



PAY FOR PERFORMANCE

Opportunities for Multifamily Buildings





NJ Clean Energy Program - Background

- Introduced 2001 as part of the NJ “Clean Energy Act” of 1999
- Funding comes from “*Societal Benefits Charge*” on utility bill
- Administered by the New Jersey Board of Public Utilities
- Provides energy efficiency project opportunities using market managers for the following sectors:
 - Residential
 - Renewables
 - Commercial & Industrial





Overarching Program Goals

- **Save** energy and lower operating costs
- **Protect** environment and lower emissions
- **Change** business as usual
 - Adapt behavior – think high efficiency first
 - Encourage early retirement of equipment
 - Increase effective operations and maintenance
 - Promote renewable energy alternatives





What is Pay for Performance?

- **Comprehensive**, whole-building approach to saving energy in existing multifamily buildings
- Supported by a network of Program Partners who provide technical services under direct contract to building owners and managers.





Partners, Participants and Market Manager

- Building Owners (“Participants”) must work with Partner
 - Complete list of approved partners found on website NJCleanEnergy.com and several are here today
- Partners are pre-screened energy professionals
- Partners will:
 - Guide you through every step of the Program
 - Conduct whole-building energy audit
 - Recommend energy efficiency improvements
 - Facilitate installation
 - Verify energy savings
 - Process all necessary paperwork for NJCEP Incentives





Eligibility Requirements

- Existing building located in New Jersey
- For most buildings - average annual peak demand of 200kW or greater
- Pays Societal Benefits Charge
 - Customer of one of the seven investor-owned electric and/or gas utilities



P4P Incentives

- Participants pay Partner fees
- Requests for Incentives filed by Partner
- Incentives paid directly to Participants to improve the performance of their buildings
- Incentives up to **\$1million** per gas and electric account





Incentive #1

- Paid at **\$0.10 per square foot** up to \$50,000
- Upon completion and approval of Energy Reduction Plan
 - Includes:
 - Energy Audit
 - Building Simulation
 - Financial Plan
 - Installation Plan





Incentive #2

- Paid for projected energy savings
 - **\$0.11-\$0.13 per kWh**
 - **\$1.10-\$1.45 per therm**
- Upon installation of approved energy efficiency improvements





Incentive #3

- Paid for actual energy savings
 - **\$0.07-\$0.09 per kWh**
 - **\$0.70-\$1.05 per therm**
- Upon completion Post-Construction Benchmarking Report
 - One-year post installation
 - Verifies projected energy savings



Advanced Measures – CHP

- Additional incentives of up to **\$1 million** available for qualified Combined Heat and Power Projects





Conclusion

- Get started today by asking me how to get a free building performance benchmark
- For P4P Program information contact:

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NJCleanEnergy.com/ssb

- Questions ???

