New Jersey's Clean Energy Program
Fiscal Year 2014 Program Descriptions and Budget

Commercial & Industrial
Energy Efficiency Programs
Managed by TRC as C&I Market Manager

FY 2014 Program & Budget Filing

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New Jersey's Clean Energy Program
FY 2014 Commercial & Industrial Programs
Descriptions and Budget

Introduction

This fiscal year 2014 Filing provides program descriptions and budgets for programs managed by TRC, the Commercial and Industrial (C&I) Energy Efficiency Market Manager who took over management of the C&I Programs from the seven electric and natural gas utilities effective April 1, 2007.

Please note, New Jersey's Clean Energy Program has moved from a calendar year to a fiscal year basis. The fiscal year start date is July 1 and end date is June 30. The budget, goals and the marketing plan reflect the twelve month period July 1, 2013 through June 30, 2014.

Changes to programs and incentive levels are effective upon approval by the Board of Public Utilities and subsequent notice to the industry.

Appendix A - 12-Month Marketing Activity Plan
Appendix B - 12-Month C&I Market Manager Budgets

Fiscal Year 2014 C&I Programs

General Overview

New Jersey's Commercial & Industrial (C&I) Energy Efficiency Program includes nine individual programs targeting the commercial and industrial market segments: 1) New Construction, 2) Retrofit, 3) Pay for Performance New Construction, 4) Pay for Performance, 5) Local Government Energy Audit, 6) Direct Install, 7) Combined Heat and Power (CHP) and Fuel Cells, 8) Large Energy Users Program, 9) SBC Credit Program.

Unless specifically stated in the following program descriptions, customers eligible for incentives under New Jersey's Commercial & Industrial Energy Efficiency Program are defined as non-residential electric and/or gas customers of one of New Jersey's regulated electric or gas utilities who contribute to the Societal Benefits Charge fund. *

**Please note, for a limited time, funding may be made available from the Department of Energy under Grant Award Number DE-EE0000353 (EE Programs for Non Investor Owned Utility Customers) for a State Energy Program which would allow participation in Direct Install, Pay for Performance, and the Local Government Energy Audit Program by oil and propane customers and those who are served by municipal and rural electric cooperatives (non-investor owned electric utilities). Funds will be available on a first come, first-served basis. Existing program guidelines and rules related to Direct Install, Pay for Performance and the Local Government Energy Audit Program will apply.*

The C&I New Construction and C&I Retrofit components offer prescriptive and custom efficiency measure incentives plus technical support. For budget purposes, these are shown as two different programs, but they offer similar services as described under Program Offerings and Customer Incentives below.

The Pay for Performance components, for both existing building and new construction, uses a "whole building approach" to energy efficient construction and offers incentives based on the level of savings achieved.

The Programs are designed to:

- Capture lost opportunities for energy efficiency savings that occur during customer-initiated construction events (i.e., when customers normally construct buildings or purchase building systems equipment).
- Achieve market transformation by helping customers and designers make energy efficient equipment specification, building/system design**,** lighting design**,** and commissioning part of standard business practices.
- Stimulate commercial and industrial customer investments in energy efficiency measures.

- Facilitate effective implementation of New Jersey's new commercial energy code as well as future upgrades to that code.

The Programs have been designed to address key market barriers to energy efficient building construction and design on the part of developers, designers, engineers, and contractors including:

- Unfamiliarity or uncertainty with energy efficient building technologies and designs;
- Bias toward lower first cost versus operating costs;
- Compressed time schedules for design and construction;
- Aversion to perceived risk-taking involved with specifying technologies less familiar to the local design community, despite the proven reliability of efficient technologies and designs; and,
- Incentive structures and priorities for engineers, designers and contractors, which often do not align with energy efficiency considerations.

The Programs employ a comprehensive set of offerings and strategies to address these market barriers noted above, and to subsequently achieve market transformation in equipment specification, building/system design and lighting design. These include:

- Program emphasis on customer-initiated construction and equipment replacement events that are a normal part of their business practice.
- Coordinated and consistent marketing to commercial and industrial customers, especially large and centralized players, such as national/regional accounts, major developers, etc.
- Consistent efficiency and incentive levels for efficient electric and gas equipment and design practices to permanently raise efficiency levels.
- Prescriptive incentives for pre-identified energy-efficient equipment and custom measure incentives for more complex and aggressive measures to permanently raise the efficiency levels of standard equipment.

The C&I Programs have established maximum annual per-entity incentive caps which are in addition to individual program incentive caps. The caps are as follows:

Existing Program Incentive Caps:

New Construction and Retrofit Programs - $500,000 per electric account and $500,000 per natural gas account, per fiscal year. A customer is defined as a utility account.

Pay for Performance Program (P4P) - $1 million per electric account and $1 million per natural gas account per fiscal year, not to exceed $2 million per project.

A Pay for Performance project is defined as a single building owned by an entity, which has met Pay for Performance eligibility requirements and is, or will be, participating in

the Pay for Performance. If a project possesses more than one electric account and more than one gas account, the multiple electric accounts will be treated as a single electric account and the multiple gas accounts will be treated as a single gas account, and the project will be held to the above mentioned cap.

Combined Heat and Power and Fuel Cell Program (CHP / FC) – The combination of utility incentives plus NJCEP incentives may equal up to $2 million for systems ≤1MW and $3 million for systems >1MW. However, "% of project cost" caps listed in the table under the Combined Heat & Power Program section of this filing will still apply. Up to an additional $250,000 is available for entities that successfully participate in Pay for Performance, in addition to installing an eligible CHP/FC system at the project site.

Large Energy Users Program - $4 million per eligible entity per fiscal year.

Direct Install – Project incentive cap of up to $125,000. Direct Install participants will also be held to a fiscal year entity cap of $250,000 per entity. The signed Scope of Work Agreement will be the milestone used to determine proximity to the entity cap.

Local Government Energy Audit Program (LGEA) – LGEA participants will be held to a fiscal year entity cap of $100,000 per entity.

Program-Wide Entity Caps:

If an entity brings more than one project through the New Jersey Clean Energy Program in one fiscal year in addition to the project caps defined above, they will be held to a fiscal year entity cap. Application approval (Retrofit and New Construction), Energy Reduction Plan approval (Pay for Performance) and fully executed Scopes of Work (Direct Install) are the milestones used to determine the incentive. Therefore, those same milestones will be used in determining proximity to the fiscal year entity cap.

Annual Entity Cap:

An entity cap of $4 million per entity, per fiscal year, or $5 million per entity, per fiscal year if any of the project(s) includes installation of a CHP/Fuel Cell project. The entity cap will be based on a fiscal year.

Entity Cap "fiscal year":

The C&I Program will use a fiscal 12-month period for tracking entity cap limits. Once the entity cap limit for applications has been reached, based on approved applications or Energy Reduction Plans, the earliest an entity may apply for subsequent incentive funding is July 1st of the following year.

Incentives received under all C&I Programs, except the Local Government Energy Audit, count toward the fiscal year incentive cap.

Applicants to any of the NJCEP C&I Program must be contributors to the Societal Benefits Charge fund.

In addition to the existing Commercial & Industrial Energy Efficiency Programs, the Board has approved a number of other initiatives including programs run by New Jersey's investor-owned utilities, and, , when funds are approved, management of SEP funding for Non Investor Owned Utility entities which will supplement existing Clean Energy Programs. TRC will process applications and provide general support for these initiatives that impact the Commercial & Industrial Energy Efficiency Programs and the fees associated with processing these applications will be paid with NJCEP funds.

New Construction and Retrofit Programs

Program Description

The C&I New Construction and C&I Retrofit Programs offer prescriptive efficiency measure incentives that provide fixed incentives for energy efficiency measures. The Programs also offer custom measures incentives.

Target Markets and Eligibility

The C&I New Construction and C&I Retrofit Programs target commercial, educational, governmental/institutional, industrial, and agricultural customers engaged in customer-initiated construction events including public schools construction, other new building construction, renovations, remodeling, equipment replacement, and manufacturing process improvements. The Program offers incentives and technical support for both existing buildings and new construction. In addition, the Program may be used to address economic development opportunities and transmission and distribution system constraints.

Applicants to the Program must be contributors to the Societal Benefits Charge fund.

Program Offerings and Customer Incentives for the C&I New Construction and C&I Retrofit Programs

The Programs will include the following program offerings for the various market segments:

- Prescriptive Efficiency Measure Incentives that provide fixed incentives for energy efficiency measures. Incentives are based on incremental costs (i.e., the additional cost above baseline equipment), in consideration of market barriers, changes in baselines over time and market transformation objectives. Eligible measures include:

- Electric Chillers
- Natural Gas Chillers
- Unitary HVAC (Heating, Ventilating, Air Conditioning) Systems
- Ground Source Heat Pumps (Geothermal)
- Gas Fired Boilers
- Gas Furnaces
- Variable Frequency Drives
- Gas Fired Water Heating
- Gas Fired Water Booster Heating
- Tankless Water Heaters
- Premium Efficiency Motors
- Prescriptive Lighting & Lighting Controls
- Performance Based Lighting
- Kitchen Hood Variable Frequency Drives
- Low Intensity Infrared Heaters
- Boiler/AC Economizing Controls
- Refrigeration Controls
- Refrigerated Doors/Covers
- Food Service Equipment
- Custom Measures

- Custom Measure Incentives for more complex and aggressive efficiency measures. The process for calculating custom measure incentives entails a performance-based approach for custom equipment with a set value of incentives for electric and gas energy savings projects which may include a commissioning component. Incentives are evaluated and determined via an incremental cost and energy savings analysis to be provided by the customer or customer's authorized representative (vendor/contractor). Determination of the appropriate baseline (existing conditions and/or industry standard) will be reviewed on a case-by-case basis subject to program review and approval. Eligible electric and gas measures include lighting systems, HVAC systems, motor systems, large boiler systems, gas-engine driven chillers and other non-prescriptive measures proposed by the customer. More details regarding this process can be found later in this document in the section entitled "C&I Construction Program Incentives".

Customers should submit an application for the type of equipment they have chosen to install. The application should be accompanied by a related worksheet, where applicable, a manufacturer's specification sheet for the selected equipment and one month of the most recent electric/natural gas utility bill for a prescriptive application or twelve months for a custom application. (Program representatives will then review the application package and approve it, reject it, and/or advise of additional upgrades to equipment that will save energy costs.)

C&I New Construction

This Program component offers incentives and technical support for new construction projects. .

C&I Retrofit

The Retrofit component is offered to all eligible C&I customers and provides incentives for replacing standard equipment with high efficiency alternatives. The Program also offers custom measure incentives.

Regional and National Initiatives

- *New Jersey SmartStart Buildings* has, and will continue to support efforts to upgrade efficiency standards and state building codes. Activities include technical support, dissemination of information, sponsorship of conferences/workshops on codes and standards, tracking of activities and monitoring developments, and review and modification of program designs to integrate changes to the standards and codes.

C&I New Construction and C&I Retrofit Program Incentives

The table below lists existing 2013 statewide incentives for the C&I New Construction, and C&I Retrofit program components and, where noted, changes that will take place for FY 2014. The incentives vary by size, technology and efficiency level and will be paid based on specific eligibility requirements. The program offers both prescriptive incentives and custom measure incentives.

Incentives are available for up to $500,000 per electric account and $500,000 per natural gas account per fiscal year. A customer is defined as a utility account.

Custom Measure Incentives:

The Program provides a set level incentive for electric and gas savings. This process is more of a performance-based approach for custom equipment. Established incentive caps for the program are the lesser of a set value of $0.16/kWh and $1.60/therm based on estimated annual savings, 50% of total installed project cost or a buy down to a one-year payback. Eligible projects must have a minimum first year energy savings of 75,000 kWh for custom electric projects or 1,500 therms for custom gas projects. This requirement may be waived by the Market Manager on a case-by-case basis if project savings are within 10% of these minimum requirements. Projects with both electric and gas savings may be considered for incentives if either of the minimum savings requirements are met.

Multiple smaller applications may not be grouped to meet minimum savings requirements. A customized set of Microsoft Excel-based forms is required for all projects. These forms summarize the critical components of the custom measure including a detailed description of the technology, installed cost, and projected savings. Upon project completion, additional documentation is required to confirm that the measures were installed as proposed and that any changes during construction are

reflected in the final savings values. As is clearly described in the Program forms, certain measures may require post-installation metering, trending analysis, and/or the installing contractor's Statement of Substantial Completion. The evaluation of custom measure applications includes cost effectiveness calculations to assess Internal Rate of Return (IRR) and project payback with and without incentive. Baseline for custom retrofit projects are existing conditions, however the custom measure must exceed ASHRAE 90.1-2007 standards by at least 2% where specific guidelines exist. In cases where ASHRAE guidelines do not apply, the Program will require that custom measures exceed industry standards per the Consortium for Energy Efficiency (CEE), EPA Energy Star, and/or others. New construction/gut-rehab projects will use ASHRAE 90.1-2007 as the baseline for estimating energy savings. TRC will provide contractors with Program spreadsheets that include standard formats for reporting Program savings as well as standard incentive and IRR calculations.

The Program can limit the number of custom applications accepted for the same technology in order to evaluate if a prescriptive incentive can be developed. For most technologies, three (3) applications will be the limit. During the prescriptive evaluation period no new custom applications for the same technology will be accepted. Customers applying to the program will be formally notified that any applications received over the limit will not be accepted by the Program. The customer will not be able to resubmit an application until the technology has been evaluated and/or a prescriptive incentive has been developed.

Inspection protocols for custom measure projects in FY 2014 will require 100% pre & post inspections for projects with an estimated incentive equal to and above $25,000. Inspections for projects with incentives below $25,000 will be sampled at random.

On 9/7/10, the State of NJ adopted the ASHRAE 90.1-2007 for all commercial and industrial buildings, in regards to energy conservation. With the adoption of the new codes began a six month grace period to allow compliance with the previous codes, ASHRAE 90.1-2004 with minor amendments. For fiscal year 2014, New Jersey's Clean Energy Program will continue to utilize this code, ASHRAE 90.1-2007 as reflected in the tables below.

C&I Sandy Relief Plan

New Jersey's Clean Energy Program has developed a Sandy Relief Plan to assist eligible C&I customers affected by the storm. The Plan, identified below, will be targeted to C&I customers' whose facilities are within storm damaged areas, which will be designated by the NJ BPU. Customers within designated areas and/or customers not in the designated areas who can demonstrate they have incurred storm related damages to their respective facilities would qualify for program incentives. Incentives will be available for equipment purchased on or after October 29, 2012. Applications must be received by the Market Manager prior to June 30, 2014. All applicants must self-certify that their facility was damaged by the storm.

The Sandy Relief Plan offers enhanced C&I Retrofit Program Incentives for eligible customers, as follows:

a) All prescriptive incentives will be increased by 50% for eligible customers.
b) Customers eligible for program enhancements will be permitted to participate in the performance lighting portion of the program for their existing building.
c) T12 replacement and premium motor equipment incentives will be extended for applications received through June 30, 2014 for eligible C&I customers.
d) Some programs require an inventory of existing equipment to determine the eligible incentive. For customers impacted by Sandy with existing equipment that may be heavily damaged, not on site, or removed from use, customers will be eligible for incentives if they are able to provide satisfactory proof (maintenance records, recent pictures, energy audit, etc.) of existing conditions (i.e. fixtures, motors, types, counts, etc.).
e) Waive pre-inspection and pre-approval requirements for eligible customers
f) New food service equipment incentives will be provided for eligible customers for the following equipment types:

    i. Commercial Dishwashers
    ii. Commercial Fryers
    iii. Commercial Griddles
    iv. Commercial Hot Food Holding Cabinets
    v. Commercial Ice Machines
    vi. Commercial Ovens
    vii. Commercial Refrigerators & Freezers
    viii. Commercial Steam Cookers

To serve eligible customers affected by Hurricane Sandy, all FY 2014 prescriptive incentives identified in the tables below (except for food service incentives) will be increased by 50%. Food service equipment incentives are available only for the amounts shown. In addition, food service incentives are now available to all eligible NJCEP participants statewide and are not limited to customers affected by Hurricane Sandy.

Technology Classification	Current 2013 Incentive	Proposed FY 2014 Incentive
Custom Measure Incentives:		
Measures not covered by the prescriptive incentive tables	Performance incentives of $0.16/kWh and $1.60/therm of first year savings, 50% of total installed project cost, or buy down to 1-year payback. Based on estimated savings - minimum of 75,000 kWh or 1,500 Therms saved annually required. Projects must have an IRR of 10% or greater Minimum savings requirements may be waived by the Market Manager on a case-by-case basis if project savings are within 10% of these minimum requirements. Projects with both electric and gas savings may be considered for incentives if either of the minimum savings requirements are met. Multiple smaller applications may not be grouped to meet minimum savings requirements.	No Change
Qualifying Equipment Incentives: (no incentive shall exceed the non-installed cost of the measure)		

Electric Chillers:

Note A *- See application for changes in efficiency requirements to comply with ASHRAE 90.1-2007 Also, electric chiller full and part-load efficiencies are determined in accordance with A.H.R.I. Standard 550/590-2003. Refer to electric chiller incentives in table below.*

Electric Chillers Efficiency Levels and Incentives*

Water-Cooled Chillers		
All Compressor Types	Incentives (<70 tons)	Incentives (70 to <150 tons)
kW/Ton	Full Load $/Ton	Full Load $/Ton
0.75	$16	$25
0.74	$18	$26
0.73	$20	$27
0.72	$22	$28
0.71	$24	$30
0.70	$26	$32
0.69	$28	$34
0.68	$30	$36
0.67	$32	$38
0.66	$34	$40
0.65	$36	$42
0.64	$38	$44
0.63	$40	$46
0.62	$42	$48
0.61	$44	$50
0.60	$46	$52
0.59	$48	$54
0.58	$50	$56
0.57	$52	$58
0.56	$54	$60

Water-Cooled Chillers				
All Compressor Types	Incentives (150 to <300 tons)		Incentives (≥300 tons)	
kW/Ton	Full Load $/Ton	(PLV) $/Ton	Full Load $/Ton	(PLV) $/Ton
0.56	$16			
0.55	$21			
0.54	$26			
0.53	$31			
0.52	$36			
0.51	$41			
0.50	$46	$16		
0.49	$51	$22		
0.48	$56	$29		
0.47	$61	$35	$12	
0.46	$66	$41	$14	$12
0.45	$71	$47	$16	$14
0.44	$76	$54	$18	$16
0.43	$81	$60	$20	$18
0.42	$86	$66	$25	$20
0.41	$91	$72	$30	$25
0.40	$96	$79	$40	$30
0.39	$101	$85	$50	$42
0.38	$106	$91	$60	$53
0.37	$111	$97	$70	$65
0.36	$116	$104	$80	$77
0.35	$121	$110	$90	$89
0.34	$126	$116	$100	$100
0.33	$131	$122	$110	$112
0.32	$136	$129	$120	$124
0.31	$141		$130	
0.30			$140	
0.29			$150	
0.28			$160	
0.27			$170	
0.26				

Air-Cooled Chillers		
All Compressor Types	Incentives (<150 tons)	Incentives (≥150 tons)
kW/Ton	Full Load $/Ton	Full Load $/Ton
1.20	$14	$8
1.19	$16	$10
1.18	$18	$12
1.17	$20	$14
1.16	$22	$16
1.15	$24	$18
1.14	$26	$20
1.13	$28	$22
1.12	$30	$24
1.11	$32	$26
1.10	$34	$28
1.09	$36	$30
1.08	$38	$32
1.07	$40	$34
1.06	$42	$36
1.05	$44	$38
1.04	$46	$40
1.03	$48	$42
1.02	$50	$44
1.01	$52	$46

Water Cooled Chillers	$12 - $170 per ton depending on size and efficiency	No Change
Air Cooled Chillers	$8 - $52 per ton depending on size and efficiency	No Change

Natural Gas Chillers:

For gas chillers, full load efficiencies are determined in accordance with A.H.R.I. 560, however, part load efficiencies are not rated.

Gas Absorption Chillers	1.1 full load or part load Coefficient of Performance (COP)	No Change
< 100 tons	Up to $450 per ton	No Change
100 to 400 tons	Up to $230 per ton	No Change
> 400 tons	Up to $185 per ton	No Change
Gas Engine Driven Chillers	Treated under Custom measure path (1.1 full or part load COP)	No Change
Desiccant Systems	Up to $1.00 per cfm (gas or electric)	No Change

Technology Classification	Current 2013 Incentive	Proposed FY2014 Incentive
Unitary HVAC Systems:		***Refer to Note A above***
Unitary AC and Split Systems < 5.4 tons ≥ 5.4 to < 11.25 tons ≥ 11.25 to < 20 tons ≥ 20 to 30 tons	 14.0 SEER, Up to $92/ton 11.5 EER, Up to $73/ton 11.5 EER, Up to $79/ton 10.5 EER, Up to $79/ton	No Change
Air to Air Heat Pumps < 5.4 tons ≥ 5.4 to < 11.25 tons ≥ 11.25 to < 20 tons ≥ 20 to 30 tons	 ≥ 14.0 SEER & 7.8 HSPF, Up to $92/ton 11.5 EER, Up to $73/ton 11.5 EER, Up to $79/ton 10.5 EER, Up to $79/ton	No Change
Packaged Terminal AC & HP < 9,000 BTUH ≥ 9,000 to 12,0000 BTUH > 12,000 BTUH	Up to $65 per ton 12.0 EER, Up to $65/ton 11.0 EER, Up to $65/ton 10.0 EER, Up to $65/ton	No Change
Dual Enthalpy Economizers	All Up to $250/unit	No Change
Central DX AC Systems ≥ 9.5 EER	>30 to 63 tons, Up to $40 per ton > 63 tons, Up to $72 per ton Incentives for qualifying Central DX AC systems > 63 tons for existing buildings only. New construction ineligible.	No Change .
Water Source Heat Pumps	Up to $81/ton for qualifying equipment	No Change
Occupancy Controlled Thermostats for Hospitality / Institutional Facilities	Up to $75/per occupancy controlled thermostat	No Change
A/C Economizing Control	≤5 tons - $85 >5 tons - $170	No Change

Technology Classification	Current 2013 Incentive	Proposed FY2014 Incentive
Closed Loop ≥ 16 EER	≥ 16 EER up to $450 per ton ≥ 18 EER up to $600 per ton ≥ 20 EER up to $750 per ton Closed loop systems only	No Change
Gas Fired Boilers:		
< 300 MBH ≥ 85% AFUE	$2.00 per MBH but not less than $300 per unit	No Change
300 MBH - 1500 MBH ≥ 85% AFUE hot water boilers ≥ 84% AFUE steam boilers	Up to $1.75 per MBH	No Change
> 1500 MBH - 4000 MBH ≥ 84% AFUE for hot water boilers ≥ 83% AFUE for steam boilers	Up to $1.00 per MBH	No Change
> 4000 MBH	Treated under Custom Measure Path	No Change
Boiler Economizer Controls	BTU - Incentive ≤800,000 - $1,200 >800,000 - <1.6mil - $1,500 ≥1.6mil - <3mil- $1,800 ≥3mil - <3.5mil - $2,100 ≥3.5mil - <4mil - $2,400 ≥4mil $2,700	No Change
Gas Furnaces		
AFUE to ≥ 95% ≥ 2.0% Fan Efficiency, ENERGY STAR qualified	Incentive up to $400 per furnace	No Change

Technology Classification	Current 2013 Incentive	Proposed FY 2014 Incentive
Gas Infrared Heating	Low Intensity Infrared Heater with Reflectors ≤100,000 btu/hr - $500 per unit >100,000 btu/hr - $300 per unit Indoor Only	No Change
Variable Frequency Drives (HVAC):		
Variable Air Volume (add on to existing VAV HVAC systems only)	$65 - $155 per hp	No Change
Chilled Water Pumps	Up to $60 per hp	No Change
Cooling Tower Fans	$60/HP, Existing cooling tower Fan Motors Only > 10HP	No Change
Air Compressors with VFD's	Incentives will be paid as a Prescriptive Measure based on specific eligibility requirements. Available incentives are to be paid in accordance with the information below: **Installed HP** — **Incentive** 25 to 29 — Up to $5,250 30 to 39 — Up to $6,000 40 to 49 — Up to $7,200 50 to 59 — Up to $8,000 60 to 199 — Up to $9,000 200 to 249 — Up to $10,000 > 250 — Up to $12,500	No Change

Technology Classification	Current 2013 Incentive	Proposed FY2014 Incentive
Boiler VFDs	Draft Air Fans for Boilers ≥5 to <10 HP - $155/HP ≥10 to <20HP - $120/HP ≥20HP - $65/HP Boiler Feed Water Pumps ≥5 to <10 HP - $155/HP ≥10 to <20HP - $120/HP ≥20HP - $60/HP	No Change
Kitchen Hood VFDs – New Hoods Prescriptive incentive based on cumulative motor HP controlled	<5 hp $250/hp 5 to <10 hp $200/hp 10 to <15 hp $150/hp 15 to <20 hp $125/hp 20 to <25 hp $105/hp 25 to <30 hp $90/hp 30 to ≤50 hp $55/hp	No Change
Kitchen Hood VFDs – Existing Hoods/Retrofit Prescriptive incentive based on cumulative motor HP controlled	<5 hp $300/hp 5 to <10 hp $200/hp 10 to <15 hp $160/hp 15 to <20 hp $125/hp 20 to <25 hp $95/hp 25 to <30 hp $80/hp 30 to ≤50 hp $55/hp	No Change
Gas Fired Water Heating:		
≥ 0.82 energy factor, Energy Star, or require 90% Thermal Efficiency with shield combustion	Up to $300 per tankless water heater	No Change
> 50 gallons; < 300 MBH ≥ 85% AFUE	Up to $2.00 per MBH, but not less than $50/unit	No Change
300 MBH - 1500 MBH ≥ 85% AFUE	Up to $1.75 per MBH	No Change
>1500 MBH - 4000 MBH ≥ 84% AFUE	Up to $1.00 per MBH	No Change
Gas Fired Water Booster Heaters:		
≤ 100 MBH	Up to $17 per MBH	No Change
> 100 MBH	Up to $35 per MBH	No Change

Technology Classification	Current 2013 Incentive	Proposed FY 2014 Incentive
Premium Efficiency Motors:		
Fractional (< 1 HP) Electronic Commutated Motors (ECM)	Up to $40 per ECM for replacement of existing shaded-pole motor in refrigerated/freezer cases Premium Motors application revised to read Refrigerator/Freezer Case Premium Efficiency Motors effective March 1, 2013	No Change
Three phase motors	Follows the Regional MotorUp Program Incentive Schedule (below) Incentives discontinued as of March 1, 2013 except for Sandy Relief Participants.	No Change

Regional MotorUp Program Incentive Schedule, Incentives for Three Phase Motors – the following incentives are available only for those customers meeting the requirements of the C&I Sandy Relief Plan:

Qualifying Premium Motor Efficiencies and Incentives

Premium Motor Incentives – Open Drip-Proof (ODP)					Premium Motor Incentives – Totally Enclosed Fan-Cooled (TEFC)				
Size HP	Speed (RPM) 1200 NEMA Nominal Efficiency	1800	3600	Custom Incentive ($/Motor)	Size HP	Speed (RPM) 1200 NEMA Nominal Efficiency	1800	3600	Custom Incentive ($/Motor)
1	82.5%	85.5%	77.0%	$45	1	82.5%	85.5%	77.0%	$50
1.5	86.5%	86.5%	84.0%	$45	1.5	87.5%	86.5%	84.0%	$50
2	87.5%	86.5%	85.5%	$54	2	88.5%	86.5%	85.5%	$60
3	88.5%	89.5%	85.5%	$54	3	89.5%	89.5%	86.5%	$60
5	89.5%	89.5%	86.5%	$54	5	89.5%	89.5%	88.5%	$60
7.5	90.2%	91.0%	88.5%	$81	7.5	91.0%	91.7%	89.5%	$90
10	91.7%	91.7%	89.5%	$90	10	91.0%	91.7%	90.2%	$100
15	91.7%	93.0%	90.2%	$104	15	91.7%	92.4%	91.0%	$115
20	92.4%	93.0%	91.0%	$113	20	91.7%	93.0%	91.0%	$125
25	93.0%	93.6%	91.7%	$117	25	93.0%	93.6%	91.7%	$130
30	93.6%	94.1%	91.7%	$135	30	93.0%	93.6%	91.7%	$150
40	94.1%	94.1%	92.4%	$162	40	94.1%	94.1%	92.4%	$180
50	94.1%	94.5%	93.0%	$198	50	94.1%	94.5%	93.0%	$220
60	94.5%	95.0%	93.6%	$234	60	94.5%	95.0%	93.6%	$260
75	94.5%	95.0%	93.6%	$270	75	94.5%	95.4%	93.6%	$300
100	95.0%	95.4%	93.6%	$360	100	95.0%	95.4%	94.1%	$400
125	95.0%	95.4%	94.1%	$540	125	95.0%	95.4%	95.0%	$600
150	95.4%	95.8%	94.1%	$630	150	95.8%	95.8%	95.0%	$700
200	95.4%	95.8%	95.0%	$630	200	95.8%	96.2%	95.4%	$700

Technology Classification	Current 2013 Incentive	Proposed FY 2014 Incentive
Prescriptive Lighting: For all prescriptive lighting, fixture or lamp must be listed by UL or other OSHA approved Nationally Recognized Testing Laboratory (NRTL) in accordance with applicable US standards		
T-5 and T-8 lamps with electronic ballast replacing T-12 lamps	Up to $10 per fixture for T12 to T8/T5 retrofit. This incentive is only available for Sandy Relief Participants No incentives for new construction or complete renovation. Complete renovation is defined as 100% fixture replacement for the space involved.	No Change
	Electronic ballast replacement necessary for all eligible delamped fixtures. Incentives for T12 to T8/T5 retrofits discontinued effective March 1, 2013 except for Sandy Relief Participants.	No Change
T-8 lamps retrofitted to reduced wattage T8 lamps	Up to $10 per fixture for T8 to reduced wattage T8 (28W/25W 4') retrofit – requires lamp and ballast replacement For retrofit to T8 lamps – requires High Performance or Reduced Wattage lamps and ballasts qualified by CEE for 4' systems only. Eliminate 75 kW threshold for prescriptive lighting	No Change
Permanently De-lamp Fixtures and Add Reflectors as long as changing to a more efficient lighting system.	Up to $15 per fixture for the retrofit of T8 to T8 technology with permanent delamping and adding new reflectors. Incentives for T12 to T8/T5 retrofits were discontinued effective March 1, 2013. T12 retrofit/replacement incentives are only available for Sandy Relief participants.	No change

	For retrofit to T8 lamps – requires High Performance (4' Only) or Reduced Wattage lamps (4' Only) and ballasts qualified by CEE	
Technology Classification	**Current 2013 Incentive**	**Proposed FY 2014 Incentive**
Permanently De-lamp fixtures, continued	Up to $20 per fixture for the retrofit of T8 technology with permanent delamping adding new reflectors For retrofit to T8 lamps – requires High Performance or Reduced Wattage lamps and ballasts qualified by CEE for 4' systems only. Incentives for T12 to T8/T5 delamping discontinued effective March 1, 2013 except for Sandy Relief Participants.	No Change. No Change No Change
T-5 and T-8 fixtures replacing T-12 fixtures < 250W	Up to $25 per fixture (1-4 lamps For retrofit to T8 lamps – requires High Performance or Reduced Wattage lamps) and ballasts qualified by CEE for 4' systems only. Incentives for T12 to T8/T5 replacements discontinued effective March 1, 2013 except for Sandy Relief Participants.	No Change. No change
LED Exit Signs (New Fixtures Only)	Incentive discontinued effective January 1, 2013	No Change
Screw-in PAR 38 or PAR 30 Compact Fluorescent Lamp (CFL) with Aluminum Reflector replacing existing incandescent fixtures. Lamps must be warranted by the manufacturer for 8,000 hours, THD < 33% and BF > 0.9	Incentives discontinued effective January 1, 2013	No Change
Hard-wired compact fluorescent fixtures (New Fixtures Only, must be pin based technology or use GU24 based lamps with THD of < 33% and BF > 0.9)	Incentives discontinued effective January 1, 2013	No Change

Metal Halide w/ pulse start ballast, for fixtures > 150 watts	Up to $25 per fixture	No Change
T-5 and T-8 Fixtures replacing HID, 250 watt or greater T-12 fluorescent, or 250 watt or greater incandescent fixtures	Incentives will be paid as a Prescriptive Measure based on specific eligibility requirements. • T-5 or T-8 fluorescent fixtures replacing 1000 Watt or greater HID, or incandescent fixtures: Up to $200 per fixture removed. Incentives for T12 replacements discontinued effective March 1, 2013 except for eligible Sandy Relief Participants. • T-5 or T-8 fluorescent fixtures replacing 400 - 999 Watt HID, T-12 fluorescent, or incandescent fixture: Up to $100 per fixture removed. Incentives for T12 replacements discontinued effective March 1, 2013 except for eligible Sandy Relief Participants. • T-5 or T-8 fluorescent fixtures replacing 250 - 399 Watt HID, T-12 fluorescent, or incandescent fixture: Up to $50 per fixture removed. Incentives for T12 replacements discontinued effective March 1, 2013 except for eligible Sandy Relief Participants.	No change. No change No change
T-5 and T-8 Fixtures replacing 75 – 250 Watt HID fixture	• T-5 or T-8 fluorescent fixtures replacing 175 to 249 Watt HID fixture: Up to $43. per fixture removed. • T-5 or T-8 fluorescent fixtures replacing 100 to 174 Watt HID fixture: Up to $30. per fixture removed. • T-5 or T-8 fluorescent fixtures replacing 75 to 99 Watt HID fixture: Up to $16. per fixture removed. The current requirement for one to one replacement will be eliminated	No Change No Change No Change

	Refer to Application and/or website for standards that apply to these measures	
New Construction and Complete Renovation	No prescriptive lighting incentives for new construction. Complete renovation of existing buildings eligible for prescriptive lighting incentives only.	No Change
Induction Lighting Fixtures Retrofit of HID	Up to $50 per HID (≥100W) fixture retrofitted with induction lamp, power coupler and generator. Replacement unit must use 30% less wattage per fixture than existing HID system.	No Change
Replacement of HID	Up to $70 per HID(≥100W) fixture with a new induction fixture	No Change
LED Prescriptive Lighting – For incentive eligibility LED fixture must be listed on Energy Star or Design Lights Consortium qualified products list. For replacement of incandescent, fluorescent (excluding T12 systems starting March 1, 2013 except for Sandy Relief Participants), induction or HID only.		
LED Lamp (Integral/Screw-In)	$20/lamp	$10/lamp for R/PAR20, MR/PAR16, Globe, Candelabra and other miscellaneous types $20/lamp for R/BR/PAR 30, R/BR/PAR 38-40, A-Lamp
LED Refrigerated Case Lighting	Up to $30 per 4' LED Fixture Up to $42 per 5' LED fixture Up to $65 per 6' LED fixture Incentive for replacement of fluorescent lighting system in medium or low temperature display cases. Technical requirements of this incentive are listed on the prescriptive lighting application.	No Change No Change
LED Display Case Lighting	Up to $30 per display case	No Change
LED Shelf-mounted display and task lights	Up to $15 per foot	No Change

LED Portable Desk Lamps	Up to $20 per fixture	No Change
LED Wall-wash Lights	Up to $30 per fixture	No Change
LED Recessed Down Lights	Up to $35 per fixture	No Change
LED Stairwell and Passageway Luminaires	Custom	Up to $40 per fixture
LED Outdoor Pole/Arm-Mounted Area and Roadway Luminaires	Up to $175 per fixture	No Change
LED Outdoor Pole/Arm-Mounted Decorative Luminaires	Up to $175 per fixture	No Change
LED Outdoor Wall-Mounted Area Luminaires	Up to $100 per fixture	No Change
LED Parking Garage Luminaires	Up to $100 per fixture	No Change
LED Track or Mono-point Directional Lighting Fixtures	Up to $50 per fixture	No Change

Technology Classification	Current 2013 Incentive	Proposed FY 2014 Incentive
LED's continued:		
LED high-bay and Low-bay fixtures for Commercial & Industrial Buildings	Up to $150 per fixture	No Change
LED High-bay Aisle Lighting	Up to $150 per fixture	No Change
LED Bollard Fixtures	Up to $50 per fixture	No Change
LED Linear Panels (Luminaires for Ambient Lighting of Interior Commercial Spaces)	Up to $50 per fixture for 1X4, 2X2 and 2X4 Fixtures only	No Change
LED Fuel Pump Canopy	Up to $100 per fixture	No Change
LED Retrofit Kits	Incentive offered as a Custom measure. DLC qualified Outdoor Roadway Decorative Luminaries Four-foot linear replacement lamps	No Change

Technology Classification	Current 2013 Incentive	Proposed FY 2014 Incentive
Lighting Controls: Hard-Wired Only		
Occupancy Sensors (Turning fixtures off in Existing facilities only Wall Mounted Remote Mounted (e.g., ceiling)	 Up to $20 per control Up to $35 per control	 No Change No Change
Day Lighting Dimmers – All facilities Fluorescent Fixtures HID or Fluorescent Hi-Bay Controls	 Up to $25 per fixture controlled. For office applications only, increase to $50 per fixture controlled Up to $75 per fixture controlled (HID only)	 For both fluorescent fixtures, HID or Fluorescent Hi-Bay, and LED controls - $45 per fixture controlled.
Hi-Low Controls - All facilities: Fluorescent Fixtures HID or Fluorescent Hi-Bay	 Up to $25 per fixture controlled Up to $75 per fixture controlled (HID or Fluorescent Hi-Bay)	 For all Hi-Low Controls, $35 per fixture controlled

Technology Classification	Current 2013 Incentive	Proposed FY 2014 Incentive
Performance Based Lighting incentives for indoor and outdoor installations (attached to building) – New Construction Only	Code changed to ASHRAE 90.1.2007 Available for New Construction Only. No longer available for Complete Renovation. New construction additions (add-ons) to an existing building are eligible for Performance incentives Existing buildings, regardless of connected load, are eligible for Prescriptive Lighting incentives and are not eligible for Performance incentives. However, performance based lighting incentives are available for Sandy Relief participants.	No Change
Performance Based Lighting incentives for indoor/outdoor installations (attached to building) – Existing Construction	Available for New Construction Only. No longer available for Complete Renovation. However, performance based lighting incentives are available for Sandy Relief participants with existing buildings. New construction additions (add-ons) to an existing building are eligible for Performance incentives	No Change
Refrigeration Controls:		
Door Heater Control	$50 per control	No Change
Electric Defrost Control	$50 per control	No Change
Evaporator Fan Control	$75 per control	No Change
Novelty Cooler Shutoff	$50 per control	No Change
Refrigeration Doors/Covers:		
Energy-Efficient Doors for open Refrigerated Doors/Covers	$100 per door	No Change

Aluminum Night Curtains for Open Refrigerated Cases	$3.50 per linear foot	No Change
Multiple Measure Bonus	Multiple Measure Bonus is not offered.	No Change
Technology Classification	**Current 2013 Incentive**	**Proposed FY 2014 Incentive**
Food Service: Commercial Dishwashers – Equipment must be qualified by ENERGY STAR® or CEE		
Under Counter Door Type Single Tank Conveyor Multiple Tank Conveyor	Custom	$400 per unit $700 per unit $1,000 per unit $1,500 per unit
Food Service: Commercial Combination Oven/Steamer (Electric) • Equipment must be qualified by ENERGY STAR® or CEE or ASTM criteria defined below. • ASTM Criteria: o Must meet the idle energy rate requirements in the Electric Combination Oven/Steamer Table, utilizing American Society for Testing and Materials (ASTM) F2861. o Must have a cooking energy efficiency of 50 percent or greater in steam mode and 70 percent cooking energy efficiency or greater in convection mode, utilizing (ASTM) F2861. o Combination oven/steamer pan capacity based on the maximum capacity of full-size 2 1/2-inch deep hotel pans. This must be consistent with the number of pans used to meet the energy-efficiency qualifications per ASTM F2861.		
Pan Capacity Less than 15 pans 15-28 pans Greater than 28 pans	Custom	$1,000 per oven
Food Service: Commercial Combination Oven/Steamer (Gas) • Equipment must be qualified by ENERGY STAR® or CEE or ASTM criteria defined below. • ASTM Criteria: o Must have a cooking energy efficiency of 38 percent or greater in steam mode and 44 percent or greater in convection mode, utilizing ASTM F2861. o Must meet the idle energy rate requirements in the Gas Commercial Combination Oven/Steamer Table, utilizing ASTM F2861. o Combination oven/steamer pan capacity on based on the maximum capacity of full-size 2 1/2-inch deep hotel pans. This must be consistent with the number of pans used to meet the energy-efficiency qualifications per ASTM F2861.		

Pan Capacity Less than 15 pans 15-28 pans Greater than 28 pans	Custom	$750 per oven
Food Service: Commercial Convection Oven (Electric) • Equipment must be qualified by ENERGY STAR® or CEE or ASTM criteria defined below. • ASTM Criteria: o Must have a tested heavy load (potato) cooking energy efficiency of 70 percent or more, utilizing ASTM F1496. o Full-size electric ovens must have a tested idle energy rate of 1.6 kW or less, utilizing ASTM F1496. o Half-size electric ovens must have a tested idle energy rate of 1.0 kW or less, utilizing ASTM F1496.		
Commercial Convection Oven (Electric)	Custom	$350 per oven
Food Service: Commercial Convection Oven (Gas) • Equipment must be qualified by ENERGY STAR® or CEE or ASTM criteria defined below. • ASTM Criteria: o Must have a tested heavy load (potato) cooking energy efficiency of 44 percent or greater and an idle energy rate of 13,000 Btu/h or less, utilizing ASTM F1496.		
Commercial Convection Oven (Gas)	Custom	$500 per oven
Food Service: Commercial Rack Oven (Gas) • Equipment must be qualified by ENERGY STAR® or CEE or ASTM criteria defined below. • ASTM Criteria: o Must have a tested baking energy efficiency of 50 percent or greater, utilizing ASTM F2093.		
Commercial Rack Oven Single (Gas) Commercial Rack Oven Double (Gas)	Custom	$1,000 per single oven $2,000 per double oven
Food Service: Commercial Conveyor Oven (Gas) • Equipment must be qualified by ENERGY STAR® or CEE or ASTM criteria defined below. • ASTM Criteria: o Must have a tested baking energy efficiency of 42 percent or greater, utilizing ASTM F1817. o Small conveyor ovens with total conveyor width 25 inches or less must have a tested idle energy rate that is 29,000 Btu/h or less, utilizing ASTM F1817.		

o Large conveyor ovens with total conveyor width greater than 25 inches must have a tested idle energy rate that is 57,000 Btu/h or less, utilizing ASTM F1817. o Multiple-deck oven configurations are paid per qualifying oven deck.		
Commercial Conveyor Oven – Small (Conveyor width 25in. or less, Gas). Commercial Conveyor Oven – Large (Conveyor width greater than 25in., Gas).	Custom	$500 per deck $750 per deck
Food Service: Commercial Fryer (Electric) • Equipment must be qualified by ENERGY STAR® or CEE or ASTM criteria defined below. • ASTM Criteria: o Must have a tested heavy load cooking energy efficiency of 80 percent or greater and an idle energy rate of 1.0 kW or less, utilizing ASTM F1361. o Multiple vat configurations are paid per qualifying vat.		
Commercial Fryer (Electric)	Custom	$200 per vat
Food Service: Commercial Fryer (Gas) • Equipment must be qualified by ENERGY STAR® or CEE or ASTM criteria defined below. • ASTM Criteria: o Must meet a tested heavy load cooking energy efficiency of 50 percent or greater and an idle energy rate of 9,000 Btu/h or less, utilizing ASTM F1361. o Multiple vat configurations are paid per qualifying vat.		
Commercial Fryer (Gas)	Custom	$749 per vat
Food Service: Commercial Large Vat Fryer (Electric) • Equipment must be qualified by ENERGY STAR® or CEE or ASTM criteria defined below. • ASTM Criteria: o Must have a tested heavy load (French fry) cooking energy efficiency of 80 percent or greater, utilizing ASTM F2144. o Multiple vat configurations are paid per qualifying vat.		

Commercial Large Vat Fryer (Electric)	Custom	$200 per vat
Food Service: Commercial Large Vat Fryer (Gas) • Equipment must be qualified by ENERGY STAR® or CEE or ASTM criteria defined below. • ASTM Criteria: o Must have a tested heavy load (French fry) cooking energy efficiency of 50 percent or greater, utilizing ASTM F2144. o Multiple vat configurations are paid per qualifying vat.		
Commercial Large Vat Fryer (Gas)	Custom	$500 per vat
Food Service: Commercial Griddle (Electric) • Equipment must be qualified by ENERGY STAR® or CEE or ASTM criteria defined below. • ASTM Criteria: o Must have a tested heavy load cooking energy efficiency of 70 percent or greater and an idle energy rate of 355 watts per square foot of cooking surface or less, utilizing ASTM F1275.		
Commercial Griddle (Electric)	Custom	$300 per griddle
Food Service: Commercial Griddle (Gas) • Equipment must be qualified by ENERGY STAR® or CEE or ASTM criteria defined below. • ASTM Criteria: o Must have a tested heavy load cooking energy efficiency of 38 percent or greater and an idle energy rate of 2,650 Btu/h per square foot of cooking surface or less, utilizing ASTM F1275.		
Commercial Griddle (Gas)	Custom	$125 per griddle
Food Service: Commercial Steam Cooker (Electric) • Equipment must be qualified by ENERGY STAR® or CEE or ASTM criteria defined below. • ASTM Criteria: o Must have a tested heavy load (potato) cooking energy efficiency of 50 percent or greater, utilizing ASTM F1484.		

Commercial Steam Cooker (Electric)	Custom	$1,250 per steamer
Food Service: Commercial Steam Cooker (Gas) • Equipment must be qualified by ENERGY STAR® or CEE or ASTM criteria defined below. • ASTM Criteria: o Must have a tested heavy load (potato) cooking energy efficiency of 38 percent or greater, utilizing ASTM F1484.		
Commercial Steam Cooker (Gas)	Custom	$2,000 per steamer
Food Service: Insulated Holding Cabinets • Must meet CEE Tier II specification. • Does not include cook and hold equipment. • All measures must be electric hot food holding cabinets that are fully insulated and have solid doors.		
Insulated Holding Cabinet, Full Size Insulated Holding Cabinet, ¾ Size Insulated Holding Cabinets, ½ Size	Custom	$300 per unit $250 per unit $200 per unit
Food Service: Commercial Glass Door Refrigerators • The refrigeration system must be built-in (packaged). • Cases with remote refrigeration systems do not qualify. • Must meet ENERGY STAR® Version 2.0 specification.		
ENERGY STAR® Glass Door Refrigerators – Internal volume <15 ft^3 ENERGY STAR® Glass Door Refrigerators – Internal volume 15 ft^3–29.9 ft^3 ENERGY STAR® Glass Door Refrigerators – Internal volume 30 ft^3–49.9 ft^3	Custom	$75 per unit $100 per unit $125 per unit

ENERGY STAR® Glass Door Refrigerators – Internal volume ≥ 50 ft^3		$150 per unit
Food Service: Commercial Solid Door Refrigerators • The refrigeration system must be built-in (packaged). • Cases with remote refrigeration systems do not qualify. • ENERGY STAR® specification Version 1.0 refrigerators do not qualify. • Must meet ENERGY STAR® Version 2.0 specification.		
ENERGY STAR® Solid Door Refrigerators – Internal volume <15 ft^3	Custom	$50 per unit
ENERGY STAR® Solid Door Refrigerators – Internal volume 15 ft^3–29.9 ft^3		$75 per unit
ENERGY STAR® Solid Door Refrigerators – Internal volume 30 ft^3–49.9 ft^3		$125 per unit
ENERGY STAR® Solid Door Refrigerators – Internal volume ≥ 50 ft^3		$200 per unit
Food Service: Commercial Glass Door Freezers • The refrigeration system must be built-in (packaged). • Cases with remote refrigeration systems do not qualify. • Must meet ENERGY STAR Version 2.0 specification.		
ENERGY STAR® Glass Door Freezers – Internal volume <15 ft^3	Custom	$200 per unit
ENERGY STAR® Glass Door Freezers – Internal volume 15 ft^3–29.9 ft^3		$250 per unit
ENERGY STAR® Glass Door Freezers – Internal volume 30 ft^3–49.9 ft^3		$500 per unit
ENERGY STAR® Glass Door Freezers – Internal volume ≥ 50 ft^3		$1,000 per unit

Food Service: Commercial Solid Door Freezers • The refrigeration system must be built-in (packaged). • Cases with remote refrigeration systems do not qualify. • ENERGY STAR® specification Version 1.0 freezers do not qualify. • Must meet ENERGY STAR® Version 2.0 specification.		
ENERGY STAR® Solid Door Freezers – Internal volume <15 ft^3	Custom	$100 per unit
ENERGY STAR® Solid Door Freezers – Internal volume 15 ft^3– 29.9 ft^3		$150 per unit
ENERGY STAR® Solid Door Freezers – Internal volume 30 ft^3– 49.9 ft^3		$300 per unit
ENERGY STAR® Solid Door Freezers – Internal volume ≥ 50 ft^3		$6000 per unit
Food Service: Commercial Ice Machines • Ice machines must be tested in accordance with the Air Conditioning and Refrigeration Institute (ARI) Standard 810. • Includes machines generating ice cubes that are 60 grams (2 oz.) or lighter. It also includes flaked, crushed and fragmented ice makers. • Only air-cooled machines (self-contained, ice making heads, or remote condensing) qualify. • The entire ARI tested ice making system must be purchased. • Remote machines must be purchased with qualifying remote condenser or remote condenser/compressor unit. • The efficiency specifications for the two qualifying tiers are equivalent to ENERGY STAR® or Super-Efficient.		
ENERGY STAR® Ice Machine (101–200 lbs/day)	Custom	$50 per unit
ENERGY STAR® Ice Machine (201–300 lbs/day)		$50 per unit
ENERGY STAR® Ice Machine (301–400 lbs/day)		$75 per unit
ENERGY STAR® Ice Machine (401–500 lbs/day)		$75 per unit

ENERGY STAR® Ice Machine (501–1000 lbs/day)		$125 per unit
ENERGY STAR® Ice Machine (1001–1500 lbs/day)		$200 per unit
ENERGY STAR® Ice Machine (greater than 1500 lbs/day)		$250 per unit
Super-Efficient Ice Machine (101–200 lbs/day)		$100 per unit
Super-Efficient Ice Machine (201–300 lbs/day)		$100 per unit
Super-Efficient Ice Machine (301–400 lbs/day)		$150 per unit
Super-Efficient Ice Machine (401–500 lbs/day)		$150 per unit
Super-Efficient Ice Machine (501–1000 lbs/day)		$250 per unit
Super-Efficient Ice Machine (1001–1500 lbs/day)		$400 per unit
Super-Efficient Ice Machine (greater than 1500 lbs/day)		$500 per unit

Note: The incentives identified above may be lowered with the approval of the Office of Clean Energy.

Delivery Methods

All of New Jersey's Commercial & Industrial Clean Energy Programs will be managed by TRC as the Commercial & Industrial Market Manager ("Market Manager"). The Programs will be offered on a consistent program design and implementation basis to ensure consistency across the state.

As new technologies are introduced and prices for measures change, sometimes in response to program offerings, program managers will continuously monitor technologies and costs and adjust program incentives accordingly. The Market Manager will propose adjustments to program offerings based on program experience, the results of any evaluations, program and market studies as well as other state/regional market research, and current pilot/demonstration projects.

Goals

- New Construction 85 completed jobs
- Existing Construction 2,474 completed jobs

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all C&I program participants. All applications are reviewed upon receipt to verify adherence to eligibility requirements. In addition, all technical information submitted in support of the application is reviewed to confirm measure qualification and to verify the incentive calculation. Applicant supplied information and Market Manager performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence.

A minimum of 10% of all incentive applications are selected for pre-installation and/or post-installation inspection by a Market Manager inspector (or one of its subcontractors). Inspections include a site visit to verify customer eligibility and energy efficient measure technical specifications that result in a verification of the incentive calculation. A field inspection report is prepared and maintained in the project file for future verification.

Budget

A detailed state-wide budget for all of New Jersey's Clean Energy Commercial & Industrial Programs is attached in Appendix B. The Program will be offered on a consistent program design and implementation basis to ensure consistency across the State.

Minimum Requirements for Program Administration

Not Applicable.

Local Government Energy Audit Program (LGEA Program)

Description

The Program provides incentives to subsidize the cost of an energy audit for eligible facilities owned by municipalities or other local government agencies (Agency) as well as New Jersey State Colleges and Universities. The LGEA Program is also open to select nonprofits. Select nonprofits include charitable organizations which refer to organizations that are exempt from taxation under Section 501 (c) (3) of the Internal Revenue Code.

The Program is implemented as follows:

1. New Jersey Department of the Treasury has established, based on its review of proposals received in response to its RFP, a list of qualified contractors that are available to contract directly with the participating Agencies to provide energy audit services. The list of contractors includes hourly rates for the provision of energy audit services.
2. In order to provide compatibility with the Energy Savings Improvement Plan (ESIP) Energy Savings Plans, the audit scope must include demand response equipment and water conservation measures along with greenhouse gas reductions for the recommended measures. The contractors will also be required to obtain their DPMC certification so that their audits are ESIP compliant.
3. The Applicant will submit applications to the Program identifying the building type, square footage, and energy usage information for each building to be audited.
4. The Market Manager will issue an approval letter to the Applicant to allow the Applicant to move forward to have an audit conducted by one of the prequalified, auditing firms, for a specified dollar incentive.
5. The auditing firm will submit a copy of the invoice for the audit work to the Market Manager. Payment will be made directly to the applicant or selected auditing firm. The entity is encouraged to install energy efficiency upgrades identified in the audit, preferably within 12 months of audit report approval. The Market Manager will review requests for funding, including scope and cost, and issue incentive commitment letters to applicants that meet program requirements provided that sufficient funding remains available.
6. The Applicant will contract directly with the firm they have selected to perform the energy audit.

Upon completion of the audit, the Market Manager will review the energy audit report and, provided that all program requirements are met, the Program will issue the incentive to the Applicant, or designated auditing firm, for the total cost of the energy audit.

Participants in the Local Government Energy Audit Program will be able to take advantage of incentives available under existing New Jersey Clean Energy incentive programs to implement specific measures recommended in the energy audit.

The LGEA Program will provide incentives up to $100,000 per fiscal year, per Agency to subsidize the cost of the energy audit.

Target Markets & Eligibility

This program offers qualifying municipalities and other government agencies, including New Jersey State Colleges and Universities and select non-profits, incentives to subsidize the cost of having an energy audit of their facilities performed. Select non-profits are those entities that are exempt from taxation under Section 501 (c) (3) of the Internal Revenue Code. Entities with peak monthly demand ≤ 150 kW will not be audited but will be moved to Direct Install. Market Manager will have the ability to grant exceptions in cases where the entity demonstrates interest in measures that are not available under the Direct Install Program, such as building shell measures and windows and/or participation in New Jersey's Energy Savings Improvement Program.

Goals and Energy Savings

Goals:
Review and Process 360 Audits (Audit = One Building).

Energy Savings:
Not applicable

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all LGEA Program participants. All applications are reviewed upon receipt to verify adherence to eligibility requirements. Technical information in the energy audit is also verified. Applicant supplied information is entered into the database, and files are created for all documents and ongoing project correspondence. On a random basis, on-site facility inspections are also conducted to verify building and audit data. The inspection rate is up to 20% of audits.

Direct Install Program

Background

Under the Direct Install Program, the unique needs of New Jersey's small business community will be addressed.

Program Description

The Direct Install Program offers eligible small business customers the opportunity to retrofit existing inefficient equipment with more energy efficient systems. Municipal and other local government agencies that have successfully participated in the Local Government Energy Audit Program are also be eligible. The Program provides turn-key services including technical assistance, financial incentives, education to encourage the early replacement of existing equipment with high efficiency alternatives, as well as the installation of new equipment. A variety of electric and natural gas energy using systems are eligible for improvements including lighting, controls, refrigeration, HVAC, motors, and variable speed drives. The Program strives to include a comprehensive package of cost-effective energy efficiency improvements in each customer's project.

Target Market and Eligibility

The Direct Install Program is open to all eligible commercial and industrial customers whose peak demand did not exceed 200 kW in any of the preceding twelve months. This peak demand threshold does not apply to local government entities that are also receiving ARRA funding through an Energy Efficiency and Conservation Block Grant or the SEP. The small business sector targeted by the Program tends to have a historical reluctance or inability to fund energy efficiency improvements. In addition, their small size tends to exclude them as beneficiaries of services from other energy service providers.

Program Offerings and Incentives

The Direct Install Program provides turn-key services and offers customers a single source of technical assistance, financial incentives and installation services. The Program will be delivered across the state by multiple regional Participating Contractors who have been selected via a Request for Proposal (RFP) process to deliver installation and related services. Participating Contractors will be responsible for promotion of the program and providing program installation services in addition to reporting to TRC on a regular basis. The Program has developed comprehensive listings of unit pricing for all eligible equipment. Eligible equipment categories include but may not be limited to:

- Energy efficiency lamps, ballast and fixtures including Super T8 and T5 Lamp and Ballast Retrofit
- Energy star approved LED lamps

- New T5 & T8 fixtures to replace older HID's
- HVAC & HW controls
- LED Exit Signs
- Commercial CFL Fixtures
- Occupancy Sensors
- VFDs
- ENERGY STAR Programmable Thermostats
- ENERGY STAR Boilers and Furnaces (up to 500,000 Btuh)*
- High Efficiency Cooling Systems
- ENERGY STAR Products
- Refrigeration Measures
- Other measures may be added after evaluation by the Program

  *In cases where the existing boiler or furnace is oversized, the existing larger boiler and furnaces may be evaluated and considered for replacement as long as the replacement unit does not exceed 500,000 Btuh.

Customer incentives are offered to reduce the cost of installing energy efficient equipment and are based on the total installed cost of the retrofits. Qualifying C&I customers are eligible for incentives up to 70% of the installed cost of cost-effective, approved measures with a project incentive cap of $125,000. Direct Install participants will also be held to a fiscal year entity cap of $250,000 per entity. Incentives are paid to the installation contractor and the contractor will invoice the customer for the remaining balance of the installation.

Direct Install Participating Contractors are responsible for the following program components:

1. Marketing to eligible customers (marketing materials to be approved by the Market Manager)
2. Performing site visits and collecting all equipment and energy data, analyzing information and identifying opportunities for efficiency improvements, and making recommendations to the customer ;
3. Presentation of comprehensive recommendations to the customer, including costs and savings estimates, and obtaining customer agreement to proceed with installation. The customer agreement will be a standard agreement approved by the Program;
4. Preparation and submission of completed customer incentive applications, including pre-implementation report to Market Manager for review and approval;
5. Installation of eligible measures per customer agreement, including all appropriate permitting;
6. Submission of post-implementation report, including payment request. The Market Manager will review all post-implementation reports and either forward to OCE as approved for payment or send back to the contractor with questions or issues

7. Tracking and reporting on program activity including, but not limited to:
    a. Customer name, address and contact person
    b. Customer account number(s)
    c. Project type (electric, gas, both)
    d. Business type (SIC or NAICS code)
    e. Inventory of equipment to be replaced, including quantity, type, location, hours of use
    f. Estimates of energy (kWh &/or therms) and demand (kW) savings and total project costs
8. Proper disposal of all removed equipment.
9. Any reporting requirements identified by the Market Manager (e.g. ARRA reporting)

Program Goals

Direct Install Program goals will include the following:

- **Market Transformation**: Expand the awareness and knowledge of energy efficiency among small business owners. Promote the financial and environmental benefits of reducing energy consumption with emphasis on a comprehensive, whole-building approach.
  Goal: Expose up to 2,640 small businesses to the financial and environmental benefits of energy efficiency improvements.
- **Market Penetration/Cost Effectiveness**: Reach significant numbers of small commercial and industrial customers with comprehensive, cost effective scopes of work.
  Goal: Complete more than 1,665 installation projects across the State.
- **Achieve Energy Savings**: Maximize total energy (electric and gas) efficiency opportunities while maximizing the diversity of equipment installed in completed project.
  Goal: Twelve month savings equivalent to approximately 46,843 MWh
- **Expand the Contractor Network / Create Green Collar Jobs:** Program marketing, customer demand, and technical training opportunities will help to develop a workforce under the Participating Contractors of equipment installers who can offer quality installation services and associated technical assistance.
  Goal: A network of contractors capable of serving all regions of the State.

External Evaluation

Ongoing evaluation services will be provided by the OCE through its external evaluation vendor.

Program Budget

A detailed state-wide budget is shown in appendix B.

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all Direct Install Program participants. 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 energy efficient measure qualification and incentive calculation. Applicant supplied information and program administrator performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence

Delivery Methods

The Direct Install Program will be managed by the C&I Market Manager and will be delivered by a competitively selected pool of subcontractors. The program will be offered on a consistent program design and implementation basis to ensure consistency across the state.

Pay for Performance

Program Description

The C&I Pay for Performance Program takes a comprehensive, whole building approach to energy efficiency in existing commercial and industrial buildings. Similar to performance contracting programs offered in other states, this Program links incentives directly to energy savings and includes a measurement and verification (M&V) component to ensure that the estimated savings levels are achieved. This market-based program relies on a network of Program Partners, selected through a Request for Qualifications process. Once approved, Partners provide technical services to program participants. Certain entities who have their own in house professional engineering expertise can become a Partner for their own facility. Their staff will be oriented through a fast-track process. This option is geared toward larger customers. This opportunity will be evaluated on a case-by-case basis by the Market Manager. All other Program requirements will be in effect. Partners are required to strictly follow program policy but will work under contract to owners, acting as their "energy expert". Partners are required to develop an Energy Reduction Plan for each project. The Energy Reduction Plan includes the whole-building technical analysis component of a traditional energy audit along with a financial plan for funding the energy efficiency improvements and a construction schedule for installation. A set minimum energy reduction goal is required of all projects and is based on an approved whole-building energy simulation. The achievement of the energy reduction goal is verified using post-retrofit billing data and EPA Portfolio Manager methodology. For building types that are not addressed by EPA's Benchmarking Tool, an alternative approach based on the Leadership in Energy and Environmental Design Existing Building (LEED) method will be followed.

Target Market and Eligibility

The C&I Pay for Performance Program is open to existing commercial and industrial buildings with peak demand in excess of 100 kW in any of the preceding twelve months. Market Manager reserves the right to approve projects that are within 10% of the minimum 100kW threshold. In addition, any multifamily facility which does not meet the eligibility requirements of the New Jersey Clean Energy Home Performance Program is eligible to participate in the Pay for Performance Program. Participants are required to work with an approved Pay for Performance Partner to develop the Energy Reduction Plan and facilitate installation of the recommended package of energy efficiency improvements. In order to receive the full suite of incentives offered in the Pay for Performance Program, the submitted Energy Reduction Plan must include a package of energy efficiency measures that achieve the minimum performance threshold or Energy Target (i.e., 15% of total building source energy consumption). A custom savings threshold is offered to customers whose annual energy consumption is heavily weighted to manufacturing and process loads. This approach will be reviewed on a case-by-case

basis. In order to be considered for a custom savings threshold (i.e., other than a 15% reduction in total building source energy consumption, 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, equipment manufacturers and data centers.
- Manufacturing and/or process-related loads, including data center consumption, consume 50% or more of total facility energy consumption.
- Energy target for projects meeting the above criteria will have annual energy savings of 100,000 kWh, 350 MMBTU or 4% of total building source energy consumption, whichever is greater.

Market Manager, in collaboration with the Office of Clean Energy, reserves the right to consider alternative minimum threshold savings requirement in these types of situations. In addition, the Energy Reduction Plan must include a comprehensive mix of measures: e.g. lighting cannot make up more than 50% of the total projected savings. All other Pay for Performance Program rules apply.

The 15% minimum energy reduction will be based on source energy, which is consistent with EPA's Portfolio Manager benchmarking software. Pre-approval of the Energy Reduction Plan is required for all projects, which may include a site inspection. An Energy Reduction Plan must be approved by the program and an approval letter sent to the customer in order for incentives to be committed. Upon receipt of an Energy Reduction Plan, all project facilities must be pre-inspected. 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 Energy Reduction Plan is rejected by the program, the customer will not receive any incentives.

Projects that cannot identify efficiency improvements that meet the minimum performance level will be referred to the appropriate SmartStart Buildings Program(s).

The Pay for Performance Program offers two types of incentives which will be disbursed upon satisfactory completion of three Program milestones. The first incentive type is related to completion of the Energy Reduction Plan. The second incentive type is performance-based and is related to the installation of recommended measures. The performance-based incentive will be paid out in two phases – the first at the completion of installation of the recommended measures, the second upon submittal of a Post Construction Benchmarking Report that verifies the level of savings achieved. These incentives are explained below in more detail.

Definition of a Project

A project is defined as a single, detached commercial, industrial, or multifamily building. The entire building must be analyzed under the Program and achieve a 15% source energy reduction.

Campuses: The Program will also service campus-style facilities. A campus-style facility is one where ALL the following conditions apply:

- There are two or more P4P-eligible buildings that are located on adjacent properties
- Buildings are owned by a single entity
- AND 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.

Campus facilities are encouraged to participate in the C&I Sector Specific offering to assist in prioritizing each building for energy efficiency improvements. The Sector Specific offering will provide benchmarking services for all buildings and assist the building owner(s) in developing a multi-year plan for addressing the energy efficiency improvements across the campus. Through this plan, building owners can schedule major building improvement projects over several years to maximize energy efficiency as well as taking full advantage of Clean Energy Program incentives. Once a set of buildings within a campus is selected to be included in the P4P Program, they will be addressed in a single Energy Reduction Plan (ERP).

For administrative purposes of tracking technical reviews and site inspections, each building addressed within a multi-building ERP will be considered a separate project. This is necessary because although a single ERP will include all of the necessary project information, the review of each of the building simulation models will require individual attention. Similarly, site inspections will take considerably longer for multi-building projects as each building will require an inspection. Where applicable, administrative tracking will be associated with any approved sampling of building simulation models (i.e., if a single model is developed to represent several similar buildings).

Multifamily Buildings: The Program will also accommodate certain types of multifamily buildings. Specifically, multifamily customers that fit the following description will be able to participate in the Pay for Performance program:

- High-rise/Mid-rise buildings
    - High-rise/Mid-rise apartment complexes are apartments, cooperative, and/or condominiums structures that are 4-stories or more above ground.
- Low-rise, garden-style buildings with central heating and/or cooling

- Garden-style apartment complexes consist of multiple low-rise apartments, cooperatives, condominiums and/or townhouses that are 3 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.

Low-rise (and mid-rise where appropriate), garden-style complexes will be treated as one project under the Pay for Performance 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 100kW participation threshold will be met through this aggregation (including common area and in-unit billing). The 15% savings requirement (as well as all other program requirements) will be achieved in aggregate, as well. The same process will apply for affordable-rate housing, except for the fact that they will not need to meet the 100kW requirement to participate. Only one set of incentives will be paid per project, and all incentive caps apply. Please see logic tree at the end of this Pay for Performance section – page 50 - for guidance on Program eligibility. TRC will coordinate with the Residential Market Manager to make sure that multifamily customers are served by New Jersey's Clean Energy Programs.

Multifamily complexes and campus-style facilities are viewed as a single entity that is eligible for Pay for Performance incentives subject to the annual incentive caps of $1 million per electric account and $1 million per gas account to the campus.

Program Offerings and Incentives

The Pay for Performance Program has developed a network of Program Partners who can provide the technical, financial, and construction-related services necessary for completing the Energy Reduction Plan. One of the goals of this program is to expand the network of energy efficiency firms that can provide these services in order to make this Program accessible for all eligible commercial and industrial customers. This market-based approach is a key component of market transformation by creating "green collar" jobs and helping to develop the workforce necessary to achieve ambitious long-term energy savings targets. The Program has enrollment periods during the year where firms that are interested in becoming Program Partners are required to submit an application, including case studies and resumes showing recent successful experience and expertise in C&I energy efficiency projects. Applications are reviewed by a technical evaluation panel who will determine if an applicant meets the criteria to become an approved program Partner. Once approved, Partners must attend a program orientation session before being able to bring projects into the Program.

Program incentives are performance-based and not specifically tied to the project cost or the recommended energy efficiency measures. Disassociating incentives from project

cost is a key program design decision as it streamlines program administration by eliminating the collection of bid documents, construction contracts and change orders. This incentive structure also provides the benefit of allowing Program Partners to estimate and explain incentives to prospective participants as part of the program sales process. The performance-based incentives are capped not to exceed 50% of the total project cost.

Incentives, up to $1,000,000 per electric and $1,000,000 per gas utility account are available and will be released in phases upon satisfactory completion of each of three Program milestones, which are:

1. Submittal of a complete Energy Reduction Plan
2. Installation of all recommended measures per the Energy Reduction Plan
3. Completion of Post Construction Benchmarking Report.

Incentive #1 – Energy Reduction Plan – This incentive has been developed to offset the cost of services associated with the development of the Energy Reduction Plan. This incentive is based on the square footage of the building(s) and is paid at $0.10/sq ft with a maximum incentive of $50,000 and minimum of $5,000. This incentive is capped at 50% of annual energy cost. This incentive cap assists in limiting incentives for facilities with large square footage but very low energy intensity (e.g. warehouses). Please note, for customers who have successfully participated in the Local Government Energy Audit Program, Incentive #1 related to the Energy Reduction Plan will be reduced by 50% to $0.05 per square foot up to $25,000 to recognize the value of the audit provided through the LGEA Program.

Incentive #2a – Installation of Recommended Measures – This incentive is based on the projected energy savings estimated in the approved Energy Reduction Plan. The performance-based incentives to be paid at completion of construction are as follows: (designed to be roughly 50% of the total performance-based incentive):

1. Projected first year electric savings from $0.09/kWh for the minimum 15% savings up to $0.11/kWh, based on $0.005/kWh per additional 1% savings.
2. Projected first year natural gas savings from $0.90/therm for the minimum 15% savings up to $1.25/therm based on $0.05/therm per additional 1 % savings.

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. The list of approved tools will be based on the software requirements outlined in ASHRAE 90.1 2007 Section 11 or Appendix G, or as approved by the Market Manager.
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.

Modeling methodology will be in general compliance with national programs such as LEED and EPAct Federal Tax Deductions for Commercial Buildings, which will allow taking advantage of the expertise of a growing number of engineering and consulting firms involved in these programs.

Incentive #2b – Post Construction Benchmarking Report – 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, the performance-based incentive will be released. The performance-based incentives are as follows (designed to be roughly 50% of the total performance-based incentive):

1. Actual first year electric savings from $0.09/kWh for the minimum 15% savings up to $0.11/kWh, based on $0.005/kWh per additional 1% savings.
2. Actual first year natural gas savings from $.90/therm for the minimum 15% savings up to $1.25/therm based on$0.05/therm per additional 1 % savings.

The Post Construction Benchmarking Report will be based on the approved Energy Reduction Plan and will provide an accurate verification of savings while keeping the costs associated with M&V at a reasonable level. Specifics of the M&V requirements will be a critical component of the program and should be as simple as possible to reasonably verify savings while not overburdening the Partner or TRC. M&V requirements will follow the International Performance Measurement & Verification Protocol (IPMVP). Option D – Calibrated Simulation will be the required M&V approach for all projects. Options A – Partially Measured Retrofit Isolation, B – Retrofit Isolation, may be used as guidelines for data collection. The Post Construction Benchmarking Report must demonstrate savings over at least one year of post-construction consumption. The post-construction period may be extended to up to eighteen months.

To validate the savings and achievement of the Energy Target, the EPA Portfolio Manager will be used. The steps of this process are summarized below:

- Develop and document building energy baseline based on at least one full year of historical energy use data for the building.

- Document annual energy use during the post-retrofit period. Collect energy consumption data for the 12-month post-installation period.

- Perform weather-normalization and calculate Percent Reduction of Source Energy Use as the difference between baseline and post-retrofit energy consumption as a percentage of the baseline energy consumption (baseline – post retrofit energy consumption / baseline).

Upon verified installation of all measures in the approved Energy Reduction Plan, 50% of the total performance-based incentive will be released. The remaining 50% of the performance-based incentive will be released upon completion of the Post Construction Benchmarking Report which reflects that the minimum performance threshold has been met or exceeded.

Incentive #2a and #2b combined will be capped not to exceed 50% of the total project cost, and Incentive #1, #2a, and #2b combined will not exceed $2 million per project (if both electric and gas measures are implemented; $1 million if all-electric or all-gas) whichever is less. Entity caps of $4 million per fiscal year (or $5 million with CHP) also apply.

There will be no 100kW eligibility requirement for the following types of customers: hospitals, select nonprofits*, public colleges & universities, government entities (including K-12) and affordable multi-family customers ("affordable" as defined as low income, subsidized, HUD, etc.). *Nonprofits are defined as organizations that are exempt for taxation under Section 501 (c) (3) of the Internal Revenue Code so that smaller entities in this customer class can take advantage of a whole building approach to energy efficiency.

Program Goals

The Pay for Performance Program goals and measures of effectiveness will include the following:

- **Market Penetration/Cost Effectiveness**: Reach significant numbers of commercial and industrial customers with comprehensive, cost effective scopes of work.
  Goal: Approve at least 100 applications for the Program.
- **Energy Savings**: Maximize total energy (electric and gas) efficiency opportunities through the whole building approach.
  Goal: Approve at least 65 Energy Reduction Plans that meet the minimum threshold for energy savings.
- **Create Green Collar Jobs:** Continue to expand the number of firms offering comprehensive energy services. Program orientation seminars and associated training opportunities will help to develop a network of Program Partners who can offer a full range of technical, financial, and construction-related services.

Program Deliverables

The Pay for Performance Program will provide the following services:

1. Maintain a pool of Program Partners that can offer Program services and publicize this list to potential participants.
2. Continue to develop new Program Partners as market demand warrants. Provide up to two (2) full-day Program Orientation seminars for Program Partners to

introduce the Program and the Energy Reduction Plan development. OCE staff will also be invited.

3. Conduct quarterly Partner webinars to supplement program orientations in order to educate existing Partners on program requirements.
4. Conduct Monthly Partner Conference Calls to present Program updates and discuss any issues that Partners may be encountering.
5. 100% Quality Control review of all submitted Energy Reduction Plans.
6. Pre and Post on-site inspections.

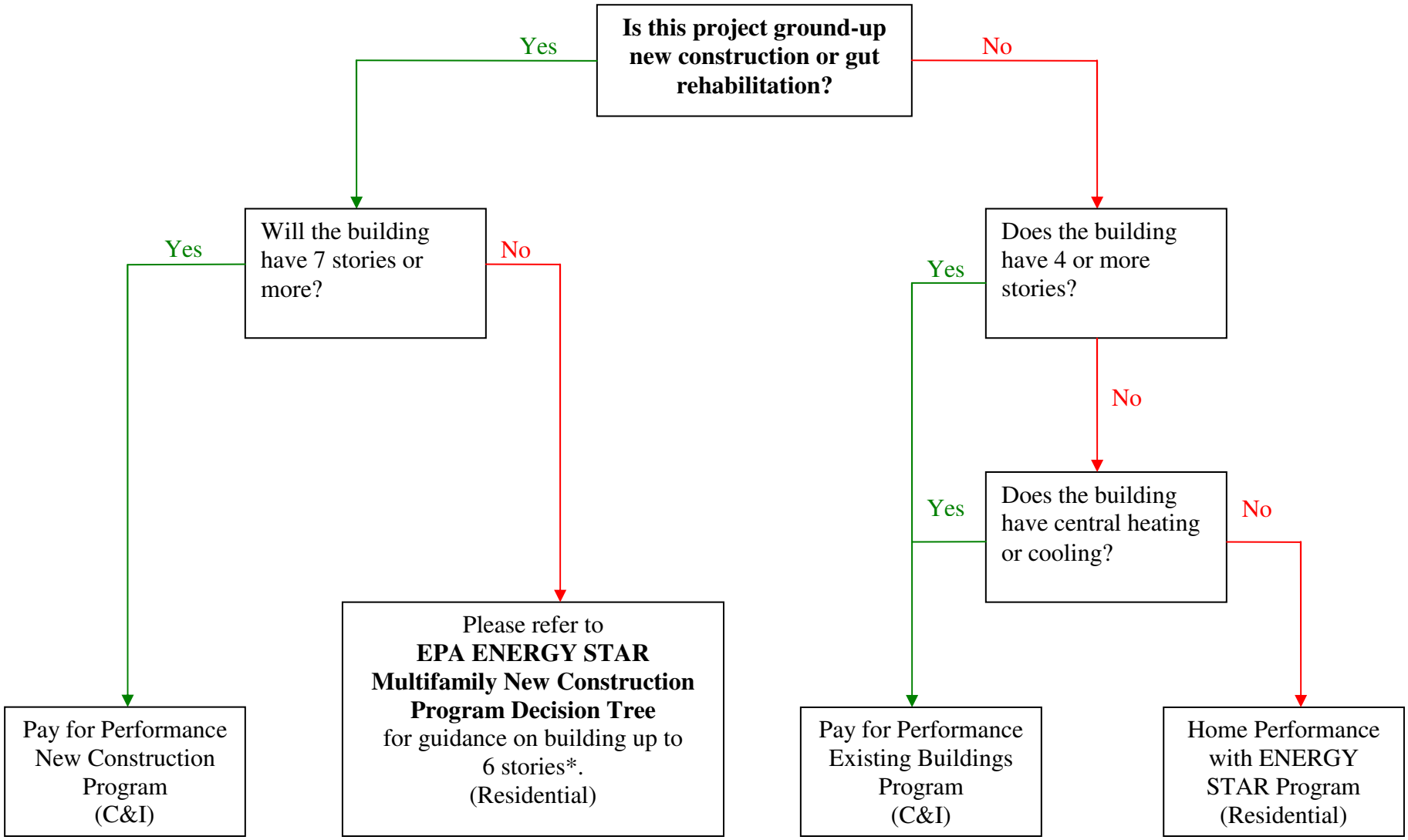
Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all Pay for Performance 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 energy efficient measure qualification and incentive calculation. Applicant supplied information and program administrator performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence. Pre and/or post inspections are conducted as required.

Program Evaluation

Ongoing evaluation services will be provided by the OCE through its external evaluation vendor

Multifamily Buildings



*Any multifamily building that is not eligible for either ENERGY STAR Homes or ENERGY STAR Multifamily High-Rise programs will automatically be considered under the Pay for Performance New Construction Program.

Schools Lighting Initiative

The Schools Lighting Initiative was approved in 2012. This initiative is now closed to new applicants, and unless additional funding is provided, further activity will be limited to processing existing applications through to project completion.

Combined Heat and Power and Fuel Cells

For FY 2014, New Jersey's Clean Energy program will combine the existing small scale Combined Heat and Power (CHP) and Fuel Cell (FC) program managed by TRC and the existing large scale CHP and FC program managed by EDA into one program, the details of which are outlined below.

Program Description

New Jersey's Clean Energy Program offers a stand-alone Combined Heat and Power (CHP) and Fuel Cell (FC) Program. Program participants are eligible to receive financial incentives for Combined Heat and Power and Fuel Cell installations to further enhance energy efficiency in their buildings through on-site power generation with recovery and productive use of waste heat, and reducing existing and new demands to the electric power grid. The Program offers financial incentives for both fuel cells with and without waste heat recovery.

By installing CHP and Fuel Cell systems, participants will assist in reducing overall system peak demand, furthering the use of emerging technologies, reducing emissions, and using distributed generation to provide reliability solutions for New Jersey while supporting the State's Energy Master Plan. (Please note, the combination of incentives for Fuel Cells with those for CHP under the same Program is not meant to define fuel cells that do not utilize waste heat recovery as a CHP technology.)

Target Market and Eligibility

The CHP-FC program is open to all New Jersey-based commercial and industrial (C&I) customers paying into the Societal Benefits Fund. Applications are reviewed and funds committed on a first come, first serve basis provided all program requirements are met.

Equipment Eligibility

To qualify for incentives, CHP and Fuel Cell equipment must meet all of the following eligibility criteria:

- System must be sized to meet all or a portion of the customer's on-site load, not to exceed 100% of most recent historical annual consumption or peak demand, although any surplus power that may become available during the course of a given year may be sold to PJM.

- Only natural gas CHP and natural gas or hydrogen Fuel Cell equipment installed on the customer side of the utility meter is eligible.

- Equipment must be new, commercially available, and permanently installed.

- Expansion of an existing system with new equipment is also eligible, however, only the incremental expansion would be eligible for incentives.

- The following applies to CHP systems, including fuel cells that utilize waste heat:

    - The CHP system must achieve an annual system efficiency of at least 65% (Lower Heating Value – LHV), based on total energy input and total utilized energy output. Mechanical energy may be included in the efficiency evaluation.
    - Waste heat utilization systems or other mechanical recovery systems are required. Even though waste heat systems are produced with many configurations, they all perform the same task of capturing waste heat energy in the radiator or exhaust systems of a generator and delivering it to a heat load or cooling load. The captured energy is used in heating processes, such as water heating, pasteurizing, product preheating, etc. New electric generation equipment which captures waste heat or energy from existing systems is also allowed.

- The following only applies to Fuel Cells without waste heat utilization:

    - Fuel Cell systems must achieve an annual electric system efficiency of at least 50% (LHV).

- Third party ownership (or leased equipment), such as those procured under Power Purchase Agreements, are permitted within the program with the following provisions:

    - Projects are subject to ten (10) year warranty requirements as stated in subsequent section.
    - Additionally, in order to ensure the equipment remains on site and is in operation for the term of the agreement, a binding agreement is required between the parties. A copy of this agreement shall be provided to the Market Manager prior to commitment of incentives. The agreement should state that the equipment could be transferred to new owners should the property be sold or otherwise have a buyout provision so the equipment remains on site and stays operational so the projected energy savings can accrue. The intent is to provide incentives for generating equipment, which is installed and functioning for the duration of its useful life. Under the Program, only permanently installed equipment is eligible for incentives and this must be physically demonstrable to the Market Manager, upon inspection, prior to receiving an incentive. This can be demonstrated by electrical, thermal and fuel connections in accordance with industry practices for permanently installed equipment and be

secured to a permanent surface (e.g. foundation). Any indication of portability, including but not limited to temporary structures, quick disconnects, unsecured equipment, wheels, carrying handles, dolly, trailer or platform will deem the system ineligible.
    - The customer/applicant will be allowed to sign over the incentive to the third party owner. A valid project cost shall be demonstrated as part of the application in order to establish an appropriate incentive level.
    - All other program rules apply.

- The following criteria may also apply during review of CHP and Fuel Cell project applications:

    - Environmental performance;
    - Projected system startup date;
    - Annual system utilization;
    - Alignment with programmatic goals;
    - Project clarity
    - Facility's operation as an Emergency Management Center

Not Eligible for CHP or Fuel Cell Incentives
The following types of generating systems/equipment are not eligible for the program:

- Used, refurbished, temporary, pilot, demonstration, or portable equipment/systems.

- Back-Up Generators - systems intended for emergency or back-up generation purposes.

- Any system/equipment that uses diesel fuel, other types of oil and coal for continuous operation.

- Renewable fueled projects, including biodiesel and landfill gas, must be submitted through the renewable energy programs. Please refer to the FY 2014 Renewable Program Compliance Filing for requirements and funding details.

Incentives

Incentives vary based on CHP or Fuel Cell technology, type, project size and total project cost. Table 1 below summarizes the qualifying technologies and available incentives.

TABLE 1: CHP AND FUEL CELL TECHNOLOGY AND INCENTIVE LEVELS

Eligible Technology	Size (Installed Rated Capacity)	Incentive ($/Watt)[2]	P4P Bonus[3] ($/Watt) (cap $250,000)	% of Total Cost Cap per project	$ Cap per project
Combined Heat & Power Powered by non-renewable fuel source – Gas Internal Combustion Engine – Gas Combustion Turbine – Microturbine	≤500 kW	$2.00	$0.25	30-40%[4]	$2 million
	>500 kW – 1 MW	$1.00			
	>1 MW – 3 MW[1]	$0.55		30%	$3 million
	>3 MW[1]	$0.35			
Fuel Cells Powered by non-renewable fuel source. Incentives available for systems both with and without waste heat recovery.	≤1 MW w. waste heat	$4.00		60%	$2 million
	≤1 MW	$3.00			
	>1 MW w. waste heat	$2.00		45%	$3 million
	>1 MW	$1.50			
Heat Recovery[5] Powered by non-renewable fuel source. Heat recovery or other mechanical recovery from existing equipment utilizing new electric generation equipment (e.g. steam turbine)	≤1 MW	$1.00		30%	$2 million
	>1 MW	$0.50		30%	$3 million

(1) Incentives for CHP systems greater than 1 MW are tiered. For example, a 4 MW CHP system would receive $0.55/watt for the first 3 MW and $0.35/watt for the last 1 MW. No other incentives are tiered.

(2) In the past, utilities have offered incentives towards CHP and Fuel Cell technologies ranging from $0 to $1,000,000. Although no utility incentives are currently available, should they become available at a later time NJCEP incentives will subsidize utility incentives to bring the combined incentive up to the $/Watt amount shown in the table above, up to the maximum caps listed, to ensure a consistent incentive is paid throughout New Jersey.

(3) Any facility successfully participating in Pay for Performance prior to applying for CHP or Fuel Cell incentives will be eligible for an additional $0.25 per Watt from the NJCEP, not to exceed $250,000. This amount is in addition to the "$ cap per project" listed above. The "% of project cost" caps listed above will be maintained.

(4) The maximum incentive will be limited to 30% of total project. This cap will be increased to 40% where a cooling application is used or included with the CHP system (e.g. absorption chiller).

(5) Projects installing CHP/FC and Heat Recovery generation will be eligible for incentives shown above, not to exceed the lesser of % per project cap or $ per project cap of the CHP/FC.

Projects will receive program incentives in three partial payments. The first incentive will be paid upon proof of purchase of equipment. The second payment paid upon project installation and operation, including successful inspection. The remainder of the project incentive will be paid upon acceptance and confirmation the project is achieving the required performance thresholds based on twelve (12) months of operating data. The payment structure is summarized in Table 2 below:

TABLE 2: CHP AND FUEL CELL INCENTIVE PAYMENT SCHEDULE

Purchase	Installation	Acceptance of 12 months post-installation data
30%	60%	10%

In FY 2014, New Jersey's Clean Energy Program will continue to provide an incentive for CHP projects fueled by renewable resources eligible for incentives under New Jersey's Clean Energy Renewable Program. Please refer to the FY 2014 Renewable Program Compliance Filing for requirements and funding details.

Applicants will not be allowed to receive incentives for the installed generation equipment from other available SBC-funded programs.

Warranty Requirements

Systems installed must be covered by a minimum ten (10) year warranty, extended warranty or service contract.

Application Guidelines for CHP and Fuel Cell Projects

The following guidelines apply to all projects. Additional detail is provided in the CHP-FC Application:

- Prior to equipment installation, Participants must submit the required Application, Technical Worksheets, and Feasibility Analysis to the Market Manager. Upon review and approval of the Application, a commitment letter/letter of intent will be issued approving the eligibility of the system and reserving the incentive.

- The Application must include information demonstrating that the proposed system will meet all applicable technical and eligibility requirements as specified by the Program.

- Applicants must allow inspection of eligible systems. The Market Manager will inspect 100% of the installations prior to issuing the incentive.

- Funding will be reserved for eighteen (18) months from the date of the award letter after which Market Manager may cancel the funding. Any circumstances which will result in a delay past the 18-month timeframe must be reported to the Market Manager at least one month prior to the expiration of the funding award. Applicants must submit a request for extension in writing. The request must identify the reason for the request, and a schedule that identifies how much extra time is needed to complete the project. Requests for extensions may be granted by the Market Manager for up to twelve (12) months so long as applicant can demonstrate proof of significant project advancement. This could be in the form of copies of permits, equipment invoices, installation invoices indicating percentage complete, updated project schedules, etc. Any further requests for extension must be presented to the Market Manager for Board staff consideration. In addition, Market Manger reserves the right to conduct an inspection of the project to confirm project advancement. Approval of a request for extension will not change or modify any other program terms and conditions.

- Applicant must provide twelve (12) months of operational data demonstrating the equipment has:

    - Achieved at least the minimum required efficiency levels, and

- Annual generated kWhs are within 20% of that stated in the approved Application.

This shall be done by implementing appropriate metering as part of the system installation. Data collected should include, but not be limited to, fuel input (MMBtu), electrical output (kWh, MMBtu), recoverable and utilized thermal output (MMBTU). A detailed metering plan shall be included within the feasibility analysis. If the review of the twelve (12) months of operational data demonstrates the equipment is not achieving the required level of efficiency, the applicant may submit a request to the Market Manager for an extension. Requests for extensions may be granted by the Market Manager for up to twelve (12) months (two, six (6) month extensions). These extensions are in addition to any extension granted during project construction, as discussed in the previous section.

- All submittals must be signed by a New Jersey Professional Engineer (PE) certifying that the information is accurate to the best of their knowledge.

Program Goals

The Combined Heat and Power and Fuel Cell Program goals and measures of effectiveness will include the following:

- **Market Penetration/Cost Effectiveness**: Reach significant numbers of commercial and industrial customers with site conditions that would directly benefit from CHP or Fuel Cell installations.
  Goal: Approve at least 34 CHP or Fuel Cell applications

- **Energy Savings and Generation**: Maximize total installed capacity.
  Goal: 40 MW

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all CHP and Fuel Cell 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 energy efficient measure qualification and incentive calculation. Applicant supplied information and program administrator performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence.

Each awarded CHP or Fuel Cell project will be inspected by the Market Manager. A field inspection report will be prepared and kept in the project file for record purposes.

Upon completion of the project, the award recipient will submit documentation that the work is complete (i.e., As-Built Drawings, P and ID Drawings, if necessary) and certification that the project has been constructed in accordance with the accepted application. This may include, but not be limited to, the following:

- Review of documentation to support "Eligible Project costs" as defined above.
- Verification that the information stated in the application matches what was installed.
- Confirmation that the equipment is new and permanently installed and not used, refurbished, temporary, pilot or demonstration equipment.
- Confirmation that the installed system is covered by a minimum 10 year warranty, extended warranty, or service contract.
- Confirmation that the system does not use diesel fuel, other types of oil, coal, or renewable sources for continuous operation.

The Market Manager will review this documentation, and, in conjunction with the post installation inspection, will confirm the project has been installed per the specifications of the approved application as well as in line with all program requirements. A post inspection will be performed on 100% of projects which include CHP or Fuel Cell systems. The Market Manager may also request additional project information or documentation required to verify the project has met the program requirements based on the original application.

If the project has not been installed in accordance with the approved application, the Market Manager will review the project and assess the variances between the project as installed and as submitted. The Market Manager will request additional support documentation from the Applicant which may be helpful in evaluating the discrepancy. The Market Manager will review the discrepancies, perform a technical evaluation, and make a recommendation to the Program Coordinator and the OCE. Upon receiving approval of the recommendation, the Market Manager will notify the applicant and process the appropriate incentive.

Pay for Performance New Construction

In order to address new buildings in the C&I market more comprehensively, TRC will continue implementing a Pay for Performance New Construction Program. The Pay for Performance New Construction Program promotes high performance buildings that achieve 15% or more energy cost savings than buildings built to the current energy code. By taking a performance-based approach, this Program allows architects, engineers, and energy professionals the flexibility to incorporate energy efficiency into the building design in a manner that best suits the project. Much of the program design and incentive structure is similar to the C&I Pay for Performance Program that is designed for existing buildings.

Program Description

The C&I Pay for Performance New Construction Program takes a comprehensive, whole building approach to energy efficiency in new commercial and industrial buildings. Similar to performance contracting programs offered in other states, this Program links incentives directly to energy savings and includes a commissioning component to ensure that the estimated savings levels are achieved. This market based-program relies on a network of Program Partners, selected through a Request for Qualifications process. Once approved, Partners will provide technical services to program participants. Partners are required to strictly follow program policy but will work under contract to owners, acting as their "energy expert". Partners will be required to develop an Energy Reduction Plan for each project. The Energy Reduction Plan details a set of recommended measures that will achieve the performance target. A set minimum performance target will be required of all projects and will be established using a 15% energy cost reduction from a reference building based on applicable energy code[1]. Market Manager reserves the right to consider alternative minimum threshold savings requirement in unique situations. The achievement of this energy reduction goal will be verified through post-construction commissioning.

Target Market and Eligibility

The C&I Pay for Performance Program is open to new commercial and industrial construction projects with 50,000 sq ft or more of conditioned space. Market Manager reserves the right to approve projects that are within 10% of the minimum 50,000 sq ft 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.

[1] Current energy code in New Jersey is ASHRAE 90.1.2007

Multifamily Buildings – The Pay for Performance New Construction Program will accommodate certain types of multifamily buildings. Specifically, multifamily customers that fit the following description will be able to participate in the Pay for Performance program:

- High-rise buildings: 7 stories or greater
  Mid-rise buildings: 4-6 stories with central heating and/or cooling. Mid-rise buildings may also qualify for the Residential ENERGY STAR Multifamily High Rise program. See the Residential Program Compliance Filing for details.

Low-rise (and mid-rise where appropriate), garden-style complexes will be treated as one project under the Pay for Performance 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 15% savings requirement (as well as all other program requirements) will be achieved in aggregate, as well. The same process will apply for affordable-rate housing, except for the fact that they will not need to meet the 50,000 square foot requirement to participate. Only one set of incentives will be paid per project, and all incentive caps apply. There are no additional changes to the program.

Participants will be required to work with an approved Pay for Performance Partner to develop the Energy Reduction Plan and facilitate the incorporation of the recommended energy efficient design features. In order to receive the full suite of incentives offered in the Pay for Performance Program, the submitted Energy Reduction Plan must include a package of energy efficiency measures that achieve the minimum performance threshold (i.e., 15% less energy costs better than the ASHRAE-based reference building). In addition, the Energy Reduction Plan must include a comprehensive mix of measures; lighting cannot make up more than 50% of the total projected savings.

Energy cost will be used in the performance target calculation. Energy cost is also used by ASHRAE 90.1 and Appendix G, EPAct Federal Tax Deductions, and LEED NC. Pre-approval of the Energy Reduction Plan is required for all projects. Projects that cannot identify efficiency measures that meet the minimum performance target will be referred to the appropriate SmartStart Buildings Program(s). The Energy Reduction Plan will include a commissioning report for all recommended measures.

Pre-approval of the Proposed Energy Reduction Plan is required for all projects. A Proposed Energy Reduction Plan must be approved by the program and an approval letter sent to the customer in order for incentives to be committed. In the event that a project needs to start construction prior to the Proposed ERP approval letter being issued, TRC will conduct a pre-inspection of the site. Measures installed prior to pre-inspection of the facility shall not be included as part of the Proposed ERP scope of work and will not be eligible for incentives. Measure installation undertaken prior to Proposed ERP approval, but after pre-inspection, is done at the customer's own risk. In the event that a Proposed

Energy Reduction Plan is rejected by the program, the customer will not receive any incentives.

Multifamily complexes and campus-style facilities are viewed as a single entity that is eligible for Pay for Performance incentives subject to the annual incentive caps of $1 million per electric account and $1 million per gas account.

For administrative purposes of tracking technical reviews and site inspections, each building addressed within a multi-building ERP will be considered a separate project. This is necessary because although a single ERP will include all of the necessary project information, the review of each of the building simulation models will require individual attention. Similarly, site inspections will take considerably longer for multi-building projects as each building will require an inspection. Where applicable, administrative tracking will be associated with any approved sampling of building simulation models (i.e., if a single model is developed to represent several similar buildings).

Program Offerings and Incentives

A key component of the Pay for Performance New Construction Program is the development of a network of Program Partners who can provide the technical, financial, and construction-related services necessary for completing the Energy Reduction Plan. The Partner network developed by the Pay for Performance Program for existing buildings includes firms that are also qualified to serve new construction projects. One of the goals of this program is to expand the network of energy efficiency firms that can provide these services in order to make this Program accessible for smaller commercial and industrial projects. This market-based approach is a key component of market transformation by creating "green collar" jobs and helping to develop the workforce necessary to achieve ambitious energy savings targets. Firms interested in becoming Program Partners will be required to submit case studies and resumes showing experience and expertise in C&I energy efficiency projects for new buildings.

Program incentives are performance-based and not specifically tied to the project cost or the recommended energy efficiency measures. Disassociating incentives from project cost is a key program design decision as it streamlines program administration by eliminating the collection of bid documents, construction contracts and change orders. This incentive structure also provides the benefit of allowing Partners to estimate and explain incentives to prospective participants as part of the program sales process.

Incentives up to $1,000,000 per electric and $1,000,000 per gas utility account, not to exceed $2,000,000 per project, are available and will be released in phases upon satisfactory completion of each of three Program milestones, which are:

1. Submittal and approval of a of a Proposed Energy Reduction Plan,
    a. Incentive paid in the amount of $0.10/ghsf up to $50,000

b. Additional submittals required: Signed Developer/Partner Contract, proof of 75% of design team's fees paid by developer, Copy of Drawing Sheet Index & Specification Booklet Table of Contents
c. Market Manager reserves the right to approve projects that are within 10% of the minimum 50,000 sq ft threshold.
d. Incentive is contingent on moving forward with construction and must be supported by a signed Installation Agreement. Market 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.

2. Submittal and approval of the As-Built Energy Reduction Plan
   a. Incentive paid in the amount of $1.00/ghsf
   b. Additional submittals required: Invoices (or similar proof of purchase), passing post-installation inspection.
3. Submittal and Approval of the Commissioning Report that indicates achievement of a performance target of at least 15% by the proposed design
   a. For a performance target 15%-17%, incentive paid at $0.35/ghsf.
   b. For a performance target 18%-20%, incentive paid at $0.45/ghsf.
   c. For a performance target greater than 20%, incentive paid at $0.65/ghsf.

Incentive #1 – Proposed Energy Reduction Plan – This incentive is intended to help offset the cost of services associated with the development of the Energy Reduction Plan and design fees. This incentive will be $0.10 per gross heated square foot up to a maximum amount of $50,000.

Incentive #2 – As-Built Reduction Plan – This incentive will be based on the final installed work scope. The incentive rate will be $1.00 per gross heated square foot to be paid upon construction completion.

Incentive #3 – Commissioning Report – This incentive will be based upon confirmation that the building achieved the performance target value indicated in the Proposed Energy Reduction Plan. This incentive will range from $0.35 - $0.65 per gross heated square foot, increasing with the percentage of cost reduction achieved. Incentive #3 is payable upon construction completion and approval of the Commissioning Report. Changes during construction that result in a greater than 10% variation in projected energy cost savings must be incorporated into the As-Built Energy Reduction Plan and Incentive #3 re-calculated.

Incentive #2 and #3 combined will be capped not to exceed 75% of the total project incremental cost or $2 million per project (if both electric and gas measures are implemented; $1 million if all-electric or all-gas) whichever is less. Entity caps of $4 million per fiscal year (or $5 million with CHP) also apply. Incremental costs will include both soft and hard costs associated with participation in this Program and the achievement of the 15% performance target. Market Manager, in coordination with the

Office of Clean Energy may consider alternative incentive caps in unique situations where incremental costs are difficult to quantify.

There will be no 50,000 sf eligibility requirement for the following types of customers: hospitals, select non profits*, public colleges & universities, government entities (including K-12) and affordable multi-family customers ("affordable" as defined as low income, subsidized, HUD, etc.). *Non profits are defined organizations that are exempt for taxation under Section 501 (c) (3) of the Internal Revenue Code so that smaller entities in this customer class can take advantage of a whole building approach to energy efficiency.

Program Goals

The Pay for Performance New Construction Program goals and measures of effectiveness will include the following:

- Market Penetration/Cost Effectiveness: Reach significant numbers of commercial and industrial new construction projects with comprehensive, cost effective scopes of work.
- ***Goal:*** Approve at least 30 applications for the Program.
- Energy Savings: Maximize total energy (electric and gas) efficiency opportunities through the whole building approach.
- ***Goal:*** Approve at least 18 Energy Reduction Plans that meet the minimum threshold for energy savings.
- Create Green Collar Jobs: Continue to expand the number of firms offering comprehensive energy services. Program orientation seminars and associated training opportunities will help to develop a network of Program Partners who can offer a full range of technical, financial, and construction-related services.

Program Deliverables

Pay for Performance – New Construction will provide the following services:

1. Maintain pool of Program Partners that can offer Program services and publicize this list to potential participants.
2. Provide up to two (2) half-day Program Orientation seminars for Program Partners to introduce the Program and the Energy Reduction Plan development.
3. Provide two (2) subsidized Energy Modeling Training Sessions for Program Partners related to ASHRAE 90.12007 Appendix G.
4. Conduct Monthly Partner Conference Calls to present Program updates and discuss any issues that Partners may be encountering.
5. Conduct quarterly Partner webinars to educate existing Partners on program requirements.
6. 100% Quality Control review of all submitted Energy Reduction Plans.

7. One post-installation inspection per approved Proposed Energy Reduction Plan

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all Pay for Performance Program participants. 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 energy efficient measure qualification and incentive calculation. Applicant supplied information and program administrator performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence. Post installation inspections will be conducted for all projects; pre installation inspections as required.

Program Evaluation

Ongoing evaluation services will be provided by the OCE through its evaluation vendor

Sector Specific Program Enhancement

Background

The goal of the sector-specific initiative is to achieve greater energy efficiency awareness and energy efficiency program participation using a sector-based approach for higher education, multifamily, healthcare, municipality, hospitality and commercial and industrial buildings. Sector-based program delivery makes it easier for customers to access specific programs, services, products and technologies, training, and educational materials that are relevant to them; contractors and other allies to help them achieve their energy reduction goals, and trade organizations and other associations for further support. TRC, as OCE C&I Market Manager, has developed programmatic strategies that resonate for each of the sectors, resulting in actions that make their new or existing facilities more energy efficient. Strategies being implemented include, but are not limited to: benchmarking, one-on-one interaction, leveraging partnerships with trade associations, integration with regional and national efforts, as well as guidance for customers in using the existing NJ Clean Energy Programs and services. Sector-specific services are provided under the existing SmartStart and Pay for Performance Programs.

Program Description

The objective of the sector-specific program enhancement is to provide targeted sectors with customized services so that customers may better understand and implement: energy efficiency, sustainable design and operation, and renewable energy as appropriate to their sector. In addition to energy-related benefits, strategies vary by sector and have been developed to leverage non-energy benefits, such as: satisfying environmental regulations; improving productivity, promoting economic development, improving indoor environmental quality, and implementing operations and maintenance savings; which often influence energy efficiency decisions.

A TRC sector manager is responsible for overseeing the selected efforts and coordinating internally to ensure that there is consistency in the information provided to customers and that it reflects the goals and objectives of the New Jersey Clean Energy Program. All sectors will continue to be supported by the NJ Clean Energy website and TRC will continue to develop the format and basic content for sector specific web pages and to provide feedback to assist customers find relevant information, updates, success stories and other program resources.

The Sector-Specific initiative is an information transfer and marketing effort that uses existing core New Jersey Clean Energy Programs along with the services and strategies developed for each sector. A list of generalized services is provided below.

- Benchmarking — A rating system that scores and tracks a facility's energy efficiency and other factors over time to help establish relative efficiency and improvement

goals. Benchmarking may also compare a facility's energy use to its peers, identifying facilities with higher potential for energy savings. TRC will continue to build models using EPA Portfolio Manager; Energy Performance Indicator (EPI) for industrial facilities, and the NYSERDA Multifamily tool

- One-on-one interactions and outreach — direct customer assistance will help facility managers and decision-makers develop action plans and take advantage of energy efficiency and demand management. The focus will be on recruitment of new participants to NJ OCE programs and developing and maintaining ongoing customer relationships.
- Integration with regional and national efforts — collaboration with national and regional efforts and organizations such as the: the U.S. Environmental Protection Agency (EPA), the U.S. Department of Energy (DOE), Northeast Energy Efficiency Partnership, the Consortium for Energy Efficiency, the American Council for an Energy Efficient Economy, Motor Decisions Matter, ENERGY STAR®, Pump Systems Matter, and the Compressed Air Challenge. Understanding and prioritizing these efforts and partnering with these organizations will help keep New Jersey's Clean Energy Programs on the leading edge of process and technology innovation and provide opportunities to leverage these resources to better serve New Jersey sectors.

Target Market and Eligibility

Industrial — The industrial sector is the broadest and most varied of the economic sectors targeted by this initiative. The facilities in this sector vary widely in terms of types of business activities, energy intensities, energy-using equipment, and sizes. The sector can be defined generally as those facilities that manufacture, process, or store goods, equipment, or merchandise and that have a two-digit Standard Industrial Classification (SIC) Code from 20 to 50. TRC will continue to focus primarily on the unique needs and barriers faced by manufacturers of durable and non-durable goods, warehousing and other storage facilities and will add waste water treatment plants because of their significant energy savings opportunities.

The recent economic decline in manufacturing in New Jersey supports the increasingly vital need for energy efficiency improvements, to help lower operations costs and retain jobs. New Jersey's industrial sector is, on average, generally more efficient than most industries nationwide, yet, there is still much room for improvement. The rate of performance improvement in the industrial sector appears to have slowed; New Jersey facilities have not kept pace with industrial energy efficiency best practices.

Higher Education — This sector includes public or private post-secondary educational facilities including, but not limited to, colleges and universities and community colleges. Each college and university campus presents a unique set of challenges, requiring customized energy efficiency strategies. Residence halls and classrooms use lots of energy but often may be relatively minor power users as compared to the energy used by labs and some other campus buildings. Some schools attribute up to half of their energy

use to research facilities, mainly because the labs often require 6-8 air changes per hour with 100% outside air. Labs need outside air but air exchangers are very costly. Even though automation may help reduce these costs, a lab still needs about six air changes per minute when occupied and about three or four changes a minute when unoccupied. Fume hoods equipped with proximity sensors can ensure that researchers are safe while working and can be set to automatically slow down when no one is present, helping to save some energy. In comparison, large auditoriums or conference rooms have carbon dioxide monitors that allow air to safely and economically re-circulate within a given CO_2 set point. Campus parking lots and walkways use electricity to provide exterior lighting and there is increased use attributable to the need to improve overall, campus-wide security, a top concern among higher education facilities.

Historically, compared to other industries, colleges and universities have been slow to adopt energy-saving techniques. Colleges in particular often lack cohesive strategies to reduce energy use. Many institutions spend millions of dollars per year powering inefficient equipment, outdated cooling and heating systems, and antiquated clusters of research data servers stored in lab closets and back rooms. A typical college or university classroom building, lighting accounts for 31%, space heating 28%, and water heating 25% of total energy use, making those systems good targets for energy savings.

Institutional — The institutional sector can generally be described as facilities owned or operated by local governments including libraries, preschools, K-12 schools, day care and senior living/senior care. TRC will continue to focus on hospitals, healthcare facilities and municipalities. According to the New Jersey Hospital Association (NJHA), the healthcare sector is comprised of over 120 hospitals and healthcare systems located throughout New Jersey. The targeted facilities of this sector-specific initiative are:

- Acute care and children's hospital campuses
- Free-standing acute care and children's hospitals
- Free-standing medical office buildings, including 24 hour, walk-in clinics

To qualify, the acute care hospital, children's hospital, and medical buildings must occupy at least 50% of the total healthcare property. Acute care and children's hospitals are facilities that typically provide a variety of services within the same building or among multiple buildings on a campus, including emergency medical care, physician's office services, diagnostic care, ambulatory care, and surgical care. Energy usage of all buildings and supporting functions (such as administrative offices, skilled nursing, long-term care, medical offices, exam rooms, lobbies, cafeterias) is included in the aggregate, gross square footage for the campus. The campus includes all related buildings that are connected by corridors or walkways or are in close proximity to one another. Medical office space located on the campus should be included in the aggregate, gross square footage. Computer data centers, parking garages or lots are secondary spaces that can be included in the benchmarking of an acute care or children's hospital.

Medical buildings are facilities used to provide diagnosis and treatment for medical, dental, or psychiatric outpatient care. The total gross floor area should include all supporting functions such as kitchens used by staff, laboratories, lobbies, atria, conference rooms and auditoria, fitness areas for staff, storage areas, stairways, elevator shafts, etc., and must make up at least 50% of the facility.

Hospitals are among New Jersey's most complex, diverse, and energy-intensive facilities. Unlike most other commercial buildings, hospitals must be fully operational 24 hours a day, seven days a week, able to maintain services during power outages, natural disasters, and emergencies that could force other facilities to close. Increased participation in the programs will continue with developing sector-wide partnerships with the decision makers and organizations/associations which influence the industry. Through continuously communicating program benefits and offerings, and with extensive marketing, education, and training, the barriers will diminish. Specifically, communication with hospital executives (administrator or president/CEO), others responsible for important business functions (Board of Directors or Trustees), and in-house staff responsible for building operations will yield the most benefit. Buy-in from upper management will result in organizational commitment, and the ability of facilities personnel to initiate and follow through with the necessary capital projects and to exerting more control over vendor / contractor relationships to attain the facility goals set for sustainability and energy efficiency.

Adding municipal facilities to this sector has allowed TRC to offer benchmarking and training to enhance and support the Local Government Energy Audit program, and includes all buildings eligible for LGEA program incentives.

Multifamily - A multifamily building, as defined by the Pay for Performance Program, is a residential building of 4-6 floors above ground with a central heating/cooling system along with any building 7+ floors (regardless of heating/cooling); exceptions for buildings less than 4 floors will be made on a case-by-case basis. The 2007 US Census Bureau reported that of the three million existing housing units in New Jersey, a little over half are single family homes, the vast majority of which are owner-occupied. The remaining housing stock is multifamily units of which two-thirds are rented and of which many are in need of repair and upgrades. The New Jersey Apartment Association reports that 1951 is the median year of construction for rental units in New Jersey. An older housing stock provides significant opportunities for repairs, renovations, and energy efficiency improvements. In 2007 alone, ten percent of New Jersey existing housing units received building permits for improvements ranging from new decks to extensive reconstruction or gut rehabilitation.

Additionally, according to the NJ 2020 Energy Efficiency Master Plan, historically in New Jersey between 20,000 and 30,000 new homes are built each year. With the current economic downturn though, new construction development is expected to fall by approximately 50% over the next few years. Over half of these new homes are single family homes with the remainder being multifamily developments both large scale and

townhouse-style. The vast majority are site-built (98%) and speculative construction, the average size being approximately 2,450 square feet and containing three bedrooms. Almost all new residential buildings include central air conditioning and nearly 98% are heated with natural gas, the remainder opting for electric space heating. NJ multifamily developments account for total consumption of 58 million kWh and 65 billion BTUs per year of natural gas, annually.

The sector-specific approach for increased energy efficiency program participation will continue to focus on offering educational information, technical assistance and training, and financial incentives that multifamily building owners can access to build and execute effective and comprehensive energy reduction plans. TRC will continue to forge relationships with owners, managers, architects, and developers, a task facilitated by providing value-added support throughout the building process and by offering benchmarking.

Hospitality - The hospitality industry is a large and expanding sector of New Jersey's economy. According to the U.S. Energy Information Administration (EIA), facilities involved in the *Lodging Industry* are the third most energy intensive commercial buildings in the northeastern United States (after healthcare and education). Facilities involved in *Food Service* and *Public Assembly* were sixth and seventh respectively in national rankings of energy intensity by commercial building type.

TRC will continue to focus on facilities that are involved in lodging such as: hotels (including casino hotels), motels, inns, and extended stay facilities. We also included full service restaurants (but not other facilities involving food service such as cafeterias or fast food). Common to these facilities is a constant high turnover of large numbers of people and the challenge of providing temporary accommodations for them. Energy is primarily used for heating, ventilation, air conditioning, lighting, hot water, refrigeration, food service, and when not outsourced, laundry. The demand for rapid service, maximum convenience and comfort, and high turnover of people can create resource and energy waste, and good opportunities for energy savings.

Large full service hotels tend to have all of the energy demands of other large commercial facilities, plus the demands of HVAC for individual rooms, food service, swimming pools, laundry, and maintenance. Restaurants tend to have smaller floor space and energy demand but like the other facilities in this sector, offer food service, so there is overlap of potential energy efficiency measures that are common to all.

Though the hospitality sector has been expanding in recent years in New Jersey, the current global economic downturn has hit it particularly hard. Disposable income and corporate spending for hospitality services have significantly decreased everywhere. However, this also creates an excellent opportunity for significant systems upgrades and renovations because lighting retrofits, HVAC upgrades, and installation of new building EMS systems, etc. generally cannot be done while hotels and other facilities are fully occupied. Since the industry has a great need to reduce expenses and has been severely

impacted in recent years by escalating energy costs, a temporary decrease in business could actually lead to an increased interest in energy efficiency projects, therefore TRC will continue to pursue this opportunity.

Commercial Buildings – Efforts in this sector will be focused on chain accounts, commercial real estate companies, and data centers. There is much opportunity for increasing Program participation, working cooperatively with utility key account representatives, and reducing energy use and waste within the commercial sector in general. Data centers, in particular, can reduce energy use dramatically by installing high-efficiency servers, virtualization software, high-efficiency lighting and cooling systems, efficient power systems, humidity controls, and cable raceways. Additional opportunities for energy savings for all building types within this sector will be identified during the plan design phase.

Program Offerings and Incentives

The following are brief descriptions of sector specific information and services. It is important to remember the overall goal is to offer a portfolio of services and strategies which cost-effectively provide the greatest impact on energy awareness, and increase Program participation by each sector.

NJ OCE's overarching goal with the Sector-specific Program is to empower facility and building owners/operators to make energy efficiency decisions. To reach this goal, TRC proposes a twofold strategy which it will apply across all subsectors. TRC will aggressively pursue an educational campaign to transform facility managers into knowledgeable energy customers and supply them with the data they need to make decisions about their own facilities. This is vital to NJ OCE's effort because they are then able to take the initiative to become agents of change within their organizations. This outreach will include benchmarking, direct training, development and dissemination of needed tools, and one-on-one technical assistance. It will take full advantage of collaborative relationships with a range of market participants detailed below. Concurrently, TRC will continue to diligently market NJ OCE's program offerings so that facility and building owners/operators understand how NJ OCE can help them translate their initiative into action.

Integrating with regional and national efforts and leveraging partnerships with trade associations are guiding principles of TRC's approach to serving the specific sectors. Integrating with regional and national efforts allows NJ OCE to benefit from the capabilities of specialized organizations to compliment TRC's in-house expertise. These organizations may include the U.S. Environmental Protection Agency (EPA), the Northeast Energy Efficiency Partnership (NEEP), and the U.S. Green Building Council (USGBC). TRC's strategy for bringing these technical skills to the individuals on the front line of energy efficiency such as facilities' directors, business officials, agency heads, and university boards is to take advantage of the relationships they have with specific organizations.

Energy Benchmarking of Electricity and Heating Fuel Use is a cornerstone of TRC's education strategy. TRC has found that benchmarking reports are very successful in providing facility managers a complete picture of energy use and cost among their various buildings. By giving them information on how well or poorly their buildings are performing relative to their peers, benchmarking helps facility managers see where their needs are and provides impetus for prioritizing and addressing those needs. The benchmarking report also provides an excellent medium for presenting information on NJ OCE programs. TRC will build upon our current success in benchmarking close to 3,000 facilities around the country by making a concerted effort to reach out to individual sector components, as well as modifying our benchmarking system to accommodate the range of building types.

Sector Specific Initiative Goals

The Sector-specific Program goals and measures of effectiveness will include the following:

- Market Transformation & Penetration: Expand the number of Clean Energy Program applicants from each sector.
  Goal: Demonstrate an increase in Program participation based on based on specific services provided and new applications received.
  Goal: Benchmark 500 buildings

Program Deliverables

The Sector-specific Program will provide the following services:

1. Update the list of sector-specific Program services and publicize this list to potential participants through their respective trade associations and on the website.
2. Continue to customize TRC's existing proprietary energy benchmarking system, *Building Energy Performance System™ (BEPS),* for use in each sector.
3. Present NJCEP program incentives and sector specific offerings at Trade Association meetings and events.
4. Make marketing, website, and communication recommendations to appropriate staff.

Program Evaluation

Ongoing evaluation services will be provided by the OCE's evaluation vendor as part of overall Program evaluation.

SEP - EE Programs for Non Investor Owned Utility Customers

Funding may be made available from the Department of Energy under Grant Award Number DE-EE0000353 for a State Energy Program which would allow for participation in Direct Install, Pay for Performance and the Local Government Energy Audit Programs by oil and propane customers and those who are served by municipal and rural electric cooperatives (non-investor owned electric utilities).

Funds will be available on a first-come, first-served basis. The Market Manager's fees to implement the program (e.g. application processing, inspections, etc.) will be charged to New Jersey's Clean Energy Program using existing program contract price lines.

Existing program guidelines and rules related to Direct Install, Pay for Performance and the Local Government Energy Audit Program will apply.

Large Energy Users Program

Program Description

The purpose of the Large Energy Users Program is to foster self-investment in energy efficiency, and combined heat and power projects while providing necessary financial support to large commercial and industrial utility customers in the state of New Jersey. Incentives will be awarded to customers that satisfy the program's eligibility and program requirements ("Eligible Entities or Eligible Customers"), to invest in self-directed energy projects that are customized to meet the requirements of the customers' existing facilities, while advancing the State's energy efficiency, conservation, and greenhouse gas reduction goals.

Target Markets and Eligibility

The Large Energy Users Program is available on a first come, first served basis to existing, large commercial and industrial buildings that meet the following qualifications:

- Eligible entities must have contributed a minimum of $300,000 (on a pre-sales tax basis) into New Jersey's Clean Energy Program fund in fiscal year 2013 defined as from July 1, 2012 to June 30, 2013 (aggregate of all buildings/sites). (Eligible Entities shall be defined as (1) Public: having distinct and separate budgetary authority; (2) Public Schools: having distinct and separate budgetary authority; (3)Private: Non-residential companies including all related subsidiaries and affiliates regardless of separate EIN numbers or locations within New Jersey. Consistent with DOCKET NO. EOO7030203).
- The total fiscal year 2013 contribution is calculated as $0.0169/therm times total therms plus $0.002346/kWh times total kWh or by updated conversion factors provided and approved by BPU staff
- In order to be considered for incentives, the average billed peak demand of all facilities submitted in the Final Energy Efficiency Plan (FEEP) must meet or exceed 400kW and/or 4,000 DTh.
    - Example: Entity submits FEEP for two buildings. Building one has a metered peak demand of 200kW, building two has a metered peak demand of 600kW. Per the above guideline, both buildings would be considered for incentives as the average would be equal to 400kW.

The program will be available via an open enrollment with funding committed on a first come, first served basis. .

Entities interested in applying to participate in the program will submit the following information (limit 2 pages excluding attachments):

- Number of buildings/sites and list of all associated fiscal year 2013 utility and third-party supplier accounts.
- Total usage and number of location or premise IDs as provided by utility.
- Total contribution to New Jersey's Clean Energy Program (NJCEP) fund in previous fiscal year from above buildings/sites.

Program Offerings and Incentives:

The Program will offer a maximum incentive per entity which will be the lesser of:

- $4 million
- 75% of total project(s) cost as identified in the Final Energy Efficiency Plan (FEEP). Total project costs may include pre-engineering costs, soft costs, and other costs associated with the preparation of the FEEP.
- 90% of total NJCEP fund contribution in previous year (i.e. from all entity facilities)
- $0.33 per projected kWh saved annually; $3.75 per projected Therm saved annually

The program has a minimum incentive commitment of $200,000. Projects with incentives below this threshold will be redirected to other NJCEP programs. Program funds will be committed upon approval of FEEP by the Program Manager and, if required, by the Board of Public Utilities. Incentive shall be paid upon project completion and verification that all program requirements are met.

Submittal Requirements for Fund Commitment:

Qualifying entities shall submit a FEEP to the Program Manager for existing facilities only. The FEEP must be submitted to the Market Manager for review four (4) months from the date of the enrollment letter. This shall be in a report format and must include at a minimum:

- Executive Summary:
  - Existing energy use by source from previous 12 months (kWh, kW, MMBtu)

        - Existing total site energy use from previous 12 months (kBtu/sqft)
        - Calculated annual energy savings by source (kWh, kW, MMBtu, and %)
        - Calculated annual total site energy savings (kBtu/sqft and %)
        - Total estimated project cost (note - prevailing wage rates required)
        - Total estimated annual energy cost savings
    - Site Overview
    - Utilities Overview
    - Table of Energy Conservation Measures (ECMs) to be implemented in next 12 months. Including the following information by measure:
        - Estimated Installed Cost (Material, labor, etc)
        - Estimated Annual Calculated Energy Savings by source (kWh, kW, MMBtu)
        - Estimated Annual O&M Savings ($)
        - Estimated Annual Calculated Energy Cost Savings ($)
        - Estimated Simple Payback or IRR % *(total of all measures)*
        - Anticipated sources of all funding not including Large Energy Users incentive
    - ECM Descriptions including:
        - Detailed description of equipment being replaced/augmented
        - Detailed description of recommended measure (including quantities, EER, AFUE, etc.)
        - Basis for calculating energy savings and O&M savings *(including all assumptions)*
        - Basis for calculating installed cost *(including all assumptions)*
        - Anticipated implementation schedule
        - Estimated construction start and end dates for each measure
    - M&V:
        - Description of pre/post M&V to be implemented. Must be in accordance with IPMVP Option A or B, or other method pre-approved by Market Manager (refer to pay for Performance Program requirements for further details in this regard)
    - Appendices
        - Professional Engineer (PE) Certification to verify all FEEP documents are accurate.
        - Utility bills and/or summaries *(method to collect this information to be determined)*
        - Supporting calculations
        - Specification sheets

Please note the following in regard to the annual calculated energy savings by source: Depending upon the complexity of the energy conservation measures in the FEEP, the associated calculations may require building modeling to properly estimate the energy savings for particular measures. These measures may include building shell upgrades, building management systems, etc. Typical ECMs such as lighting, HVAC, motors, and others will likely not require these efforts and may be presented with generally accepted energy savings calculations and methodologies. Further details will be provided in the program application.

Submittal Requirements for Incentive Payment:

- Once the work defined in the FEEP has been completed , entity shall submit proof of construction completion for all measures, which may include but is not limited to the following:
    - Invoices for material/labor including as-built report
    - Work orders
- Entity must also submit:
    - Completed M&V report(s) certified by a Professional Engineer
    - Certification of compliance with prevailing wage
    - Valid tax clearance certificate
- Differences between the FEEP and as-built project must be documented and will require a revised FEEP submitted for review. In the event the scope of work, savings, and/or cost estimates does not match as-built documentation, an incentive true-up will occur. The true-up is not to exceed the original incentive commitment.

Terms and Conditions:

- Each Energy Conservation Measure (ECM) must demonstrate a simple payback of 8 years or less (not to include maintenance or renewable projects) or, total ECM work scope must have IRR of 10% or greater *(prior to Incentive)*
- All ECMs must meet Minimum Performance Standards, which may be fulfilled during Professional Engineer review, which shall be understood as the most stringent of:
    - Pay for Performance Guidelines-Appendix B (Attached in Appendix)
    - ASHRAE 90.1-2007
    - Local code
- FEEP must be submitted no later than four (4) months from date of enrollment letter.

- ECMs must be fully installed no later than twelve (12) months from approval of the Final Energy Efficiency Plan. Extensions may be granted for a period of up to six months with satisfactory proof of project advancement. (This could be in the form of copies of permits, equipment invoices, installation invoices indicating percentage complete, updated project schedules, etc.)

Limitations/Restrictions:

- New construction and major rehabilitation projects are not eligible under the program, however these projects may be eligible for other NJCEP incentives.
- Incentive will be limited to energy-efficiency measures. The following shall not be included as part of this program:
    - Renewable energy
    - Maintenance energy saving projects
- Incentive shall only be available for ECMs approved in the FEEP.
- ECMs already installed or under construction will not be considered for incentives and shall not be included in FEEP.
- Federal grants/incentives are allowed; other state/utility incentives are allowed so long as they are not originating from NJCEP funds; NJCEP loan funds are allowed. Total of Federal, state, utility, and LEU Program funding shall not exceed 100% of total project cost.
- Projects with funds currently committed under other NJCEP funded programs must be excluded from FEEP scope and value of incentive commitment will be deducted from total LEU incentive.
- Participation in any other NJ Clean Energy program in FY 2014 is prohibited for entities receiving LEU incentive. Entities shall certify, in writing, that they will opt-out of all SBC programs, for remainder of fiscal year.

Review and Payment Framework:

- Upon receipt of the FEEP, Program Manager will have sixty (60) days to review each submittal and provide comments to entity.
- Entity will have fifteen (15) business days to respond to comments.
- Market Manager will present FEEPs to Board for approval as required by Board policy and commitment of incentive. Market Manager may conduct up to three site inspections including a pre inspection, at 50% completion and 100% completion, as required. A pre inspection will be scheduled within 15 days of FEEP submittal, granted sufficient data is provided. Entity will need to provide access to site and notification upon reaching specific percent completions as

mentioned above. Measures which require an inspection at 50% completion will be identified by TRC upon submittal of the FEEP. These measures may include building shell upgrades or equipment which will be inaccessible once installed.

- If ECMs are not completed within the specified timeframe, incentive commitment may be forfeited.
- Entity will provide M&V data as requested and will comply with any program evaluation activities.

Program Goals

The Large Energy Users Program's goal is to foster self-investment in energy efficiency and combined heat and power projects while providing necessary financial support to large commercial and industrial utility customers in the State of New Jersey.

Goal: In addition to processing existing applications, and Final Energy Efficiency Plans through to project completion, receive new applications and approve 13 additional Final Energy Efficiency Plans.

Program Deliverables

The Market Manager will provide the following services under the Large Energy Users Program:

- Program management
- Review and approval/rejection of all submitted Final Energy Efficiency Plan submittals
- Technical assistance via email and telephone to assist entities in the proper submittal of the required information
- Updates of data tracking tools to incorporate additional tasks related to this initiative
- Conduct up to three quality control inspections for each project – pre inspection, 50% completion inspection and final inspection upon installation of energy efficiency measures
- Incentive processing including issuance of checks and tracking/recordkeeping

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all Program participants. All energy efficiency plans are reviewed upon receipt to verify adherence to eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of energy efficient measure qualification and incentive calculation. Applicant supplied information and program administrator performed incentive calculations are

entered into the database, and files are created for all documents and ongoing project correspondence. Pre and/or post inspections will be conducted as required.

Program Evaluation

Ongoing evaluation services will be provided by the OCE through its external evaluation vendor.

SBC Credit Program

The purpose of the SBC Credit Program is to implement the SBC Law (found at N.J.S.A. 48:3-60.3) and to foster self-investment in energy efficiency projects by providing financial support to all C&I ratepayers in the State of New Jersey. Credits will be granted to participants that satisfy the program's eligibility and program requirements to invest in self-directed EE projects.

The SBC Credit Program was approved by the Board by Order dated December 20, 2013, Docket Number EO12100940. The Market Manager is in the process of developing the details for the implementation of this program.

New Programs

Consistent with the 2nd Revised CRA Straw Proposal Section 5.7 – 1B, the Market Manager will work with BPU staff regarding new programs for fiscal year 2014. Staff has added $15 million to the EE budget for new programs, based on the amount previously approved by the Board for the Multi-family Finance and Retro-commissioning programs.

Goals and Energy Savings for the C&I Clean Energy Programs

The following are the FY 2014 C&I Program goals:

FY 2014 NJCEP - Commercial & Industrial Projections - Participation, Savings, Avoided Emissions

Program	# of Participants	Metric	Annual Savings Projections Gas Savings (DTh)	Electric Savings (MWh)	Tons of CO2	Tons of Nox	Tons of SO2	Lbs of Hg
New Construction	85	completed jobs	2,464	10,197	1,892	3	7	
Retrofit	2474	completed jobs	97,376	140,164	106,887	197	454	6
CHP & Fuel Cell	34	applications	107,637	58,275	33,979	27	2	0
LGEAP	360	completed audits	-	-	-	-	-	-
P4P EB	65	approved plans	469,519	82,362	16,776	26	51	1
P4P NC	18	approved plans	21,474	9,123	782		2	
Direct Install	1665	completed jobs	55,836	46,843	11,189	17	32	
LEUP	13	approved plans	120,025	10,567	4,871	4		
			874,330	**357,529**	**176,374**	**273**	**549**	**6.83**

Program	# of Participants	Metric	Lifetime Savings Projections Gas Savings (DTh)	Electric Savings (MWh)	Tons of CO2	Tons of Nox	Tons of SO2	Lbs of Hg
New Construction	85	completed jobs	44,349	183,550	118,944	219	503	6
Retrofit	2474	completed jobs	1,462,322	2,102,446	1,986,376	3,673	8,472	102
CHP & Fuel Cell	34	applications	1,291,638	699,306	501,983	505	441	5
LGEAP	360	completed audits	-	-	-	-	-	-
P4P EB	65	approved plans	8,451,329	1,482,497	756,375	1,314	2,888	35
P4P NC	18	approved plans	386,534	164,198	27,636	43	85	1
Direct Install	1665	completed jobs	1,005,048	843,159	718,463	1,266	2,817	34
LEUP	13	approved plans	2,160,455	190,204	322,823	508	1,018	12
			14,801,676	**5,665,359**	**4,432,600**	**7,528**	**16,224**	**196.50**

Appendix A

FY 2014 - Twelve Month Marketing Activity Plan

C/I Market Manager Marketing Plan Summary – FY 2014

Background

The commercial/industrial portfolio of New Jersey's Clean Energy Program includes NJ SmartStart Buildings, which launched in 2002 with financial incentives for prescriptive energy efficiency measures incorporated in new construction and retrofit projects. The portfolio also includes the Local Government Energy Audit, Pay-for-Performance, Direct Install, Benchmarking, Combined Heat and Power/Fuel Cells, and the Large Energy Users Program. Promotional activities and collateral materials also support the State Energy Program (SEP), which provides high efficiency incentives for customers of non investor-owned utilities as funding allows.

Objectives

- Build and maintain top-of-mind awareness of program opportunities among key market segments. The group of those who influence or make decisions about energy efficiency equipment in C&I buildings is ever-changing so there will always be new players who are not aware of the opportunities. Frequency is also a key component of the strategy because business owners and local government officials typically make equipment replacement decisions during times of crisis. Promoting the availability of incentives increases the likelihood that energy efficiency is being considered long before emergencies or crisis situations occurs.
- Promoting the C&I portfolio positions NJCEP to take advantage as markets rebound from recession and access to capital is improved. As commercial and industrial customers begin to make investments that will improve their profitability for the long-term, we need to elevate the importance of making energy efficiency measures a part of the overall investment strategy.
- Promotional campaigns centered around the message that financial incentives are available for energy efficiency help to support the governor's emphasis on making New Jersey more business friendly and more focused on job creation. Those campaigns will also help demonstrate to local government officials that operating savings from energy efficiency can be an important factor in offsetting state funding reductions or in keeping under municipal spending caps.

Strategic Approach

A mission of New Jersey's Clean Energy Program is to transform the commercial and industrial buildings market to incorporate energy efficient technologies throughout the state as part of a whole building – whole business approach. Decisions regarding new construction, major renovation, and equipment upgrade/replacement must be viewed within the context of a strategic business investment, rather than merely a decision for the facility manager. Our advertising and marketing tactics are designed to reach business owners, facilities management and the C-suite in the NJ business community, especially the chief financial officer.

Recognizing that the trade ally community (architects and engineers, energy service companies, contractors, product manufacturers/vendors) to a large extent drives this market, the program places major emphasis on building relationships with those influencers — creating the need for a "market push" strategic component. Focusing on these trade allies, rather than just reacting to construction projects, allows energy-saving options to be considered early in the decision-making process and increases the likelihood that future projects do not slip through the cracks.

The FY 2014 marketing activities budget is an integrated and comprehensive plan. Our market-push, market-pull approach makes use of public relations activities and press events, narrowcast methods (direct mail and e-mail blasts), trade shows, conferences and local events as appropriate, print and electronic advertising in trade publications and websites, and paid advertisements and sponsorships with key organizations and associations.

The FY 2014 marketing plan also includes activities supporting the SEP. As funds permit, SEP allows participation in Direct Install, Pay for Performance and the Local Government Energy Audit by oil and propane customers and those who are served by municipal and rural electric cooperatives. Outreach efforts for SEP are detailed in the tactical section below. In addition to these outreach activities, tactics described below that promote the C&I portfolio will be designed to include information about SEP availability wherever appropriate based on the market segment being targeted by that tactic.

Tactical Components

Trade Publication Advertising

The FY 2014 media schedule will include the following publications (print and electronic) in an effort to reach our three primary sectors – 1) trade allies, 2) school and municipal officials, and 3) business owners, facility managers, executive decision makers and developers.

- Architectural Record GreenSource Magazine, Maintenance Solutions, and Consulting Specifying Engineer targeting the design community
- NJ Biz, New Jersey Business Commerce NJ, Enterprise (NJ Chamber of Commerce), Distributed Energy, Real Estate New Jersey, Globe Street and Southern NJ Business People typically read by business owners, energy managers and developers
- School Leader, School Planning & Management, College Planning and Management and School Construction News reaching decision-makers and influencers in the education community, as well as, publications of the NJ State League of Municipalities and the NJ Conference of Mayors to reach local government officials.

The print advertising schedule will be spread throughout the year with a mix of general and program specific advertising. As in years past, a refreshed creative campaign will drive traffic to specific landing pages on the website for details about programs and how to participate. Three landing pages, /BIZ, /MUNI and /ALLY are used in promotional messaging to drive business owners and facility managers, municipal and county

officials, and architects and engineers to the NJCEP website and funnel them to individual components of the C&I portfolio.

Organizations and Associations

Beyond our traditional media schedule, the FY 2014 budget again includes funds for print and electronic advertising as well as event sponsorships where we can directly reach members of key organizations and associations. Our plan calls for focused tactics targeting:

- NJ AIA – event sponsorship and show mailers
- NJ Society of Professional Engineers – paid advertising
- Association of Energy Engineers – annual conference (Globalcon)
- EEI National Accounts – Fall Workshop – exhibit sponsorship, and show mailers
- NJ League of Municipalities –advertising, exhibit, sponsorship and mailers
- NJ Association of School Administrators – annual conference
- NJ Association of School Business Officials – paid advertising
- NJ School Boards Association- exhibit, sponsorship and show mailer
- Property Owners Association – paid advertising
- NJ Apartment Association – paid advertising
- NJ Business and Industry Association – event sponsorship
- Association of NJ Environmental Commissions – paid advertising
- NJ Conference of Mayors – exhibit, sponsorship, and paid advertising
- Healthcare Financial Management Association – paid advertising
- NJ Hospital Association – paid advertising
- Southern New Jersey Development Council – paid advertising, event sponsorships

Trade Shows and Events

The marketing plan also includes exhibiting and sponsoring a number of annual conferences and major events that provide an opportunity to reach key target segments. For FY 2014, planned shows and conferences include:

- Association of Energy Engineers – annual conference (Globalcon)
- EEI National Accounts – Fall Workshop
- NJ League of Municipalities – annual conference
- NJ School Boards Association – annual conference
- NJ Business and Industry Association – member events
- NJ AIA – member events
- Southern New Jersey Development Council – member events
- NJ Conference of Mayors – annual conference

Beyond these named exhibits, a number of ad-hoc events are expected that provide opportunities to reach NJ business decision-makers and influencers. Our marketing

budget includes funds for coordinating and supporting speakers at these events. Outside costs for ad-hoc events are subject to pre-approval and are funded through the variable contingency line item of the budget. Examples of approved events in previous years include the Healthcare Financial Management Association, Mid-Atlantic Buildings and Facilities, NJ RealShare, School Building & Grounds, Charter Schools, Property Owners Expo, Apartment Association, Restaurant Owners and any NJ BPU clean energy events

Direct Marketing

Direct mail and e-mail blasting are again planned for fiscal year 2014 as a primary strategy for raising awareness of all programs in the C&I portfolio. These campaigns will be designed to reach both the prospective customers of the programs as well as the trade ally community, which serves as an important influencer to decision makers.

In addition to general program and outreach event promotions, direct marketing campaigns may be launched to accommodate individual promotions such as the special mailings for the enhanced Sandy incentives. NJSSB, DI, LGEA, P4P, Benchmarking program mailing campaigns will be included as well as pre and/or post show mailings for the following conferences/events:

- EEI National Accounts
- NJ State League of Municipalities
- NJ School Boards Association
- NJ AIA Sponsored Event

Co-Op Marketing

In FY 14 TRC will explore options for co-op marketing, in particular in relation to the Direct Install, CHP and Pay for Performance programs.

Collateral Materials

The FY 2014 budget provides for focused collateral materials that will describe program features and benefits for target markets. Funds are also provided for revising existing program materials as new features and procedures are approved. In addition, case studies continue to play a vital role in demonstrating successful projects to key targets. These materials are produced for uploading to the website as well as printed for distribution as part of a folder kit used at trade shows, special events and individual sales calls by the Outreach Team. The FY 2014 budget for collateral materials also includes funds for photography to be used in those brochures and case studies.

Radio

The 2012-13 marketing plan utilized a portion of the contingency budget to air a total of 90 radio commercials over a ten week period beginning in April, 2013. In an effort to maximize exposure to business and local government decision-makers and influencers, the spots ran primarily during morning drive time, throughout the state on NJ 101.5 FM. Messaging for the advertisement stressed the benefits of Direct Install, Benchmarking

and NJ SmartStart Buildings incentives available from New Jersey's Clean Energy Program. Information about enhanced incentives and food service equipment rebates for those impacted by Hurricane Sandy was also included.

Public Relations

Ongoing public relations efforts include activities designed to generate editorial copy in appropriate publications throughout the state, including supplying media contacts with stories and photography and then following up to promote placement. We also promote organization/association editorial coverage in printed and electronic media made available to their memberships and arrange for presentations by the outreach team.

SEP Outreach

Customers of municipal and rural electric cooperatives and those heating with oil and propane will be made aware of the availability of SEP funding allowing them to participate in Direct Install, Pay for Performance and the Local Government Energy Audit. E-blasts will be sent to NJCEP subscribers and shared with the municipal and rural electric cooperatives and the Fuel Merchants Association for distribution to their membership. Other promotional materials and tactics will be launched as appropriate given funding levels and participation rates and program information will be maintained on the NJCEP website in a section dedicated to the SEP incentives along with links to applications and forms needed for participation.

Program Management

The FY 2014 budget also includes continued funding for planning and implementation of the marketing communication campaigns and ongoing coordination with the activities of the residential and renewable market manager as well as special requests to support BPU Staff and Commissioners. Specific labor categories include:

- Creative Design and Production
- Account Coordination and Media Management
- Strategy, Planning, and Reporting
- Website Support and Content Management
- Development of Story Items for the Quarterly Newsletter
- Outreach Coordination and Support
- Call Center Training and Support
- Responses to E-mails Submitted to the Website

Summary

The NJCEP commercial and industrial portfolio includes a number of programs with appeal to a wide variety of specific target segments. Strategies and tactics described in this plan are part of a comprehensive and integrated collection of activities designed around the needs of those targets. In some cases, individual tactics and their associated funds can be attributed to a tight campaign around a specific program, such as with a program brochure or website page. In most cases, however, our vehicles for delivering marketing communications are tight to the segment, but wide enough in the message to

introduce all of the portions of the portfolio that might appeal to that segment. The following table summarizes how those tactics are designed to promote the existing programs and planned initiatives for FY 2014:

	C&I New Construction	C&I Retrofit	School New Construction & Retrofit	Pay for Performance & Combined Heat & Power	Local Government Energy Audit	Direct Install	Pay for Performance – New Construction	Institutional Sector	Higher Education Sector	Large Industrial Sector
A&E Trade Publications; Websites; AIA Trade Show; Newsletters; Trade Allies Direct Mail and E-mail	X	X	X	X	X		X	X	X	X
Large Business Owner Publications; Websites; Direct Mail and E-mail	X	X		X			X			X
Schools Publications; Websites; Direct Mail and E-mail; School Boards Trade Show and Pre-show Marketing			X		X					
Developer Publications; Websites	X	X		X		X	X	X		X
Media Story Pitching; Press Releases	X	X	X	X	X	X	X	X	X	X
Municipalities Trade Show; Newsletter; Direct Mail and E-mail			X		X	X				
Small Business Direct Marketing	X	X				X				
Medium Business Direct Marketing; Owner Publications; Websites	X	X				X				
College/University Direct Marketing	X	X		X			X		X	
Globalcon Trade Show (AEE)	X	X	X	X	X		X	X	X	X
EEI National Accounts Trade Show and Pre-show Marketing	X	X		X			X	X		X
NJ BIA Trade Show/Newsletters	X	X		X		X	X			X
Website and Internet Networking Sites	X	X	X	X	X	X	X	X	X	X

Summary of Marketing and Public Relations Services Provided

The following list of services is a summary of the marketing activities included in this plan. This list is not meant to be all inclusive (our continued management of the content contained in the C&I section of the website is an example of additional tasks in our scope) nor is it intended to limit our ability to be flexible in responding to changing needs within the NJ BPU or in the market.

Marketing/Advertising Campaigns

- Developed to promote programs
- Creative concepts created and pitched to client
- Include media buy recommendation, script/ad developments
- Technical review before reaches client for final sign off
- NJCEP and BPU brand included as part of advertising

Event Management

- Select opportunities to plan events in conjunction with Program Managers to highlight program activities.
- Conduct media outreach to ensure press coverage of Program
- Attend press events.

Media Relations

- Identify opportunities to promote programs through free media opportunities.
- Write press releases or media pitches, and conduct technical review before client receives copy.
- Identify press outreach lists.
- Conduct thorough outreach to secure placement.

Written Materials

- Create fact sheets on all program areas on an as needed basis
- Conduct all technical review

Educational and Promotional Materials

- Create brochures, public service announcements, pamphlets that contain a larger message of how businesses and local government can take small steps to be more energy efficient and/or invest in renewable energy
- Review and format success stories used for website and webinars written to convey the important individual sector messages for achievement and ease of interaction with incentive program representatives
- Conduct all technical review before providing to client

Quality Assurance and Technical Review

- High level, qualified staff with an expertise in writing will be developing written materials.

- Technical review by program staff needs to occur before materials are provided to client.

Changes from Current Levels

This FY 2014 Marketing Plan has no increase from the previous annual budget.

Subcontractors

Parker and Partners was TRC's originally-proposed marketing subcontractor. Only subcontractors named in TRC's original proposal will be required.

Pricing Schedule

The budget table below shows the proposed 12 month budget by cost category. As shown, the top half of the table represents the fixed cost categories, and the bottom half represents the variable cost categories.

Note that this table is designed to demonstrate how the total budget was developed task by task from the bottom up. Since the majority of the cost categories below will support multiple individual program areas (new construction, retrofit, etc.), this table is not broken down by program. That breakdown is shown by contract line item in the actual proposed amendment. The fixed and variable totals on this table match those in the proposed amendment.

Category – FY 2014 C&I Marketing Plan	Labor	Outside Costs	Total
Account Management	$142,825	$4,525	$147,350
Strategic Direction	$87,950		$87,950
Call Center Briefings and Training	$2,650		$2,650
Website	$49,960		$49,960
Public Relations and Direct Marketing	$127,850	$44,150	$172,000
Event Support	$42,890	$52,000	$94,890
Creative Services	$110,200	$25,000	$135,200
Fixed Component Total	**$564,325**	**$125,675**	**$690,000**
Paid Media		$280,000	$280,000
Printing & Production		$50,000	$50,000
Variable Contingency (not including labor or travel)		$55,000	$55,000
Additional Marketing – To be determined			$1,925,000
Variable Component Total		**$385,000**	**$2,310,000**
Grand Total	**$564,325**	**$510,675**	**$3,000,000**

The FY 2014 Marketing Budget will be allocated back to the individual commercial & industrial programs based on agreed upon ratios that will be related to the estimated costs associated with each program.

Appendix B

FY 2014 Program Budgets

FY 2014 C&I Energy Efficiency & CHP/Fuel Cell Program Budget

	Total FY 2014 Budget	Admin.and Program Development	Sales, Marketing, Call Centers, Web Site	Training and Technical Support	Rebates, Grants and Other Direct Incentives	Rebate Processing, Inspections, Other Quality Control	Performance Incentives	Evaluation & Related Research
COMMERCIAL & INDUSTRIAL EE PROGRAMS								
C&I New Construction	$ 2,298,325.02	$ 244,614.61	$ -	$ 420,966.00	$ 1,406,147.50	$ 226,596.91	$ -	$ -
C&I Retrofit	$ 49,789,615.97	$ 685,050.80	$ -	$ 459,752.08	$ 46,445,464.62	$ 2,199,348.47	$ -	$ -
Pay for Performance New Construction	$ 9,130,990.58	$ 162,100.00	$ -	$ 484,450.08	$ 8,312,940.50	$ 171,500.00	$ -	$ -
Pay for Performance	$ 62,504,060.00	$ 554,049.26	$ -	$ 529,804.64	$ 61,023,810.24	$ 396,395.86	$ -	$ -
Local Government Energy Audit	$ 6,108,295.00	$ 190,750.00	$ -	$ -	$ 5,292,795.00	$ 624,750.00	$ -	$ -
Direct Install	$ 49,493,526.20	$ 516,254.90	$ -	$ 10,000.00	$ 48,400,000.00	$ 567,271.30	$ -	$ -
Large Energy Users Program	$ 35,592,307.68	$ 245,785.19		$ -	$ 34,956,885.19	$ 389,637.30	$ -	$ -
SBC Program	$ 300,000.00	$ 87,847.80		$ 69,000.00	$ -	$ 143,152.20	$ -	$ -
New Programs*	$ 15,000,000.00							
Marketing	$ 3,000,000.00	$ -	$ 3,000,000.00	$ -	$ -	$ -	$ -	$ -
Subtotal C&I EE Programs	**$233,217,120.45**	**$ 2,686,452.56**	**$ 3,000,000.00**	**$1,973,972.80**	**$205,838,043.05**	**$ 4,718,652.04**	**$ -**	**0.00**
COMMERICAL & INDUSTRIAL CHP PROGRAM								
CHP and Fuel Cell	$ 65,632,249.55	$ 270,195.39	$ -	$ -	$ 65,099,511.36	$ 262,542.80	$ -	$ -
Subtotal CHP Program	**$ 65,632,249.55**	**$ 270,195.39**	**$ -**	**$ -**	**$ 65,099,511.36**	**$ 262,542.80**	**$ -**	**$ -**
TOTAL C&I PROGRAM	**$ 298,849,370.00**	**$ 2,956,647.95**	**$ 3,000,000.00**	**$1,973,972.80**	**$270,937,554.41**	**$ 4,981,194.84**	**$ -**	**$ -**