

What to Expect from a Pay for Performance Partner – New Construction

Information in this document is meant as a reference to assist customers in the process of selecting a partner company for participation in the Pay for Performance New Construction Program. Actual contracts for work conducted as part of the program shall be finalized and agreed to by the customer and the partner.

Tips for Selecting a Partner

Factors to consider in choosing the right partner for your project:

- **Geography** - Does the partner service your region? Pay for Performance partners are not assigned to a specific region of New Jersey.
- **Experience** - Has the partner completed any Pay for Performance projects for other customers? If so, were any of the projects in buildings similar to yours? Ask for case studies!
- **Rate Structure** - Is the proposal for work in-line with your budget? The program does not control partner fees, so be sure to contact at least three partner organizations and compare costs.
- **Reputability** - Ask the partner for references. Contact former clients and ask questions about the projects and the working relationships.
- **Responsiveness** - Did the partner explain the program to you and provide you with an estimate of all costs pertaining to your project? Did the partner respond to all of your inquiries in a timely and thorough manner?
- **Timelines** - Be sure the partner is able to meet your project timeline.

Partner Responsibilities

Responsibilities and services provided by a partner for a typical New Construction project include:

Proposed Energy Reduction Plan Development

- Conduct an initial information session with the participating customer (and/or design team), identifying program goals and presenting the benefits of participating in the program, including the potential for obtaining an ENERGY STAR® label. The partner shall explain the purpose of the Proposed Energy Reduction Plan, and discuss potential areas for energy savings available to the participant.
- Determine the potential for your commercial and/or industrial project to meet the minimum performance target of energy costs 5% below current energy code requirements; 15% for select multifamily facilities.
- Conduct a comprehensive review of available schematic design and/or design development building plans and determine what energy efficiency improvements can be made to the existing design.
- Engage in a series of consultations with the design team to revise or further develop the initial design to incorporate energy-efficient design, practices, and equipment in order to achieve a minimum performance target.

- Create a proposed design model using the latest version of the Program's Simulation Guidelines that projects the energy consumption of the proposed building design and compares it to the projected consumption of the simulation baseline and/or baseline components as stipulated by current energy code.
- Determine the incremental costs of each of the recommended measures using R. S. Means or an equivalent construction estimating procedure.
- Assist in developing a preliminary construction schedule that includes all energy efficiency measures included in the scope of the project.
- Engage a qualified commissioning authority and prepare a Commissioning Plan for recommended measures.
- Prepare the Proposed Energy Reduction Plan which summarizes the final design, the energy efficiency recommendations and their projected costs, financial savings, and reductions in energy consumption, per the Program Guidelines.
- Submit the **Proposed Energy Reduction Plan and Commissioning Plan** to Program Manager for review and approval.
- Once the Proposed Energy Reduction Plan is approved, and the incentive levels are committed, prepare and submit a request for the first incentive payment on behalf of the participant using the appropriate Incentive Request form.

Installation of Recommended Measures

- Design approved energy efficiency measures, or collaborate with selected design firm, ensuring final design complies with approved Proposed Energy Reduction Plan.
- Remain involved during the construction period to ensure that recommended measures are reflected in the bid process and the construction documents.
- Review the bid package(s), as appropriate, to ensure that sufficient detail is included to characterize the energy-related measures.
- Ensure that, when appropriate, designers and installers of specific systems will hold applicable certifications, accreditations, and/or licenses.
- Attend pre-bid meeting(s), as necessary, to explain program goals and procedures to bidding contractors. The partner shall explain energy-efficiency scope of work in sufficient detail to ensure that contractors understand program requirements for bidding purposes.
- Review the construction schedule and offer suggestions regarding the timing and installation of the energy efficiency elements of the project as needed.
- Ensure that the selected commissioning authority is fulfilling his or her responsibilities.

As-Built Energy Reduction Plan Development and Commissioning

- After construction completion, develop the As-Built Energy Reduction Plan, per the Program Guidelines, and identify any changes that occurred during construction and/or issues discovered through commissioning.
- Update the model and Energy Reduction Plan, as appropriate, to incorporate any changes and obtain revised energy savings estimates.
- Submit the **As-Built Energy Reduction Plan and Completed Commissioning Report** to Program Manager for review and approval, including specifications of installed measures, as-built costs, and associated invoices for material, labor, and any other related fees.
- Once the As-Built Energy Reduction Plan and Commissioning Report is approved, submit a request for the second incentive payment on behalf of the participant using the appropriate Incentive Request form.

Building Performance

- At least twelve months, but no more than twenty-seven months, after construction is complete, submit a Building Performance Report to demonstrate whether the project is operating at optimal levels.
- Complete and submit an ***ENERGY STAR Portfolio Manager*** benchmark using the project facility's twelve months of actual utility data and show proof of receiving ENERGY STAR Certification, which requires a score of 75 or higher. Building types not eligible for ENERGY STAR Certification can qualify for this incentive by obtaining ***ASHRAE Building Energy Quotient (bEQ) In-Operation Certification*** with equivalent score.
- Once the Building Performance Report is approved, submit a request for the third/final incentive payment on behalf of the participant using the appropriate Incentive Request form.

Avoid Pitfalls

- Download the Program Application and Incentive Structure for your reference. Read through these documents, as well as the website, to learn the details of program participation.
- Do not agree to begin the Proposed Energy Reduction Plan development unless the partner is confident that there is potential to meet the minimum performance target.
- Remember that the first incentive payment is contingent upon moving forward with construction and implementation. If you decide not to install the scope of work outlined in the Proposed Energy Reduction Plan, be prepared to pay the partner their fees for work provided despite not receiving the incentives.
- The second incentive is paid upon completed installation of recommended measures as listed in the approved Proposed Energy Reduction Plan. The measures do not *need* to be installed by the partner's firm, but the partner does need to stay involved. You may subcontract the installation to other contractors, but the partner must maintain oversight to ensure that installation is performed properly and that all necessary documents are filed.
- The second incentive is also contingent upon approval of the completed Commissioning Report by a certified Commissioning Authority and is required by the program, but only for the measures receiving incentives. You may choose to commission the entire building, beyond minimum program requirements, at an additional cost.
- The third/final incentive is paid upon verification that the building received ENERGY STAR Certification or equivalent through ASHRAE bEQ (for buildings not eligible to receive an ENERGY STAR Score). If your project does not meet this requirement, the third incentive will not be awarded.

For additional information, visit NJCleanEnergy.com/P4P, e-mail P4P@NJCleanEnergy.com or call 866-NJSMART to speak with a program representative.

