



# 2011 PAY FOR PERFORMANCE - NEW CONSTRUCTION INCENTIVE STRUCTURE

## Incentive #1: Draft Energy Reduction Plan/Design Fees

Minimum Performance Requirement.....15% cost reduction from current energy code

Incentive Amount:..... \$0.10 per gross heated sq ft

Maximum Incentive:..... \$25,000

This incentive is used to offset the cost of services associated with the development of the Energy Reduction Plan (ERP) and design fees. Projects must identify efficiency improvements that meet the minimum performance level in order to become eligible for Incentive #1. Incentive #1 is payable upon receipt of signed contract between Participant and Partner, approval of Draft ERP, documentation that Participant has paid 75% (minimum) of the Architectural/Engineering design fees for construction documents, and is contingent upon moving forward with construction.

## Incentive #2: Proposed Energy Reduction Plan

Minimum Performance Requirement.....15% cost reduction from current energy code

Incentive Amount:..... \$0.50 per gross heated sq ft

This incentive is based on the Proposed Energy Reduction Plan, which represents completed construction documents, meeting the minimum performance level. Savings projections will be calculated using approved energy simulation rounded to the nearest percent. Incentive #2 is payable upon approval of Proposed ERP, which will include the Project Sheet Index and the table of contents from the Specification Booklet.

## Incentive #3: As-Built Energy Reduction Plan & Commissioning

Minimum Performance Requirement.....15% cost reduction from current energy code

Incentive Amount based on 15%-17% performance requirement:.....\$0.75 per gross heated sq ft

Incentive Amount based on 18%-20% performance requirement:.....\$0.85 per gross heated sq ft

Incentive Amount based on 20% or greater performance requirement:.....\$1.00 per gross heated sq ft

This incentive will be based on confirmation that the performance level indicated in the As-Built Energy Reduction Plan is met. Final savings projections will be calculated using approved energy simulation rounded to the nearest percent, and based on actual construction. Incentive #3 is payable upon approval of As-Built ERP and receipt of the Commissioning Report. The total of Incentives #2 and #3 may not exceed 75% of the total project incremental cost over the current energy code baseline. Incentives will be limited to \$1 million per gas and electric account per building; maximum of \$2 million per project. See Participation Agreement for details.



## Advanced Measure Incentive: Combined Heat and Power

Eligible Technology	Incentive (per Watt) Max: \$1 Million	Maximum % of Project Cost										
<b>Level 1:</b> Fuel cells not fueled by Class 1 renewable fuel source	\$4.00	60%										
<b>Level 2: CHP Powered by Non-Renewable Fuel Source</b> Microturbines Internal Combustion Engines Combustion Turbines	\$1.00	30% <sup>(1)</sup>										
<b>Level 2A: CHP Powered by Class 1 Renewable Fuel Source<sup>(2)</sup></b> 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<sup>(3)</sup> (per Watt)</th> </tr> </thead> <tbody> <tr> <td>&lt;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 <sup>(3)</sup> (per Watt)	<10.....	\$5.00	10-99.9.....	\$3.75	100-499.99.....	\$2.00	500-1,000.....	\$0.65	40% <sup>(4)</sup>
Size (kW)	Rebate <sup>(3)</sup> (per Watt)											
<10.....	\$5.00											
10-99.9.....	\$3.75											
100-499.99.....	\$2.00											
500-1,000.....	\$0.65											
<b>Level 3:</b> 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.