



New Jersey's Clean Energy Program  
**Pay for Performance**  
**Partner Conference Call Minutes**

August 26<sup>th</sup>, 2015 2:00-3:00pm (EST)

**Conference Call:**

Call-in #: **888-330-1716**

Access Code: **4502707**

**1. Documents & Tools: Partner Portal**

A. P4P EB: **EB ERP Tables (v4.2a)** – Slight modification to the Lighting tab. Lighting Hours Runtime Check (all the way on the right of the table) revised to exclude Exterior Lighting section.

B. P4P EB: **Weather data through 8-1-15**

Please ensure you are using the latest version of all documents from the partner portal vs. copies previously saved to your computers/networks.

**2. P4P-ICP Pilot**

A. *See attached PDF*

**Q: Do you have to be an ICP Provider to do a project in the P4P-ICP Pilot?**

A: I'm fairly certain the partner company needs to have ICP certification. This will be confirmed over the next few months. But the certification is not very time intensive.

**Q: Is the 4<sup>th</sup> and 5<sup>th</sup> incentive affected by project performance?**

A: These details will be established during guideline development. The intention was to continue to collect building performance data past the first year, provide corrective actions when necessary, and report to the program.

**Q: When would the program start? Is it for new applications only?**

A: This would be for a select amount of pilot projects with new applications submitted to the program once the P4P-ICP Pilot is approved by the BPU and the rules are written.

**3. "In Every Issue"**

A. Submittal Procedures

i. All new submittals (applications, ERPs Rev0, Installations Rev0, etc.) must be submitted to the [P4P@njcleanenergy.com](mailto:P4P@njcleanenergy.com) email

1. This also includes submittals uploaded to FTP or TRCNET.

Please send an email to [P4P@njcleanenergy.com](mailto:P4P@njcleanenergy.com) notifying us of the upload and/or providing FTP access

- ii. All emails must contain Application Number (except new applications), Project Name, and Revision Number in the subject line.
- iii. Resubmittals/revisions may be emailed directly to your reviewer but should CC [P4P@njcleanenergy.com](mailto:P4P@njcleanenergy.com) in the event a reviewer is out of the office, etc.
- iv. Sub-consultants must CC partner of record on all email correspondence.
- v. For bulk submittals (e.g. ESIP projects) we will be reaching out to the partner following application approval to advise on how best proceed with ERP submittals.

B. Linkedin:

- i. “NJ Pay for Performance Partner Network” group has been established on Linkedin to facilitate communication between partners.
- ii. If you are not yet a member, please search for the group and request to join. You must register for a free Linkedin account first at [www.linkedin.com](http://www.linkedin.com)

C. Partner Portal:

- i. <http://www.njcleanenergy.com/p4p-portal-login>
- ii. Case sensitive password is: **TRP47px**

D. Cooperative Marketing

- i. Coop marketing funds available for Pay for Performance partners for up to 50% of cost of eligible media.
- ii. Application and instructions available on partner portal. Pre-approval of design and medium required.

4. Q&A

- A. Forward all future questions and points you’d like to discuss to [P4P@njcleanenergy.com](mailto:P4P@njcleanenergy.com)

**Next Partner Conference Call will be  
Wednesday, September 23<sup>rd</sup>, 2015  
2:00-3:00pm (EST)**

**From:** [ee-bounces@njcleanenergy.com](mailto:ee-bounces@njcleanenergy.com) on behalf of [Jones, Sherri](#)  
**To:** [ee@njcleanenergy.com](mailto:ee@njcleanenergy.com); [renewables@njcleanenergy.com](mailto:renewables@njcleanenergy.com)  
**Subject:** Environmental Defense Fund - Investor Confidence Project  
**Date:** Tuesday, August 18, 2015 11:01:02 AM  
**Attachments:** [P4P ICP Pilot.081715.docx](#)  
[ATT00001.txt](#)

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*[New Jersey's Clean Energy Program](#) (NJCEP) is announcing a pilot program that will incorporate the [Environmental Defense Fund](#) (EDF)'s [Investor Confidence Project](#) (ICP) energy efficiency protocols into the state's Pay for Performance (P4P) program through an alternative compliance path. The Pilot is designed to assess the benefits of adopting ICP protocols for NJCEP's commercial and industrial projects as it seeks to increase private investment for energy efficiency within the state.*

*P4P is a comprehensive energy efficiency program that provides incentives for whole-building energy retrofits. ICP is an initiative that aims to create investor confidence in commercial building energy efficiency projects by standardizing how they are designed and implemented. The ICP System is comprised of a suite of best-practice protocols for retrofits in commercial and multifamily buildings, as well as a certification process that uses independent review to certify projects as Investor Ready Energy Efficiency (IREE™).*

*Attached please find a draft of the proposed NJCEP P4P/ICP Pilot that describes the goals of the program and the enhanced incentives the program will offer for those projects that choose to follow the alternative compliance path. Staff is requesting comments on the proposed change prior to submitting it to the Board for consideration. Comments should be submitted to:*

*[publiccomments@njcleanenergy.com](mailto:publiccomments@njcleanenergy.com)*

*by COB September 1, 2015 with the subject heading "Proposed P4P/ICP Pilot".*

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## **Pay for Performance and Investor Confidence Pilot Project** (Revised 8/7)

### **Background**

To facilitate investment in energy efficiency, Environmental Defense Fund's (EDF) Investor Confidence Project (ICP) has created six (6) protocols as a standardized set of best practices for energy efficiency retrofit projects for large, medium and small commercial and multifamily buildings. The goal of the ICP is to reduce transaction costs by assembling existing standards and practices into a consistent and transparent process that promotes efficient markets by increasing confidence in energy efficiency as a demand-side resource.

Working with TRC, the NJ Clean Energy Program's (NJCEP) Commercial and Industrial (C&I) Market Manager, and EDF, Board staff is proposing a pilot Pay for Performance-Investor Confidence Pilot Program (P4P/ICP) that incorporates these protocols into New Jersey's Clean Energy Program (NJCEP). This Pilot will focus on the NJCEP's Pay for Performance (P4P) Existing Building program because its existing guidelines and requirements most closely align with ICP Large Commercial and Multifamily protocols. Click the links to learn more about the [ICP process](#) and [Energy Performance Protocols](#).

This Pilot will incorporate these protocols through an alternative compliance path within the P4P Existing Buildings program. Projects using this path must meet the ICP protocol requirements, some of which are not currently part of the P4P program. In turn, these projects will be eligible for an enhanced incentive structure. The goal of this Pilot is to test the value of adopting standardized protocols and greater measurement and verification (M&V) for C&I projects, as the NJCEP seeks to increase private investment in energy efficiency in the State.

The program will accept projects into the P4P/ICP Pilot for one year. Upon the conclusion of the Pilot, the BPU, together with the Market Manager and stakeholders, will evaluate the results.

### **Program Description**

TRC and EDF have reviewed both the ICP protocols and P4P Existing Buildings program guidelines at length and determined that P4P aligns well with the ICP's Large Commercial and Large Multifamily protocols. This comparison identified gaps between current NJCEP P4P guidelines and requirements, and ICP protocols. These gaps are detailed in the attached Gap Analysis document, in the "P4P MODIFICATION REQUIRED" column.

Due to these gaps, it is proposed that a Pilot be developed as an alternative compliance path within the existing P4P program and tested over a one year period. In response to the additional work that will be required of program partners and customers who choose the alternative compliance path, the Pilot provides additional incentives as detailed below.

### **Incentive 1**

Development of Energy Reduction Plan (ERP)

### **Incentive 2**

Installation of Recommended Measures approved

### **Incentive 3**

Submittal of post construction benchmarking report (year 1)

### **Incentive 4**

Submittal of year 2 post construction benchmarking report

### **Incentive 5**

Submittal of year 3 post construction benchmarking report

#### **Pilot Program Goals**

In launching the P4P/ICP program, the pilot seeks to

- Successfully incorporate ICP protocols into the NJCEP P4P Existing Buildings Program with minimal disruption to the current Program and its stakeholders, while facilitating access to private financing and projects through a more robust marketplace for energy efficiency services.
- Through the EDF-ICP Investor Ready Energy Efficiency (IREE™) protocols, provide to building owners and potential investors increased confidence in energy and energy cost savings. A secondary benefit is to test the market for the value of achieving the ICP IREE certification as a means to streamline financial underwriting.

#### **Target Market and Eligibility**

Pay for Performance Existing Building customers and contractors.

#### **Program Offerings and Incentives**

In some areas, the ICP requirements exceed the existing P4P program requirements; therefore an enhanced incentive structure will be utilized to encourage participation in the pilot and to assist in offsetting additional costs.

Additionally, in order to encourage persistence of savings beyond the one year requirement of the current P4P program, Pilot participants will be eligible to receive an additional \$10,000 per year for continuing to monitor project performance for two additional years and for the submittal and approval of Incentive #3 performance data one year and two years subsequent to the approval of incentive 3.

This incentive is based upon submission and approval of annual performance data and ongoing on-site M&V and shall follow the format of incentive #3 reporting (post construction benchmarking report). This reporting will identify whether savings achieved in year 1 continue into years 2 and 3. Customers are eligible for incentives #4 and #5 based upon submittal and approval of data only. Incentive payments are not tied to savings achieved beyond year 1.

This additional data will assist in the evaluation of whether to incorporate the additional requirements of ICP into the P4P Program permanently and to better understand the long-term performance of these projects.

|                     | Existing P4P   | P4P – ICP Pilot  |
|---------------------|--|--|
| <b>Incentive #1</b> | \$0.10/sqft<br>min \$5,000 max \$50,000  | Additional \$0.05/sqft up to additional \$15,000 (for a maximum of \$65,000) |
| <b>Incentive #2</b> | \$0.09-\$0.11/estimated kWh annual savings   | No change  |
|                     | \$0.90-\$1.25/estimated therm annual savings   | No change  |
| <b>Incentive #3</b> | \$0.09-\$0.11/actual kWh annual savings  | No change  |
|                     | \$0.90-\$1.25/actual therm annual savings  | No change  |
| <b>Incentive #4</b> | None   | \$10,000   |
| <b>Incentive #5</b> | None   | \$10,000   |
| <b>CAPS</b>         | Incentive #1 capped at 50% facility annual energy cost                               | Increase to 75%  |
|                     | Incentive #2 and #3 capped at 50% total project cost (lesser of estimated or actual) | No change  |
|                     | Project cap of \$1 M for electric and natural gas measures, not to exceed \$2 M.     | No change  |

### Program Deliverables

The program deliverables are consistent with those found in the FY16 Pay for Performance – Existing Buildings compliance filing. In addition to those deliverables, this Pilot project will result in the collection of additional M&V data from participating customers and contractors and allow BPU staff to determine whether those requirements of the ICP protocols currently not part of the existing NJCEP P4P should be permanently incorporated into the P4P program.

### Program Budget

This Pilot will be completed with no change to the current P4P budget.

### Quality Control Provisions

A goal of the ICP is to develop industry standards and a third party credentialing system whereby individuals are trained to manage the engineering oversight, administration and Investor Ready Energy

Efficiency (IREE™) approval. The EDF/ICP team (contracting with Bolder Energy Engineers, a credentialed ICP Quality Assurance Provider) will assume this responsibility and conduct the ICP Quality Assurance (QA) items identified in the Gap Analysis, as well as the IREE™ certification for the first ten projects of this pilot.

IREE™ refers to and provides information about energy efficiency retrofit projects that conform to the requirements of the ICP [Energy Performance Protocols](#), and that have been originated by a credentialed Project Developer or Specialist and verified by a credentialed Quality Assurance Provider.

The ICP QA provider reviews the IREE submittal and if all requirements are met, certifies the project by attesting that the standard has been met and that an applicant may use the IREE™ logo on any and all project documentation. Whether or not the standard makes a project credit-worthy is determined by a lender.

### **Program Evaluation**

Upon the completion of this P4P/ICP Pilot, the BPU will evaluate the results of the alternative compliance path, and the data collected, to determine whether ICP protocols provide added benefits, including but not limited to:

- Standardizing and streamlining the application process
- Accelerating project underwriting and facilitating market-based financing of EE in NJ
- Increasing participation in C&I EE projects
- Confirming the persistence of project savings

### **Delivery Method**

This Pilot will be managed by TRC/NJCEP Program Administrator, with EDF's ICP contractor, Bolder Energy Engineers, issuing the IREE™ certification. **Additional Resources**

For information regarding the Pay for Performance Existing Building Program please refer to pages 49-50 of the Commercial and Industrial Energy efficiency Program Compliance Filing found at:

<http://www.njcleanenergy.com/filings> TRC Filing, June 2015

For Additional information about the ICP Program, please refer to the [ICP Website](#).

## Attachment A: Gap Analysis

| #  | ITEM                   | P4P MODIFICATION REQUIRED   | Market Manager QA  | EDF / ICP QA Provider   |
|--|------------------------|---|--|---|
| <b>BASELINING</b>                              |                        |   |  |   |
| 1  | Utility rate structure | Utility rate structure input to be added to 'Utility Info' tab of the ERP. Require to be used in model. Energy cost savings of each measure to be derived from each modeled measure run and input into 'Measure Simulation' table.  | Part of ERP Review.  | Optional review.  |
| 2  | Annual load profile    | kW input column to be added to 'Electric Totals' and 'Utility Use Summary' tab of the ERP. N/A for 'Elec Apts'.   | Part of ERP Review.  | Optional review   |
| <b>SAVINGS CALCULATIONS</b>                    |                        |   |  |   |
| 3  | Modeler credentials    | Requirement to be added to Initial P4P Application to specify intended modeler and their qualifications, which must meet ICP protocols. Input to be added to the Project Team section of the 'General Project Information' tab of the ERP that asks user to specify who performed the modeling and their credentials which must meet ICP protocols. | Part of Application and ERP Review. Will then be provided to ICP for review and acceptance.                              | Confirm credentials comply with ICP protocols.  |
| 4  | Cost estimates         | Column to be added to 'Measure Simulation' table of the ERP that provides drop down on cost source used on project by Partner (e.g. RS Means, Previous Experience, Manufacturer, Developer, Contractor, Bid Results, Cost Estimator Software).  | Part of ERP Review.  | Optional review.  |
| <b>DESIGN, CONSTRUCTION &amp; VERIFICATION</b> |                        |   |  |   |
| 5  | OPV Plan               | A concise Operational Performance Verification Plan to be submitted with ERP. Will specify all new systems and/or major pieces of equipment in the project and will define all of the procedures, tests to be performed, and a performance checklist.   | N/A  | Review OPV Plan to ensure that it describes the OPV activities, target energy budgets and key performance indicators associated with the project and individual measures per ICP protocols. |
| 6  | OPV Report             | Column to be added to Installation Report titled "Equipment Operating and Performing as Expected" with Y/N option and space for any notes.  | Part of Installation Report Review. TRC will perform post-construction inspection to verify said equipment is installed. | Review and approve Report per OPV Plan, and any associated supporting documentation per ICP protocols/specifications.   |



|   |                |  |                                     |  |
|---|----------------|--|-------------------------------------|--|
| 7 | Training       | Column to be added Installation Report titled "Equipment Training Completed" with Y/N/NA option. Evidence of training must be submitted. Training required for HVAC/mechanical related measures, including controls. Lighting, envelope, and appliance training is required as applicable, for example, advanced lighting controls would require training. | Part of Installation Report Review. | Review and approve Training Plan (part of OPV Plan) per ICP protocols/specification. Review that training was completed and documented, and covered the measures. May include conducting interviews with building operators. |
| 8 | Systems Manual | Systems Manual to be submitted with Installation Report. Manual will provide more detail for HVAC/mechanical measures and advanced controls but inclusion of all measures is required.   | Part of Installation Report Review. | Review new or revised Systems Manual and approve per ICP protocols/specifications.   |

**OPERATIONS, MAINTENANCE & MONITORING**

|   |                       |   |                  |   |
|---|-----------------------|---|------------------|---|
| 9 | ALL Components of ICP | Supplemental M&V plan to be developed and submitted with ERP, updated version if necessary to be submitted with Installation Report. Should include facility baseline variables as stated in the ERP, with contingency plan on how to deal with them should they fluctuate. Additionally, list equipment points to be monitored that could have impact on savings if not properly maintained, such as temperature setbacks, combustion efficiencies, etc. Detail a response plan for such issues. Document monitoring and response results quarterly and submit along with Incentive #3 documentation. Quarterly submittals optional. | Optional review. | Review the M&V plan per ICP protocols/specifications, including but not limited to key variables, OM&M procedures, FDD, RCx, or other monitoring methods, operator's manual, and training plan. Review monitoring and response results quarterly (if available) |
|---|-----------------------|---|------------------|---|

**OTHER**

|    |                              |  |   |  |
|----|------------------------------|--|---|--|
| 10 | ICP Compliance               | Supplemental ICP form to be submitted with project prior to approval (certification at end of ICP protocol). | Completed as part of ICP compliance review above, including items reviewed as part of the P4P QA process. |  |
| 11 | ICP QA Credentialed Provider |  |   | EDF ICP Staff / QA Provider Network              |
| 12 | ICP QA Provider Checklist    |  |   | Completed by EDF ICP Staff / QA Provider Network |
| 13 | IREE™ Certification          |  |   | Awarded by EDF ICP Staff / QA Provider Network   |