A basic distinction between 2 kinds of goals and motives:  
1. A goal that you seek for the sake of another goal. (an "instrumental" goal or motive)  
2. A goal that you seek for its own sake. (an “intrinsic” goal or motive)  
For example, when Hobbes says in our Leviathan excerpt that in the state of nature people will invade and subdue others, this goal of subduing is not #2. It is not done for its own sake (e.g. because we just get off on subduing people), but in order to prevent them from attacking us in the future; so it is a goal of type #1—a means to something else. Butler criticizes a view that he attributes to Hobbes. The view seems to be that all action is motivated by a love of power or enjoyment of exercising it. This is not the same as the view in the Leviathan. For the Hobbes-according-to-Butler view is that we desire power for its own sake. In Leviathan Hobbes does not talk directly about power, but when we invade others out of self-protection, this is a bit like the desire for power—but it is power as an instrumental goal, not an intrinsic one.  
Butler criticizes the power view. More specifically, he criticizes the view that our benevolence towards others can be explained as a manifestation of the desire for power or the delight in exercising it. I see five different arguments he gives in the short passage we read:  
1. We think benevolence is a different thing than power; that is why we have a different word for it.  
2. Even if delight in power (he says “superiority” here) were mixed together with genuine benevolence (a concern for another for her own sake), still, they are two different things, mixed together. The benevolence would not be superiority. It would just be benevolence.  
3. Sometimes we are glad when Matt is helped by Maria. Even though we are not the one helping Matt, we are happy for Matt that another person can help him. This cannot be explained by power since we have no power, yet we have benevolence. So benevolence is a different thing than power.  
4. [I'm not sure of this one]: Sometimes we choose to help one person rather than another, and this cannot be explained if our only principle of action is love of power.  
5. If power were our only motive of action, cruelty would be the same as charity, since both would be simply the exertion of power. [Another way to put this: If power were our only motive, being cruel to the other person is often as good a way to exert that power as being charitable toward her.]  
Butler introduces another important distinction in footnote 5 and sermon IV:  
1. Self-interest or self-love: a desire for one's own interest or happiness [in our passage he does not distinguish these two things]  
2. particular passions, appetites, and affections, such as hunger, greed, lust, revenge  
These are different because you can have a passion or appetite for something that is bad for you, that does not contribute to your happiness or interest. This happens all the time. (“One man rushes upon certain ruin for the gratification of a present desire,” he says in footnote 5.) Greed, lust, revenge, envy are passions that are often for things that are bad for you, or that lead you to do things that are bad for you. He implies that (2) are always intrinsic—you just want the thing, not for the sake of something else.  
Elsewhere Butler says something explicitly that is implicit here. Self-interest is a motive that depends on reflection and reason. You have to think about whether something that you desire will really make you happy. Reason has to assess desires, sometimes in light of other desires, to come up with happiness or self-interest. Self-interest is reflective in the way that particular passions, etc., are not.  
Sometimes Butler says that (1) is “internal” and (2) “external.” He just means that passions, etc., are directed toward objects outside the self, while happiness is an internal state that you seek.  
If we put the different passages from Butler together, we can say that some passions, appetites, or affections are for the well-being of particular other persons. I can hate someone and I can care for someone. These are both appetites or affections—they are directed toward objects outside the self. [But you may think that hatred or envy is “selfish” while care or benevolence is “altruistic.” We will look at this issue later. But you could find a different view in Butler—that it is only when you seek something because you see it as in your self-interest that you are being selfish. If you act directly out of envy, not caring whether your action benefits you, this is not selfish, although of course it is not altruistic either.]