



NEW JERSEY

Incentive Programs

Combined Heat and Power (CHP) Program

If You Are:

Implementing a combined heat and power or combined cooling heat and power (CHP) project with an electric generating capacity of more than one megawatt (MW) serving a commercial, institutional, or industrial electricity customer in New Jersey with electric demand of at least 750 kilowatts (kW).

You May Be Eligible For:

A performance-based grant.

In The Amount Of:

The amount of the grant will be based on the actual electric and thermal energy production on an annual basis, which shall begin upon the commencement of operations of the CHP project. Grants shall be made only for performance based on a per kW per hour and per Btu delivered. The grant amount will be calculated based on a 75 percent capacity factor over four years. The grant will be equal to \$450/kW of installed electric generation.

To Be Used For:

CHP electricity generating capacity up to 133 MW at new or existing sites serving New Jersey's Commercial and Industrial Energy Pricing (CIEP) electric customers.

- CHP grants are performance-based incentives only, and are not to fund the costs of development, design or construction of the CHP project. Funds may not be used for conducting feasibility studies or location research.

Benefits:

The CHP Program provides support for New Jersey-based companies and institutions "going green" with a CHP project.

Program Details:

- The CHP Program is designed to complement the Clean Energy Solutions Capital Investment (CESCI) Loan/Grant program. In addition, construction projects may be eligible for financing through the New Jersey Economic Development Authority's (EDA) Bond Financing program.
- When combined with the CESCI Loan/Grant, aggregate state funding cannot exceed 50% of the total project cost.



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- Grants will be awarded on a first-come, first-serve basis.
- To be eligible for the CHP Program, the following criteria must be met:
 - The CHP project shall serve a commercial, institutional, or industrial electricity customer in New Jersey with electric demand of at least 750 kW or such level of demand that subjects the customer to payment of a Retail Margin.
 - The electricity output of the CHP project shall, to the maximum extent feasible, be consumed by a facility located at the project site. Any surplus power produced that is not needed by that facility may be sold into the interstate power grid.
 - The CHP project must have an electric generating capacity of more than one MW.
 - The CHP project shall be designed to achieve thermal efficiency levels of at least 65 percent for facilities with up to 20 MW of electric generating capacity, and at least 70 percent for facilities with electric generating capacity greater than 20 MW.
- The applicant must demonstrate an ability to finance construction through market sources, which may include Bond Financing through the EDA.
- Applicants may request funding for more than one CHP project. Also, entities serving as third party developers may submit applications for multiple sites.

Fees.*

Division of Taxation Tax Clearance Certificate Application Processing Fee: \$75 for standard processing; \$200 for expedited processing (response within three business days).

For more information on the CHP Program, visit www.njeda.com/CHP.

*All fees are non-refundable.



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keeps getting better.