

**New Jersey's Clean Energy Program
Energy Efficiency Committee Meeting
April 9, 2013
9:30 to 12:00 noon**

Program Coordinator and Regulatory Updates - Betsy Ackerman, Mona Mosser

Updates on Filings, Board Orders and Regulatory Items

- Mona had no updates to share at this meeting.

Discussion of NJCEP Program Administrator RFP / Transition Status

- Mona mentioned that there were 2 protests filed. They are currently in the process of reviewing the protests. The BPU initiated a formal contract extension with Honeywell, TRC and AEG for a period of up to 12 months, to bring them through the end of fiscal year 2014. Betsy mentioned that they would hope to have the contract awarded before then and get the program administrator in place.

FY14-FY17 Funding Levels/Staff Straw proposal – Betsy Ackerman, BPU

- At the end of March, the BPU issued a revised Straw Staff Proposal; this is first public discussion of it.
- Broad Goals of the CRA – For Betsy the most important thing about the CRA is that it is a planning document. Unfortunately, without the administrator in place, they are unable to develop the strategic plan which is intended to move from incentive and rebate type programs to more market based funding. As a result of that they are moving a little more slowly than they would like to be during the transition.
- As they went through the process of revising the CRA they considered the goals of the energy master plan, established and articulated some policy goals for the clean energy program and listened to stakeholder input.
- Highlights:
 - First thing to notice that in some ways they have reorganized the way they are looking at their funding levels. Also take notice that they've pulled CHP out as a separate category, for 2 primary reasons. One they want to signify the role of CHP as an important technology for hardening infrastructure of critical facilities and it is important to think about how they can be prepared in the future. CHP also benefits grid reliability, which is another opportunity. Also they want to signal to the market their commitment to the technology. It is a technology that the administration supports and they are going to do their best to consistently provide funds for CHP.
 - Another thing to look at is Administration and how they've increased the funding level. This was also done for 2 primary reasons: One is that they believe in the value of outreach and education to motivate change. The other reason is they believe that they can do additional evaluations of the programs. They will take a look at what programs are running most cost effectively, reaching the energy savings they'd hope to achieve, and perhaps change the design or condense some of the programs. That is not happening at this time, but they will look at that over the course of the year.
 - They also want to take a closer look at the utility programs. A better job could be done coordinating utility programs with clean energy programs. By doing so they

could reduce some of the confusion with contractors and customers, eliminate some of the competition between programs and reduce some of the redundant costs between programs. They also believe this might be a way to safeguard SBC programs. Betsy thinks this requires a 2 prong approach; we need to close the gap between what they collect and what they spend. Two ways: We need the programs to do a better job of spending. They also intend to work closely with Treasury to close the gap between when funds are collected and when they are expended.

- From a planning perspective over the next 6 months is increase and establish standard metrics that all programs should be collecting. One of the main things and from Betsy's perspective is important is that they are not collecting is the number of jobs being created. If they can show that they are creating jobs and maintaining jobs she believes that the SBC funds will not be so vulnerable. It is equally important how much the state or SBC funds leverage in private or other alternate means of financing.
- This is not the goal of the clean energy program, but will be considering the facts as they look at the programs either in redesign or condensing. As they have these conversations they are very much interested in alternate means of financing, as well as creative out of the box thinking.

Process for developing FY14 programs and budgets – Presented by Mona Mosser

All mentioned in the CRA Straw Proposal – Mona provided a high level description for how they came to the budget decision.

- Included the use of EnerNOC Study, Benchmarking analysis, what other states have done and the historic spending in NJ. Also kept in mind the proposed \$151 million budget laps.
- With the EnerNOC study they were looking specifically at the achievable potential. In looking at that, they wanted to make sure that they accounted for any inherent uncertainty in predicting the market conditions. EnerNOC developed both a low and high market potential scenario for the achievable potential and then staff performed the benchmark, comparing EnerNOC to the standards. The third piece of that, AEG did a 50-50 weighting which represented a mid-point between the high and low achievable energy saving potential that came out of the EnerNOC study.
- Staff came up with the proposed funding level that should approximate the 50-50 weighting of the mid-point between EnerNOC's studies of high and low.
- That number for 2013 comes out to \$187.7 approx million dollars for energy efficiency.
 - The benchmarking and EnerNOC study looked at calendar years and they've now switched to fiscal years. They decided that then rather re-doing the studies they would use the calendar year 2013 as an approximation for fiscal year 2014.
- Treasury looked at that number (\$187.7) and added other funding from other categories including the anticipated budget lapse, which resulted in them being about \$10 million over the current funding level.
- Proposing:
 - Keep the current funding level of \$379,250,000
 - They are placing Energy Efficiency at \$177 million instead of \$187 million that came out of the 50-50 weighting
 - The Break down
 - Energy Efficiency \$177,665,000
 - \$7.5 Million for renewable

- \$30 Million for CHP - includes all area of CHP
 - \$7.5 Million for EDA
 - \$5 Million for Clean Energy Administration
 - Add to that the anticipated Budget laps of \$151,585,000
 - Equals \$187 Million for Energy Efficiency
 - For fiscal year 2014 an they have chosen to defer the funding levels for 15, 16 and 17 hoping that they have a program administrator on board, a strong strategic plan and several evaluation to help them better inform the funding levels as they make the transition.
- Terms of Process
 - Staff is looking at budget allocation for all the programs
 - TRC and Honeywell will be analyzing the past 12 months to help inform this process
 - The week of April 14th Staff and Market Managers will talk about draft ideas for compliance filings – due April 25th
 - Plan on posting compliance filings on May 3rd for comment with public hearing on May 23rd and the close for comments would be May 24th.
 - Shooting for June 19th Board agenda to get the filings adopted.
 - Question: Will you be developing a new evaluation plan for the next couple of years?
 - Answer: Yes, that is one of the goals over the next 6 months to a year. They would like to determine the best course of action over the next few years. The idea/hopes are to get the evaluation group back together.

Residential Programs - Honeywell Team - 2013 Program Results

- **COOL**Advantage: Completions 13,064, 112% of goal which is up from 109%.
 - 53 SEP completions
 - Currently in the pipeline there are more units to process, they will report those numbers when it is official
- **WARM**Advantage – Completions 19,984, 85% of goal up from 83%.
 - They are starting to see the volume increase.
 - 674 SEP completions.
- Sandy Updates for Warm and Cool
 - There are 460 Cool applications for Sandy that have been processed so far
 - Started with Warm applications and kept Cool in their pipeline. They are now starting to roll through all of those applications. They believe that installation is being done piecemeal. Residents didn't have the funds to replace both, or insurance wasn't coming through right away. With the hurricane happening in the cooler months people were replacing boilers and heaters first, now they are moving on to cooling systems.
 - Right now they have 360 unmatched forms from Sandy. Meaning residents have sent in certification forms with no applications.
- Washers – 24,308 Completions, 159% of goal
 - Just went live at 3 retailers for rebates on washers, the bigger stores take a bit longer to get up and running due to their processing standards.
- Compact florescent – 6,207 Completions, 115% of goal
- Fridge recycling – 14,913 Completions
 - 700+ refrigerators were picked up in March
- Set top box – 45,283 Completions

- The award for additional funds went out in the recent PC meeting, they should start to see the number move
- New construction – Large number of enrollments in November, 130% of goal 6,394,
 - 5 of the applications were not in a smart growth area but they have the Sandy exemption
- New construction - Completions 3,759, 84% of goal
 - In Dave's opinion the reason they are not hitting goal is: Builders tend to enroll homes at an aggressive rate but complete the homes a bit more conservatively.
- Tier 2 – 15% of goal. Slow moving, but it is eclipsed by tier 3 which is running at 90% which is up from 88%.
- Tier 2 – 201 Completions
- Tier 3 – 4,524 Completions, 116% of program goal
 - Run rate of 87% of both tiers

Home Performance:

- Enrollments:
 - March had the highest number of enrollments (Currently doing better than last year)
- Completions:
 - March had the highest number of completions (Better than last year).
- Financing Activity
 - Completions
 - 77% Financing; 44% EFS Loans; 47% OBRP
- SEP Funding
 - \$75K remains which equates to approximately 7-10 projects
 - There is a strong interest from contractors
- Upcoming Events
 - 3/14 New BPI Certification Renewal Policy Webinar – the BPI will come speak with the contractors
 - 3/27 New Contractor Orientation – 4 New Contractors are signed up
 - 4/3 Program overview training
 - 5/29 New Contractor Orientation
 - 6/5 In person basic data entry training
 - TBD – An update on BPI change to mechanical ventilation standard.

Commercial & Industrial Programs - TRC Team - 2013 Program Results

- Direct Install – 121 New Applications Received, 118 New Approvals, and 91 Projects approved for payment
 - Currently working with the DI contractors, they have released new marketing and they are pushing hard to keep the program moving.
- LGEA – 6 new applications representing 1 new project, 3 new projects approved, 15 building approved audits in March and 6 projects approved for payment
- Pay for Performance EB – 6 new applications, 6 new ERPs received, 2 ERPs approved, 8 new installations approved and 1 new post-retrofit received
- Pay for Performance NC – 1 new application received, 3 new ERPs, 1 ERP approved and 2 As-built ERPs received and under review.
 - Little progress but continuing to move forward and push program
- CHP & Power Fuel Cells – 1 new application, 2 applications approved this month, 5 projects are under review

- About 5 million left in the budget. There is still room to participate in the program, they want to encourage people to participate and get the applications in.
- 2011/2012 LEUP –LEUP2 FEEPs under review and 1 an the final stage of approval, 2012 saw a slight decline in LEUP, 3 FEEPs approved, 2 under review and 1 at the final stage of approval. Also some of the FEEPs were delayed and they are currently working on getting them in.
- SEP Non-IOU – No change in 2011-2012 fiscal year, 2012-2013 has 7 SEP application currently approved and 29 SEP applications invoiced
- Program Results
 - New Construction Approved Applications– 74 with a goal of 150
 - New Construction Completed Projects – 91 with a goal of 125
 - Retrofit Completed Projects – 2,475 with a goal of 2,550
 - Direct Install Completions – 1,670 with a goal of 1,800
 - LGEAP Approved Audits – Above goal at 446, goal of 345
 - P4P EB Approved Energy Reduction Plans – 57 with a goal of 58
 - P4P NC Approved Energy Reduction Plans – On goal with 8
 - CHP & Fuel Cells Approved Applications – 9 with a goal of 30

Hurricane Sandy Response Update

- Originally the Food Service application was only available to those affected by Sandy, now they have opened up the program for all participants.
- Customers are being reached through speaking events, and distributors.
- Last month 172 applications for Sandy were received, this month is at 267 as of April 5th.
 - Comment about C&I customers from Anne Marie Peracchio – she has noticed that a lot of the customers are buying used equipment and installing vs buying new.

Update on Large CHP Program

- 25 million in the budget, 2 million has been committed. They are anticipating 5 new application and they are hoping to hit the 50% mark. This is an estimate not actual numbers.

Utility Updates

SJG – They are still working with cost benefit analysis and they are expected to be done at the end of the week. They will meet with established parties and are hoping to be done by 6/18.

NJNG – Busy with Sandy outreach. They are hosting a green building forum in Bay Head on 4/18. This will help customers understand what features they may need in the rebuilding process.

Elizabethtown Gas – They are working through the discovery. They are hoping to get a signed extension. They are good through 4/20. If they do not get a signed extension they will go dark and stop promoting the program. It is looking promising however. They have a Heating Contractor Meeting on 4/23 pending the signed agreement.

Other Business, Next Meeting – 5/14

Name	Company	In Person	By Phone
Ackerman, Elizabeth	BPU	X	
Carpenter, Joseph	NJ DEP	X	
Chaplin, Dawn	Honeywell		X
Cinelli, Jim	Pepco Holdings		X

Desimpel, Tom	CMC ENERGY SERVICES	X	
Dolan, Brian	Intellidyne	X	
Donohue, John	On behalf of Fuel Merchants Assoc		X
Ellman, Susan	NJNG		X
England, Cheryl	Elizabethtown	X	
Fisk, Andrew	CSG	X	
Foster, Rebecca	VEIC		X
Grossman, Bruce	SJG	X	
Hambric, Steve	Opower	X	
Hoff, Kim	CSG		X
Holland, Dave	Honeywell	X	
Ingelido, Rich	ConEdison Solutions		X
Jones, Sherri	BPU	X	
Kliemish, Roger	TRC		X
Marx, Rick	EAM Assoc.		X
Mosser, Mona	BPU	X	
Napoleon, Alice	Synapse Energy Economics Representing Rate Counsel		X
Pecora, Tom	Honeywell	X	
Perracchio, Anne-Marie	NJNG	X	
Sherako, Jill	Eastern Heating and Cooling Council	X	
Stewart, Patrick	PSI	X	
Teng, Elizabeth	BPU	X	
Ward, Lisa	ClearEdge Power	X	
Winka, Mike	BPU	X	
Wolk, Dave	Honeywell	X	
Takahashi, Kenji	Rate Counsel		X
Whited, Melissa	Rate Counsel		X
Hendry, Andrew	NJ Utilities Association		X
Adams, Ben	MaGrann Assoc.		X
Ruthledge, Deborah	PWI Engineering		X
Koksal, Huseyin	Delta Four Energy Services		X
Liaukus, Christine	NJNG		X
DuBos, Tom	Strategic Energy Group		X
Wilson, Sean	Fuel Cell Energy		X
Vreira, Mario	New Millennium Lighting	X	
Deuble, Anthony	New Millennium Lighting	X	
Attardi, David	Facility Solutions Group	X	
Chu, Susanna	PSE&G	X	
Robins, Pip	EMC Development	X	
Wetzel, Linda	AEG	X	