



Energy Efficiency Committee Meeting

March 31, 2021

Agenda

1. Introductions
2. Transition Overview
3. Working Group Introduction
4. Current Program Updates
5. Fiscal Year 2022 Planning
6. General Q&A
7. Items of EE Interest from Participants
8. Next Meeting

Introductions & Opening Remarks



Office of Clean Energy Equity

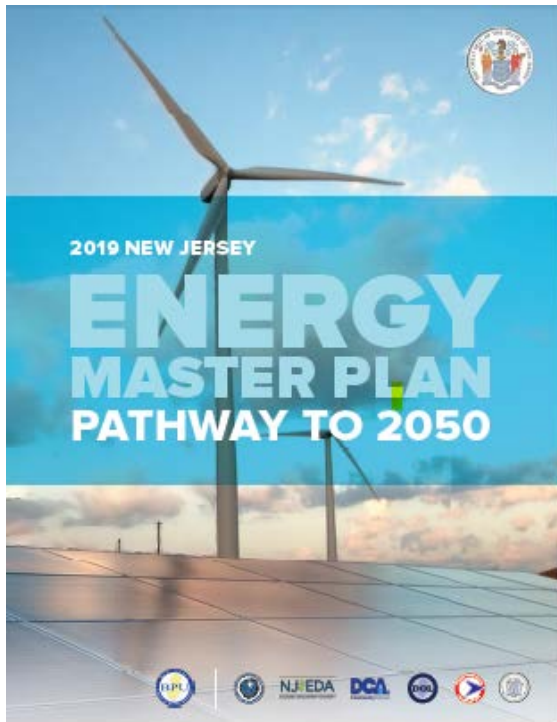
- Ensure that clean energy initiatives **better serve New Jersey's overburdened communities** and **equitable participation** in clean energy programs
- Work with other NJBPU teams to **develop and implement programs through an equity lens**
- **Incorporate equity considerations** in all aspects of the BPU's policies, program development, and implementation
- **Collaborate with partner and community agencies** in the implementation of relevant policies, programs, training, and education to ensure that programs are effectively meeting their needs
- **Liaise with the utilities** to ensure they are prioritizing the needs of LMI communities in their provision of service

Transition Overview



Reaching NJ's Clean Energy Goal

100% clean energy by 2050



Strategies:

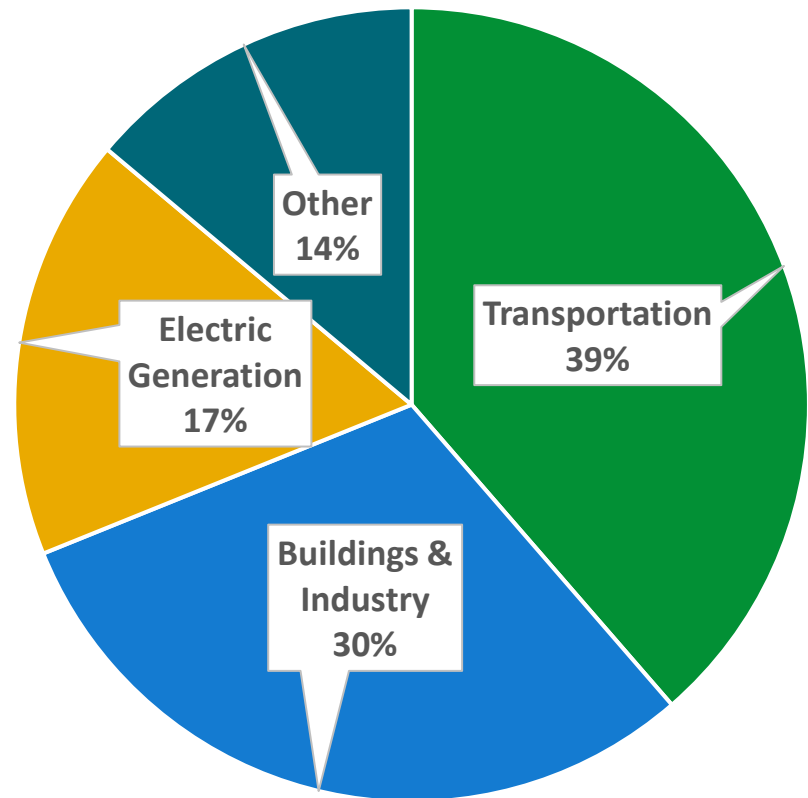
1. Reduce Energy Consumption and Emissions from the Transportation Sector
2. **Accelerate Deployment of Renewable Energy and Distributed Energy Resources**
3. **Maximize Energy Efficiency and Conservation and Reduce Peak Demand**
4. **Reduce Energy Consumption and Emissions from the Building Sector**
5. Decarbonize and Modernize New Jersey's Energy Systems
6. **Support Community Energy Planning and Action with and Emphasis on Encouraging Participation by Low-and-Moderate-Income and Environmental Justice Communities**
7. Expand the Clean Energy Innovation Economy

New Jersey Energy Master Plan

- New Jersey's latest Energy Master Plan was released on January 27, 2020
- The EMP is built on three pillars:
 - ✓ 100% clean energy by 2050
 - ✓ 80% reduction in emissions by 2050 relative to 2006 levels
 - ✓ Stronger and Fairer New Jersey

NJ Net GHG Emissions, 2018

The residential, commercial, and industrial sector combined is the 2nd largest source of emissions in NJ, behind transportation.



Building Sector Priorities

- Achieving New Jersey's climate and clean energy goals will require immediate action in all sectors
- Key priorities to reduce energy use and emissions from the building sector include:
 - Increasing energy efficiency
 - Improving buildings' thermal envelopes
 - Decarbonizing buildings
- The Global Warming Response Act Report (DEP, October 2020) further reiterates these goals and strategies

Governor's Office for Climate Action and the Green Economy

- Executive Order No. 221, February 16, 2021
- New Jersey Council on the Green Economy established within the Climate Office
 - Office will coordinate the policymaking processes of Executive Branch departments and agencies with respect to all climate change and green economy issues
 - State entities include Departments of Education, Environmental Protection, Labor, and Treasury; Board of Public Utilities; Economic Development Authority; Higher Education; Division of Consumer Affairs; Division of Rate Counsel
 - Focus on green job opportunities and a just transition to a green economy

State Mandate: Clean Energy Act 2018

Electric:

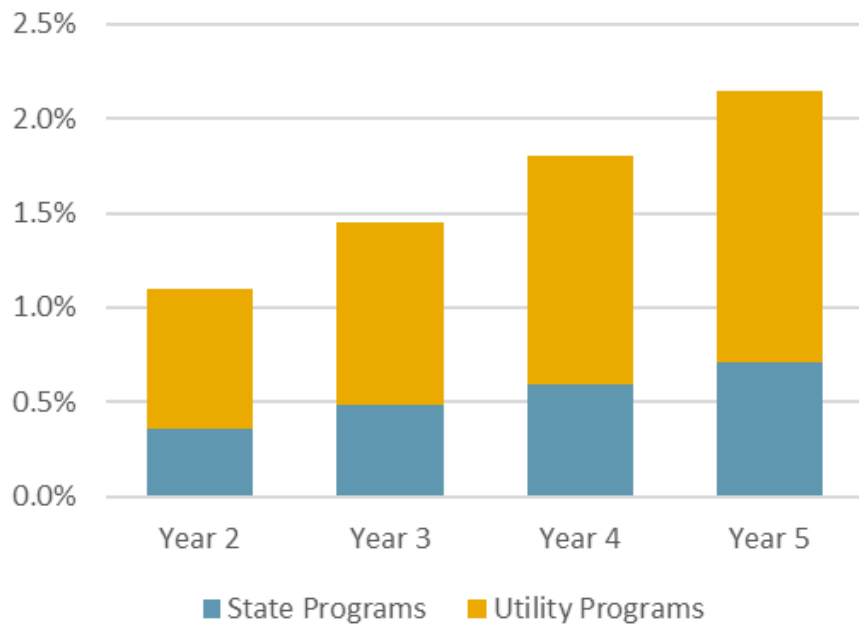
Must achieve at least **2% average annual energy reductions** (based on the past three years) achieved in the next 5 years

Gas:

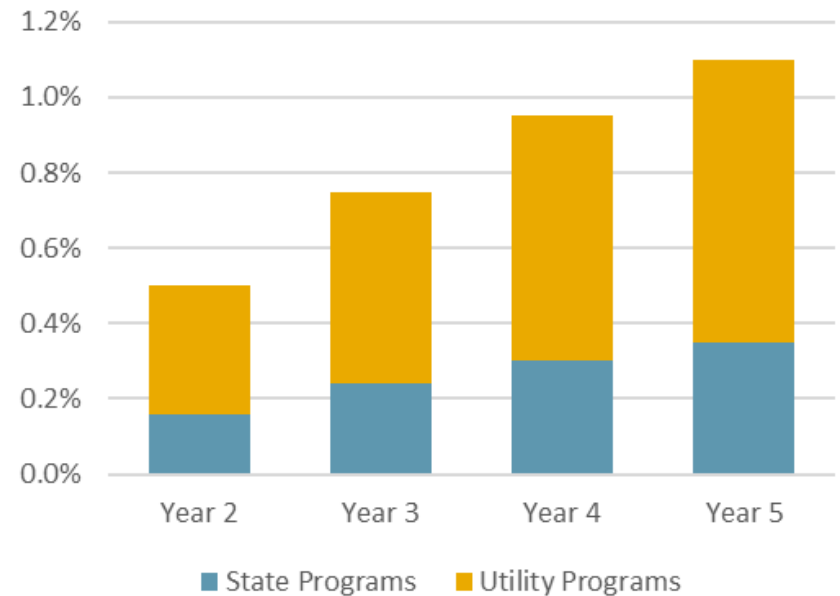
Must achieve at least **0.75% annual energy reductions** (based on the past three years) achieved in the next 5 years

Clean Energy Act 2018 EE Goals

Electric Annual Energy Savings



Gas Annual Energy Savings



Note: Targets for Years 4 and 5 are preliminary and will be revisited for the next Triennial

Stakeholder Input



A series of public stakeholder meetings and workshops with comment submissions took place between February 1, 2019 and May 15, 2020.



The BPU reviewed and considered all stakeholder comments received throughout this process and used stakeholder input to develop and modify recommendations

Post-Transition Energy Efficiency Programs



Program areas staying with NJCEP:

- **New Construction (residential, commercial, industrial, government)**
- **Large Energy Users**
- **Combined Heat & Power & Fuel Cells**
- **Local Government Energy Audits**
- **Energy Savings Improvement Program**

Post-Transition Energy Efficiency Programs



Program areas to be served by the Utilities:

- Existing Buildings (residential, commercial, industrial, government)
- Efficient Products
 - HVAC
 - Appliance Rebates
 - Appliance Recycling

Proposed New Programs & Features:

- Dedicated multi-family program
- More financing options
- Quick home energy check-ups

Post-Transition Energy Efficiency Programs



Rockland Electric Company



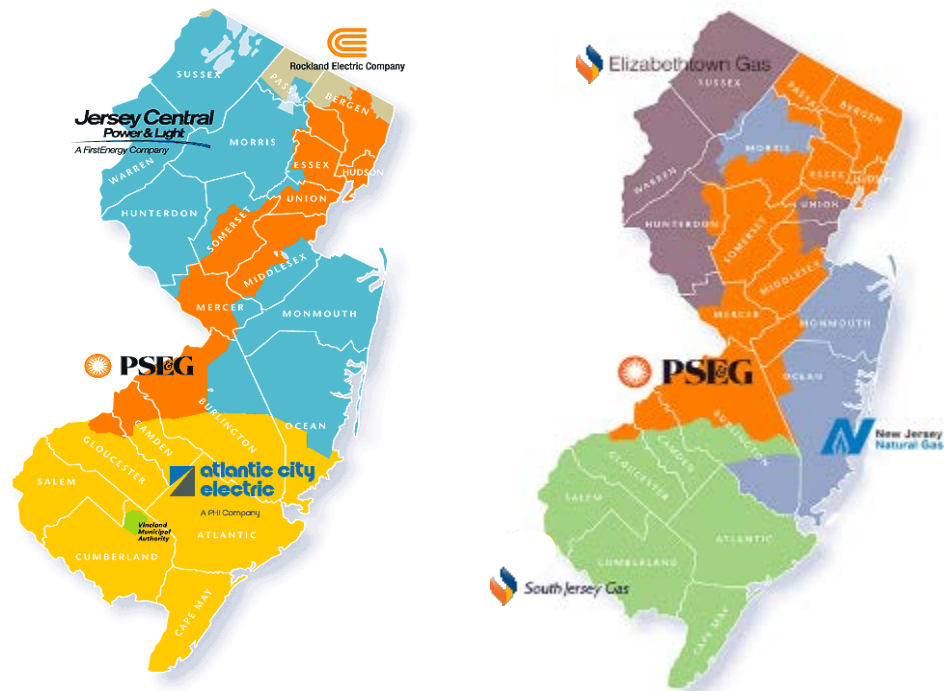
**Will continue to be Co-Managed by the
Utilities and the BPU**



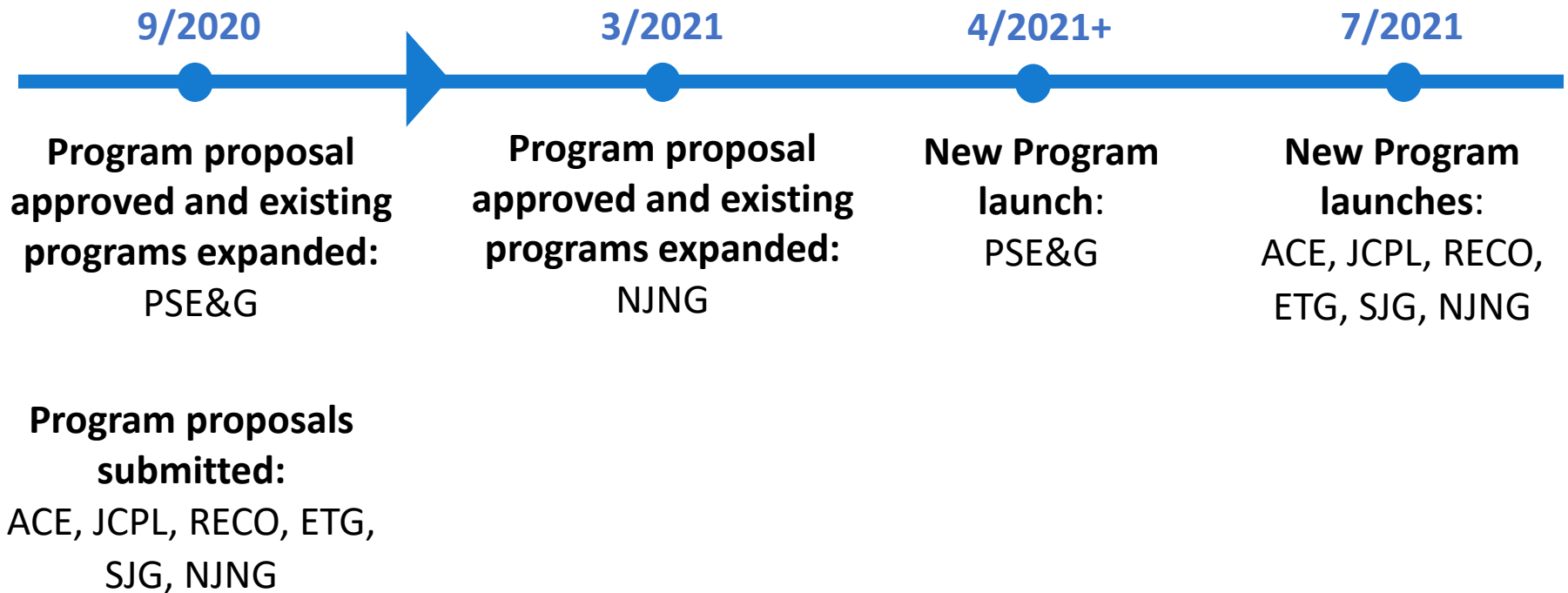
Projects with overlapping gas and utility providers

The utility program designs will have a consistent delivery of programs that allocate costs and energy savings appropriately based on the fuel type(s) treated by EE measures.

This approach will simplify customer participation.



Estimated Transition Timeline:



Visit our transition website:

www.NJCleanEnergy.com/TRANSITION

FAQs will be
updated regularly

Visit our transition website:

www.NJCleanEnergy.com/TRANSITION

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HOME RESIDENTIAL COMMERCIAL, INDUSTRIAL, LOCAL GOV & MULTIFAMILY RENEWABLE ENERGY

NEW JERSEY'S CLEAN ENERGY PROGRAM

- BOARD OF PUBLIC UTILITIES
- REBATES AND PROMOTIONS
- NJCEP POLICY UPDATES & REQUEST FOR COMMENTS
- CALENDAR
- CLEAN ENERGY STAKEHOLDER GROUPS
- GRANTS & SOLICITATIONS
- TRAINING RESOURCES
- PRESS ROOM
- PUBLIC REPORTS AND LIBRARY
- CONTACT US

New Jersey's Energy Efficiency Program Transition

Transición del Programa de Eficiencia Energética de Nueva Jersey

In 2018, Governor Murphy signed into law the landmark legislation known as the **Clean Energy Act**. The law called for a significant overhaul of New Jersey's clean energy systems by building sustainable infrastructure in order to fight climate change and reduce carbon emissions, which will in turn create well-paying local jobs, grow the state's economy, and improve public health while ensuring a cleaner environment for current and future residents.

As part of this statewide undertaking, the **Clean Energy Act** required New Jersey's investor-owned gas and electric utility companies to reduce their customers' use of gas and electricity by set percentages over time. To help reach these targets, the New Jersey Board of Public Utilities approved a comprehensive suite of efficiency programs that would transition the state to some of the highest energy savings in the country.

These "next generation" energy efficiency programs feature new ways of managing and delivering programs historically administered by New Jersey's Clean Energy Program™ (NJCEP). While NJCEP will continue to offer some energy efficiency programs, all of the investor-owned gas and electric utility companies will now also offer complementary energy efficiency programs directly to their customers, as shown below.

Please visit this site regularly, browse the below Frequently Asked Questions (FAQs), and join our [Energy Efficiency Listserv](#) for additional details and the latest information.

Program Updates

- FY21 Notice of Elimination of Enhanced Incentives for Prescriptive Lighting
- FY21 Commercial & Industrial

FREQUENTLY ASKED QUESTIONS

Why will some energy efficiency programs now be managed by the utility companies?

The transition of the administration of certain energy efficiency programs from NJCEP to the utilities is in accordance with the mandates from the Clean Energy Act of 2018. These new programs will allow the utilities to work directly with customers to achieve energy savings. The Board considered the following in establishing this transition:

- Programs that rely heavily on contractors' use will be handled at the utility level, where the utility companies can build strong relationships and lead co-branded advertising and marketing efforts.
- Utilities will handle programs that rely on customer data or advanced metering infrastructure (AMI) to streamline customer data access layers and minimize the sharing of data to protect customer privacy.
 - Utilities are well-suited to deliver certain energy efficiency programs, such as those that are based on existing customer relationships and that rely on utility data and systems.
 - Certain programs are best delivered on a consistent statewide basis, whereas others may still be effective when modified for each utility territory.
 - Utility administration works best for programs that can leverage utilities' knowledge of energy consumption, customer demographics, workforce infrastructure, and existing customer relationships within their service territories. Utility access – and increased customer access – to energy use data enables the design of more personalized services and programs, targeted outreach, and individualized solutions for customers.
- Utilities can offer flexible financing options such as on-bill repayment.
- Customers may have more "brand awareness" and direct communication with their utility, facilitating the broader adoption of energy efficiency measures.

Which energy efficiency programs will continue to be administered by NJCEP, and which will be administered by the utilities?

NJCEP will continue to administer the new construction programs for commercial and industrial (C&I), residential, and government customers. NJCEP will also continue offering the Residential New Construction, Large Energy Users, Combined Heat & Power & Fuel Cells, and Solar & Community Solar Programs, as well as the Local Government Energy Audit Program, the Energy Savings Improvement Program financing program, and energy efficiency opportunities for state

Program areas staying with NJCEP:

- New Construction (residential, commercial, industrial,

Questions?



WORKING GROUPS INTRODUCTION



Working Groups



The following Working Groups were identified in the June 10, 2020 Board Order to refine the programs through the transition:

- **Workforce Development Working Group**
- **Equity Working Group** (Comfort Partners Subcommittee and Multifamily Subcommittee)
- **Evaluation, Measurement, and Verification Working Group** (Energy Codes and Standards Subcommittee)
- **Marketing Working Group**

Workforce Development Working Group



- Develop recommendations for establishing coordinated and collaborative workforce development and job training pathways statewide
- Focus on providing economic opportunities for underrepresented and socially or economically disadvantaged individuals



Equity Working Group



- Develop recommendations to integrate equity metrics and approaches in energy efficiency and peak demand reduction programs
- Collaborate with Supplier Diversity Development Council to encourage supplier diversity
- Encourage contractor coaching/mentoring of diverse enterprises

Comfort Partners Subcommittee: Oversee Comfort Partners Program and utilities' day-to-day operations

Multifamily Subcommittee: Design and manage delivery of multifamily sector with goals of equitable access and adequate program support

Evaluation, Measurement, & Verification Working Group



- Provide guidance and input on the planning and monitoring of EM&V plans (including activities, methodologies, budgets, priorities), policies, procedures, guidelines, requirements for program administrators (including data to be tracked and reported, such as GHG emissions reductions, BTU savings, local worker job-hours, supplier diversity), methods to account for strategic electrification, and schedules.
- Provide recommendations on development of a standard, transparent, and replicable approach for EM&V across the state, according to which the State and utilities will be held to the same accountability standards such as the frequency and transparency of reporting and vendor procurement requirements.
- Share associated data, track best practices from other jurisdictions, emerging EM&V approaches and facilitate the necessary stakeholder processes related to the State's EM&V policies.

Marketing Working Group



- Promote the programs, overall state brand (utilized by all program administrators), and the larger benefits of participation in EE and PDR programs. Engage in a collaborative effort in branding, messaging, and promotion of all utility- and State-led programs, including in the provision of program materials in Spanish and languages other than English. Staff shall leverage State resources to promote general awareness of EE and other clean energy opportunities in NJ while the utilities shall market specific programs and initiatives to customers in a more targeted fashion

Working Groups: Short-term



Working Groups Structure:

- Working meetings every 1 – 2 weeks
- Agendas, minutes, clear action items

Activities:

- Develop recommendations
 - 1st Triennial (July 2021- June 2024)
 - Longer term recommendations
- Report at monthly EE committee meetings
- Deliver recommendations to the BPU

Questions?





Current Program Updates:

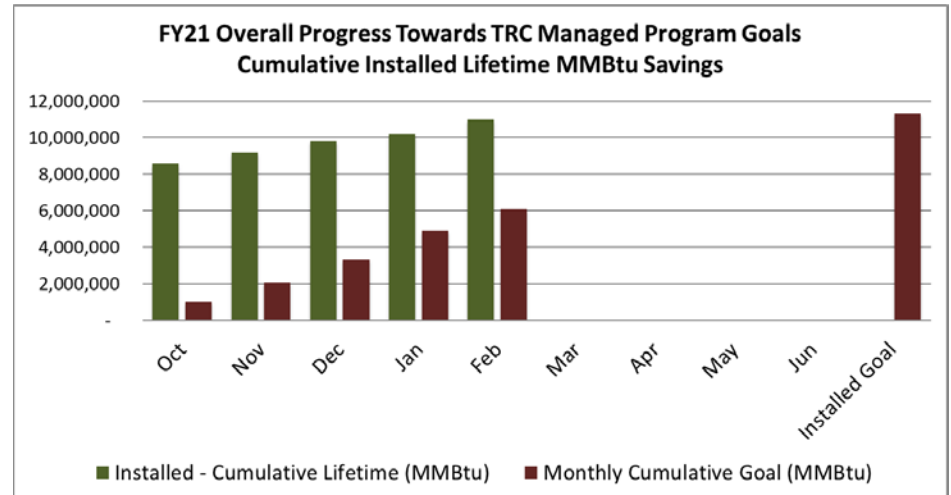
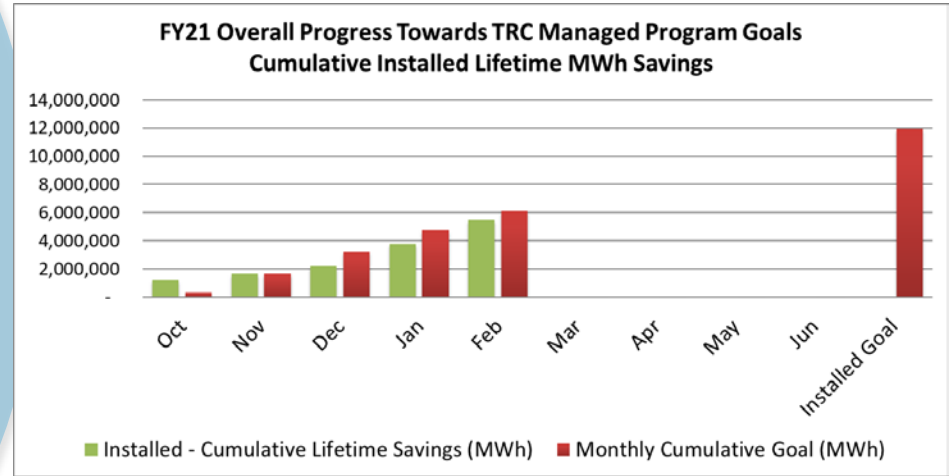
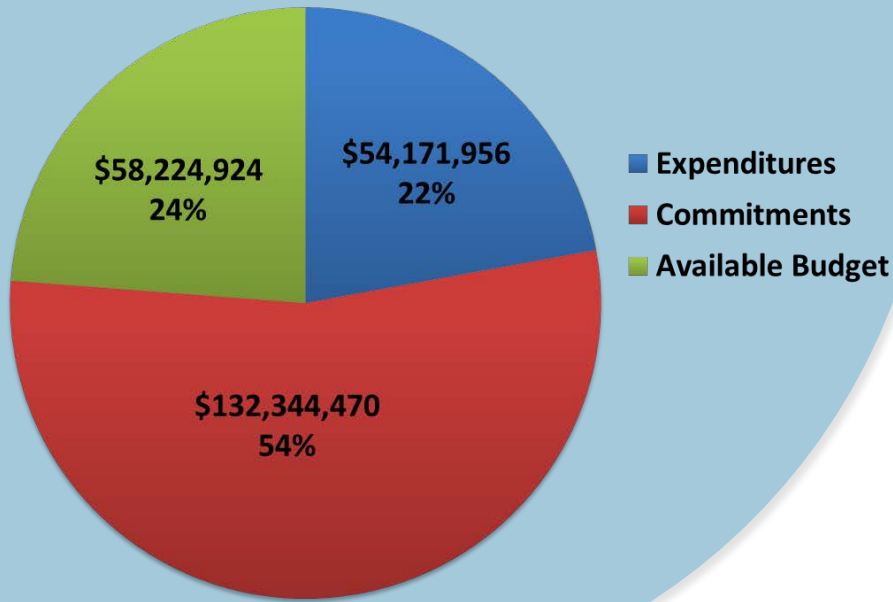
Progress to Goals (PTG) Report
as of February 2021 – FY21

Note (1): The results presented here are preliminary and are subject to change

Note (2): Due to COVID-related health and safety restrictions, some programs have experienced a decline in participation or project completions

Overall Progress Towards TRC Managed Program Goals

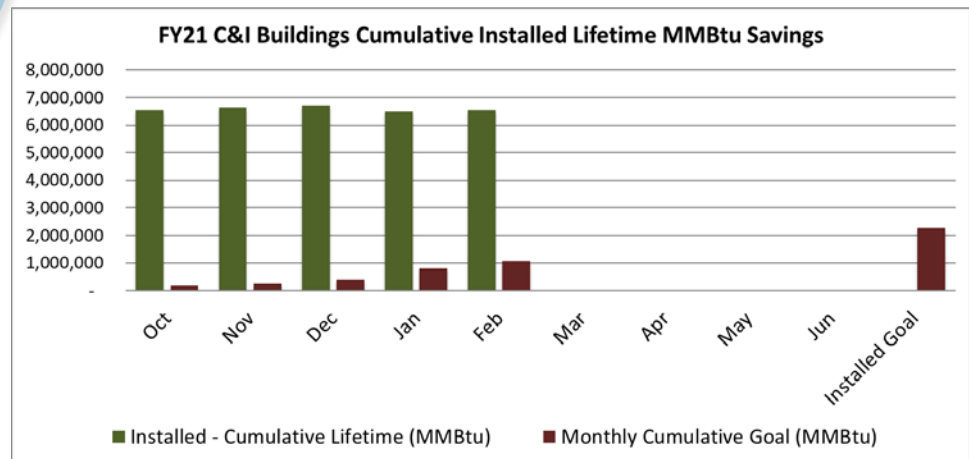
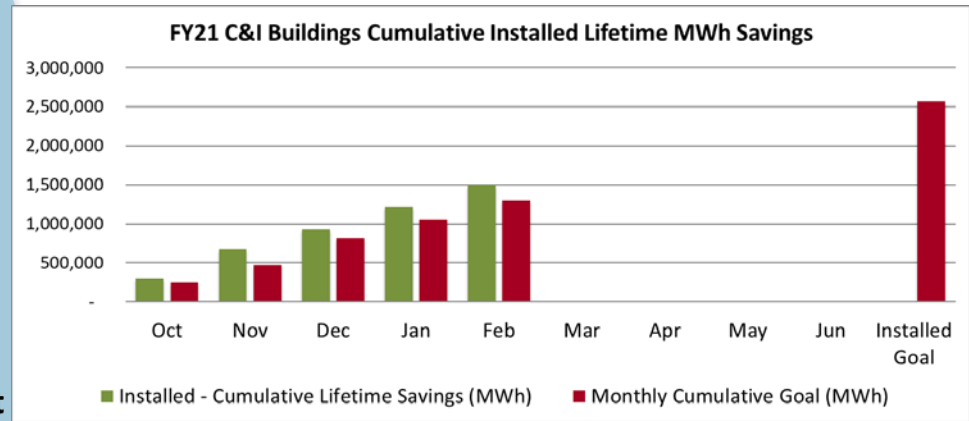
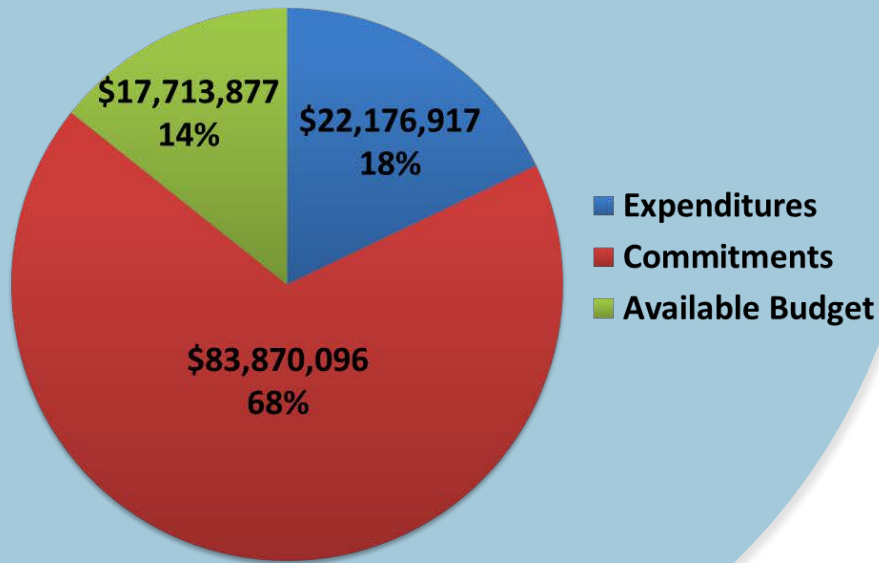
FY21 Overall TRC Managed Programs
Incentive Budget: **\$244,741,350**



Commercial & Industrial Buildings

NJCleanEnergy.com

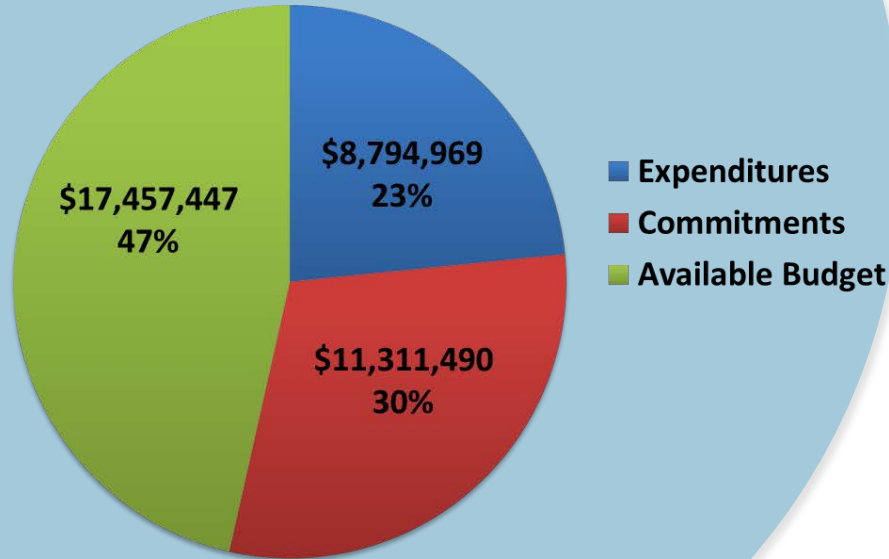
FY21 Incentive Budget: \$123,760,890



Direct Install

NJCleanEnergy.com

FY21 Incentive Budget: **\$37,563,906**

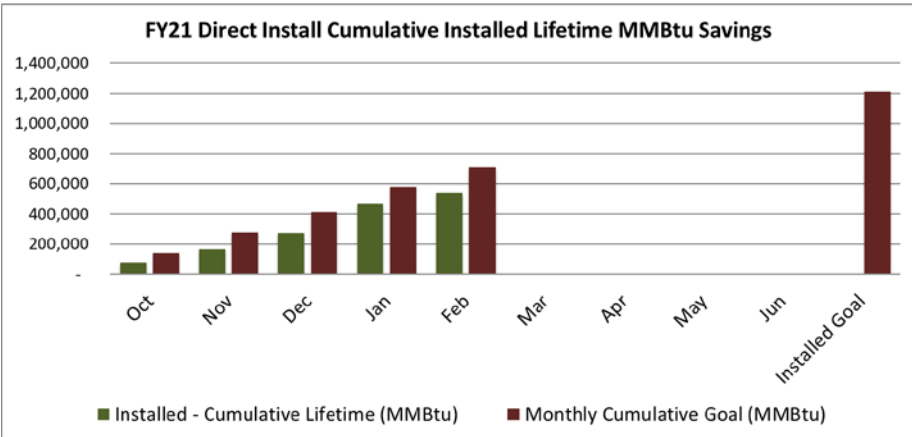
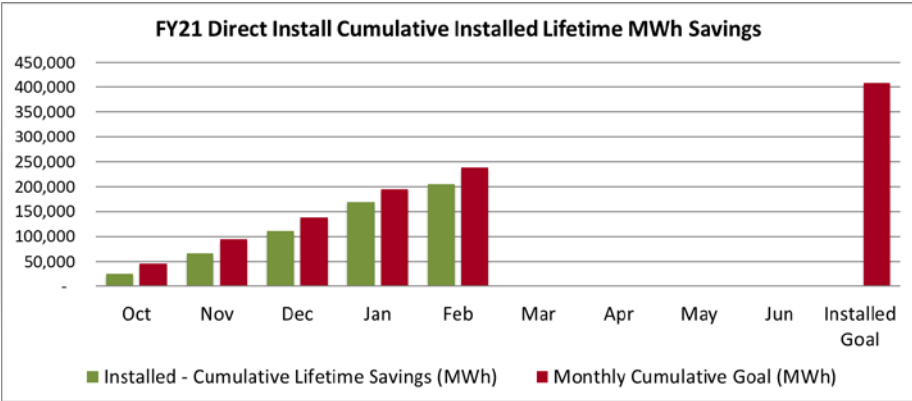


Program Highlights

- Received 22 applications (166 YTD)
- Paid 37 applications (239 YTD)

State Energy Funding (SEP) Funding available:

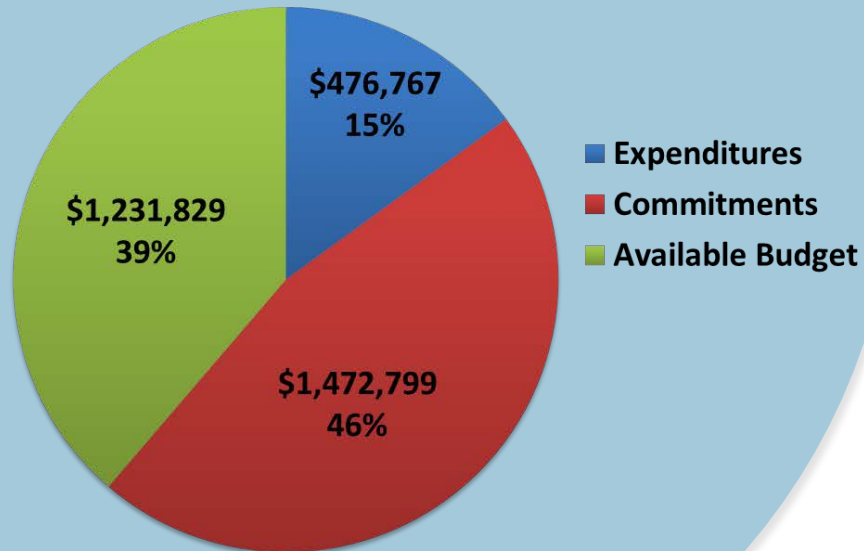
- \$ 65,853.53 (70.96 % committed)



Local Government Energy Audit (LGEA)

NJCleanEnergy.com

FY21 Incentive Budget: \$3,181,395



Program Highlights

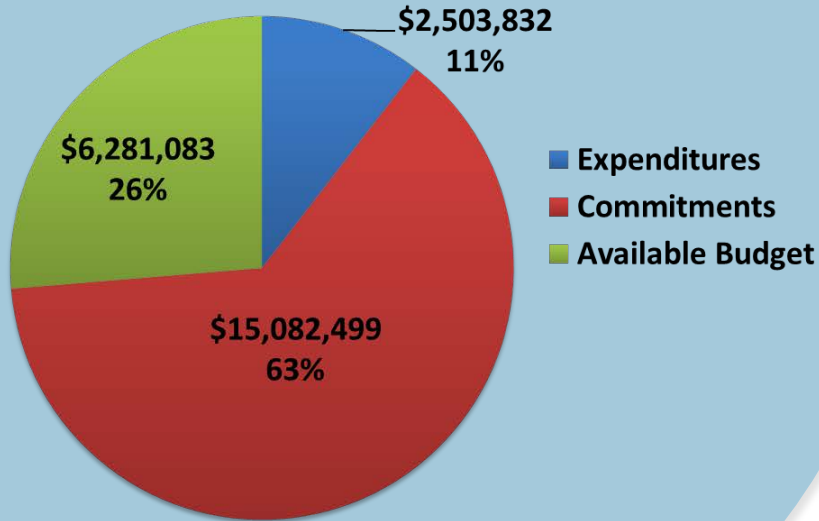
- Received 12 applications (105 YTD)
- Approved 57 applications (179 YTD)
- Audited approximately 1,307,801 square feet
- Held 0 Exit Meetings for 0 sites*
- Delivered Final Audit reports on 0 sites (0 entities)*

* several large audits are underway, exit meetings and report delivery are expected in April

Distributed Energy Resources

NJCleanEnergy.com

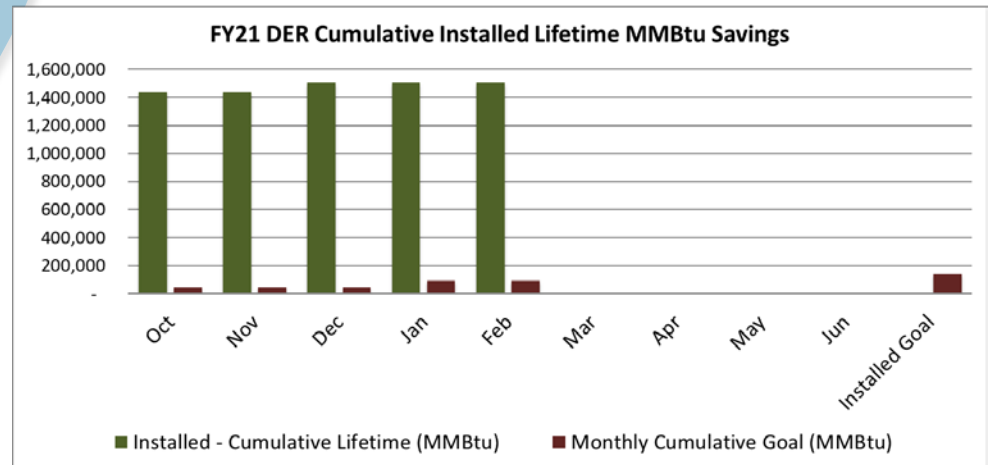
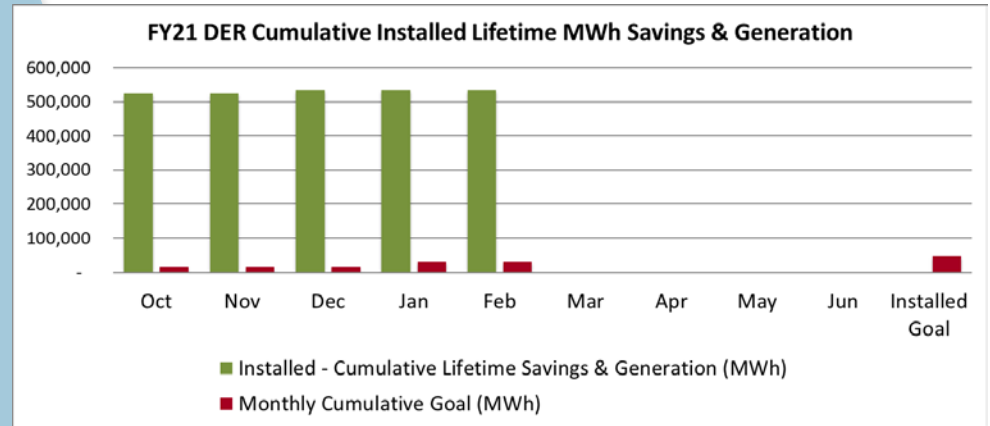
FY21 Incentive Budget: **\$23,867,414**



Program Highlights

Combined Heat & Power (includes Fuel Cells)

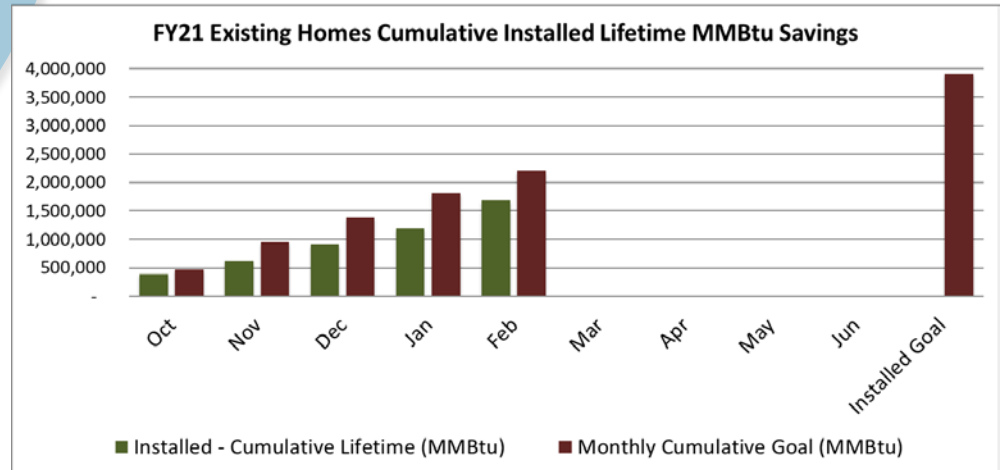
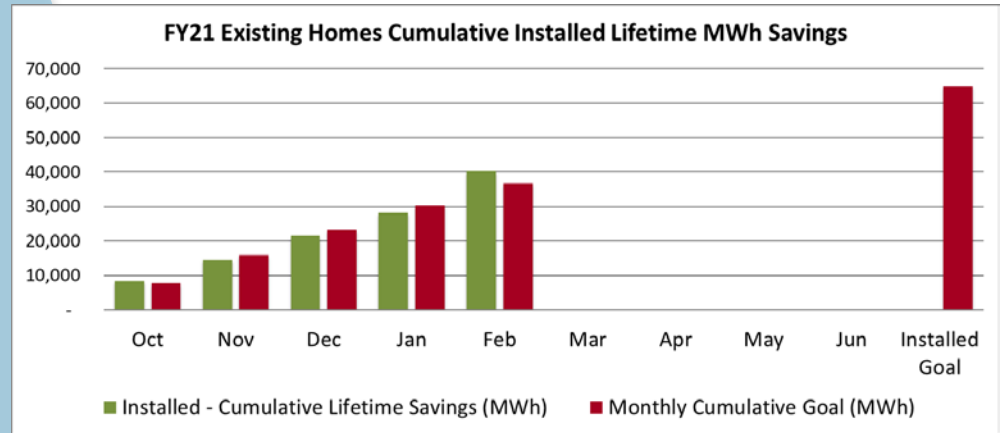
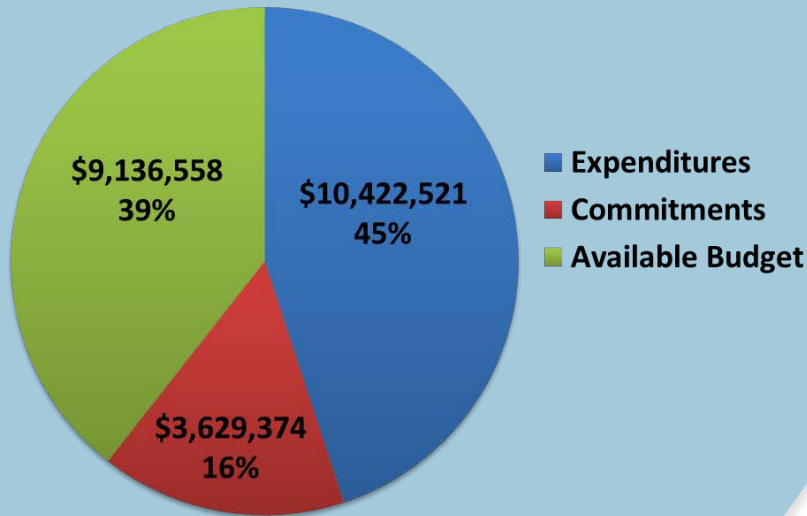
- Received 1 application (2 YTD)
- Approved 0 applications (1 YTD)
- Completed 0 installations (4 YTD)



Residential Existing Homes

NJCleanEnergy.com

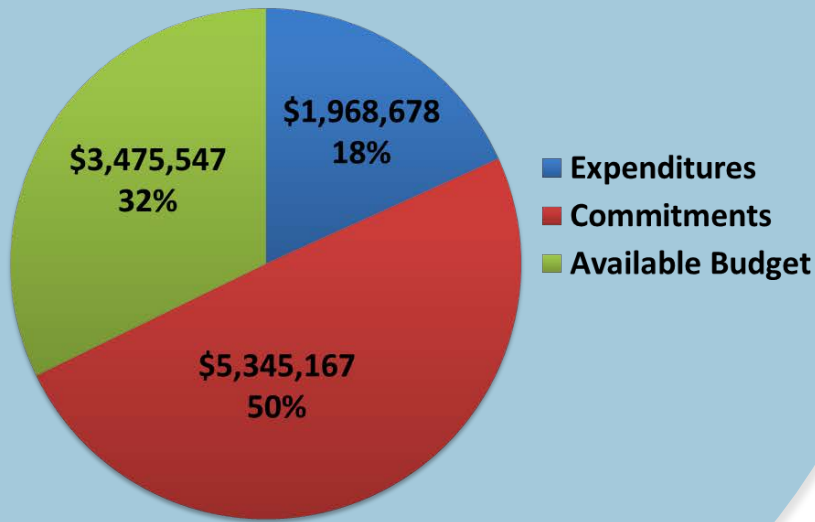
FY21 Incentive Budget: **\$23,188,453**



Residential New Construction

NJCleanEnergy.com

FY21 Incentive Budget: **\$10,789,391**

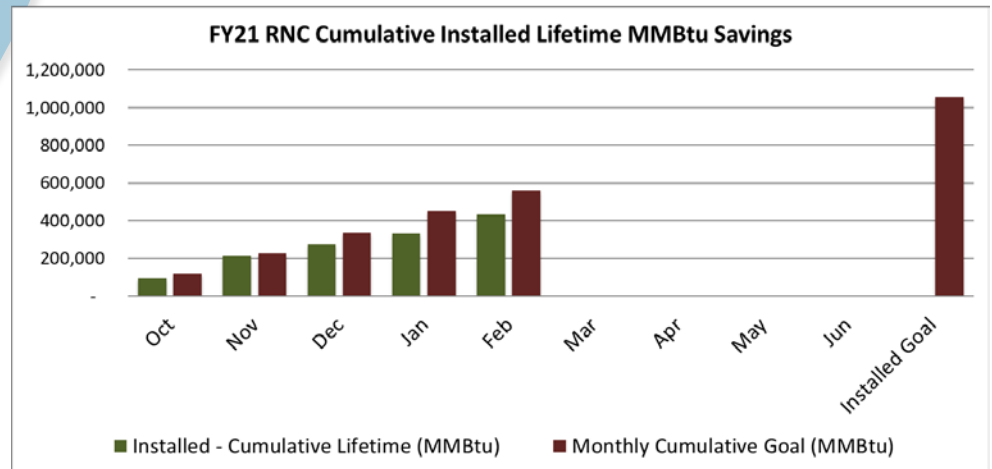
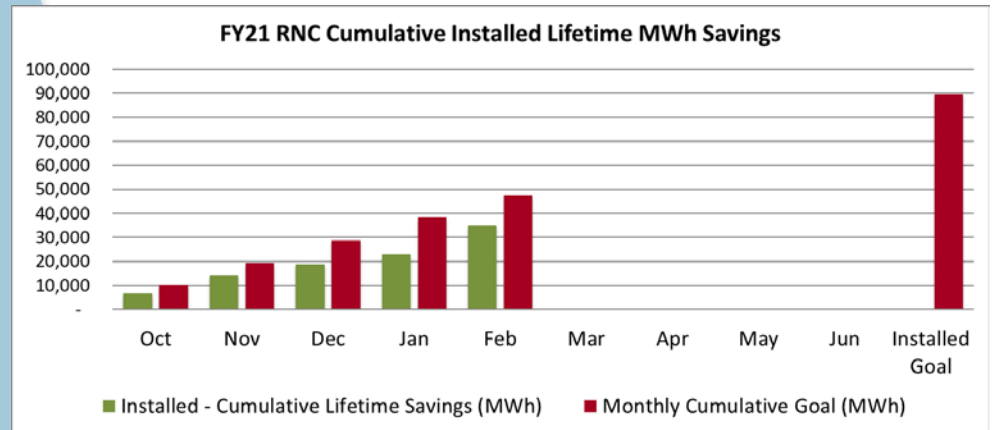


Program Highlights

- Received 308 enrollments (1,151 YTD)
- Completed 442 projects (1,290 YTD)

Contractor Cooperative Marketing Incentives:

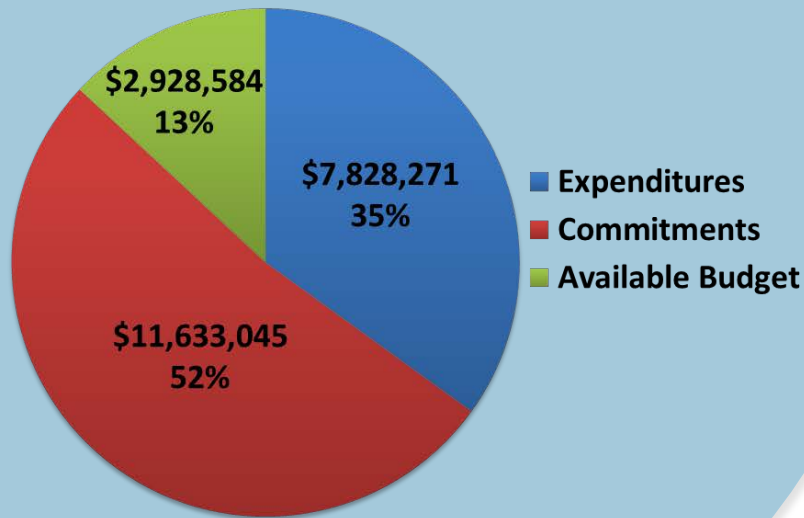
- RNC: \$ 1,350.00



Energy Efficiency Products

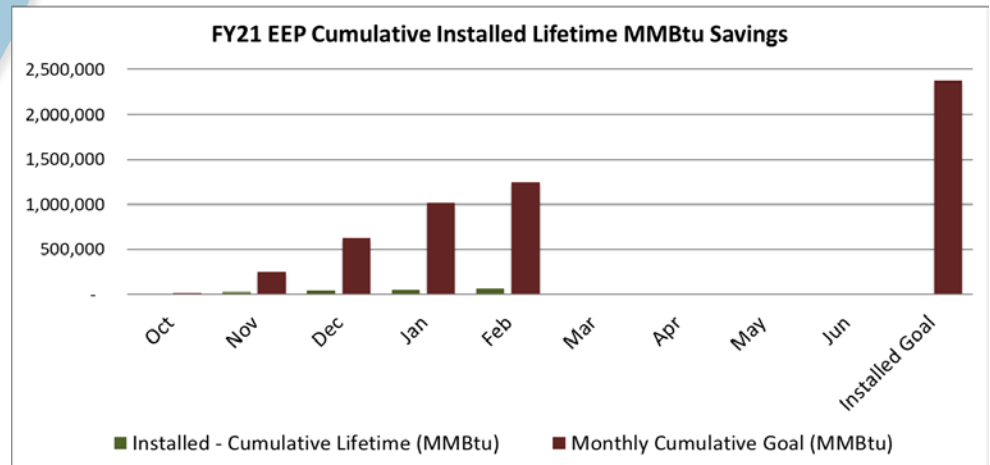
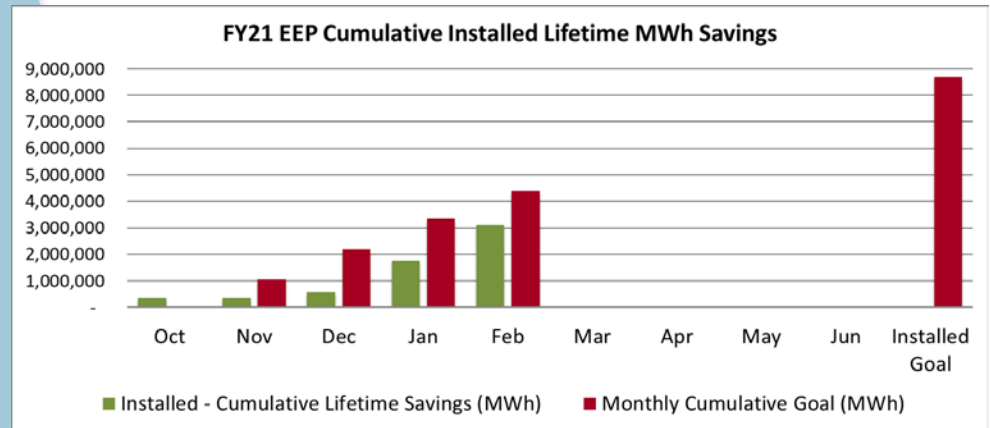
NJCleanEnergy.com

FY21 Incentive Budget: **\$22,389,901**



Program Highlights

- Appliance Rebates: 10,157 Completed
- Appliance Recycling: Collected 887 Units
- 1,187 retailer store visits were conducted in February



Enhanced Incentives

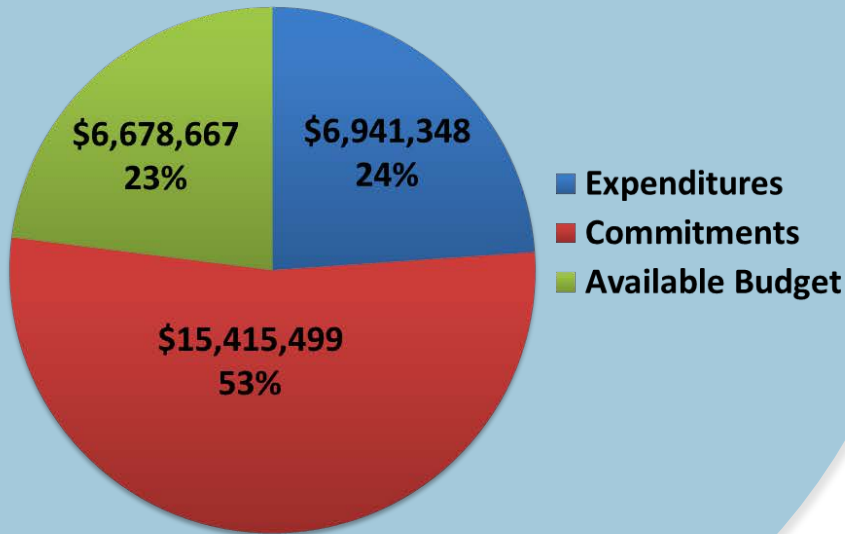
NJCleanEnergy.com

- Provided more than \$25 million in enhanced incentives through January 2021
- Eliminated enhanced incentives for C&I prescriptive lighting projects in February
- Enhanced incentives remain available for Residential and Comprehensive C&I programs

Comfort Partners

NJCleanEnergy.com

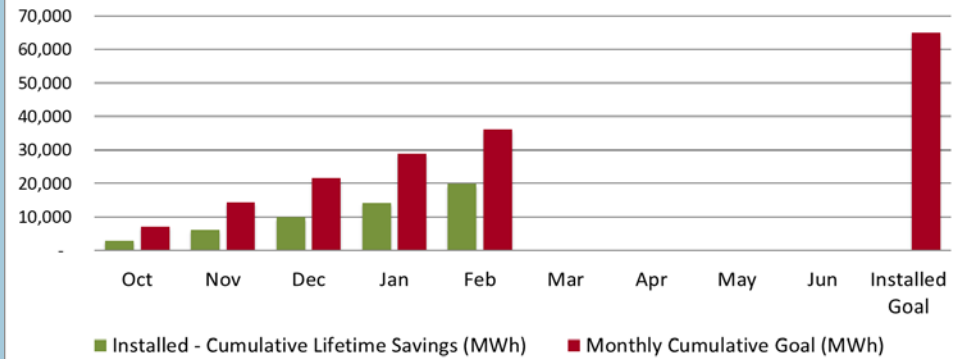
FY21 Incentive Budget: **\$29,035,514**



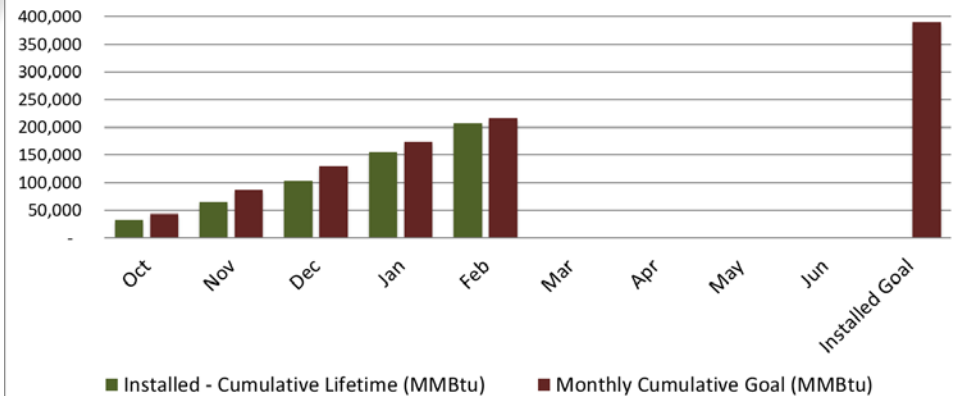
Program Highlights

- Completed 350 Projects (1,546 YTD)

FY21 Comfort Partners Cumulative Installed Lifetime MWh Savings



FY21 Comfort Partners Cumulative Installed Lifetime MMBtu Savings



Questions?



Fiscal Year 2022 Planning



Fiscal Year 2022 Planning

- Preparing Compliance Filing and Budget for FY 22
- Will follow traditional public comment and Board Approval Process – May/June
- Budget will address:
 - FY 21 carry over commitments
 - Funding for new applications for equipment/products purchased prior to June 30, 2021 (for programs transitioning to utilities)
 - Full FY funding for programs remaining with BPU
 - Outreach support

Questions?



General Q&A



Items of Interest



Next Meetings



Energy Efficiency Committee Meetings

March 31, 2021

April 28, 2021

May 26, 2021

June 30, 2021

July 28, 2021

August 25, 2021

September 29, 2021

October 27, 2021

November 17, 2021

December 22, 2021

More Information

VISIT

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THANK YOU

