

# Residential Multifamily Housing Program

PSE&G Economic Energy Efficiency  
Stimulus Program

2010



# Overview

- PSE&G EEE Stimulus
  - A range of energy efficiency program for various building types
    - Residential Whole-House Efficiency Sub-Program
    - Residential Multifamily Housing Sub-Program
    - Small Business Direct Install Sub-Program
    - Municipal/Local/State G'vt Direct Install
    - Hospital Efficiency Sub-Program
    - Data Center Efficiency Sub-Program
    - Building Commissioning/O&M Sub-Program
    - Technology Demonstration Programs Sub-Program

# Residential Multifamily Housing Program

- Building Owners receive an on-site investment grade energy audit – at no cost
- All measures having a simple payback of 15 years or less will be eligible
- Buy-Down incentives provided to reduce cost by 7 years – but to no less than 2 years
- 0% On-Bill Financing provided for remainder
- Funds to be committed by December 2010

# NJHMFA involvement

- Cooperative Development of the Program
- Agreed to market to NJHMFA-financed buildings first – program generally available to all multifamily buildings in New Jersey
- Striving to meet the energy efficiency needs of multifamily affordable housing
- NJHMFA approves additional debt on the buildings we finance
- NJHMFA will work to meet timelines

# Process & Timelines

- Building Owner signs a contract with PSE&G
- PSE&G's energy auditor performs an IGA – completed at agreed-upon date
  - copy provided to NJHMFA
- Building Owner has 30 days to decide if they will move forward
- Building Owner has 30 days after decision to move forward to conduct 3-bid process (as per NJHMFA policies) – time extensions are permitted with approval of PSE&G

# Process & Timelines cont.

- Building Owner has 2 weeks to select a vendor & develop formal proposal (scope of work), with costs, to PSE&G
- PSE&G will review scope of work and bid proposal and provide an Owner Reimbursement Agreement
  - reviewing that measures have a 15 year payback or less
- Building Owner will have 2 weeks to sign Owner Reimbursement Agreement



# Process & Timelines cont.

- Building Owner has 2 weeks to sign construction contract(s) & notify PSE&G
- PSE&G will pay 1/3 of cost up-front & Building Owner will notify PSE&G when construction has started
- Building Owner will notify PSE&G when construction is 50% complete, 1/3 payment will be disbursed after successful inspection

# Process & Timelines cont.

- Building Owner will notify PSE&G when construction is 100% complete, final payment and loan agreement will be made.
- If there are issues at final inspection, Building Owner has total of 6 months to remediate without withdrawal of PSE&G funds.



# Additional Notes

- 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 NJHMFA projects, NJHMFA written approval will be required for all contracts
- PSE&G will pay the building owner & the building owner is responsible for payment to their contractor
- There are 3 program payments – if final inspection is not satisfactory, the 3<sup>rd</sup> payment will be withheld

# Grant / Buy-Down

- If a measure costs \$15,000 and has a 15-year payback
- Then, the grant will be for \$7,000
- And \$8,000 will be covered with 0% financing
- If a measure costs \$7,000 and has a 7-year payback
- Then, the grant will be for \$5,000
- And \$2,000 will be covered with 0% financing

# 0% Financing

- Additional debt on any NJHMFA-financed project requires pre-approval by NJHMFA
- The PSE&G loan is at 0% interest over 10 years
- If energy efficiency items are selected that have a payback of 8-years
  - A measure costs \$8,000 total and saves \$1,000 a year
- You have 10 years to pay it back
- Immediate savings of \$200 a year



# Coordination of Program Funding

- Energy efficiency measures eligible for incentives and financing under this program are not eligible for incentives under the NJ Clean Energy Program
- Developments that participate in this program are not eligible for other Multifamily Energy Efficiency stimulus programs



# To Participate

- Contact:

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- Visit the Web:

**[www.njgreen.gov](http://www.njgreen.gov)**

Click on 'Developer Programs'

Click on 'Multifamily Stimulus'

Documents are available



# Questions?

**More to come!**



# Other Multifamily Energy Efficiency Programs



# What program is right for you?

- NJHMFA Multifamily Weatherization Assistance Program
  - Grant & for extremely needy – unable to find financing otherwise
- DCA Weatherization Assistance Program
  - Grant & for non-NJHMFA financed projects
- Multifamily Energy Efficiency Improvement Program
  - 2% loan & for projects going through NJ Pay for Performance Program

# What program is right for you?

- PSE&G Residential Multifamily Housing Program
  - Grant & 0% financing
- NJ Pay for Performance Program
  - Higher rebates provided for affordable housing & for larger multifamily developments
- NJ Home Performance with ENERGY STAR
  - Rebates & for low-rise and single-family developments
- NJ Smart Start Program
  - Equipment rebates & other rebates



Questions?

