



New Hampshire Pay for Performance Program

Program Summary

Overview

The Pay for Performance Program comprehensively addresses the energy efficiency needs of the commercial and industrial sector by working with participants, such as developers, building owners and their representatives, to improve energy efficiency of commercial and industrial buildings. The Program is implemented through a network of qualified Program Partners. Partners will be selected based on their demonstrated experience to develop comprehensive energy efficiency work scopes in commercial and industrial facilities, oversee the installation of the proposed scope, and verify that the installation will achieve the estimated energy performance.

The New Hampshire Pay for Performance Program is funded via the Greenhouse Gas Emissions Reduction Fund (GHGERF), which consists of proceeds from the auction of carbon allowances through New Hampshire's participation in the Regional Greenhouse Gas Initiative (RGGI), an effort by 10 Northeastern and Mid-Atlantic states to reduce emissions of greenhouse gases from the electric power sector.

Eligibility

Commercial and industrial facilities in New Hampshire that have electric demand of ≥ 100 kW (in any of the previous 12 months) and/or annual fuel consumption of $\geq 1,000$ MMBTU for space or process heating. Municipalities, universities, K-12 schools and other institutional facilities are also eligible.

Incentives

Incentives will be paid out on the following three payment schedule:

- **Incentive #1:** \$0.10/square foot of conditioned space, capped at \$40,000.
 - Designed to defray, but not necessarily cover, the cost of the Energy Reduction Plan development. To be paid on approval of Energy Reduction Plan and proof that construction has begun.
- **Incentive #2 :** \$0.19/kWh saved and \$20.00/MMBTU saved
 - Based on projected savings and paid at construction completion.
- **Incentive #3:** \$0.05/kWh saved and \$5.00/MMBTU saved
 - Based on actual energy savings performance one year post construction.

Total performance incentives (#2 and #3) will be capped at \$200,000 or 50% of project cost on a per project basis. In addition, there is an annual entity cap of \$500,000 where entity is defined as a single building owner (municipality, private business, School Administrative Unit, ...).

Please note that Program Details are under consideration by NH PUC and are subject to change.



Energy Reduction Plan

All projects are required to have an Energy Reduction Plan (ERP) completed by an approved Program Partner. The Energy Reduction Plan includes all components of traditional energy audit plus a financing plan and construction schedule. In addition, projects are required to develop an energy model of the building using an ASHRAE-compliant simulation software program.

The proposed work scope must project at least a 15% reduction in total facility source energy consumption, using EPA's Portfolio Manager benchmarking tool to set the baseline. The work scope must be comprehensive and include at least two distinct energy efficiency measures. Renewable energy may be a component of the project but does not contribute to the 15% savings threshold and is not covered under the Performance Incentives (#2 & #3). A combined heat and power (CHP) plant may be included as a measure but cannot contribute more than 10% to the 15% savings threshold.

Projects will be required to have an overall internal rate of return (IRR) of at least 10%. Individual energy efficiency measures may fall below this cost effectiveness threshold but the overall work scope must have an IRR of 10% or higher.

Leveraging

Projects may access funding from other sources (e.g., NH Core Utility Programs) and total incentives from all sources cannot exceed 75% of total project cost. Projects may finance the remaining cost of the energy efficiency work scope through loan programs (e.g., CDFA).

Contact Information

NH Pay for Performance Program
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New Hampshire Pay for Performance Program Steps to Participation

1. **Select a Program Partner.** Visit www.NHP4P.com to review program details, including information on selecting a Partner. *(Website under development. Target date of 1/14/11).*
2. **Submit Application Package.** With your Partner's assistance, download and complete the Application and Participation Agreement and submit the forms and required documentation according to the Instructions section of the application.
3. **Receive Approval Notice.** Program representatives will review your Application Package and if approved, will send a Notice to Proceed. Your completed and accepted application will be forwarded to your pre-selected Partner.
4. **Develop Benchmarks and Goals.** Work with your Partner to benchmark your building using EPA's Portfolio Manager tool, identify performance goals and create an Energy Reduction Plan to achieve no less than 15% source energy savings.
5. **Submit Your Plan.** Your Partner will submit your draft Energy Reduction Plan, a complete Benchmarking Report and Partner-Participant Contract with a request for Incentive #1 as defined in the Participation Agreement. When the Plan is approved and construction on your project begins, you will receive Incentive #1.
6. **Implement Your Project.** Your Partner will help you with the bidding process and will monitor construction to ensure that the appropriate steps are being taken to achieve the expected performance goals.
7. **Submit Request for Incentive #2.** Your Partner will submit a request for Incentive #2 along with the Substantial Completion Construction Report when the project is complete. When approved, you will receive Incentive #2.
8. **Submit Request for Final Incentive.** Within approximately 12 months after the project is completed, your Partner will re-benchmark the building and submit a request for Incentive #3 along with the Post-Construction Benchmarking Report. If the building performance goal is met, you will receive Incentive #3. Additional actual savings will result in higher incentives.

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