

New Jersey's Clean Energy Program
Pay for Performance Partner Conference Call

December 4, 2013 10:00-11:00am (EST)

Conference Call:

Call-in #: **888-330-1716**

Access Code: 6415751

1. Program Statistics

A. Application Status EB & NC:

- i. 551 projects submitted to date
 - 310 approved
 - 5 are under review
 - Remaining are expired/rejected.
- ii. Applications Approved by Building Type:
 - Multifamily (Market & Affordable) – 85
 - K-12 Schools – 110
 - Commercial Office Space – 31
 - Medical Centers/Hospitals/Nursing Homes – 18
 - Colleges/Universities – 15
 - Industrial/Manufacturing – 16
 - Municipal Government Buildings- 6
 - Warehouses/Storage – 8
 - Supermarkets – 6
 - Water Treatment Plants - 4
 - Hospitality/Casino/Convention – 2
 - Sports/Recreational Facilities – 3
 - Datacenter – 2
 - Religious Institutions/Non-Profit – 3
 - Distribution Center- 1

B. ERP Status

- i. 234 EB ERPs submitted
 - 152 approved
 - 1 at AEG/BPU for final approval
 - 57 under review
 - 24 expired/cancelled/rejected
- ii. 12 NC Draft ERPs submitted
 - 11 approved
 - 1 rejected

- iii. 34 NC Proposed ERPs submitted
 - 20 approved
 - 1 at AEG/BPU for final approval
 - 13 under review

C. Installations

- i. EB: 106 Installation Reports received
 - 99 of which have been Approved for 2nd incentive
 - 1 rejected
 - Remaining under review/out on post-inspection
- ii. NC: 8 As-Built ERPs submitted
 - 1 approved
 - Remainder under review/out on post-inspection

❖ **Note on P4P NC Installation Policy:** BPU considering alternative policy at 12/18/13 agenda for P4P NC projects, specifically as follows:

"Pre-inspections, as outlined in the current policy, will no longer be performed. Projects may complete construction on their own timeline with the understanding that any measures installed prior to approval of the Proposed ERP are done so at the project's risk. 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. 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."

Note: BPU board approved above policy on 12/18/13 agenda.

Q: If an application already applied and a pre-inspection scheduled (under prior policy) will this application be held until the new policy is approved?

A: No, we will be operating under the current policy until the new policy is approved.

B. Post-Retrofit Verification (EB) or Cx Reports (NC)

- i. 30 Post-Retrofit reports received.
 - 19 approved with savings generating 3rd incentive
 - a. Some meet or exceed projected savings, others slightly below.
 - 2 to be closed out with \$0 for 3rd incentive
 - a. Actual savings below 15% threshold or significantly below projected savings.
 - Remaining under review.

- ❖ **Note on P4P EB Incentive #3:** Incentives #2 and #3 are intended to act as a single performance incentive that is split in order to provide up-front financial assistance in implementing the project. The Savings Verification Tool's main purpose is to "true-up" this performance incentive in the post-retrofit period by throttling incentive #3 so that the total performance incentive (i.e. #2 and #3) is in compliance with P4P's incentive structure.

- ii. 7 CxReports received – part of the As-Built submittals above.

2. General Announcements

A. FY 2014 Programs:

- i. CHP/FC: Program has been approved by BPU Board on 10/16/13. Applications available online since 10/28/13.

B. Update on future program administrator

- i. Treasury has determined that the evaluation of the proposals should be redone. A new evaluation team will be convened. BPU Staff will be seeking contract extensions for the Market Manager and Program Coordinator contracts through 6-30-14.

C. Representing NJCEP

- i. In the event you are asked to present any program information in a formal setting, or through formal media, please ensure you coordinate with the appropriate Market Manager prior to execution.

3. P4P Announcements

A. Multifamily P4P Projects:

- i. P4P EB: Internal procedure modified to assume **no more than 2 kW per unit** (versus existing procedure at 1 kW per unit).
- ii. Multifamily flow chart clarified to accurately represent Home Performance with ENERGY STAR multifamily requirements. **See attached PDF.**
 - HPwES requires:
 - a. no more than three stories high,
 - b. has single ownership,
 - c. total building energy usage is accessible through individual metering of the units within the multifamily structure, or a master meter at the building (as opposed to sites with multiple buildings heated by a central heating plant),
 - d. is made up of five or more units in a single building, or multiple buildings (each with five or more units), within

a single geographic boundary and with a single property management structure.

- If you can't meet all of these requirements, they will likely default to P4P (or potentially other C&I programs).
- iii. **EPA ENERGY STAR Multifamily New Construction Program Decision Tree** also attached for reference in same PDF.

Q: So if a project has individual tenant electric but a central gas meter, then it wouldn't qualify for Home Performance with ENERGY STAR?

A: Correct.

B. Tool Updates:

- i. Currently undertaking facelift of P4P EB tools and documents, including:
 - Integrating *Utility Tool* and *Air-Sealing Tool* into ERP Tables.
 - Expanding ERP Tables to cover more/detailed information.
 - Reducing content of ERP Report; requiring copy only at final submittal.
 - Updating Program Guidelines, including formalizing guidance on how we would like to see common measures modeled (e.g. 3:1 watt reduction for incandescent to CFLs, etc.)
- ii. Goal of January 1, 2014
- iii. Upon completion of this shift focus to make same improvements to P4P NC.

C. Partner Contact Information

- i. Performing semi-annual update of partner website listing.
- ii. Current listing can be found here:
<http://www.njcleanenergy.com/commercial-industrial/programs/pay-performance/existing-buildings/approved-partners>
- iii. Please send updated contact information to P4P@njcleanenergy.com by COB December 4th.

D. Tech-Tip: P4P EB Fuel Switches

- i. **See attached PDF.**

4. "In Every Issue"

A. Linkedin:

- i. "NJ Pay for Performance Partner Network" group has been established on LinkedIn to facilitate communication between partners.
- ii. If you are not yet a member, please search for the group and request to join. You must register for a free LinkedIn account first at www.linkedin.com

B. Partner Portal:

- i. <http://www.njcleanenergy.com/p4p-portal-login>
- ii. Case sensitive password is: **tRP47px**

C. Cooperative Marketing

- i. Email and announcement made on 8/7/13 of Coop funds available for Pay for Performance partners.
- ii. Application and instructions available on partner portal. Pre-approval of design and medium required.

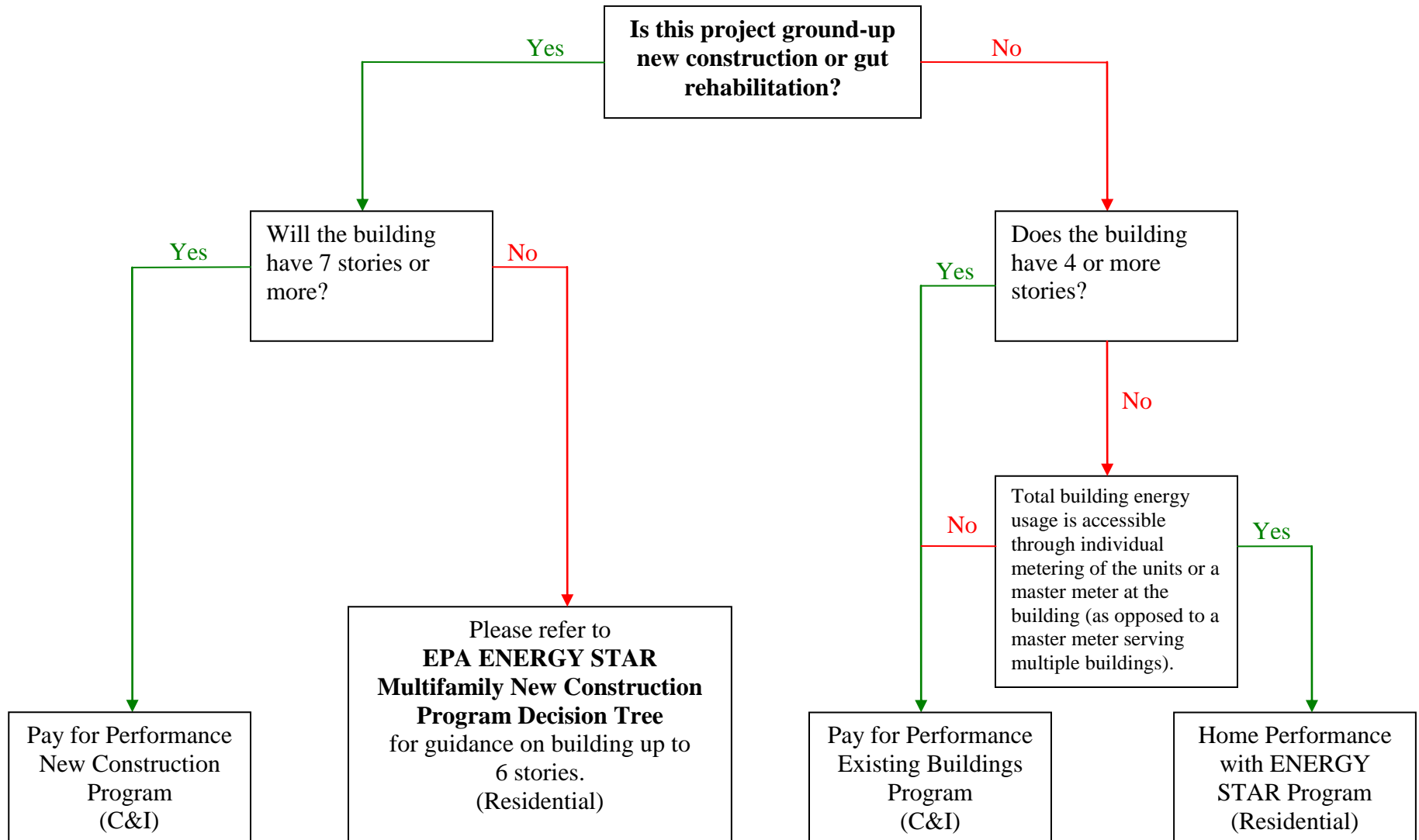
D. FYI: Website offers on-line training in various energy simulation tools and other related certifications. Also offers energy modeling consulting on building simulation. Fee involved, see website for details: <http://energy-models.com/training>

5. Q&A

- A. Forward all future questions and points you'd like to discuss to P4P@njcleanenergy.com

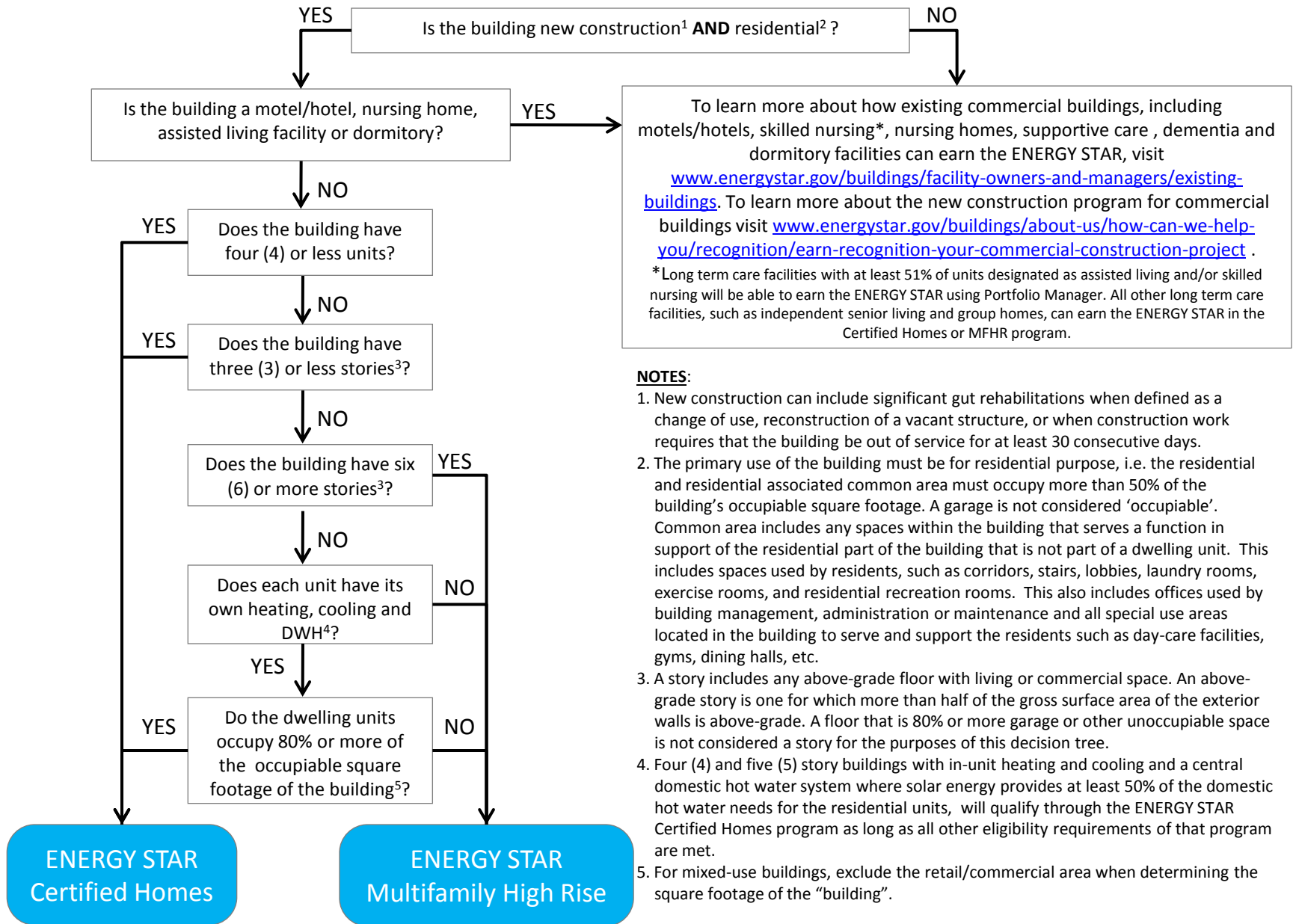
Next Partner Conference Call will be
Wednesday, January 22nd, 2014
10:00-11:00am (EST)

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.

EPA ENERGY STAR Multifamily New Construction Program Decision Tree, Version 1.0



NOTES:

1. New construction can include significant gut rehabilitations when defined as a change of use, reconstruction of a vacant structure, or when construction work requires that the building be out of service for at least 30 consecutive days.
2. The primary use of the building must be for residential purpose, i.e. the residential and residential associated common area must occupy more than 50% of the building's occupiable square footage. A garage is not considered 'occupiable'. Common area includes any spaces within the building that serves a function in support of the residential part of the building that is not part of a dwelling unit. This includes spaces used by residents, such as corridors, stairs, lobbies, laundry rooms, exercise rooms, and residential recreation rooms. This also includes offices used by building management, administration or maintenance and all special use areas located in the building to serve and support the residents such as day-care facilities, gyms, dining halls, etc.
3. A story includes any above-grade floor with living or commercial space. An above-grade story is one for which more than half of the gross surface area of the exterior walls is above-grade. A floor that is 80% or more garage or other unoccupiable space is not considered a story for the purposes of this decision tree.
4. Four (4) and five (5) story buildings with in-unit heating and cooling and a central domestic hot water system where solar energy provides at least 50% of the domestic hot water needs for the residential units, will qualify through the ENERGY STAR Certified Homes program as long as all other eligibility requirements of that program are met.
5. For mixed-use buildings, exclude the retail/commercial area when determining the square footage of the "building".

Pay for Performance Technical Tip

P4P Existing Buildings: Modeling/Reporting Fuel Switch Measures

In many cases we see projects that convert from oil/propane to natural gas heating, as well as electric to natural gas heating. In both instances the following should be done in the ERP in order to properly demonstrate these upgrades. There are two options:

Option #1:

Table 1: Annual Consumption (Column D) should only contain electricity and/or oil/propane baseline consumption values consistent with Portfolio Manager report, utility bills, and model calibration tool. The second box question should also be marked as YES.

	Annual Consumption*	Projected Savings	% Savings	Actual Savings
1) Electricity (kBtu)	2,330,836	-13,297	-1%	0
Natural Gas (kBtu)	0	-4,939,000	0%	0
2) Fuel Oil (kBtu)	8,418,860	8,475,000	101%	0
3) Source Energy Use Intensity (kBtu/ft ²)	168.0	34.6		0.0
Source Energy Use Reduction			21%	0%

1) Is this project applying for ARRA incentives for Non-Investor Owned Utility?	Yes
2) Or is this project performing a fuel switch?	

Measure Simulation table & Table 14: ECM #1 should be the first model run converting from oil/propane to natural gas. Table 14, Column L, should reflect ~100% oil/propane savings for this run while Column H should reflect the resulting gas increase (negative value). Remaining measure savings can be input as normal from subsequent model runs. The ERP Tables will then take the net savings between oil/propane and natural gas and generate the appropriate incentive.

Measure Name	Installed Cost (incl. design)	Annual Energy Savings				
		kWh	Gas MMBtu	Steam MMBtu	Fuel Oil MMBtu	Other MMBtu
Oil to Gas Conversion	\$20,000	0	-8,475	0	8,475	0
2 New Space Heating Boilers	\$161,000	-5,785	2,030	0	0	0
3 New DHW Heaters	\$62,000	0	480	0	0	0
4 Attic Insulation	\$60,000	1,888	1,017	0	0	0
CM Fees	\$20,000	Overall project management, all fees associated with speci				
Partner Fees	\$18,200	Per Partner Contract				
TOTALS	\$341,200.00	-3,897	-4,939	0	8,475	0
Advanced Measure:						
CHP Unit	\$0	0	0			

Note: CHP energy savings are not included in totals.

P4P Existing Buildings: Modeling/Reporting Fuel Switch Measures

Option #2:

Table 1: Same as above

Measure Simulation table & Table 14: The fuel conversion can be lumped with the affected measure, such as shown below.

Measure Name	Installed Cost (incl. design)	Annual Energy Savings				
			Gas	Steam	Fuel Oil	Other
	\$	kWh	MMBtu	MMBtu	MMBtu	MMBtu
1 Boiler replacement	\$380,000	44,677	-6,396	0	8,057	0
2 Reduced infiltration	\$20,000	1,620	1,572	0	0	0
3	\$0	0	0	0	0	0
<i>CM Fees</i>	\$44,000	<i>Overall project management, all fees associated with spec</i>				
<i>Partner Fees</i>	\$18,847	<i>Per Partner Contract</i>				
TOTALS	\$462,847.00	46,307	-4,823	0	8,057	0
Advanced Measure:						
CHP Unit	\$0	0	0			

Note: CHP energy savings are not included in totals.

Please see **Program Guidelines v3.0, Appendix A, Section A-2** for additional information.