Pay for Performance (P4P) Program Guide

for

Commercial & Industrial (C&I) New & Existing Buildings

Fiscal Year 2020

(7/1/2019 through 6/30/2020)

Modified 01/18/2020

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Limitations

This document is not legally binding on the New Jersey Board of Public Utilities (Board), the Program Administrator, or the Program Manager. If there is any conflict between this document and a Board Order, the applicable Compliance Filing, any legally binding agreement(s), or any other legally binding document(s), such other document(s) shall take precedence and control over this document.

1. Purpose

The purpose of this guide is to provide potential applicants and contractors information about the Pay for Performance Program to help guide them on whether to enroll their projects in this program. Information contained here does not supersede the *Pay for Performance Program Guidelines*, which are available to approved program Partners (see section below).

2. General Program Description

The Pay for Performance Program (P4P) has been designed to incentivize building owners, developers, or other applicants to take a comprehensive, long-term approach to incorporating energy efficiency in their buildings. The program has a more stringent measurement and verification (M&V) process compared to other Commercial and Industrial (C&I) programs, especially as it pertains to post-installation inspections of energy efficiency measures.

Rather than providing incentives to replace existing equipment with higher efficiency equipment, the P4P Program seeks to transform the way in which contractors and design professionals consider energy use. This is achieved by requiring the use of standardized energy simulation software to estimate initial savings and then encouraging building owners and their designated contractors to continue to measure and verify the facility's energy consumption and savings year after year. A portion of the incentive is based on this (M&V) component.

P4P consists of two components: (1) Existing Buildings (EB) and (2) New Construction (NC). The P4P EB component is designed for commercial and industrial buildings with a peak electric demand in excess of 200 kW in any of the preceding twelve (12) months, and 100 kW for select multifamily buildings. The P4P NC component is designed for new commercial, industrial, and multifamily buildings with 50,000 square feet or more of planned space, as well as buildings undergoing substantial renovation.

For each component, a network of contractors (Partners) participate in the program after they have been vetted and selected by the program via a Request for Qualification (RFQ) process. The Partners provide technical services to program participants acting as their "energy expert." Energy Reduction Plans (ERPs) are drafted for each project including a whole building technical analysis, a financial plan for funding the energy efficiency improvements, and a construction schedule for installation.

For P4P EB, the ERP must show that the package of efficiency measures will achieve a target reduction of at least 15% of total building source energy consumption. For P4P NC, the proposed ERP must include a package of energy efficiency measures that achieve the minimum performance target of 5% savings for C&I buildings and 15% for multifamily buildings compared to ASHRAE 90.1-2013, which is the current state energy code. After installation, these targets are verified by analyzing post-retrofit billing data and federal Environmental Protection Agency (EPA) ENERGY STAR® Portfolio methodology.

3. P4P Website & Pertinent Information Links

- http://njcleanenergy.com/commercial-industrial/programs/pay-performance
  This link routes to the overall P4P homepage.

- http://njcleanenergy.com/commercial-industrial/programs/pay-performance/existing-buildings
  This link routes to the P4P EB homepage.

- http://njcleanenergy.com/commercial-industrial/programs/pay-performance/new-construction/new-construction
  This link routes to the P4P NC homepage.

- http://njcleanenergy.com/commercial-industrial/programs/pay-performance/existing-buildings/approved-partners
  This link routes to the approved P4P partners homepage with lists of approved partners in Excel or PDF format.

- http://njcleanenergy.com/commercial-industrial/programs/pay-performance/existing-buildings/applications-and-f
  This link routes to the P4P EB Applications and Forms page.

- http://njcleanenergy.com/commercial-industrial/programs/pay-performance/new-construction/applications-and-for
  This link routes to the P4P NC Applications and Forms page.

- http://njcleanenergy.com/commercial-industrial/programs/pay-performance/existing-buildings/participation-step
- http://njcleanenergy.com/commercial-industrial/programs/pay-performance/new-construction/participation-steps
  These two links above route to Step by Step instructions on how to participate in either program.

- http://njcleanenergy.com/commercial-industrial/programs/pay-performance/program-partners
  This link routes to the P4P Program Partners page with information on how to become an approved partner such as Partnership agreements.

The P4P program also has an online Partner Portal where all program related forms, tools, and resources can be downloaded for use by approved Partners. A username and password are required to log in.

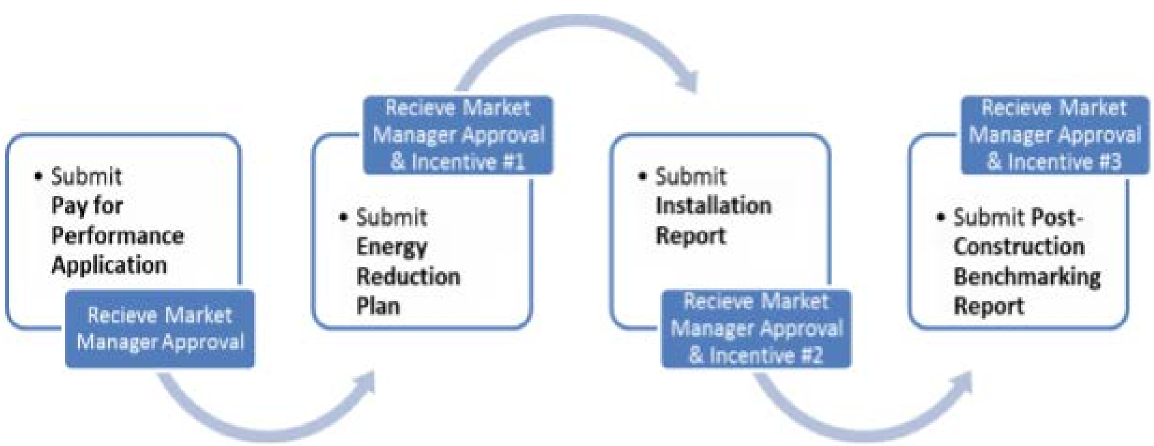
4. Partner Network/Application Process

The P4P Program has developed a network of Partners who can provide the technical, financial, and construction-related services necessary for participation in this program. New Partnership Applications are accepted on a rolling basis and are subject to review and approval by the Program Manager after completion of program orientation and training webinar. Customers with large buildings (≥ 750 kW demand) or a campus of buildings may request to have internal staff qualified as a partner. Internal staff may include professional engineers, facilities personnel, etc. The program will review and evaluate such requests on a case-by-case basis.

The main qualification of a partner is evidence of having previously acted in a lead capacity on at least three (3) C&I projects for which comprehensive energy efficiency scopes of work were developed and fully implemented. Experience with energy auditing and building energy modeling is required. Interested companies/contractors can submit an application package for either the EB component, NC component, or both. Refer to the applications (weblink in Section 3) for more detailed requirements and criteria.

5. P4P EB Process Flow

The P4P EB program has four main deliverables that are submitted in the order shown below. All deliverables must be submitted to the program by the Partner:



1. Pay for Performance Application: Application form must be submitted to and approved by the Program Manager prior to beginning work on the Energy Reduction Plan. This is to ensure the facility is eligible to participate; it is not a means of approving potential scopes of work.

2. Energy Reduction Plan (ERP): Comprehensive report documenting existing building energy audits and proposed energy efficiency measures that achieve the minimum program requirements. The ERP is submitted at the onset of the project, well enough before construction starts to allow for review and approval by program management.

3. Installation Report: Summary report listing installed equipment as outlined in the approved ERP including as-built costs and any changes that occurred during construction, as well as supporting invoices, purchase orders, etc. Submitted once construction is completed and all recommended energy-efficiency measures are implemented.

4. Post-Construction Benchmarking Report: Performance report based on twelve (12) months of operational and utility data collected once all energy efficiency measures are installed and functioning.

6. P4P EB Target Market & Eligibility Requirements

An eligible project is defined as a single, detached commercial or industrial building meeting the Societal Benefit Charge (SBC), Project Size, and Scope of Work requirements detailed below. Due to the comprehensive design of this program, projects may not apply for incentives in other NJCEP programs while enrolled in P4P for the same facility(ies). All eligible measures must be considered in P4P, with the exception of on-site generation. (e.g. CHP program) See Section 11 for more details. Additional exceptions may be considered by the Program Manager on a case-by-case basis.

Societal Benefits Charge – Participants must be electric and/or gas customers of the following New Jersey investor-owned utilities and pay a monthly SBC, which can be found as a line item on their utility bills:

- Atlantic City Electric
- Elizabethtown Gas
- Jersey Central Power & Light/First Energy
- New Jersey Natural Gas
- PSE&G
- Rockland Electric Company
- South Jersey Gas

Project Size – The building must have an annual peak electric demand over 200kW in any of the preceding twelve (12) months of utility bills. (i.e., look at the project's most recent twelve (12) months of billing data and ensure that at least one month has a demand over 200kW). For multifamily buildings annual peak demand must be over 100 kW. The program has the discretion to approve projects that are within 10% of these minimum thresholds.

Scope of Work – The project's proposed scope of work must meet all of the following requirements:

- A minimum of a 15% annual source energy savings target must be achieved in order to participate. Projects that cannot identify efficiency improvements that meet this minimum performance level will be referred to other appropriate New Jersey's Clean Energy Program(s).

- No more than 50% of the total source energy savings may be derived from lighting measures. Notwithstanding the foregoing general rule, lighting measure savings over 50% may be considered if the scope of work is otherwise comprehensive in that it (a) assesses of the cost-effectiveness of installing energy conservation measures in each of the following areas: (i) heating systems, (ii) cooling systems, (iii) ventilation systems, (iv) domestic hot water systems, and (v) building envelopes, and (b) implements all cost-effective energy conservation measures identified through the foregoing assessment or, as to any such measures not implemented, explains why such implementation would not be practicable. For example, a scope of work in a high school that does not include replacement of a 30 year old atmospheric boiler would not be allowed to include lighting savings greater than 50% of the total source energy savings.

- The source energy savings may not come from a single measure.
- For Participants that are customers of non-investor owned utilities (e.g. fuel oil, propane, municipal/cooperative electric) at least 50% of the source energy savings should come from investor-owned electricity and/or natural gas. For example, if a Participant is a customer of an investor-owned electric utility, but purchases heating oil, at least 50% of the total 15% savings must come from electricity. If 50% of the source energy savings does not meet this criteria, then the project must save a minimum of 100,000 kWh or 2,000 therms from investor-owned utility accounts.

Modeling Requirements

Savings projections will be calculated using calibrated energy simulation. The approach involves the following steps:

1. Develop whole building energy simulation using approved simulation tools. In general, software needs to conform to the software requirements outlined in ASHRAE 90.1 Section 11/Appendix G (e.g. eQuest, Trane Trace, etc.).
2. Calibrate simulation to match pre-retrofit utility bills.
3. Model proposed improvements to obtain projected energy savings.
4. Calculate percent energy reduction to demonstrate achievement of Energy Target.

External calculations/spreadsheets are not permitted unless approved by Program Manager or stipulated by Program Guidelines for specific measures.

Campuses/Multiple Buildings

Multiple buildings must be combined and treated as a single project if ALL the following conditions apply:

- There are two or more buildings that are located on adjacent properties
- Buildings are owned by a single entity
- <u>AND</u> one of the following:
  - Buildings are master-metered
  - Buildings are served by a common heating and/or cooling plant.
  - Buildings share walls and/or are connected via a physical structure.

Since energy use for each individual building is impossible to determine, all of the buildings must be treated as a single project. The baseline will represent total energy consumption of all buildings, and savings in each of the buildings will be totaled to meet the 15% source energy savings requirement. Only one ERP will need to be submitted, and one set of incentives will be paid. Incentive caps apply.

Multifamily Buildings

The NJCEP suite of Programs serve both commercial and residential customers. Multifamily properties may lend themselves to either sector depending on a number of factors. Generally, multifamily customers that fit the following description will be able to participate in the P4P EB program:

- High-rise/Mid-rise buildings
  - High-rise/Mid-rise apartment complexes are apartments, cooperative, and/or condominiums structures that are four stories or more above ground.

- Low-rise, garden-style buildings with central heating and/or cooling or master meters
  - Garden-style apartment complexes consisting of multiple low-rise apartments, cooperatives, condominiums and/or townhouses that are three stories or less, surrounded by landscaped grounds.
  - Central heating and/or cooling means that each individual unit does not contain its own heating or cooling systems. The building must contain a central heating and/or cooling plant that serves multiple buildings and/or units.
  - Master meters means electric and/or gas meters that serve multiple buildings (rather than individual units or a single building).

Low-rise (and mid-rise where appropriate) garden-style complexes will be treated as one project under the P4P program. In other words, if there are ten garden-style buildings that are part of one multifamily community, all ten will be aggregated into one P4P application. The 100 kW participation threshold will be met through this aggregation (including common area and in-unit billing). Multifamily properties that are master-metered for electric can qualify for the Program based on the billed peak demand found on the commercial utility bill(s). Multifamily properties where tenants are direct metered for electricity (i.e. utility bills do not contain billed kW demand), can qualify for the Program by assuming ***no more than 2 kW*** per apartment unit plus any billed peak demand found on the commercial utility bill(s). The Energy Target and all other program requirements will be achieved in aggregate as well. Only one set of incentives will be paid per project, and all incentive caps apply. Exceptions to this rule may be considered by the Program Manager on a case-by-case basis where financial constraints prevent the entire complex from participating at once.

See Appendix at the end of this document for a flow chart to assist with determining whether your multifamily building(s) qualify into the Residential or Commercial & Industrial Programs. If you believe your project has fallen into the wrong category please contact the Program Manager.

High Energy Intensity Buildings

An alternative savings threshold of 4% source energy savings is offered to customers whose annual energy consumption is heavily weighted to manufacturing and process loads. In order to be considered for this alternative savings threshold, the project must involve:

- A manufacturing facility (including such industries as plastics and packaging, chemicals, petrochemicals, metals, paper and pulp, transportation, biotechnology, pharmaceutical, food and beverage, mining and mineral processing, general manufacturing, and equipment manufacturers), data centers, and hospitals.

- Manufacturing and/or process-related loads, including data center consumption, consume 50% or more of total facility energy consumption. For hospitals, 50% or more of the gross floor area must be used for general medical and surgical services and 50% or more of the licensed beds must provide acute care services.

Energy Savings Improvement Program (ESIP)

Under the New Jersey Energy Savings Improvement Program ("ESIP" or "Bill 1185"), government agencies are allowed to make energy related improvements to their facilities and pay for the costs using the value of energy savings that result from the improvements (commonly known as performance contracts through Energy Service Companies or ESCOs). Government agencies include local governments, K-12 schools, public higher education institutions, and state agencies, among others.

ESIP's Energy Savings Plans (ESP) are separate and distinct deliverables from those of the P4P Program. ESPs are currently required to be submitted directly to New Jersey's Board of Public Utilities (BPU) for review and approval. If the ESP leverages P4P incentives, or incentives of any other NJCEP Program, for its financial cash flow the BPU may reserve the right to delay approval of the ESP until an NJCEP incentive commitment letter is issued. In the case of P4P this would constitute an ERP Approval Letter.

The P4P Program may be used in conjunction with ESIP. The committed incentives (Incentives #1, #2, and #3) must be deducted from the total project cost, and the balance financed by the participant according to the agreements between them and the ESCO. Reference Appendix for additional guidance.

Pre-Installed Measures and Inspections

An ERP must be approved by the program and an approval letter sent to the participant and Partner in order for incentives to be committed. Upon receipt of an ERP, all project facilities must be pre-inspected to verify existing equipment and conditions. Measures installed prior to pre-inspection of the facility shall not be included as part of the ERP scope of work and will not be eligible for incentives. Measure installation undertaken prior to ERP approval, but after pre-inspection, is done at the customer's own risk. In the event that an ERP is rejected by the program, the customer will not receive any incentives.

7. P4P EB Program Incentives

To encourage and achieve comprehensive energy savings, P4P EB incentives are earned and released in three phases after specific milestones are satisfactorily completed:

1. Submittal and approval of a complete ERP
2. Installation of all recommended measures per the ERP
3. Completion of Post Construction Benchmarking Report demonstrating achieved energy savings.

Incentive Structure

Incentive #1: Energy Reduction Plan			
	Incentive Amount:	$0.15	per sq ft
	Minimum Incentive:	$7,500	
	Maximum Incentive:	$50,000	or 50% of facility annual energy cost
This incentive is designed to offset some or all of the cost of services associated with the development of the Energy Reduction Plan (ERP) and is paid upon ERP approval. Incentive is contingent on implementation of recommended measures outlined in the ERP. If installation does not commence within the required timeframe, Incentive #1 may be required to be returned to the program. In the event the project is cancelled and Incentive #1 is not returned, the project may reapply to the program in the future but another Incentive #1 will not be paid.			
Incentive #2: Installation of Recommended Measures			
	Minimum Performance Target:	**15%**	
Electric Incentives	Base Incentive based on 15% savings:	$0.09	per projected kWh saved
	For each % over 15% add:	$0.005	
	Maximum Incentive:	$0.11	
Gas Incentives	Base Incentive based on 15 % savings:	$0.90	per projected Therm saved
	For each % over 15% add:	$0.05	
	Maximum Incentive:	$1.25	
	Incentive Cap:	**25%**	**of total project cost**
This incentive is based on projected energy savings outlined in the ERP. Incentive is paid upon successful installation of recommended measures.			
Incentive #3: Post-Construction Benchmarking Report			
	Minimum Performance Target:	**15%**	
Electric Incentives	Base Incentive based on 15% savings:	$0.09	per projected kWh saved
	For each % over 15% add:	$0.005	
	Maximum Incentive:	$0.11	
Gas Incentives	Base Incentive based on 15% savings:	$0.90	per projected Therm saved
	For each % over 15% add:	$0.05	
	Maximum Incentive:	$1.25	
	Incentive Cap:	**25%**	**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. Total value of Incentive #2 and Incentive #3 may not exceed 50% of the total project cost. Incentive Caps apply.			

Additional Incentive Notes

- Buildings that have received an audit report through the NJCEP Local Government Energy Audit Program (LGEA) are still eligible to participate in the P4P Program. The results of the audit report can be extracted and included in the ERP. Accordingly, Incentive #1 will be reduced by 50%, to $0.075 /sqft (minimum $3,750; maximum $25,000), to acknowledge the value of the audit. This reduction only applies if the date of the audit report is less than 3 years from the date of receipt of the P4P Initial Application. The customer can retain the LGEA auditing firm as their Partner (assuming they are also an approved P4P Partner), as long as they follow all local procurement laws, or can select a new Partner if they wish.

- Incentive #1 is contingent upon moving forward with the installation of measures identified in the ERP and must be supported by a signed Installation Agreement. If a project is cancelled after the receipt of Incentive #1 and Incentive #1 payment is not returned to NJCEP, the customer/Partner may reapply to the Program in the future but will not be eligible for another Incentive #1 payment for the same facility.

- Incentives #2 and #3 are designed as a single performance incentive that is split in order to provide up-front financial assistance in implementing the project. Incentive #3 will be "trued-up" based on actual achieved savings so that the total performance incentive (i.e. #2 and #3) is in compliance with the Program's incentive structure. If savings are below the 15% minimum but at or above 5%, the project will still be eligible for an incentive, although at a reduced rate calculated at $0.005/kWh less and $0.05/therm less from the base incentive (i.e. $0.09/kWh and $0.90/therm) for each 1% savings below 15%. So long as the savings are at or above 5%, the minimum incentive paid is $10,000 or committed value, whichever is less, assuming all required data and documentation is submitted. If savings are less than 5% there would be no Incentive #3 paid. Incentives #1 and #2 are not required to be returned to the Program. The scaling down of incentives does not apply to high energy-intensity users, which are required to demonstrate at least 4% energy savings.

- Incentives are capped at the lesser of the following.
  - Incentives #2 and #3 combined will be capped not to exceed 50% of the total project cost (estimated or actual, whichever is less).
  - Incentives #1, #2, and #3 combined will not exceed $2 million per project, assuming both electric and natural gas measures are recommended and implemented. Should only electric measures, or only gas measures, be recommended and implemented then the total of Incentive #1, #2, and #3 combined shall not exceed $1 million per project. The latter applies to electric-only facilities as well.
  - $4 million per entity per program fiscal year based on date of ERP approval.

- Incentives are paid directly to the participant. Participant may assign incentives to the Partner.
- No project shall receive incentives from one or more NJCEP programs and/or Board-approved utility programs in an amount that exceeds the total cost[1] of measures installed or performed.

Enhanced Incentives

Enhanced Incentives are available for certain facility types as listed below:

<u>Commercial and Industrial</u>

- Owned or operated by a Municipality
- Owned or operated by a County
- Owned or operated by a K-12 public school
- Located within Urban Enterprise Zone (UEZ)

[1] Total cost is usually determined by reference to a sales invoice. It is not, for example, impacted by federal tax credits that will become available to the applicant on its next tax return or grants from sources other than NJCEP or Board-approved utility programs.

- Located within Opportunity Zone (OZ)

Multifamily

- Owned or operated by a Municipality
- Owned or operated by a County
- Located within Urban Enterprise Zones (UEZ)
- Affordable Housing

Enhanced incentives are equal to an additional 100% of the incentives #2 and #3 listed above. The incentives are subject to a cap of 80% of the Applicant's cost for the project allocated between Incentive #2 and #3:

Incentive #2: Installation of Recommended Measures			
Enhanced Incentives	Electric Savings Additional Incentive	$0.09-$0.11	per projected kWh saved
	Gas Savings Additional Incentive	$0.90-$1.25	per projected Therm saved
	Incentive Cap:	**40%**	**of total project cost**

Incentive #3: Post-Construction Benchmarking Report			
Enhanced Incentives	Electric Savings Additional Incentive	$0.09-$0.11	per actual kWh saved
	Gas Savings Additional Incentive	$0.90-$1.25	per actual Therm saved
	Incentive Cap:	**40%**	**of total project cost**

To qualify for this enhanced incentive, documentation as listed below must be provided with the Application demonstrating that the entity or building location meets at least one of the eligibility categories listed above:

Eligibility Basis	Proof of Eligibility (provide as applicable)
Located in an Urban Enterprise Zone (UEZ)	The building where equipment is or will be installed must be located within the bounds of an Urban Enterprise Zone (UEZ). Please follow the steps below to confirm your facility is within the qualifying zone. The building location must be checked against the NJ Community Asset Map https://www.arcgis.com/apps/webappviewer/index.html?id=96ec274c50a34890b23263f101e4ad9b 1. Enter the address of your building in the field at the top of the map. 2. Under the Layers menu on the left side of the screen, scroll down to Urban Enterprise Zones and check to enable the layer. 3. Print or save a screenshot of the page to include with your submission. For the avoidance of doubt, companies do not need to become a Certified UEZ Business to be eligible for enhanced incentives from NJCEP.

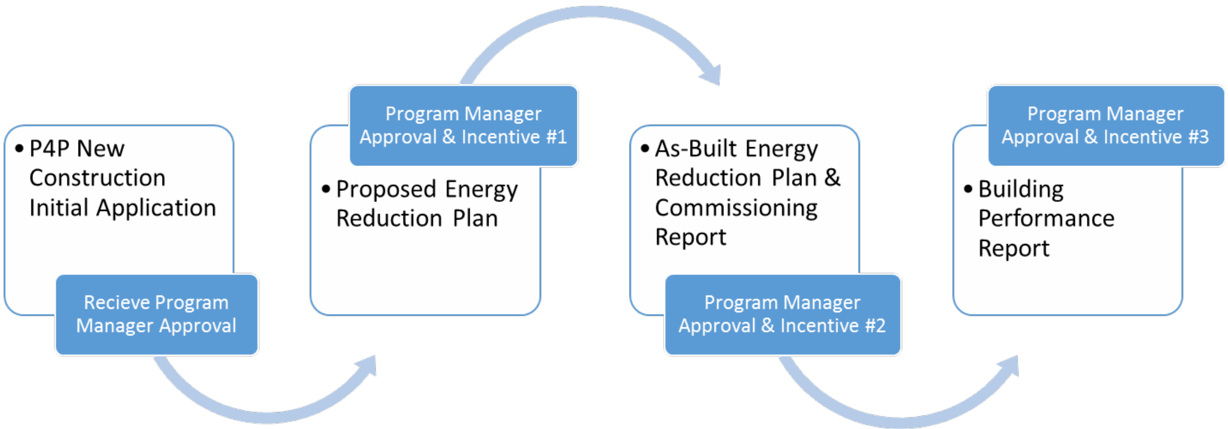
Located in an Opportunity Zone (OZ)	The building where equipment is or will be installed must be located within the bounds of an Opportunity Zone (OZ). Please follow the steps below to confirm your facility is within the qualifying zone. The building location must be checked against the NJ Community Asset Map https://www.arcgis.com/apps/webappviewer/index.html?id=96ec274c50a34890b23263f101e4ad9b 1. Enter the address of your building in the field at the top of the map. 2. Under the Layers menu on the left side of the screen, scroll down to Opportunity Zones and check to enable the layer. 3. Print or save a screenshot of the page to include with your submission.
Owned or operated by a Municipal Entity	The building must be owned or operated by a Municipal Entity as evidenced by the name listed on the utility bill(s) for the building. If the name as shown on the utility bill(s) does not clearly delineate a Municipal Entity, other documentation may be accepted to demonstrate ownership on a case-by-case basis. Please contact the Program Manager for specific guidance. The Municipal Entity name must be recognized on the New Jersey Municipalities Search tool available at: https://www.nj.gov/nj/gov/direct/municipality.html
Owned or operated by K-12 Public School	The building must be owned or operated by a K-12 Public School as evidenced by the name listed on the utility bill(s) for the building. If the name as shown on the utility bill(s) do not clearly delineate a K-12 Public School, other documentation may be accepted to demonstrate ownership on a case-by-case basis. Please contact the Program Manager for specific guidance. The K-12 Public School name must be recognized on the New Jersey School Directory available at: https://homeroom5.doe.state.nj.us/directory/pub.php

Owned or operated by a County Entity	The building must be owned or operated by a County Entity as evidenced by the name listed on the utility bill(s) for the building. If the name as shown on the utility bill(s) does not clearly delineate a County Entity, other documentation may be accepted to demonstrate ownership on a case-by-case basis. Please contact the Program Manager for specific guidance.
	
	Enhanced incentives for Counties apply to:
	
	➢ Buildings owned or operated by one of the counties listed here: https://www.state.nj.us/nj/gov/county/counties.html
	    o This includes, among other things, buildings owned or operated by any "community college" listed here: https://www.nj.gov/highereducation/colleges/schools_sector.shtml
	    o And authorities and commissions listed here: https://nj.gov/comptroller/news/docs/authoritiescommission.pdf

Affordable Housing	Any multifamily housing that an official document identifies as participating in a federal, state, or local affordable housing program. This includes, by way of example only, the New Jersey Department of Community Affairs listing of Affordable Housing available here https://www.state.nj.us/dca/divisions/codes/publications/developments.html as well as official documents showing identification by the documents regarding New Jersey Housing and Mortgage Finance Agency, United States Low Income Housing Tax Credit (LIHTC), and United States Housing and Urban Development (HUD).

8. P4P NC Process Flow

The P4P NC program has four main deliverables that are submitted in the order shown below. All deliverables must be submitted to the program by the Partner:



1. Application: Application form must be submitted to and approved by the program prior to beginning work on the Proposed Energy Reduction Plan (ERP). This is to ensure the facility is eligible to participate, it is not a means of approving potential scopes of work.
2. Proposed Energy Reduction Plan: Summary report of proposed building design that meets program requirements. Submitted at the onset of the project, preferably at the Design Development stage, or well enough before equipment procurement to allow for review and approval by the program.
3. As-Built Energy Reduction Plan & Commissioning Report: Proposed Energy Reduction Plan that is updated to incorporate all changes that occurred during construction. Accompanied by a Commissioning Report completed by pre-approved Commissioning Authority. Submitted once construction is completed and ensures that all energy-efficiency measures are installed and operating as outlined in the approved Proposed ERP (or as modified in the approved As-Built Energy Reduction Plan).
4. Building Performance Report: Assess the energy performance of the project building based on its first year of operation, and promote quality construction and energy efficient operation and maintenance practices.

9. P4P NC Target Market & Eligibility Requirements

An eligible project is defined as a commercial or industrial building meeting the Societal Benefit Charge (SBC), Project Size, Construction Type, and Scope of Work requirements detailed below. Due to the comprehensive design of this program, projects may not apply for incentives in other NJCEP programs while enrolled in P4P for the same facility(ies) except as outlined for Core & Shell vs Tenant Fit-Out improvements (see further below in this section). All eligible measures must be considered in P4P, with the exception of on-site generation (e.g. CHP program). See Section 11 for details. Additional exceptions may be considered by the Program Manager on a case-by-case basis.

- Societal Benefits Charge – Participants will be electric and/or gas customers of the following investor-owned New Jersey utilities (IOU) and pay a monthly SBC, which can be found as a line item on their utility bills:
    - Atlantic City Electric
    - Elizabethtown Gas
    - Jersey Central Power & Light
    - New Jersey Natural Gas
    - PSE&G
    - Rockland Electric Company
    - South Jersey Gas
- Project Size – The project must have 50,000 square feet or more of planned conditioned space. The Program Manager has the discretion to approve projects that are within 10% of the minimum 50,000 square foot threshold. Projects may include a single building meeting square footage requirements, or multiple buildings as long as those buildings are owned by the same entity, are located on adjacent properties, and are designed and constructed within the same time period.
- Construction Type – The new construction component will accept both new construction and substantial renovation, or gut rehabilitation, as defined below:
    - *New Construction:* Defined as a new building where a licensed professional architect or engineer has prepared and certified the building plans.
    - *Substantial Renovations (Gut Rehab):* Defined as one of the following types of projects where a licensed professional architect or engineer has prepared or certified the building plans:
        - Change of use and reconstruction of an existing building;
        - Construction work of a nature requiring that the building or portion of the building within be out of service for at least 30 consecutive days;
        - Reconstruction of a vacant structure or a portion of the building within.
- Scope of Work – Project must be comprehensive in nature and meet the following minimum scope of work criteria:
    - Proposed design must meet or exceed the Minimum Performance Target of 5% energy cost savings or source energy savings for commercial and industrial buildings and 15% for multifamily buildings compared to ASHRAE 90.1-2013 baseline.
    - The Minimum Performance Target is based on reducing the total energy cost for the facility where electricity and/or natural gas is purchased and/or delivered by a New Jersey Investor-Owned Utility (IOU). For projects with non-IOU fuel sources at least 50% of the energy cost reduction must come from an IOU, or 100,000 kWh or 2,000 Therms whichever is greater.
    - Project must have at least one measure addressing each of the following building

components: envelope, heating, cooling, and lighting (e.g. increased insulation, improved HVAC efficiency, lighting power density below code requirements, etc.). Buildings that are not heated (e.g. refrigerated warehouse) or not cooled (e.g. warehouse) will not be required to have a measure addressing the missing building component. Measures are defined as components that exceed ASHRAE 90.1-2013 requirements and must not be procured prior to Application receipt by the program.

- Equipment for which Participants previously received incentives through other NJCEP programs or other Programs offered by any of the New Jersey investor-owned utilities may not be eligible for incentives through this Program. Further, the project site may not participate or apply for incentives for energy efficient measures through other NJCEP Programs while participating in this Program (some exceptions apply).

Modeling Requirements

Partners are required to develop whole building energy simulations using approved simulation tools. In general, software needs to conform to the software requirements outlined in ASHRAE 90.1 Section 11/Appendix G. External calculations/spreadsheets are not permitted unless approved by Program Manager or stipulated by Program Guidelines for specific measures.

The program will offer two modeling compliance paths to demonstrate that the proposed design meets or exceeds the minimum performance target:

Path 1: ASHRAE Building Energy Quotient (bEQ) As-Designed Path

Under this path, the Partner will develop a single energy model representing the proposed project design using prescribed modeling assumptions that follow *ASHRAE Building Energy Quotient (bEQ) As-Designed* [2] simulation requirements. Proposed design simulation results, including Energy Use Intensity ($EUI_{standard}$), will be measured against the median EUI for the building type (EUI_{median}) to evaluate the Performance Score.

$$\textbf{Performance Score} = (EUI_{standard} / EUI_{median}) \times 100.$$

Measures must be modeled within the same proposed design energy model, but as parametric runs or alternatives downgraded to code compliant parameters.

Path 2: ASHRAE 90.1-2013 Appendix G Path

Under this path, the Partner will model a baseline and proposed building using ASHRAE 90.1-2013 Appendix G *modified by Addendum BM.* Addendum BM sets a common baseline building approach that will remain the same for ASHRAE 90.1-2013 and all future iterations of ASHRAE 90.1, and is roughly equivalent to ASHRAE 90.1-2004. To comply with ASHRAE 90.1-2013, a proposed building has to have energy cost savings of 11-40% from the Addendum BM baseline, depending on the building type and climate zone. Measures must be modeled as interactive improvements to the ASHRAE 90.1-2013 Appendix G baseline with Addendum BM accepted.

[2] http://buildingenergyquotient.org/asdesigned.html

P4P NC Core and Shell vs. Tenant Fit-Out Considerations

Generally, P4P NC projects are required to evaluate the whole building design. Further, if a P4P NC Application is submitted to the program, that same building(s) cannot also submit applications to other programs. An exception to this rule may apply to eligible projects pursuing Core & Shell separate from Tenant fit-out improvements, which may fall into one of two scenarios below.

Scenario 1: Core & Shell and Tenant Fit-out are combined

In this scenario, all aspects of the design (whole building) must be included under a single P4P NC Application and treated as a single project following all Program Guidelines as typical. This may apply where:

- Developer is funding and constructing both Core & Shell and Tenant fit-out.
- High performance systems are specified and funded for the Tenant space separate from Core & Shell, but the building owner and tenant come to an agreement to include both scopes of work under a single project.

Scenario 2: Core & Shell Separate from Tenant Fit-out

This scenario applies when the Core & Shell work is known but the tenant space development is unknown and/or is funded separately. Therefore, the Core & Shell is treated as a separate project from the Tenant fit-out. In this case, a building may apply for P4P NC for either Core & Shell or Tenant fit-out(s), not both. The determining factor depends on which scope will include design and construction of the central HVAC system, in which case:

- P4P NC incentives will apply to all conditioned square footage of the building serviced by the central HVAC in the project's scope of work.
- The project scope applying for P4P NC (e.g. Core & Shell OR Tenant Fit-out) must be able to meet all requirements for P4P NC on its own.
- Any Tenant fit-out OR Core & Shell work not included in P4P NC, (and connected to a non-residential electric/gas account paying into the SBC), may seek incentives through the C&I Prescriptive or Custom Measure programs for eligible equipment.

Multifamily Buildings

The NJCEP suite of Programs serve both commercial and residential customers. Multifamily properties pursuing ENERGY STAR will typically be directed to the Residential Programs (Residential New Construction ENERGY STAR Homes and Multifamily High Rise), while those not pursuing ENERGY STAR may apply for Pay for Performance New Construction.

Low-rise (and mid-rise where appropriate), garden-style complexes will be treated as one project under the P4P NC program. In other words, if there are 10 garden-style buildings that are part of one multifamily community, all 10 will be aggregated into one P4P application. The 50,000 square foot participation threshold will be met through this aggregation (including common area and in-unit). The minimum performance target (as well as all other program requirements) will be achieved in aggregate, as well. Only one set of incentives will be paid per project, and all incentive caps apply.

Pre-Installed Measures and Inspections

Projects may apply to the program at any point up to and during the Design Development phase. Projects that are in the Construction Document phase and/or have begun construction may still apply to the program so long as the recommended design components have not been procured prior to receipt of the Initial Application with the understanding that any measures installed prior to approval of the Proposed ERP are done so at the project's own risk. In the event that the equipment selected does not qualify for an incentive, it will be removed from the Proposed ERP and no incentives will be paid for that equipment. In addition, projects in the Construction Document phase will not be eligible for pre-design bonus incentives associated with Incentive #1 (see Section 10 below).

10. P4P NC Program Incentives

Incentives will be released in phases upon satisfactory completion of each of three Program milestones, which are:

1. Submittal and approval of a Proposed ERP with proposed design meeting all program requirements.
2. Submittal and approval of an As-Built ERP and Commissioning Report confirming installation and operation of recommended measures per the Proposed ERP. Changes between proposed and as-built design must be accounted for at this point, although as-built project must still meet all program requirements.
3. Submittal of ENERGY STAR Portfolio Manager benchmark based on first year of operation with score of 75 or higher. Building types not eligible for ENERGY STAR Certification can qualify for this incentive by obtaining *ASHRAE Building Energy Quotient (bEQ) In-Operation* Certification with equivalent score as set by Program Guidelines.

Incentive Structure		
Minimum Cost Reduction or Source Energy Savings Over ASHRAE 90.1-2013 Baseline	Incentive by Building Type Per Square Foot	
15% Multifamily 5% All other	Industrial/High Energy Use Intensity	Commercial and Multifamily
Incentive #1: Proposed Energy Reduction Plan		
+ 0 - < 2% (Tier 1)	$0.10	$0.08
+ 2 - < 5% (Tier 2)	$0.12	$0.10
+ 5% or greater (Tier 3)	$0.14	$0.12
Maximum 1st Incentive	$50,000.00	
Pre-Design Bonus	$0.04	
Maximum Bonus	$20,000.00	
This incentive is designed to offset some or all of the cost of services associated with the Proposed Energy Reduction Plan (ERP) and is payable upon approval of the Proposed ERP. Incentive #1 is contingent upon moving forward with installation. If installation does not commence within the required timeframe, Incentive #1 may be required to be returned to the program. In the event the project is cancelled and Incentive #1is not returned, the project may reapply to the program in the future but another Incentive #1 will not be paid.		
Incentive #2: Installation and Commissioning of Measures		
+ 0 - < 2% (Tier 1)	$1.00	$0.80
+ 2 - < 5% (Tier 2)	$1.20	$1.00
+ 5% or greater (Tier 3)	$1.40	$1.20
This incentive is based on the successful installation and commissioning of the energy efficiency measures as outlined in the approved Proposed Energy Reduction Plan. Incentive #2 is payable upon approval of As-Built ERP and associated commissioning report, completed by a certified Commissioning Authority.		
Incentive #3: Building Performance		
Flat	$0.40	$0.35
This incentive is paid for projects demonstrating superior energy performance based on its first year of operation. Projects may be eligible for this incentive if they show proof of receiving ENERGY STAR Certification. Building types not eligible for ENERGY STAR Certification may demonstrate compliance through ASHRAE Building Energy Quotient (bEQ) In-Operation Certification. If the required certifications are not achieved, this incentive will not be paid.		

Additional Incentive Notes

- Incentive #1 is contingent on moving forward with construction and must be supported by required program documentation (e.g. signed Installation Agreement). The Program Manager, in coordination with the Office of Clean Energy, may waive this contingency in extreme situations where construction is halted due to economic or other external factors. If a project is cancelled after the receipt of Incentive #1, the incentive amount should be returned to NJCEP. If the

Incentive #1 payment is not returned to NJCEP, the customer/Partner may reapply to the Program but will not be eligible for another Incentive #1 payment for the same facility.

- Should the As-Built Energy Reduction Plan and/or Commissioning Report indicate performance and/or a gross conditioned square footage that differs from that projected in the Proposed Energy Reduction Plan, Incentives #2 and/or #3 shall be recalculated per Partner Guidelines. Any excess payment made from Incentive #1 shall be deducted from the outstanding incentives due. Any changes to the approved measures that cause the as-built performance requirement to drop below the minimum performance target may result in the repayment of Incentive #1, and the forfeiting of Incentives #2 and/or #3. In the event the project is cancelled and Incentive #1 is not returned, the project may reapply to the program in the future but another Incentive #1 will not be paid.

- If the requisite building performance certifications are not achieved, Incentive #3 will not be paid.

- Incentives are capped at the lesser of the following.

    - Incentives #1, #2, and #3 combined will not exceed $2 million per project, assuming both electric and natural gas measures are recommended and implemented. Should only electric measures, or only gas measures, be recommended and implemented then the total of Incentive #1, #2, and #3 combined shall not exceed $1 million per project. The latter applies to electric-only facilities as well.
    - $4 million per entity per program fiscal year based on date of Proposed ERP approval.

- Incentives are paid directly to the participant. Participant may assign incentives to the Partner.
- No project shall receive incentives from one or more NJCEP programs and/or Board-approved utility programs in an amount that exceeds the total cost[3] of measures installed or performed.

Incentive #1 Pre-Design Bonus (Integrative Process)

Projects that are in pre-design or schematic design may be eligible for a higher Incentive #1. The goal is to incentivize applicants to critically think about their building design from an energy efficiency standpoint early in the process where changes are easier to make, thereby supporting high-performance, cost-effective project outcomes. In order to qualify, Partner will need to work with the applicant beginning in pre-design and continuing throughout the design phases. They will perform a preliminary "simple box" energy modeling analysis before the completion of schematic design that explores how to reduce energy loads in the building and accomplish related sustainability goals by questioning default assumptions. They will then document how this analysis informed building design decisions relative to owner's project requirements, basis of design, and eventual design of the project. This submittal shall be submitted after Application approval but prior to submitting the Proposed ERP. Although pre-construction inspections are not routinely performed in this program, the Program may inspect projects applying for this bonus.

[3] Total cost is usually determined by reference to a sales invoice. It is not, for example, impacted by federal tax credits that will become available to the applicant on its next tax return or grants from sources other than NJCEP or Board-approved utility programs.

11. Efficiency Measures

For P4P EB, recommended measures must meet or exceed ASHRAE 90.1-2013 requirements or minimum efficiency requirements as outlined in the Program Guidelines, whichever is more stringent.

For P4P NC, recommended measures must exceed ASHRAE 90.1-2013 requirements.

Additionally, certain measures must meet other requirements as stipulated by the Program Guidelines, such as have ENERGY STAR certification.

Non-eligible Measures

On-Site Renewable Energy

- Renewable energy measures such as solar PV panels, wind turbines, and any other equipment that generates energy, are not permitted in the ERP and cannot contribute to the savings target.
- If a renewable energy measure is implemented at any point during P4P participation, it must be separately metered. The metered data must be added back into the building utility data to ensure that P4P incentives are not paid for savings related to renewable energy measures.
- For P4P EB, existing renewable energy equipment must have at least twelve (12) months of historic metered data, must be added to baseline building utility bills, and must be included within the baseline building model and calibration tool.
- Ground source heat pumps, solar water heaters, and solar thermal storage are not considered renewable energy measures and may be included in the P4P scope of work (assuming they comply with efficiency requirements).

On-Site Combined Heat and Power/Fuel Cells

- CHP and fuel cell systems are not permitted in the ERP and cannot contribute to the savings target.
- If a CHP or fuel cell is implemented at any point during P4P participation, it must be separately metered for natural gas consumption, electricity generation/output, and utilized waste heat in order to ensure accurate incentive payments.
- For P4P EB, existing CHP or fuel cell systems must have at least twelve (12) months of historic metered data, must be added to baseline building utility bills, and must be included within the baseline building model and calibration tool.
- Incentives for CHP and fuel cell systems are offered separately through the NJCEP C&I Programs and the Renewable Energy Programs (if fueled by renewable fuel source) which can be found here: http://www.njcleanenergy.com/chp

Retro-Commissioning

Retro-commissioning in and of itself cannot be a recommended measure. Retro-commissioning can be utilized as a means to identify energy efficiency measures in P4P EB projects, which shall then be modeled as measures and incorporated into the ERP. The cost of the retro-commissioning process may be included as part of total project cost, similar to audit cost.

Other

The following are not eligible measures:

- Sub-metering
- Monitoring equipment
- Power factor correction equipment
- Permafrost or similar refrigerant additives
- Removal of miscellaneous plug loads or other similar non-permanent measures
- Emerging technologies, unless supported by third party evaluation/study which will be reviewed and permitted at Program Manager's discretion.
- O&M measures unless previously reviewed and permitted at Program Manager's discretion.

Most energy-efficient technologies will qualify under the P4P Program. When in doubt, it is recommended that the program office is contacted first to verify and confirm eligibility.

12. Application Submission Guidelines

All program submissions are completed by an approved Partner on behalf of the participant and follow the general guidance below. Detailed information is provided to Partners in the Program Guidelines.

- Initial Application Submittal documents should be submitted to the program at the very beginning of the project to verify that project meets minimum eligibility criteria. Work on the ERP should not begin until the Application Approval letter is issued stating that the project is eligible to participate in the Program and Incentive #1 has been committed. Approval of the Application is not an approval of the proposed scope of work.

- Incentive #1 Submittal documents, including the ERP should be submitted within six (6) months of the Application approval date. An extension of up to six (6) months is available subject to Program Manager approval. Revisions to the ERP must be submitted within thirty (30) days from the date the program provides comments. A pre-construction inspection will be conducted at this time (EB only).

- Incentive #2 Submittal documents should be submitted within twelve (12) months of the ERP approval date, or upon installation completion of all recommended measures, whichever comes first. A twelve (12) month extension, in two 6-month increments, is available subject to Program Manager approval. A post-construction inspection will be conducted at this time.

- Incentive #3 Submittal documents should be submitted fifteen (15) months after the Installation Report approval. A twelve (12) month extension, in two 6-month increments, is available subject to Program Manager approval. During the term of the performance period, Partner must notify the Program Manager in a timely manner of any changes in occupancy, energy supply source, or other changes that significantly affect energy savings.

In addition, the Program Administrator (PA), with the approval of Board Staff, may approve up to two extensions, each of a length set by the PA with the approval of Board Staff, beyond the extensions the Program Manager is authorized to approve.

The project's scope of work, proper measure selection, and successful project implementation are the Partner's sole responsibility. Make sure the most recent versions of tools and templates are used.

13. Tax Clearance

A valid Tax Clearance Certificate from the State of New Jersey, Division of Taxation is required before any incentives can be released to the Participant. A Tax Clearance can be requested online through the State's Premier Business Services Portal. Visit www.NJCleanEnergy.com/TCC for more information.

14. Prevailing Wage

NJ law P.L 2009, c. 203: As of January 14, 2010, the prevailing wage rate shall be paid to workers employed in the performance of any construction undertaken in connection with Board of Public Utilities financial assistance programs. This law applies to contracts greater than $15,444.

15. 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 whatever 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 pre-approved third party contractors that meet program requirements. One of the primary responsibilities of the program is to oversee the level of performance of the contractors that participate in the program. 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.

16. Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all P4P Program projects. All applications are reviewed upon receipt to verify adherence to eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of measure qualification and incentive calculation. Applicant supplied information and project technical data are entered into the database. Electronic files are created for all documents and for ongoing project correspondence. The Program Manager reviews submitted Energy Reduction Plans.

The Program Administrator quality control staff will perform pre and post-construction inspections, regularly conduct pre-approval technical reviews of Energy Reduction Plans, and perform file reviews on a sampling of applications prior to incentive payments. The selection of inspections and reviews will be based on a pre-determined, random sampling percentage.

The TRC Team will utilize the Contractor Remediation Procedures as necessary or appropriate to address significant performance or other problems.

Projects with incentives in excess of $500,000 also require approval by the Board of Public Utilities following review and approval by Program Manager.

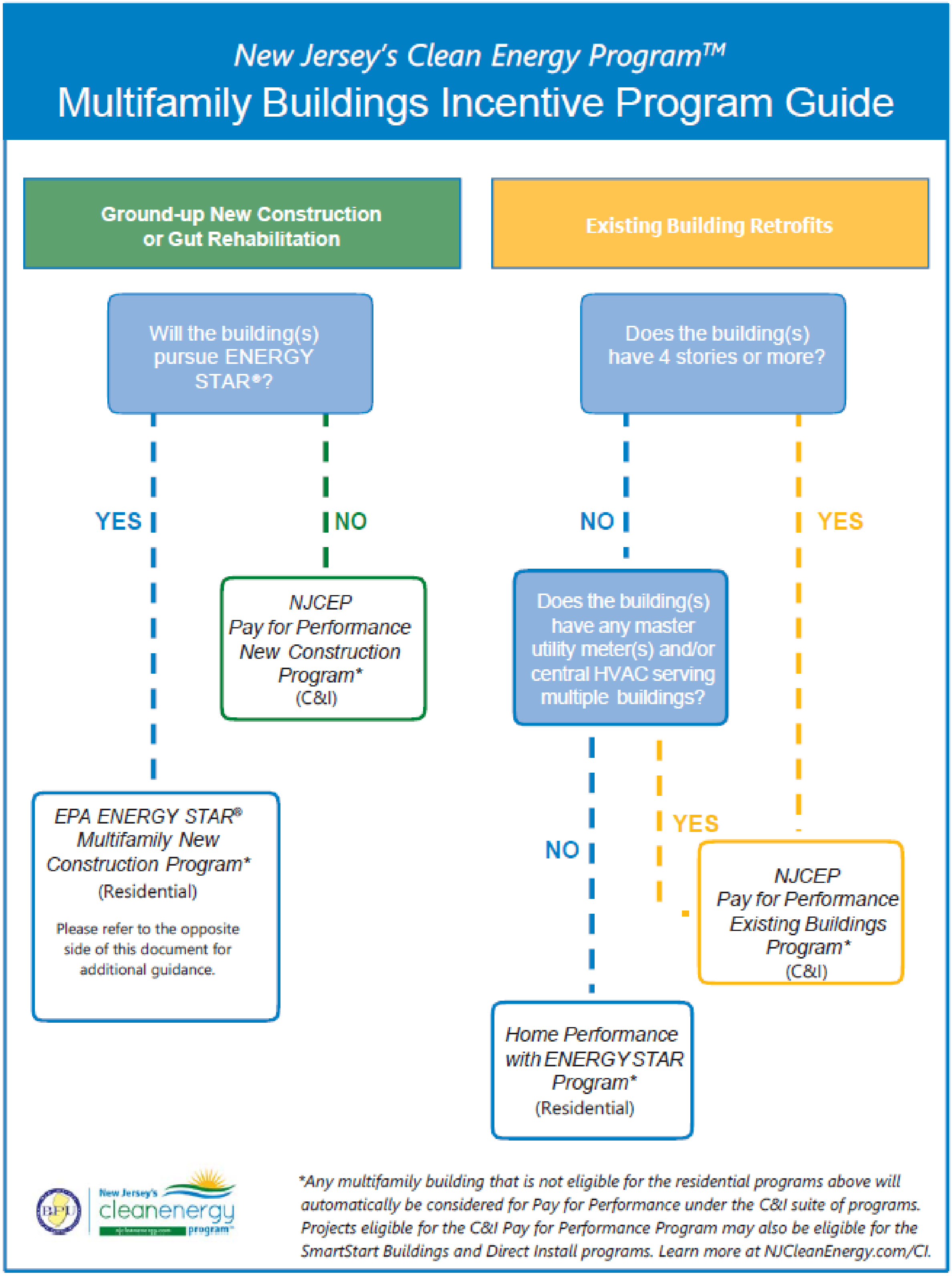
17. Call Center Support

New Jersey's Clean Energy Program operates a call center staffed weekdays between 9 AM and 7 PM. The phone number is 866-NJSMART. 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.

18. FY20 Program Development – C&I Buildings Program

The SmartStart, LEUP, P4P EB, P4P NC, and CTEEP programs will merge into the single C&I Buildings Program that will more effectively and flexibly allow participants to implement energy efficiency projects. The new program will include a Building and Systems Evaluation Program (BASE) component that will offer NJCEP-subsidized building-specific technical assistance to participants. The new program's improvements will be achieved by, among other ways, addressing gaps in current offerings with the new multi-measure pathway, simplifying the application process, increasing outreach, expanding the options regarding post-installation Measurement and Verification (M&V), and providing more and better opportunities for participating contractors and raters to grow their clean energy businesses.

Appendix: Multifamily Building Decision Tree



EPA ENERGY STAR
Residential Multifamily New Construction Programs

What qualifies as Residential?

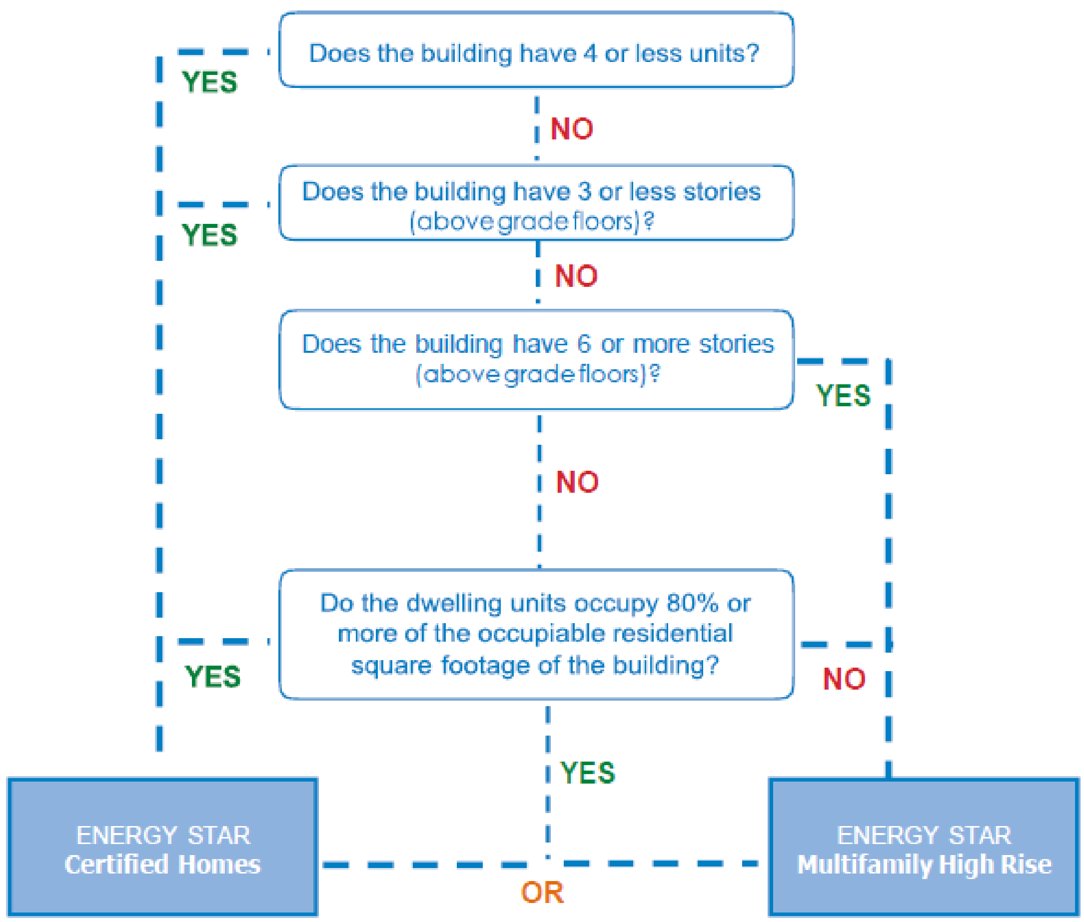
The primary use of the building must be for residential purpose, i.e. the residential and residential associated common area must occupy more than 50% of the building's occupiable square footage. This includes spaces used by residents, such as corridors, stairs, lobbies, laundry rooms, exercise rooms, and residential recreation rooms. This also includes offices used by building management, administration or maintenance and all special use areas located in the building to serve and support the residents such as day-care facilities, gyms, dining halls, etc. It does not include garage spaces.

What qualifies as New Construction?

New Construction projects can include significant gut rehabilitations when defined as a change of use, reconstruction of a vacant structure, or when construction work requires that the building be out of service for at least 30 consecutive days.

New construction of motels/hotels, nursing homes, assisted living facilities, or dormitories are currently considered commercial facilities and do not qualify under the Residential Multifamily New Construction programs below. These building types can seek incentives through the New Jersey's Clean Energy Program Commercial and Industrial suite of programs. Learn more at www.NJCleanEnergy.com/CI

If your multifamily building qualifies as both **New Construction** and **Residential**, the following decision tree can help you determine which ENERGY STAR program is right for you. Visit ENERGY STAR for additional details: https://www.energystar.gov/index.cfm?c=bldrs_lenders_raters.nh_mfhr_bldg_eligibility



07/2018

Appendix: ESIP Process (P4P EB only)

Memorandum

New Jersey's Clean Energy Program™ & Energy Savings Improvement Program Interaction

New Jersey's Energy Savings Improvement Program (ESIP), through the New Jersey Board of Public Utilities, is a distinct and separate effort from *New Jersey's Clean Energy Program* (NJCEP). The guidelines below are provided to establish clarity of interaction between the two. Additionally, a Flow Chart is provided on the reverse side as a recommendation on when to submit incentive applications to various NJCEP programs relative to the ESIP timeframe.

- In some cases, during the ESIP process, energy efficiency improvements are identified that may yield incentives from one or more NJCEP incentive programs, such as Pay for Performance, Direct Install, and SmartStart. In which case, the ESCO or ESIP Lead will submit an incentive application(s) on behalf of the entity to the NJCEP Market Manager (MM). NJCEP applications are reviewed and approved by the MM only. As per standard NJCEP procedure, the MM will issue an incentive commitment letter upon approval of the application(s). This is the only form of approval for a NJCEP incentive.

- ESIP applications, or Energy Savings Plans (ESP), are submitted to the New Jersey Board of Public Utilities (BPU) ESIP Coordinator for review and approval of the financial viability of the project, based on the requirements set forth in ESIP legislation of 2009, and amended in 2012. Where an ESP includes a NJCEP incentive as a component of the finances of the proposed project, the approval of an ESP should not be construed as an approval of the NJCEP incentive.

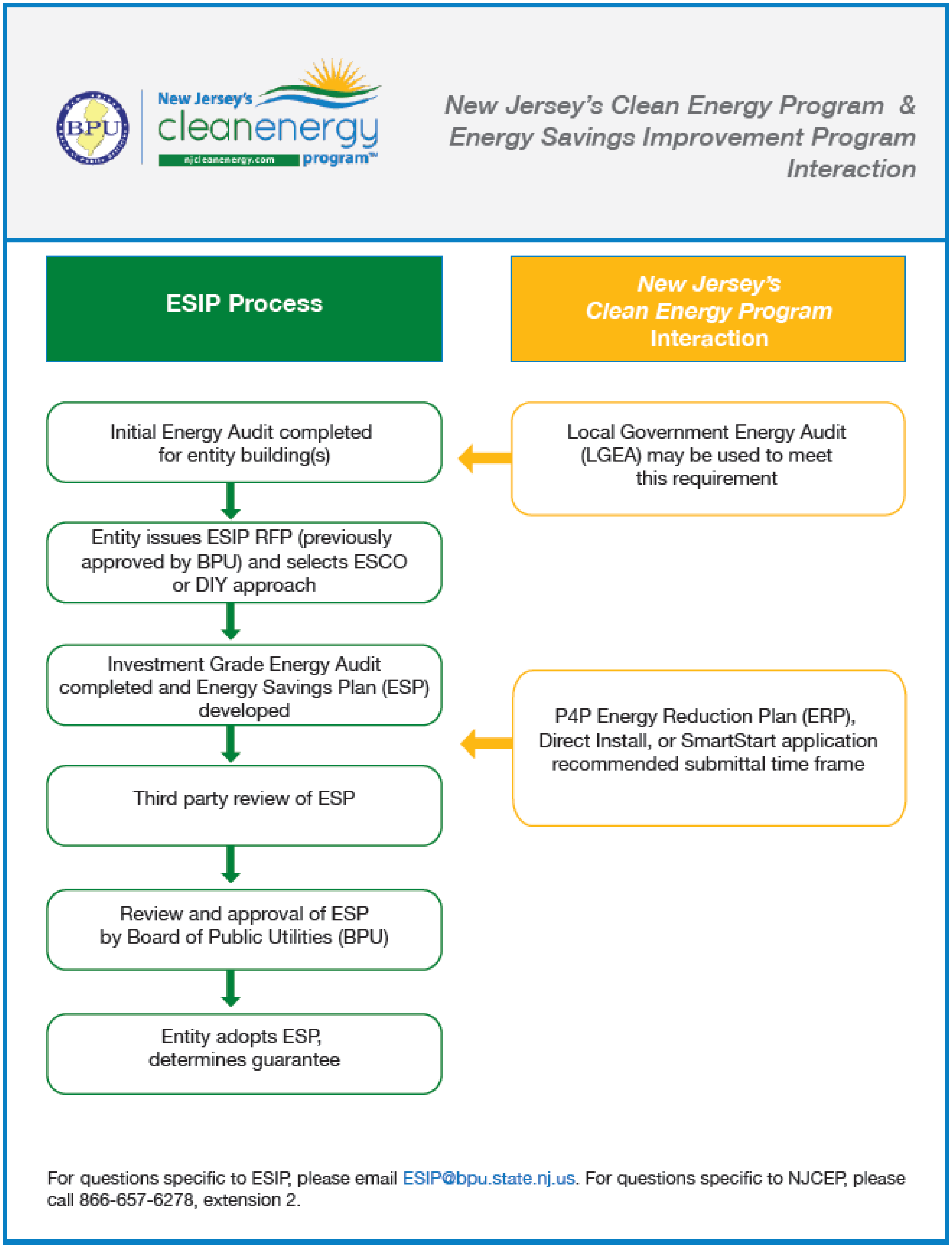
- In most cases, the NJCEP incentives identified in the ESP are estimates and have not yet been approved by the MM. If an ESP is approved and the NJCEP incentives are later reduced or rejected through the MM review process, then the financial burden falls either on the ESCO or the entity depending on if a guarantee was included in the contract(s). Additionally, incentives that are not approved will require the ESP to be resubmitted to the ESIP Coordinator, reflecting revised calculations, before final approval can be secured. Alternatively, incentives not yet approved by the MM should not be used to leverage ESP cash flows. If time permits, it is best to have NJCEP incentive commitment letters in place prior to submitting the final ESP for approval by BPU.

- Any/all NJCEP incentives eventually paid will go to the entity to help them pay for the project, or in some cases (such as the SmartStart program) the entity may directly assign incentives to a designated contractor. Direct Install payments are always made to the contractor.

- NJCEP incentives may require pre-inspections to be performed prior to approval of incentive applications and issuance of incentive commitment letter. Any ESIP planning or timeline should include enough time for the MM to review the application, perform a site visit to verify existing equipment, and to confirm that no work has started.

- Using savings from previously completed projects under NJCEP within an ESP is not permitted.

For additional information on the ESIP process, please visit NJCleanEnergy.com/ESIP. For questions specific to ESIP, please email ESIP@bpu.state.nj.us. For questions specific to NJCEP, please call 866-657-6278, extension 2.


New Jersey's cleanenergy program™
njcleanenergy.com
New Jersey's Clean Energy Program & Energy Savings Improvement Program Interaction
ESIP Process
New Jersey's Clean Energy Program Interaction
Initial Energy Audit completed for entity building(s)
Local Government Energy Audit (LGEA) may be used to meet this requirement
Entity issues ESIP RFP (previously approved by BPU) and selects ESCO or DIY approach
Investment Grade Energy Audit completed and Energy Savings Plan (ESP) developed
P4P Energy Reduction Plan (ERP), Direct Install, or SmartStart application recommended submittal time frame
Third party review of ESP
Review and approval of ESP by Board of Public Utilities (BPU)
Entity adopts ESP, determines guarantee
For questions specific to ESIP, please email ESIP@bpu.state.nj.us. For questions specific to NJCEP, please call 866-657-6278, extension 2.