



THE ESIP PROCESS

ENERGY SAVINGS IMPROVEMENT PLAN

1. Intake Form & Preliminary Audit

First, complete an ESIP Intake Form and send it to ESIP@bpu.nj.gov. Then apply for a **free** Local Government Energy Audit (LGEA) or hire a state approved auditing firm to perform a facilities audit and determine baseline energy usage, potential energy savings, and suggested Energy Conservation Measures (ECMs).

2. Reach out to the Board of Public Utilities

Contact NJBPU's ESIP Coordinator at (609)913-6295 to discuss different models for implementing ECMs:

- DIY** – Using an Architect or Engineer of Record to manage projects; public entity must apply for incentives and secure financing; cannot guarantee savings.
- ESCO** – Turnkey approach; ESCO runs entire project, requires RFP; option to purchase a savings guarantee.
- HYBRID** – ESCO works as a subcontractor to the public entity.

3. Determine Financing

- Select Lease / Purchase Agreement or Refunding Bond Option (market driven)
- Explore each option. If possible, use the services of a Financial Advisor.

4. Perform an Investment Grade Energy Audit (IGEA)

IGEA is the technical and economic foundation for ESIP projects and provides a comprehensive and deep dive audit to develop your Energy Savings Plan.

5. Energy Savings Plan (ESP) Development & Third Party Audit

The ESP is the cornerstone of an ESIP project and should contain:

- Description and cost of all ECMs;
- Incentives available;
- Financial snapshot of repayment term;
- Measurement and Verification Plan (M & V); and
- Details of performance guarantee.

Third Party Audit of ESP

Hire an independent auditor to certify that the plan savings were calculated properly pursuant to NJBPU protocols and program guidelines; only required out of pocket expense.

6. NJBPU Review and Approval

The ESIP Coordinator has 14 business days to review and approve the plan; construction commences upon approval.

7. Enjoy your upgrades!

New Jersey's Clean Energy Program™ is brought to you by the New Jersey Board of Public Utilities.