



## Incentive Structure for NJ Pay For Performance Program

### 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

This incentive will be developed to offset the cost of services associated with the development of the Energy Reduction Plan. 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 base 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 #2 may not exceed 30% of the total project cost.

### 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 base 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. For buildings not covered by EPA, the process used by LEED EB shall be followed.

### 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 I renewable fuel .....	\$4.00.....	60%
<b>Level 2:</b>		
Microturbines .....	\$1.00.....	30% <sup>(1)</sup>
Internal Combustion Engines Combustion Turbines		
<b>Level 3:</b>		
Heat Recovery or other Mechanical Recovery from Existing 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.  
 Note: Incentives for renewable fueled projects (Class 1) are currently being developed. This document will be updated when the incentive levels are finalized.