



Combined Heat & Power Feasibility Study Program



Program Guide

For Fiscal Year 2025

July 1st, 2024 – December 31st, 2024

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Limitations

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1. Purpose

The purpose of this guide is to provide potential applicants and contractors information about the *Combined Heat and Power (CHP) Feasibility Study Program* to help guide them on whether to enroll their projects in this program. This guide should be used in conjunction with the information contained within the CHP Feasibility Study Application, which is available for download on the Clean Energy Website (www.NJCleanEnergy.com/CHPFeasibility).

The information in this guide is limited to the Feasibility Study incentive offer. Separate and distinct incentives are available for CHP and Fuel Cell (FC) projects through the CHP-FC Program. More information on this program can be found here: www.NJCleanEnergy.com/CHP

2. General Program Description

This program is designed to support New Jersey's Energy Master Plan, specifically with the goal to increase and expand distributed energy resources, by providing incentives towards the cost of developing Feasibility Studies for combined heat and power systems at eligible properties in the State.

CHP systems allow for efficient on-site power generation with heat recovery. The combined result is reduced demands on the power grid, substantial reductions in energy bills, and less greenhouse gas emissions. Systems can also be designed to operate as backup power in times of emergencies. CHP is best suited for facilities that have year-round coincident power and thermal loads. Some building types include:

Local Government	wastewater treatment plants, district energy systems
Hospitality	hotels, casinos, health clubs
Institutions	colleges and universities, correctional facilities
Healthcare	hospitals, nursing homes, extended care
Industrial	food processing, chemical, paper and glass manufacturing, pharmaceutical, textile, plastics, commercial laundries, and many more
Residential	multifamily apartment complexes and planned communities

A CHP Feasibility Study can evaluate if this solution is right for you. Additional incentives are available if a project decides to move forward through the CHP-FC Program.

3. Target Market

This program is open to all New Jersey-based commercial and industrial (C&I) customers paying into the Societal Benefits Fund. Multifamily properties may also be eligible if they have a commercial account(s).

4. Eligibility

- Feasibility Studies proposed for existing and new construction commercial and industrial facilities that have or will have paid into the Societal Benefits Charge through one of the State's seven investor-owned utilities. Multifamily properties may also be eligible if they have a commercial account(s).
- This incentive cannot be applied retroactively, meaning that the study must not be completed or underway prior to approval by the program (i.e. Step 2 of the Application Process described below).
- Incentive is limited to studies evaluating eligible cogeneration systems, i.e. those that produce both electricity and waste heat to be repurposed on site. These are described in the CHP Program Guide, *Section 2* as "Combined Heat and Power (CHP)", "Waste Heat to Power (WHP)", and "Fuel Cells achieving at least 60% annual system efficiency". Feasibility studies will not be approved for any electric-only Fuel Cells and ineligible systems as described in CHP Program Guide *Section 5*.
- Proposals may be submitted for either a Level I or Level II feasibility study as defined by the US EPA: <https://www.epa.gov/chp/chp-project-development-steps> and take into consideration the eligibility requirements outlined in CHP Program Guide, *Section 5*.
- There is no requirement to install the recommended CHP system following the feasibility study, but if a customer chooses to do so they may be further eligible for incentives through the CHP-Fuel Cell Program. If applied for in the same program year, the Feasibility Study incentive will count towards the CHP-Fuel Cell Program incentive caps.
 - **Note:** Approval of the Feasibility Study is **NOT** to be interpreted as approval of the project. Should a project move forward, a separate Application must be submitted through the CHP-Fuel Cell Program, which will be reviewed per the requirements of that program.
- Feasibility Studies are typically performed by qualified third-party consultants; refer to the Trade Ally list. Customers are strongly encouraged to perform their own vetting and selection of companies, as cost of services and quality may vary. Feasibility Studies performed in-house, by qualified staff, may also be eligible for incentives with advanced approval by the Program.
- Only one feasibility study incentive per project site will be paid.
- All feasibility program documents must bear the endorsement of a Professional Engineer (PE). While the signature need not be formalized with seals or elaborate procedures, it signifies a commitment to professional standards and accountability within the study.
- A critical component of the feasibility program is the requirement for customer investment. It is stipulated that customers must contribute towards the cost of the study, ensuring a vested interest in the outcomes and a mutual commitment to the project's success.

5. Financial Incentives

The program will offer an incentive to offset **50%** of the cost of the feasibility study, capped at an incentive of **\$50,000**. Incentives are established based on submitted Cost Proposal and payable upon NJCEP approval of the completed study.

There is no requirement to install the recommended CHP system following the feasibility study, but if a customer chooses to do so they may be further eligible for incentives through the [CHP-Fuel Cell Program](#). If applied for in the same program year, the Feasibility Study incentive will count towards the CHP-Fuel Cell Program incentive caps.

Applications are reviewed and funds committed on a first come, first served basis provided all program requirements are met. Incentive paid shall not exceed committed value without prior approval from Program. Incentive checks typically take 45-60 days to arrive by mail.

6. Application Process

Applications must be submitted via email directly to CHP@NJCleanEnergy.com. Hard copy submissions will not be accepted. Customers, or their third-party consultant, must notify the Program of any changes to the scope of work that may impact incentive or eligibility as soon as possible.

Step 1



Download, complete, and submit the Application. Include all required attachments, including Cost Proposal, as outlined in the Application instructions.

Step 2



Receive Application Approval Letter, which will include an incentive commitment value and deadline for submitting the Feasibility Study.

- Studies must be completed and submitted to the program within six (6) months of Application Approval date. One six (6) month extension may be available, subject to Program approval, assuming progress has been made.

Step 3



Complete Feasibility Study:

- Level 1 Feasibility Studies are encouraged to utilize the [EPA Level 1 Feasibility Analysis Data Tool](#). If using a custom template, all information from the EPA Tool must be included at minimum.
- Level 2 Feasibility Studies must follow the [EPA Level 2 Feasibility Study Overview and Checklist](#) to ensure all minimum information is included.
- All Feasibility Studies should take into consideration the eligibility requirements outlined in CHP Program Guide, Section 5 to ensure highest likelihood of qualifying for additional incentives should the project move forward and apply to that program.

Step 4



Submit completed Feasibility Study and Invoice showing proof of Customer payment of their balance of the study fee, as well as [Tax Clearance Certificate](#).

Step 5



Upon program review receive incentive payment. Incentive paid shall not exceed committed value without prior approval from Program.

7. Inspections

There are no program site inspections as part of the Feasibility Study incentive offer. Should a project decide to move ahead and apply to the CHP-FC Program, a pre-construction and post-construction site inspection will be performed at that time.

8. Program Dispute Resolution

Disputes, concerns, or complaints that arise will be addressed initially by the Program Manager or Program Staff at the point of contact. If resolution for any reason is not possible, there is a [dispute resolution process](#) backed by the NJ Board of Public Utilities.

For contractual disputes between a system owner and installer or registrant, the NJ Division of Consumer Affairs (DCA) is the point of contact and the agency has an online complaint form.

The program is designed to allow for participation by any third-party contractor that meets the program requirements. There are BPU approved contractor remediation procedures that will be followed if a contractor is found to violate program procedures and rules or consistently violates program requirements which may include being barred from participating in the program.

9. Call Center Support

New Jersey's Clean Energy Program operates a call center staffed weekdays between 8 AM and 7 PM. The phone number is 866-657-6278. The call center is trained in answering general questions about the program and application processes as well as able to provide specific information pertaining to an application.

Email inquiries may also be directed to CHP@NJCleanEnergy.com