



PSE&G Residential Multifamily Housing Program

As part of its New Jersey Board of Public Utilities approved **Energy Efficiency Economic Stimulus Initiative**, Public Service Electric and Gas Company (PSE&G) is offering the **Residential Multifamily Housing Program** (Program). The Program is designed to increase energy efficiency and reduce carbon emissions of residential multifamily housing developments and to provide building owners **with up-front financing for the cost of eligible energy efficiency installations.**

Under the Program, building owners will receive an on-site investment grade energy audit of their building(s) **at no cost.** All energy efficiency measures identified by the audit as having a simple payback of fifteen years or less will be eligible for installation under the program and for Program incentives. The energy efficiency measures recommended by the audit may include lighting, HVAC, humidification, building envelope, windows, doors, motors, and other energy consuming equipment. **PSE&G will provide incentives to help pay for the cost of installing the energy efficiency measures. Building owners will repay their share of the cost over a ten-year period, interest free, on their PSE&G bill.**

Program eligibility includes residential multifamily buildings where natural gas and/or electricity is provided by PSE&G. The buildings should be master metered and can include garden apartments, low-rise, mid-rise and high-rise facilities with five or more units in PSE&G's service territory. PSE&G is working with the New Jersey Housing and Mortgage Finance Agency (NJHMFA) to offer the program to NJHMFA-financed housing developments however non-HMFA buildings are also eligible for program funding.

How the Program Works

The program audit is free to building owners and will be provided through a qualified audit professional employed by PSE&G. Building owners will receive a written audit report detailing the energy savings opportunities and recommended energy efficiency measures for installation, along with associated payback information. PSE&G will review the housing facility audit results with the building owner and **both PSE&G (and NJHMFA for HMFA projects) must approve the energy efficiency measures the building owner wishes to install.** Based on the audit results, PSE&G will provide funding to the building owner to pay for the installation of the eligible energy efficiency measures. **Note: the building owner will be responsible for the selection of a contractor(s) to install the energy efficiency measures and will enter into all contracts and agreements directly with that contractor. (For HMFA projects, HMFA written approval will be required for all contracts.)**

Program Incentives

For eligible energy efficiency measures identified by the free investment grade energy audit, PSE&G will “buy-down” costs by 7 years, but not to fewer than 2 years. **PSE&G will pay the total costs of the project in three stages (see below). The Building Owner (the Customer) will be responsible for payment to their contractor. At the conclusion of the Project, the Customer will repay their contribution (total cost of the Project minus the PSE&G incentive amount) interest-free, over a period of 10 years on their PSE&G energy bill.** Should the property be sold, the remaining balance will be payable upon transfer of property.

Note: For NJHMFA-financed projects, PSE&G’s 0% financing will be subordinate to NJHMFA’s permanent mortgage(s). NJHMFA-financed projects will follow NJHMFA bidding practices.

Program Payments

The Customer will be paid in three stages during the course of program participation (as long as pre-approval for the program was granted prior to any work done or expenditures made). The three stages of program payments are:

- **Stage One: Execution of Contract:** The Investment Grade Audit (IGA) is completed and the results of the audit have been discussed with the Customer; including a review of eligible measures and costs. Once the Customer commits to install the agreed-upon Energy Conservation Measures (ECMs), selects their contractor(s), and signs a contract with their contractor(s) to install the ECMs, the Customer executes a Repayment Agreement with PSE&G. Upon receipt and approval of the Agreement, PSE&G will pay one-third of the project costs to the Customer and the Customer will begin the project.
- **Stage Two: Job 50% Complete:** After 50% of the ECMs have been installed and inspected by PSE&G (or its agent), the second third of the project costs will be paid to the Customer.
- **Stage Three: Balance on Final Inspection:** After all ECMs have been installed and commissioned (fired up and operating according to manufacturer specifications), PSE&G (or its agent) will perform a final inspection on all work performed. If the Project passes the final inspection, the remaining one-third of project costs will be paid to the Customer. At this time, the Project is considered complete and the Customer repayments will begin.

In the event the Customer fails to complete Stage Three or fails the final inspection, the Stage Three progress-payment will not be paid and the Customer will have six months to complete the project and/or pass the final inspection. If the Customer fails to comply, the repayment of the amount owed to PSE&G will become immediately due and payable.

Coordination of Program Funding

Energy efficiency measures eligible for incentives under this program are NOT eligible for incentives under the New Jersey Clean Energy Program. Similarly, energy efficiency measures which have been incented under the New Jersey Clean Energy Program are NOT eligible for the PSE&G Residential Multifamily Housing program.

For More Information

For additional program information, please contact John Giattino at 973-430-7214 or John.Giattino@pseg.com