



2010 PAY FOR PERFORMANCE PROGRAM Existing Buildings Incentive Structure

Incentive #1: Energy Reduction Plan

Incentive Amount:..... \$0.10 per sq ft
Minimum Incentive:..... \$5,000
Maximum Incentive::..... \$50,000 or 50% of facility annual energy cost (whichever is less)

This incentive is designed to offset the cost of services associated with the development of the Energy Reduction Plan (ERP). Projects must identify efficiency improvements that meet the minimum performance level in order to become eligible for Incentive #1. Incentive amount will be based on the square footage of the building.

Incentive #2: Installation of Recommended Measures

Minimum Performance Target:..... 15%

Electric Incentives

Base Incentive based on 15% savings:\$0.11 per projected kWh saved
For each % over 15% add:.....\$0.005 per projected kWh saved
Maximum Incentive:.....\$0.13 per projected kWh saved

Gas Incentives

Base Incentive based on 15% savings:\$1.10 per projected Therm saved
For each % over 15% add:.....\$0.05 per projected Therm saved
Maximum Incentive:\$1.45 per projected Therm saved

Incentive Cap: 30% of total project cost

This incentive will be based on projected energy savings and designed to pay approximately 60% of the total performance-based incentive. Savings projections will be calculated using calibrated energy simulation and rounded to the nearest percent.

Incentive #3: Post-Construction Benchmarking Report

Minimum Performance Target:..... 15%

Electric Incentives

Base Incentive based on 15% savings:\$0.07 per projected kWh saved
For each % over 15% add:.....\$0.005 per projected kWh saved
Maximum Incentive:.....\$0.09 per projected kWh saved

Gas Incentives

Base Incentive based on 15% savings:\$0.70 per projected Therm saved
For each % over 15% add:.....\$0.05 per projected Therm saved
Maximum Incentive:\$1.05 per projected Therm saved

Incentive Cap: 20% of total project cost

This incentive will be released 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. To validate the savings and achievement of the Energy Target, the EPA Portfolio Manager shall be used. Savings should be rounded to the nearest percent. Total value of Incentive #2 and Incentive #3 may not exceed 50% of the total project cost. This incentive will "true up" proposed savings and the related payment for Incentive #2 so that the total incentive is based on actual savings. Incentives will be limited to \$1 million per gas and electric account per building. Exceptions apply; see Program Participation Agreement.



Advanced Measure Incentive: Combined Heat and Power

Eligible Technology	Incentive (per Watt) Max: \$1 Million	Maximum % of Project Cost										
Level 1: Fuel cells not fueled by Class 1 renewable fuel	\$4.00	60%										
Level 2: CHP Powered by Non-Renewable Fuel Source Microturbines Internal Combustion Engines Combustion Turbines	\$1.00	30% ⁽¹⁾										
Level 2A: CHP Powered by Class 1 Renewable Fuel Source⁽²⁾ Microturbines Internal Combustion Engines Combustion Turbines	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Size (kW)</th> <th style="text-align: right;">Rebate ⁽³⁾ (per Watt)</th> </tr> </thead> <tbody> <tr> <td><10.....</td> <td style="text-align: right;">\$5.00</td> </tr> <tr> <td>10-99.9.....</td> <td style="text-align: right;">\$3.75</td> </tr> <tr> <td>100-499.99.....</td> <td style="text-align: right;">\$2.00</td> </tr> <tr> <td>500-1,000.....</td> <td style="text-align: right;">\$0.65</td> </tr> </tbody> </table>	Size (kW)	Rebate ⁽³⁾ (per Watt)	<10.....	\$5.00	10-99.9.....	\$3.75	100-499.99.....	\$2.00	500-1,000.....	\$0.65	40% ⁽⁴⁾
Size (kW)	Rebate ⁽³⁾ (per Watt)											
<10.....	\$5.00											
10-99.9.....	\$3.75											
100-499.99.....	\$2.00											
500-1,000.....	\$0.65											
Level 3: Heat Recovery or other Mechanical Recovery from Existing Equipment Utilizing New Electric Generation Equipment	\$0.50	30%										

(1) The maximum % of project cost will go to 40% where a cooling application is used or included with the CHP system.

(2) New Jersey's Renewable Energy Portfolio Standard N.J.A.C. 14:8 2.5 clearly defines what materials are considered to be Class 1 biomass materials; those materials which are not deemed Class 1 must go through sustainability determination by New Jersey Department of Environmental Protection (NJDEP) to qualify.

(3) Rebates are tiered; for example for a 20 kW project the first 10 kW is paid at \$5.00 per watt, and the second 10 kW at \$3.75 per watt.

(4) Includes all capital equipment costs associated with: producing and refining biomass feedstock, generating electricity and heat recovery.