu/sqft and %)
        - Total estimated project cost
        - Total estimated annual energy cost savings
    - Site Overview

    - Table of Energy Conservation Measures (ECMs) to be implemented in next 12 months. Including the following information by measure:
        - Estimated Installed Cost
        - Estimated Annual Energy Savings by source (kWh, kW, MMBtu)
        - Estimated Annual Energy Cost Savings ($)
        - Estimated Simple Payback or IRR *% (total of all measures)*
    - ECM Descriptions including:
        - General description of equipment being replaced/augmented
        - Anticipated Implementation Schedule
        - Estimated construction start and end dates for each measure

*Please note, the approved entity may choose to submit the Final Energy Efficiency Plan (FEEP) in lieu of submitting a.

Submittal Requirements for Fund Commitment:

Qualifying entities shall submit a FEEP to the Program Manager for existing facilities only. The FEEP must be submitted to the Market Manager for review three (3) months from the date of the DEEP approval letter. This shall be in a report format and must include at a minimum:

a. Executive Summary:
    i. Existing energy use by source from previous 12 months (kWh, kW, MMBtu)
    ii. Existing total site energy use from previous 12 months (kBtu/sqft)
    iii. Calculated annual energy savings by source (kWh, kW, MMBtu, and %)
    iv. Calculated annual total site energy savings (kBtu/sqft and %)
    v. Total estimated project cost (note - prevailing wage rates required)
    vi. Total estimated annual energy cost savings
b. Site Overview
c. Utilities Overview
d. Table of Energy Conservation Measures (ECMs) to be implemented in next 12 months. Including the following information by measure:
    i. Estimated Installed Cost (Material, labor, etc)

ii. Estimated Annual Calculated Energy Savings by source (kWh, kW, MMBtu)
iii. Estimated Annual O&M Savings ($)
iv. Estimated Annual Calculated Energy Cost Savings ($)
v. Estimated Simple Payback or IRR *% (total of all measures)*
vi. Anticipated sources of all funding not including Large Energy Users incentive

e. ECM Descriptions including:
i. Detailed description of equipment being replaced/augmented
ii. Detailed description of recommended measure (including quantities, EER, AFUE, etc.)
iii. Basis for calculating energy savings and O&M savings *(including all assumptions)*
iv. Basis for calculating installed cost *(including all assumptions)*
v. Anticipated implementation schedule
vi. Estimated construction start and end dates for each measure

- M&V:
  - Description of pre/post M&V to be implemented. Must be in accordance with IPMVP Option A or B, or other method pre-approved by Market Manager (refer to pay for Performance Program requirements for further details in this regard)
- Appendices
  - Professional Engineer (PE) Certification to verify all FEEP documents are accurate.
  - Utility bills and/or summaries *(method to collect this information to be determined)*
  - Supporting calculations
  - Specification sheets

Please note the following in regard to the annual calculated energy savings by source: Depending upon the complexity of the energy conservation measures in the FEEP, the associated calculations may require building modeling to properly estimate the energy savings for particular measures. These measures may include building shell upgrades, building management systems, etc. Typical ECMs such as lighting, HVAC, motors, and others will likely not require these efforts and may be presented with generally accepted energy savings calculations and methodologies. Further details will be provided in the program application.

Submittal Requirements for Incentive Payment:

- Once the work defined in the FEEP has been completed , entity shall submit proof of construction completion for all measures, which may include but is not limited to the following:
    - Invoices for material/labor including as-built report
    - Work orders
- Entity must also submit:
    - Completed M&V report(s) certified by a Professional Engineer
    - Certification of compliance with prevailing wage
    - Valid tax clearance certificate
- Differences between the FEEP and as-built project must be documented and will require a revised FEEP submitted for review. In the event the scope of work, savings, and/or cost estimates does not match as-built documentation, an incentive true-up will occur. The true-up is not to exceed the original incentive commitment.

Terms and Conditions:

a. Each Energy Conservation Measure (ECM) must demonstrate a simple payback of 8 years or less (not to include maintenance or renewable projects) or, total ECM work scope must have IRR of 10% or greater *(prior to Incentive)*

b. All ECMs must meet Minimum Performance Standards, which may be fulfilled during Professional Engineer review, which shall be understood as the most stringent of:
    a. Pay for Performance Guidelines-Appendix B
    b. ASHRAE 90.1-2007
    c. Local code

c. .

d. FEEP must be submitted no later than three (3) months from date of the DEEP approval letter.

e. ECMs must be fully installed no later than twelve (12) months from approval of the Final Energy Efficiency Plan. Extensions may be granted for a period of up to six months with satisfactory proof of project advancement. (This could be in the form of copies of permits, equipment invoices, installation invoices indicating percentage complete, updated project schedules, etc.)

Limitations/Restrictions:

- New construction and major rehabilitation projects are not eligible under the program, however these projects may be eligible for other NJCEP incentives.

- Incentive will be limited to energy-efficiency measures. The following shall not be included as part of this program:
    - Renewable energy
    - Maintenance energy saving projects
- Incentive shall only be available for ECMs approved in the FEEP.
- ECMs already installed or under construction will not be considered for incentives and shall not be included in FEEP.
- Federal grants/incentives are allowed; other state/utility incentives are allowed so long as they are not originating from NJCEP funds; NJCEP loan funds are allowed. Total of Federal, state, utility, and LEU Program funding shall not exceed 100% of total project cost.

Review and Payment Framework:

1. Upon receipt of the FEEP, Program Manager will have sixty (60) days to review each submittal and provide comments to entity.
2. Market Manager will present FEEPs to Board for approval as required by Board policy and commitment of incentive. Market Manager may conduct up to three site inspections per FEEP submission including a pre inspection, at 50% completion and 100% completion, as required. A pre inspection will be scheduled within 30 days of FEEP submittal, granted sufficient data is provided. Entity will need to provide access to site and notification upon reaching specific percent completions as mentioned above. Measures which require an inspection at 50% completion will be identified by TRC upon submittal of the FEEP. These measures may include building shell upgrades or equipment which will be inaccessible once installed.
3. If ECMs are not completed within the specified timeframe, incentive commitment may be forfeited.
4. Entity will provide M&V data as requested and will comply with any program evaluation activities.

Program Goals

The Large Energy Users Program goals may be found in Appendix C.

Program Deliverables

The Market Manager will provide the following services under the Large Energy Users Program:

- Program management

- Review and approval/rejection of all submitted Draft Energy Efficiency Plan submittals
- Review and approval/rejection of all submitted Final Energy Efficiency Plan submittals
- Technical assistance via email and telephone to assist entities in the proper submittal of the required information
- Updates of data tracking tools to incorporate additional tasks related to this initiative
- Conduct up to three quality control inspections for each FEEP submission – pre inspection, 50% completion inspection and final inspection upon installation of energy efficiency measures
- Incentive processing including issuance of checks and tracking/recordkeeping

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all Program participants. All energy efficiency plans are reviewed upon receipt to verify adherence to eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of energy efficient measure qualification and incentive calculation. Applicant supplied information and program administrator performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence. Pre and/or post inspections will be conducted as required.

Program Evaluation

Ongoing evaluation services will be provided by the OCE through its external evaluation vendor.

SBC Credit Program

The SBC Credit Program was approved by Board Order dated December 20, 2013, Docket Number EO12100940. The purpose of the SBC Credit Program is to implement the SBC Law (found at N.J.S.A. 48:3-60.3) and to foster self-investment in energy efficiency projects by providing financial support to all C&I ratepayers in the State of New Jersey. Credits will be granted to participants that satisfy the program's eligibility and program requirements to invest in self-directed EE projects. No budget is allocated for this program for fiscal year 2015. Pending Treasury and Board approval the C&I Market Manager will design and implement the program.

Appendix A

FY 2015 - Twelve Month Marketing Activity Plan

C/I Market Manager Marketing Plan Summary – FY 2015

EXECUTIVE SUMMARY

New Jersey's Clean Energy Program™ is recognized as a national model for Commercial and Industrial (C&I) programs that spur the adoption of energy-efficient technology. This FY 2015 marketing plan focuses on:

- Conducting market research to better understand program awareness and inform strategies and/or program changes.

- Promoting awareness of, and participation in, the following C&I program offerings resulting increased awareness of energy efficiency opportunities and/or measured energy savings.

Free Energy Benchmarking
Assesses the energy performance of a customer's facilities compared to similar buildings

NJ SmartStart Buildings (Retrofit and New Construction)
Provides prescriptive incentives for replacing standard equipment with high efficiency alternatives, which now include incentives for food service equipment

Pay for Performance (Existing Buildings and New Construction)
Offers a comprehensive, whole-building approach with incentives that are directly linked to energy savings

Large and Small Combined Heat and Power/Fuel Cells
Offers generous financial incentives for on-site power generation with recovery and productive use of waste heat

Local Government Energy Audit
Identifies cost-justified energy efficiency measures and the audit cost is covered by NJCEP

Direct Install
Pays up to 70% of energy efficiency upgrade costs for qualifying small to mid-sized commercial and industrial facilities

Large Energy Users Program
Promotes self-investment in energy efficiency with incentives up to $4 million

Energy Savings Improvement Program
Allows government agencies to pay for energy-related improvements using the value of the resulting energy savings

SBC Credit Program (upon program design and roll out)
The purpose of the SBC Credit Program is to implement the SBC Law (found at N.J.S.A. 48:3-60.3) and to foster self-investment in energy efficiency projects by providing financial support to all C&I ratepayers in the State of New Jersey.

State Energy Program (should funds become available)
Provides high efficiency incentives for oil, propane, cooperative and municipal electric customers

THE CHALLENGE

New Jersey's Clean Energy Program™ offers a suite of services and financial incentives designed to assist the state's commercial and industrial sector in saving energy and money. At first look, it would seem the chance to be "paid to save" would be a no-brainer for any practical business operator. While there may be many potential C&I customers who are ready to take advantage of NJCEP incentives as soon as they learn they exist, there are many more for whom the timing is simply not right.

Perhaps there are financial limitations. Perhaps they feel it smart to wait until capital improvements are planned or renovations and equipment replacements are needed. Although they may not be ready to become active participants yet, these are people who, in the long run, would be interested in what NJCEP has to offer. This is where top-of-mind awareness comes into play.

The best strategy is to get in at the beginning of the process, when customers are gathering facts relating to their needs, and stay there. The FY 2015 marketing plan, in conjunction with ongoing outreach and new market research was created to support this need to achieve and maintain top-of-mind awareness. By reaching out and communicating regularly with potential customers through various media channels, we build a relationship with them. When the time is right for them to actively pursue energy efficiency projects at their facilities, they will be aware of the programs and incentives offered by NJCEP.

FY 2015 MARKETING PLAN GOALS

- Through the utilization of marker research, adjust marketing strategies where necessary, to help achieve the energy savings goals within the C&I sector.

- Utilize this market research to:

    - Increase participation and engagement in NJCEP's C&I programs from July 1, 2014 through June 30, 2015.
    - Provide potential customers helpful information about participating in these programs.
    - Increase awareness of and demand for NJCEP's C&I programs, services and incentives among identified target audience segments.

- Promote NJCEP in positive and memorable ways as the expert, go-to source for energy efficiency information.
    - Participate and create a branded presence at key events to provide greater outreach

- Maintain brand, logo and message consistency.
    - Provide compelling marketing materials that demonstrate purpose and need.

- Monitor and measure marketing performance
    - Focus on reporting and measurement for FY 2015.
    - Measurement tools to include energy savings, as well as number of applications submitted.
    - Provide unique URL's for each marketing piece generated in order to measure the success of tactics in generating website visits.

LOOKING BACK – A REVIEW OF PAST PERFORMANCE

The C&I program team has worked hand-in-hand with NJCEP to successfully launch new programs under the C&I portfolio including Direct Install, Pay for Performance and the Local Government Energy Audit.

In the past year alone (FY14), there have been 4,230 program applications and 44,767 website hits to the C&I URL landing pages. The fact that our marketing and outreach efforts have been able to generate that level of interest is proof of the cumulative effect of strategic marketing and outreach programs.

In the years past, our marketing approach has used a combined market push and market pull strategy to generate demand for NJCEP's C&I programs. Because collaborators like architects and engineers push the use of energy-efficient technologies into the market place, our plan ensures these key influencers are aware of the programs available. To influence market pull, we also communicate directly with the ultimate decision makers: the business owners, facility managers, school administrators and other end-users of NJCEP's suite of C&I programs.

Over the past seven years, application submissions have increased 174%, with an average increase of 21.5% submissions each year. These statistics support our belief in a tactical marketing mix using both push and pull tactics along with outreach efforts to continually increase program awareness and participation.

To make insightful marketing recommendations for FY 2015, we must first look back and assess which of our previous marketing tactics have produced the best results. The following is a review of individual elements in the ongoing strategy developed for *New Jersey's Clean Energy Program*.

Direct mail – In this era of ecommerce, direct mail is still a lead-generating workhorse, particularly when it comes to business-to-business marketing campaigns. Our past direct mail tactics have included general program mailers to targeted audience segments as well more specific mailers geared toward attendees of particular trade shows.

Results: Including unique URL addresses on every direct mail piece allowed us to track website visitation. After each mailing occurred (including program mailings, as well as pre-show mailings), the specified URL provided in the direct mail saw a range of 7-14% increase in web hits compared to the same time period during the year prior. We believe this marked bump in website visitation clearly illustrates that direct mail is an effective tool for NJCEP.

Print Ads – A study conducted by the Journal of Research in Reading reveals that reading online may not be as effective or rewarding as the printed word. People do not fully absorb digital media in the way that they absorb print media information. When a well-written and designed ad is placed in an industry-specific publication that is already part of the target market's daily, weekly or monthly routine, the results can be quite positive.

Results: Business professionals and influencers spend quite a bit of time looking through appropriate trade publications to keep up to speed on the latest news in their field, and there is the added benefit of the publications getting passed around to others within their organization. Print advertising increases awareness levels among the target segment, so when there is a need for new or updated equipment, NJCEP financial incentives are considered during the upgrade process.

Radio – NJCEP's target audience segments are people on the go. Radio's unique, specialized formats allow us to target our best prospects while they are sitting in their vehicles, ready to receive our messages. In addition to radio's ability to influence new prospects, there is no better medium for creating top-of-mind awareness.

Results: All radio spots were written to drive interested parties to the NJCEP website. Since we typically run multiple campaigns simultaneously, there will naturally be some overlap in web hits. The best we can do to judge the effectiveness of past radio buys is look at the overall picture. During the time radio spots aired on NJ 101.5 FM in September-October 2013, web hit activity increased by 8% over the prior year during this same time period.

eBlasts – In March and April of 2014, we leveraged the membership lists of the American Institute of Architects – New Jersey as well as the New Jersey Society of Professional Engineers.

Results: We reached 86,000 licensed architects and associated professionals and 1,400 engineers who work in the state of New Jersey, informing them of the energy efficiency programs available through NJCEP for their upcoming C&I projects.

Public Relations – Just as important as knowing what does work is learning what doesn't. When we first started our marketing efforts for NJCEP, we invested great amounts of funds, effort and time in creating check presentation events that included speakers, refreshments and media hosting. The result was often a small blurb in a local paper, at best.

Seeing what doesn't work, we shifted gears to what does. For example, when Harrah's Entertainment implemented energy efficiency technologies, rather than submit a press release and hope for coverage, we approached our contacts at NJ Biz to see if they would be willing to write a feature article. Not only did they run the article, they also arranged for an entire supplement on NJCEP initiatives and programs. Advertising was sold to support the supplement, giving NJCEP incredible exposure at no cost.

Results: Through our strong connections with numerous publications, we have continued to push for opportunities for free editorial placement.

Cooperative Advertising - We continued to launch new initiatives to help market the C&I programs in unique ways while simultaneously strengthening our relationships with our trade allies. A prime example of cooperative advertising is the synergy gained by working with contractors to coordinate their advertising efforts with those of the NJCEP.

Results: We have worked closely with Direct Install contractor to coordinate radio buys and schedules so that NJCEP radio spots ran in the same time frame as the contractor's spots promoting the direct install program. By working together, we were able to further leverage the message and increase awareness of the energy efficiency programs available to small and mid-sized businesses.

MOVING FORWARD – NEW FY 2015 RECOMMENDATIONS

We are excited to present this plan for FY 2015, filled with new approaches, ideas, and tactics to generate interest and participation in the C&I programs offered by NJCEP and increase overall energy savings within the C&I sectors.

Conduct Market Research to Better Inform Marketing Strategies and Increase Energy Savings- ***New for FY 2015***, we will launch a broad market research effort designed to measure program awareness and help build demand for all of the Clean Energy Programs. We will utilize the data specific to the C&I sector to revise (where needed) marketing strategies to help us achieve increased energy savings and program participation. TRC is exploring the use of additional or alternate marketing subcontractors to accomplish this task.

This effort can be initiated immediately following Board approval.

Develop Sponsorship & Advertising Packages – ***New for FY 2015***, we suggest partnering with selected Chambers of Commerce in New Jersey. By incorporating state, regional and local chambers in the state, we would reach as many as 20,000 diverse businesses. We would develop a sponsor package with each Chamber partner that would enable us to communicate directly with their members through scheduled e-blasts, ads and web banner ads. Chamber membership is made up of small, midsize and large business owners and executives – an exact match to the primary segment of our target audience. This tactic combines advertising with our outreach initiative, which will result in far better leads.

This effort can be initiated immediately and refined/revised as market research is completed and evaluated.

Embrace Social Media – ***New for FY 2015,*** an important component of top-of-mind awareness is establishing NJCEP as the energy efficiency expert for New Jersey businesses. We suggest creating business groups on LinkedIn and soliciting members. By doing so, we can market NJCEP by showcasing the group's knowledge, experience, and expertise. We can share success stories and encourage dialogue related to energy efficiency.

Recommend not launching this effort until after market research is completed and evaluated.

Conduct Smart Outreach – ***New for FY 2015,*** we will work with outreach team members and other stakeholders to retain and expand support for NJCEP's C&I programs. Efforts include creating personalized presentations for targeted audiences to establish networks, promote the C&I programs to potential users and build communication to keep decision makers informed of the role of NJCEP and its accomplishments.

This effort can be initiated immediately and refined/revised as market research is completed and evaluated.

Update Creative Campaign – Two years ago, we developed a cohesive creative campaign for *New Jersey's Clean Energy Program*. This creative served as a template to ensure a consistent brand look for all residential, renewable and C&I program marketing. For FY 2015, we will once again develop a fresh, creative campaign template that can be utilized by all programs to promote a strong and unified brand image.

Recommend not launching this effort until after the market research is completed and evaluated.

Launch New Trade Show Displays – To maximize trade show ROI, we will include innovative and high-quality new exhibit displays and graphics as part of the creative campaign update.

Components of this effort can be initiated immediately and refined/revised as market research is completed and evaluated.

Increase Frequency – As a business-to-business campaign, niche marketing or narrowcast techniques are the preferred marketing tactics for this plan. Our research and experience tells us it is more beneficial to increase frequency by increasing spending on the narrowcast techniques that reach the ideal audience, than to deviate to a broadcast tactic that reaches the public at large. For example, Philadelphia television advertising would not be recommended due the incredibly high expense to reach millions of people who are not in our target audience.

Components of this effort can be initiated immediately and refined/revised as market research is completed and evaluated.

The following sections introduce our planned market segmentation and outline more specific tactics designed to reach each segment.

MARKET SEGMENTATION

Understanding the relevant segments for NJCEP's C&I program allows us to adjust the marketing mix to best adapt to the different needs of each segment. With the added information collected through the market research, these segments can be further refined and tactics can be modified.

Below we have identified your key demographics and the values that could potentially drive them to participate in an energy efficiency program.

SEGMENT 1: Business owners, C-suite executives, facility managers, commercial developers

Behavior Drivers: Save money for your business, improve your bottom line, improve comfort for employees, become a green corporate citizen

SEGMENT 2: Local government representatives, elected officials

Behavior Drivers: Lead by example, save your taxpayers money, improve comfort for employees, become a green citizen

SEGMENT 3: School administrators

Behavior Drivers: Save your taxpayers money, improve comfort for students and faculty, use money saved by lowering energy costs for other school needs/improvements, become a green citizen

SEGMENT 4: Collaborators

Collaborators are the people and entities that are paramount to promoting the energy efficiency programs of the NJCEP. These include architects, engineers and other key trade allies.

Behavior Drivers: Save your clients money, position your business as energy efficiency experts

STRATEGIC APPROACH

As your marketing partner, our primary goal is identify the best ways to connect to the target audience segments and create a marketing plan that speaks to them directly. The following plan was developed to optimize the marketing budget by delivering the right message to the right people at the best price possible.

Evaluations of participation in the programs over time, and specifically over the past year allow us to determine if sectors specifically targeted are being reached and taking advantage of the programs.

Additionally, by mapping participation we can identify regions/counties to target with outreach, events and chamber of commerce membership to help improve awareness and program participation. Using case studies of successes within that same region/county can assist in the marketing efforts.

TACTICAL COMPONENTS FOR SEGMENT 1

Business owners, C-suite executives, facility managers, commercial developers

Based upon the Application Analysis Summary, the customer segments representing the highest participation rates in the C&I programs are consistent with the marketing plan targets. Geographically presented data will assist in targeting those counties with a large number of C&I facilities but low program participation (i.e., Essex, Mercer County). Additionally, the applications by building type will assist us in targeting certain sectors and the membership associations that may represent them.

Trade Publication Advertising

Appearing in trusted industry publications enhances credibility. The trade publication advertising schedule will be spread throughout the year with a mix of general and program specific messaging. Refreshed campaign creative will incorporate the /BIZ website address to drive business owners and facility managers to the correct landing page and funnel them to individual components of the C&I portfolio. Google Analytics will be utilized to view the traffic to the website via this URL to identify if there was a spike in page views during the ad schedule. We are targeting the following publications to promote program messaging to the business owner/facility manager/C-suite executive audience:

- NJ Biz
- New Jersey Business
- Commerce NJ
- Enterprise (NJ Chamber of Commerce)
- Real Estate Forum
- Globe Street
- Southern NJ Business People

The above list represents a sample of the trade publications. We may not advertise in all listed and/or may identify others not listed that provide a valuable opportunity to market to this segment.

NEW FOR FY 2015 Chambers of Commerce

We plan to create Outreach & Advertising packages that provide NJCEP with affordable, targeted access to the New Jersey business community. This is a smart way to gain exposure in the marketplace and build awareness of all of the C&I efficiency programs available.

- Identify specific Chambers of Commerce to target based upon demographics and past program participation by C&I customers– Advertising Packages supported by our Outreach Initiative

Organizations and Associations

In addition to print and electronic advertising, industry organizations and associations offer a wealth of value-added promotional opportunities, including event sponsorships. For the FY 2015 budget, we have included funds to take advantage of these focused tactics which may include participating in or sponsoring workshops, conferences or paid advertising for events targeting:

- EEI National Accounts
- Property Owners Association
- NJ Apartment Association
- NJ Business and Industry Association
- Healthcare Financial Management Association

- NJ Hospital Association
- Southern New Jersey Development Council
- NJ State Chamber of Commerce
- Chamber of Commerce of Southern New Jersey
- NJ Restaurant Association
- NJ Food Council
- National Association of Industrial and Office Properties NJ

The above list represents a sample of the organizations and associations. We may not participate in or advertise with all listed and/or may identify others not listed that provide a valuable opportunity to market to this segment.

Trade Shows and Conferences

The marketing plan also includes sponsoring and exhibiting at a number of annual conferences and major events to maintain a high profile in the C&I segment. For FY 2015, planned shows and conferences include:

- NJ Business and Industry Association – member events
- Southern New Jersey Development Council – member events
- Mid-Atlantic Buildings and Facilities Management – annual conference
- CRE Gold Coast Investment Summit
- Association of Environmental Authorities – annual conference
- Property Owners Expo
- NJ Apartment Association – annual conference
- NJ Restaurant Association Operators Conference
- Ad-hoc events – TBD and subject to pre-approval. Past examples include Healthcare Financial Management Association, NJ RealShare and any NJ BPU clean energy events.

The above list represents a sample of the trade shows and conferences. We may not participate in all listed and/or may identify others not listed that provide a valuable opportunity to market to this segment.

For these events, registration fees are supported by the marketing initiative and staffing provided by the Outreach Initiative. A comprehensive list of Trade Shows being targeted are included at the end of this Appendix.

Direct Marketing

Direct mail and e-mail blasting are again planned for FY 2015 as a primary strategy for raising awareness of all programs in the C&I portfolio. In addition to general program and outreach event promotions, direct marketing campaigns may be launched to accommodate individual promotions such as the special mailings for the enhanced Sandy and food service incentives. New Jersey SmartStart Buildings, Direct Install, Pay for Performance and Benchmarking program mailings will be included as well as pre and/or post event mailings to trade show attendees. Google Analytics will be utilized to view the traffic to the website via special URLs featured in the direct mail to identify if there was a spike in page views during the mailings.

Radio

In an effort to maximize exposure to business owners and key facility decision-makers, the marketing plan may include radio spots which air primarily during morning drive time throughout the state on NJ 101.5 FM. Messaging for the advertisement includes the benefits of Direct Install, Benchmarking and NJ SmartStart Buildings incentives available from *New Jersey's Clean Energy Program*, as well as information about enhanced incentives and food service equipment rebates for those impacted by Hurricane Sandy. Additionally, we will review the potential benefits of running additional spots promoting the Direct Install program on local radio stations.

TACTICAL COMPONENTS FOR SEGMENT 2

Local government representatives, elected officials

Based upon the Application Analysis Summary, the customer segments representing the highest participation rated in the C&I programs are consistent with the marketing plan targets. Geographic data can assist in targeting specific counties and municipalities for future outreach and marketing.

As both a direct target market and an influencer for local commercial entities, the municipal decision maker audience is of great importance for NJCEP's C&I portfolio and will be communicated with through the following tactics:

Trade Publication Advertising

We will again leverage the trust trade publications deliver to promote the C&I portfolio to the municipal market. The print advertising schedule will span the year with a mix of general and program specific ads. Ads will feature the /MUNI website address to drive local government decision makers to the correct landing page. Google Analytics will allow us to determine if there was a spike in page views during the ad schedule. We are targeting the following publications to deliver program messaging to this audience:

- NJ State League of Municipalities
- NJ Conference of Mayors NJ Association of Counties

The above list represents a sample of the organizations and associations. We may not target all listed and/or may identify others not listed that provide a valuable opportunity to market to this segment.

Organizations and Associations

Along with print and electronic advertising opportunities, governmental organizations and associations offer a variety of value-added promotional vehicles, such as event sponsorships and exhibits. For the FY 2015 budget we have included funds to take advantage of focused tactics such as advertising, exhibits and sponsorship targeting:

- NJ State League of Municipalities
- Association of NJ Environmental Commissions
- NJ Conference of Mayors
- NJ Association of Counties

The above list represents a sample of the organizations and associations. We may not advertise or exhibit with all listed and/or may identify others not listed that provide a valuable opportunity to market to this segment

Trade Shows and Events
To keep NJCEP's programs top-of-mind with the local government market, we will again exhibit in and sponsor key annual conferences and major events. For FY 2015, planned shows and conferences include:

- NJ League of Municipalities – annual conference
- NJ Conference of Mayors – annual conference
- Ad-hoc events – TBD and subject to pre-approval. Coordinated with the Outreach Initiative.

For these events, registration fees are supported by the marketing initiative and staffing provided by the Outreach Initiative.

Direct Marketing
At the heart of the media mix for FY 2015, we have direct mailings and e-mail blasts to increase awareness to the local government market. These communications will include special mailings for the enhanced Sandy incentives and Food Service incentives, as well as general program-focused mailings. Pre and/or post event mailings to trade show attendees will also be utilized. Google Analytics will allow us to determine if there was a spike in page views following these mailings.

Radio
In an effort to maximize exposure to municipal leaders, the marketing plan may include radio spots which air primarily during morning drive time throughout the state on NJ 101.5 FM. Messaging for the advertisement includes the benefits of Direct Install, Benchmarking and NJ SmartStart Buildings incentives available from NJCEP, as well as information about enhanced incentives and food service equipment rebates for those impacted by Hurricane Sandy.

TACTICAL COMPONENTS FOR SEGMENT 3

School administrators

While this is a limited universe of customers, the data on participation rates to date show that there remains a significant opportunity to increase awareness and participation within this segment. Geographic data on participation will assist in identifying specific school districts to target with future outreach and marketing.

With 590 school districts operating nearly 2,500 schools throughout New Jersey in addition to many more state colleges and universities, this target audience is important to NJCEP's C&I portfolio. It will be targeted through the following promotional mix:

Trade Publication Advertising
As with the other target markets, this media schedule will span the year with a mix of general and program specific ads. Ads will feature the /SCHOOL website address to drive school

administrators to the appropriate landing page. Google Analytics will allow us to determine if there was a spike in page views following ad placements in:

- School Leader
- School Planning & Management
- College Planning and Management
- School Construction News

The above list represents a sample of the trade publications. We may not target all listed and/or may identify others not listed that provide a valuable opportunity to market to this segment

Organizations and Associations
Two key groups in the state inform and educate school administrators. These associations offer opportunities for outreach. For the FY 2015 budget we have included funds to take advantage of focused tactics targeting:

- NJ Association of School Administrators - annual conference
- NJ School Boards Association – paid ads, exhibit, sponsorship and show mailer

Trade Shows and Events
To spread awareness and introduce school administrators to NJCEP's applicable programs, we've included funding in the budget to participate in the following major industry event:

- NJ School Boards Association – annual conference
- Ad-hoc events – TBD and subject to pre-approval. Past examples include NJ School Buildings & Grounds Association, NJ Charter Schools Association, NJ Association of School Administrators

For these events, registration fees are supported by the marketing initiative and staffing provided by the Outreach Initiative.

Direct Marketing
As with the other target markets, direct mail and e-blasts are core communication vehicles to the school administrator market in FY 2015. We've included funding for general program-focused communications as well as special messaging for programs such as the enhanced Sandy and food service incentives, as well as pre and/or post event mailings to trade show attendees. Google Analytics will allow us to determine if there is an increase in page views following these mailings.

TACTICAL COMPONENTS FOR SEGMENT 4

Collaborators- engineers, architects, contractors

For those programs with a pre-approved list of contractors, participation rates by contractor vary greatly, especially within the DI and LGEA programs. Given this data, as presented in the Application Analysis Summary, we can target our outreach with our contractor partners in a more strategic way to identify their needs in helping to grow awareness and participation within their customer base.

This particular audience introduces a bit of a different sell, in that the incentives and cost savings don't directly benefit this target market. However, the means of reaching these key influencers with unique messaging is similar:

Trade Publication Advertising
As with the other target markets, this media schedule will span the year with a mix of general and program specific ads. Ads will feature the /ALLY website address to drive these influencers to the appropriate landing page. Google Analytics will allow us to determine if there was an increase in page views following ad placements in:

- Architectural Record
- GreenSource Magazine
- Facility Maintenance Decisions

The above list represents a sample of the trade organizations. We may not target all listed and/or may identify others not listed that provide a valuable opportunity to market to this segment

Organizations and Associations
Architects and engineers - who drive the selection of equipment and systems through design—look to three major organizations for guidance. For the FY 2015 budget, we have included funds to maximize opportunities through:

- NJ AIA – advertising and event sponsorship
- NJ Society of Professional Engineers – paid advertising
- Association of Energy Engineers – annual conference (Globalcon)

The above list represents a sample of the organizations and associations. We may not target all listed and/or may identify others not listed that provide a valuable opportunity to market to this segment

Trade Shows and Events
It's important to increase awareness of and participation in NJCEP's C&I programs among trade allies through:

- Association of Energy Engineers – annual conference (Globalcon)
- NJ AIA – member events

For these events, registration fees are supported by the marketing initiative and staffing provided by the Outreach Initiative.

Direct Marketing
As with every other target market, direct mail and e-blasts are the most efficient and effective means to reach the trade allies in FY 2015. Promotion of general program-focused messaging as well as special communication for programs such as the enhanced Sandy and food service incentives will be included in the mix, as well as pre and/or post event mailings to trade show attendees. Google Analytics will allow us to determine if there in a bump in page view activity following these mailings.

Cooperative Advertising

C&I marketing efforts are supported by co-op advertising that leverages promotional tactics deployed by the Direct Install and Pay for Performance contractor networks. This program, which is funded through the incentive rather than the marketing budget, offers template advertisements for contractor customization as well as specific guidelines for contractors choosing to develop custom materials, which will require pre-approval by the marketing team.

Contractor Communications
Currently done on an informal basis, we suggest formalizing contractor communications with a set strategy for reaching out to them with a standardized template that reflects the overall NJCEP campaign look to update the contractors on program changes.

TACTICAL COMPONENTS FOR ALL SEGMENTS

New Collateral Materials
The FY 2015 budget provides for focused collateral materials that will describe program features and benefits for the C&I target market. Funds are also provided for revising existing program materials as new features and procedures are approved. In addition, case studies will continue to play a vital role in demonstrating successful projects to these audiences. These materials are produced for uploading to the website, as well as printed for distribution as part of a folder kit used at trade shows, special events and individual sales calls by the Outreach Team. The FY 2015 budget for collateral materials also includes funds for photography to be used in those brochures and case studies.

Success Stories
We will continue to both identify and develop compelling success stories so prospective participants can read real life examples of how the programs work and see their significant financial benefits.

Public Relations
Ongoing public relations efforts include activities designed to generate editorial copy in appropriate publications throughout the state, including supplying media contacts with stories and photography and then following up to promote placement. We also generate content for organization/association editorial coverage in printed and electronic media made available to their memberships and arrange for presentations by the Outreach Team.

SEP Outreach
Customers of municipal and rural electric cooperatives and those heating with oil and propane will be made aware of the availability of SEP funding allowing them to participate in Direct Install and Pay for Performance as funding allows. E-blasts will be sent to NJCEP subscribers and shared with the municipal and rural electric cooperatives and the Fuel Merchants Association for distribution to their membership. Other promotional materials and tactics will be launched as appropriate given funding levels and participation rates and program information will be maintained on the NJCEP website in a section dedicated to the SEP incentives along with links to applications and forms needed for participation.

ENERGY STAR®
While ENERGY STAR® certified products have been historically marketed to residential customers, we believe there is a great opportunity to promote qualified ENERGY STAR products

to the C&I sector as well. We can greatly enrich the NJCEP's marketing initiatives by using ENERGY STAR tools, written materials, interactive guides, pre-designed e-blast campaigns and photos. We also plan to include relevant ENERGY STAR messaging in the direct mail pieces we develop, as well as content inclusion in the C&I power point presentation. In addition, a link on the NJCEP website could direct interested parties to the existing ENERGY STAR guides for the commercial food service sector.

PRICING SCHEDULE

The budget table below shows the proposed 12-month budget listing fixed and variable totals. Maintaining flexibility within these pricing categories will enable us to be responsive to the budgetary needs for the marker research costs as well as modifications to the programs and tactical components in response to the results of the market research.

TRC will work directly with BPU as the above budget needs become more defined.

Category – 2014-15 C&I Marketing Plan	Labor	Outside Costs	Total
Fixed Component Total	**$566,325**	**$123,700**	**$690,000**
Variable Component Total		**$385,000**	**$385,000**
Grand Total	**$566,300**	**$508,700**	**$1,075,000**

The fixed cost category covers: creative services, event support (registration costs, exhibit fees etc.), direct marketing and collateral materials.

Variable costs cover paid media, printing and production and also includes a contingency amount exclusive of travel or labor.

Changes from Current Levels

This FY 2015 Marketing Plan has no increase from the previous annual budget.

Subcontractors

Parker and Partners is the marketing manager listed in the TRC contract. Any additional marketing subcontractors needed to accomplish the tasks listed will require a formal request from TRC to Treasury to add to the existing contract and notification of appropriate BPU staff.

Potential trade shows for consideration in this FY 2015 Plan:

Trade Shows
America's Lodging Investment Summit (ALIS)
Association of Energy Engineers (Globalcon)
Association of Environmental Authorities
CRE Gold Coast Investment Summit
Edison Electric Institute National Accounts
Greater Philadelphia Electric Expo
International Hospitality Industry Investment Conference
Lodging Green & Sustainability Conference and Expo
McDonald's Corporation Energy Summit
Mid Atlantic Building and Facilities Management Show & Conference
National Association of Industrial & Office Properties
New Jersey American Institute of Architects
New Jersey Apartment Association Expo
New Jersey Association of School Administrators
New Jersey Business and Industry Association
New Jersey Charter Schools Annual Conference
New Jersey Conference of Mayors
New Jersey League of Municipalities - Annual Conference
New Jersey Restaurant Association Restaurant Operations Conference
New Jersey School Boards Association
NJ Association of Counties
Property Owners Association of New Jersey Expo
Rutgers Advanced Technology Extension Seminar
Southern New Jersey Development Council
The International Hotel/Motel & Restaurant Show
The Lodging Conference

Appendix B

FY 2015 Program Budgets

FY 2015 Proposed C&I Energy Efficiency & CHP/Fuel Cell Program Budget

6.13.14

	Total Proposed FY 2015 Budget	Admin.and Program Development	Sales, Marketing, Call Centers, Web Site	Training and Technical Support	Rebates, Grants and Other Direct Incentives	Rebate Processing, Inspections, Other Quality Control	Performance Incentives	Evaluation & Related Research
COMMERCIAL & INDUSTRIAL EE PROGRAMS								
C&I New Construction	$ 3,776,426.65	$ 237,454.00	$ -	$ 393,591.00	$ 3,021,737.41	$ 123,644.24	$ -	$ -
C&I Retrofit	$ 53,360,534.76	$ 772,550.80	$ -	$ 425,078.28	$ 49,203,475.19	$ 2,959,430.49	$ -	$ -
Pay for Performance New Construction	$ 13,818,138.08	$ 174,600.00	$ -	$ 399,860.08	$ 13,084,678.00	$ 159,000.00	$ -	$ -
Pay for Performance	$ 36,091,851.98	$ 629,800.00	$ -	$ 547,334.64	$ 34,386,737.42	$ 527,979.92	$ -	$ -
Local Government Energy Audit	$ 2,416,980.50	$ 220,000.00	$ -	$ -	$ 1,422,830.50	$ 774,150.00	$ -	$ -
Direct Install	$ 43,341,994.35	$ 651,551.80	$ -	$ 10,000.00	$ 42,132,494.35	$ 547,948.20	$ -	$ -
Marketing	$ 1,075,000.00	$ -	$ 1,075,000.00	$ -	$ -	$ -	$ -	$ -
Large Energy Users Program	$ 18,587,103.70	$ 147,916.00		$ -	$ 18,221,127.50	$ 218,060.20	$ -	$ -
Subtotal C&I EE Programs	**$172,468,030.02**	**$ 2,833,872.60**	**$ 1,075,000.00**	**$1,775,864.00**	**$161,473,080.37**	**$ 5,310,213.05**	**$ -**	**0.00**
COMMERICAL & INDUSTRIAL CHP PROGRAM								
CHP and Fuel Cell	$ 40,358,499.36	$ 100,000.00	$ -	$ -	$ 40,100,126.43	$ 158,372.93	$ -	$ -
Subtotal CHP Program	**$ 40,358,499.36**	**$ 100,000.00**	**$ -**	**$ -**	**$ 40,100,126.43**	**$ 158,372.93**	**$ -**	**$ -**
TOTAL C&I PROGRAM	**$ 212,826,529.38**	**$ 2,933,872.60**	**$ 1,075,000.00**	**$1,775,864.00**	**$201,573,206.80**	**$ 5,468,585.98**	**$ -**	**$ -**

Appendix C
FY 2015 Program Goals

Projections for FY 2015 - Committed

Program	FY 2015 New Applications	Annual Electric Savings - Committed		Lifetime Electric Savings - Committed		Gas Savings - Committed		Committed Generation		
		kW	MWh	kW	MWh	Annual DTh	Lifetime DTh	Annual kW	Annual MWh	Lifetime MWh
New Construction	137	2,322	9,857	2,322	177,426	3,980	71,638	0	0	0
Retrofit	2,823	28,133	127,089	28,133	1,906,330	46,454	696,806	0	0	0
CHP & Fuel Cell	15	0	0	0	0	62,688	752,256	3,075	8,655	103,860
Direct Install	1,407	9,711	42,136	9,711	632,047	72,938	1,094,069	0	0	0
LEUP	21	10,251	44,459	10,251	666,888	505,857	7,587,860	0	0	0
P4PEB	55	4,169	21,130	4,169	316,950	251,304	3,769,553	0	0	0
P4PNC	33	10,891	14,439	10,891	259,896	10,588	190,590	0	0	0
LGEA	133	0	0	0	0	0	0	0	0	0
TOTALS	4,624	65,477	259,110	65,477	3,959,537	953,809	14,162,771	3,075	8,655	103,860

Projections for FY 2015 - Installed

Program	FY 2015 New Applications	Annual Electric Savings - Installed		Lifetime Electric Savings - Installed		Gas Savings - Installed		Installed Generation		
		kW	MWh	kW	MWh	Annual DTh	Lifetime DTh	Annual kW	Annual MWh	Lifetime MWh
New Construction	137	832	6,317	832	113,701	5,285	95,129	0	0	0
Retrofit	2,823	27,738	152,945	27,738	2,294,179	92,791	1,391,863	0	0	0
CHP	15	0	0	0	0	43,048	516,574	2,022	15,363	184,358
Direct Install	1,407	7,390	29,095	7,390	436,424	69,897	1,048,453	0	0	0
LEUP	21	815	12,303	815	184,540	27,849	417,740	0	0	0
P4PEB	55	4,677	19,416	4,677	291,244	152,729	2,290,931	0	0	0
P4PNC	33	195	515	195	9,274	252	4,530	0	0	0
LGEA	133	0	0	0	0	0	0	0	0	0
TOTALS	4,624	41,647	220,591	41,647	3,329,363	391,850	5,765,220	2,022	15,363	184,358

Projections for FY 2015 - Emissions Reductions

Program	Annual Emission Savings - Committed				Lifetime Emission Savings - Committed				Annual Emission Savings - Installed				Lifetime Emission Savings - Installed			
	Tons CO2	Tons Nox	Tons SO2	Lbs Hg	Tons CO2	Tons Nox	Tons SO2	Lbs Hg	Tons CO2	Tons Nox	Tons SO2	Lbs Hg	Tons CO2	Tons Nox	Tons SO2	Lbs Hg
New Construction	6,926	13	29	0.35	124,660	228	523	6.32	4,583	8	19	0.22	82,499	148	335	4.05
Retrofit	89,035	163	375	4.52	1,335,525	2,450	5,620	67.87	109,107	198	451	5.44	1,636,601	2,971	6,763	81.67
CHP	3,326	3	0	0.00	39,916	31	0	0.00	2,284	2	0	0.00	27,410	22	0	0.00
Direct Install	32,573	57	124	1.50	488,590	848	1,863	22.50	23,528	40	86	1.04	352,915	598	1,287	15.54
LEUP	57,126	78	131	1.58	856,891	1,163	1,966	23.74	9,858	17	36	0.44	147,871	252	544	6.57
P4PEB	27,728	37	62	0.75	415,917	560	934	11.28	21,330	31	57	0.69	319,949	465	859	10.37
P4PNC	10,397	19	43	0.51	187,149	338	766	9.25	364	1	2	0.02	6,558	12	27	0.33
LGEA	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00
TOTALS	227,111	369	764	9.22	3,448,648	5,619	11,672	140.96	171,054	296	650	7.85	2,573,802	4,468	9,814	118.53