

New Jersey Clean Energy Program
Energy Efficiency Committee Meeting
August 9, 2011
Hosted by: TRC

Program Coordinator and Regulatory Updates

Presenters: Mike Winka (BPU), Mona Mosser (BPU)

o Updates on Filings, Board Orders and Regulatory Items

- Large Energy Users (LEU) budget is approved
- State Energy Plan (SEP) filed with the state and is about \$2.9 million with carryover
 - o For non-investor owned utilities (non-IOUs) and other fuels since the programs are currently closed; will soon be open to programs across the board
- Funding levels for 2012 were already decided now it needs to be decided if there will be a 4 year funding schedule (occurs a year before the previous one expires)
- Spending authorization for Sustainable Jersey had problems because of a carryover issue with funding - They are holding the contract until further notice but it is being corrected
- NJCEP is considering some financing programs while the draft of the EMP is out for comment; hearings are still taking place at this time

o 2011 Program & Budget Modifications

o ARRA Activities

- EDA ARRA project was cancelled and that money will be reallocated

o Energy Master Plan (EMP) Hearings

- Next hearing is Thursday, 8/11/11 at Stockton at 1pm
- The Trenton hearing will reconvene on 8/24/11 because there wasn't time for everyone to speak
 - o Written comments can be submitted and they will be included in the final report
- Four workgroups are involved and their input will be incorporated into the final product

o Transition Status - RFI

- Responses will be on BPU's website from the questionnaire
- The award was originally to be in place by the end of the year but it's being pushed back
 - o Current contracts may be extended due to this situation

o 2012 Compliance Filing Concepts & Timeline

- Petition filed by Mid-Atlantic Solar sued NJ via Executive Order No. 14 that all funds should go back to the utilities and they would like an IDA to be retracted from the BPU

Residential Programs

Presenters: Honeywell Team

o 2011 Program & Budget Modifications

- Cool/Warm advantage programs are going to receive more funding due to the time of year
- Currently moving funds around to get the most savings through lighting as well as washer rebates
- No net increase to the budget only a shift/transfer of the funds
- If the SEP plan is approved, there needs to be enough money in the budgets
 - o There should be a response from DOE by 9/30 (Mona/Mike)

o 2012 Budget and Programs

- Continue upstream incentives in products and other program opportunities
- Develop loan opportunities and other financing options for residential customers
- Budgets-preliminary

- Budget breakdown is similar to 2011

<u>Program</u>	<u>2012 New \$</u>	<u>Estimated Carryover</u>	<u>Total 2012 Budget</u>
Residential HVAC (E&G)	\$18,750,000	\$2,000,000	\$20,750,000
Residential New Construction	\$12,375,000	\$5,000,000	\$17,375,000
Energy Star Products	\$16,500,000	\$2,000,000	\$18,500,000
Home Performance w/ Energy Star	\$25,500,000	\$10,000,000	\$35,500,000
Marketing	\$1,875,000	-	\$1,875,000

- Cross-promoting with utilities in demand response programs
 - Demand response needs to be included in the SBC but the attorneys have conflicting opinions
 - BPU has concerns about this approach, working with demand response, but it's still a work in progress
 - It's about working closely with the utilities and this approach/idea was mentioned in the EMP
 - What would offer matching do to participation was a question brought up to the group
 - Do all utilities have DR programs?
 - All except Orange & Rockland
- Multi-family - TRC's NYSEDA plan is a good idea because of the financing options and the lowering of administration costs overall
- Pilot program coordinated behavioral strategies with utilities
 - Data sharing among utilities and residential NJCEP is necessary because these programs rely on data in order to make these decisions
 - Utilities want to be included in the discussion and NJNG has an update on their progression with O-Power and will have some slides to show at next month's meeting and they will pass around something after this week
- Energy Star Homes (ESH)
 - Moved to Version 3.0 – the plan is to increase participation and savings while responding to the challenges of Energy Star Version 3.0
 - Transition into Version 3.0 - more building science and code
 - Considering a continuation in promoting version 2.0/2.5 levels
 - What is the added cost to go to V3 in construction?
 - Can be as much as \$5k per home
 - Considering a move to performance-based incentives
 - Within each tier, higher incentives for higher performance
 - Increased attention to training due to feedback from contractors
 - Looking into a loan model or an offer option in lieu of rebates
 - Updating the marketing aspect of ESH by promoting products through proven channels
 - Maintain the higher criteria for Climate Choice because it's changing due to the EPA
- Home Performance with Energy Star
 - Planning on using more success stories and because marketing helps sell the program
 - People have trouble understanding or comprehending the program, and the more people that become comfortable means more savings & participation
 - Market to people who already began investing in upgrading the efficiency of their homes
 - Review the quality and quantity of the contractors' work
 - Fees for contractors may be partially reimbursed depending on the cost and the participation of the contractor and it's not an incentive but they are exploring ways to help pay for it

- Plans to help contractors market and sell more jobs
 - Considering promoting through customer referrals
- There are problems obtaining utility bills from tenants in multi-family programs in apartment buildings
 - This is being added to the agenda for the next PC meeting
 - Maybe handle it similar to NYSERDA-utilities charge a fee for a report that shows usage by meter but the customer information is left anonymous
- HVAC program (slides for specifics)
 - New minimum standards coming in 2013 so they want to prepare the market for it in 2012
 - Pilot upstream incentives
 - Continue contractor support that includes safety classes and incentives to continue attending training classes
- 2012 Marketing (slide)
 - Want to tie in more with Sustainable Jersey and having municipalities promote residential NJCEP programs

Commercial & Industrial Programs

Presenters: TRC

o LEU Pilot Program

- The program was launched 8/1 and information is posted on the NJCEP C&I section of the website
- Enrollment period is 45 days and begins 8/12
- Webinar info will go out 8/11

o 2012 Budget and Programs (Proposed)

C&I Programs	2011 Funding	\$Committed/Spent (5/31/11)	2012 Funding \$
<i>C&I Retrofit</i>	\$39,899,451.30	\$23,848,648.00	\$43,000,000.00
<i>C&I New Construction</i>	\$8,867,143.41	\$3,476,245.00	\$7,712,500.00
<i>P4P New Construction</i>	\$7,471,645.96	\$413,235.00	\$3,500,000.00
<i>P4P Existing</i>	\$52,355,701.50	\$20,400,849.00	\$38,937,500.00
<i>CHP</i>	\$1,002,122.83	\$1,000,000.00	\$13,000,000.00
<i>LGEA Program</i>	\$12,115,170.97	\$4,474,426.00	\$5,000,000.00
<i>Direct Install</i>	\$27,896,150.92	\$19,508,141.00	\$22,000,000.00
<i>TEACH</i>	\$682,829.50	\$626,772.00	\$0.00
<i>Marketing/C&I EE</i>	\$1,075,000.00	\$363,237.00	\$1,100,000.00
<i>LEU Pilot</i>	\$20,000,000.00	\$0.00	\$20,000,000.00
	\$171,365,216.39	\$74,111,553.00	\$154,250,000.00

- Direct Install
 - TRC performing the energy assessments eliminates the reason for a pre-inspection
 - Exploring on-bill financing through the utilities
 - Restructuring the contractor hierarchy and eliminating the general contractor position
 - Possibly rebidding the contractors
 - Information will be posted on the NJCEP website and notification will be sent to the contractors and possibly an RFI and then an RFP as well
 - If leads come from the contractors and TRC does the assessment, TRC would most likely assign that project back to that contractor
 - Bidding and everything else required for the new contractors should hopefully be prepared by the end of 2011 to roll out for January 2012
 - Changing the peak demand to 150kW from the current 100kW

- Increasing the program incentive from 60% of the project cost to 70%
- LGEA
 - Plan to help promote ESIP to LGEA participants
 - Allow entities with a demand less than 150kW to get an audit is moving to ESIP
 - Want to have the option to assign payments directly to the auditing firms
 - Need to check with DCA about this due to local laws
 - Institute a person to guide entities completing LGEAs into other programs
 - Sustainable Jersey does this already? – BPU looking into this
- P4P
 - Existing and New Construction
 - Coordinating with EDA for loan programs and creating a revolving loan fund with the existing EDA EE revolving loan (existing buildings)
 - Multi-family loan component
 - 21 of the 55 approved ERPs are for multi-family facilities
 - Combination of incentives and financing through local banks
 - Banks finance, administer and pay back the NJCEP (NYSERDA model)
 - Start program in 2011 and continue into 2012
 - New construction
 - Revise the incentive process to mirror existing buildings and to simplify the process to increase participation
 - Draft ERP, as-built ERP and commissioning report (verification of performance)
 - Current incentive up to \$1.60/SF; up to 75% incremental project cost
 - Increase \$/SF cost to move more projects closer to the 75% level of incremental cost cap
- CHP
 - Maintain a CHP incentive through P4P and stand-alone incentives as well
 - Stand-alone incentives – is this addressing projects greater than 1 megawatt?
 - Utilities had a meeting and they came to a similar conclusion that we need to attract larger megawatt projects
 - There needs to be some strategizing done in order to find a collective way to unify this among TRC, utilities, EDA and BPU
- Prescriptive Incentives
 - Adding additional VFD incentives
 - Lighting
 - Add 4' LED strip fixture incentive for refrigerated cases (\$30/fixture)
 - Expand LED panel troffer (2'x2' panels only) incentive to include 1'x4' and 2'x4' panels (No incentive change is recommended for this category)
 - Additional LED retrofit kits qualified by DLC to be handled under custom
 - Outdoor roadway/decorative luminaires
 - Four-foot linear replacement lamps
 - LED – International Assoc. of Lighting Manufacturers
 - Putting together information for TRC
 - Backs the changes to DI lighting
 - Push from EPA in terms of changing T12s to T8s and a sit down with Sustainable Jersey might need to take place because they don't want them to continue being in used in schools

- 2012 Program Discussion Points
 - Retro-Commissioning Pilot
 - Has the potential to reduce operational costs, increase the life of the equipment and reduce occupant complaints. Limiting the dollars per project also.

Utility Updates

- NJNG
 - Paid out 10,000th rebate
 - Submitted filing and waiting on letter of completeness so that they can begin their 30 day comment period
- SJG
 - Uptick in enhanced rebate program recently
 - July had 770 Home Performance loans paid
 - Filming commercials and testimonials of customers for broadcasting

Other Business, Next Meeting

o Other items

- Next meeting is 9/20 hosted by Honeywell/CSG