

New Jersey's Clean Energy Program
Energy Efficiency Committee Meeting, BPU, Trenton
Wednesday, April 18, 2012 - Hosted by Honeywell

Program Coordinator and Regulatory Updates

Presenters: Mike Winka (BPU) and Mike Ambrosio (AEG).

1. Mike Winka (BPU) - The 2013-16 Comprehensive Resource Analysis (CRA) for the energy efficiency and renewable energy funding levels will probably happen as a Straw Proposal in two parts. Staff should be able to talk more about it at the next meeting. Part of the process is wrapped up with the Program Administrator RFP - the sooner the RFP gets out the sooner they will be able to talk more in detail. There is an October Order that set out initial questions and provided for a schedule for hearings. Typically in that process Staff will issue a Straw Proposal for rate impact analysis and other evaluations. Staff is currently involved in a market potential study with Rutgers who awarded two contracts and held kick off meetings with Navigant (renewable energy market potential) and Enernoc (energy efficiency potential). The draft reports will likely be issued sometime in May/June with a public comment period and the final draft likely in August. Staff is in the middle of finalizing the look back on the cost benefit analysis. There was a meeting with Rutgers last week and Mona reported there is a little more work to be done. Mike Winka added that then there will be a larger discussion with the Utilities and then the public. This will then get incorporated into the CRA going forward.
2. Updates on Board Orders and Regulatory Issues – Mike Winka - At last agenda meeting the Board approved the Sustainability Jersey contract conditions. The budget was approved last December.
 - a. Tony O'Donnell (Sustainability Jersey)(SJ) –SJ is in the process of writing a stand alone action for Direct Install to be rolled out in the next few months, based on a successful Montclair pilot. Montclair worked with Lime Energy who paid for a mailing to 300 businesses. About 30 responded and about half of that entered into the program. SJ believes they can model a more formal pilot program to replicate this success. One unique feature was that Montclair communicated on what they (the municipality) did in the Energy Efficiency Conservation Block Grant (EECBG); basically saying 'this is what we got from the BPU in the ARRA funds and here is our results from that'. The state is now wrapping up those funds as of the end of April or so. On EECBG side that is all the money that went to the municipalities. They got a \$20k rebate that matched up with the Direct Install program. It was just phenomenal in terms of what TRC did in that short amount of time. Montclair then took this and put in on their letterhead and showed what they did and how good it was and sent that out to Montclair businesses. Linda Wetzel (AEG) has been working on the municipality report/Looks like about \$15M spent and the municipality savings is around \$90M. Tony added that Montclair has a lot of smaller businesses and even ones that responded that they were interested, but did not follow through, most did express that although not interested now they would be in the future. Having the communication go out on the municipality letterhead, saying this is a good program, has brought attention to the program to a lot that said they never heard about the program. There is value coming from the Municipality, a trusted source for information.
 - b. Large Scale CHP Program – Mike Winka said the Board approved the acceptance and release of the solicitation. The first round will include a \$20M solicitation.
 - c. The Fisherman's Off Shore Wind project has been extended. On Agenda for tomorrow - There was a notice that went out for the special Agenda meeting for the Requisition for Approval for the RFP for NJCEP Program Administrator.
3. SEP Plan (Mike Winka) – The goal right now is the extension of current SEP for Non – IOU's and other fuels so they can take part in the NJCEP. Proposed and if Board approves, then it goes to the DOE for their approval. Mona added that this would be for funding for July 2012 to June 2013. Mike added that it would be a new funding year, but there will be some carry over. It will be a mirror of the current programs.
4. 2012 Program changes for discussion are scheduled for the May 23rd Agenda. At this time they would normally do a True Up Order which would take the actual expenditures and the carry over to a True Up and allocate additional funds to programs. However, because of the state appropriations budget process which is ongoing and the Governor draft budget which has \$210M lapsing to the general fund from the clean energy fund and \$42.5M of additional funds lapsing to the general fund for energy purposes, that True Up will not be finalized until the legislature votes on the state appropriations act and the Governor signs that into law (Note: It would be presumptuous of us to true up the budget at this point in time). What they are doing right now is clean up/issues/program changes which will be discussed later.

5. Smart Growth (Mike Winka) – They are still waiting for a plan to be adopted and finalized. Then each state agency submits their plan in terms of the economic growth. Then we can proceed with what we proposed back in November. Those changes were to eliminate the distinction between SG and non-SG areas in terms of the rebate for new construction. On hold for now.
6. Anne Marie Perracchio (NJNG) asked if Mike Winka could comment on the SBC Law– Mike said that based on some of the comments that came back there were a couple of more legal questions that they have not yet formally answered.
7. EE Compliance Filing Changes (Dave Wolk, Honeywell) – Number of minor changes. Noted:
 - A reference under the New Construction program that referenced IECF 2006 that was a typo and should have noted 2009.
 - Historically they always have included a phrase that stated ENERGY STAR® HVAC equipment that was accidentally deleted that needs to be entered back in.
 - Clarified the Multifamily eligibility under the EPA Multifamily New Construction Program decision tree language to make it a little clearer.
 - Energy Savings Summary in Appendix C - Several changes, such as changes in calculation references as well as a unit of measure error in the calculations so there is a slight change in gas savings value.
8. C/I Compliance Filing Changes (Brian DeLuca, TRC) – There were some clean up items such as errors and typos for SmartStart additions. They added a School lighting initiative which will allow schools that have less than 150kw a complete 100% paid for removal of T12 fixtures and putting in energy efficient lighting. This is not a new program, but more of an enhancement to SmartStart, Direct Install and Pay for Performance. Still working out the details and should have it lined up for comment in next couple of weeks. The Multifamily financing and Retro commissioning Pilots have been suspended for 2012. The CHP Fuel Cell Program will have a cap, which as of right now there is not one.
 - a. Someone asked for a little detail on the suspension of the Multifamily Financing Program. Mona Mosser (BPU) stated it is due to the issuance of the RFP for the Program Administrator. Treasury did not want to entertain any contract modifications to the existing contracts at this time.
9. Dave Wolk (Honeywell) – Added that the changes that were just referenced were circulated March 22nd to the public for response request by April 12th for comment.
10. Sandy Zeglarski (EDA) – EDA is working closely with the BPU on a large scale CHP Fuel Cell solicitation which has now been approved by the Boards of both the EDA and BPU. They are finalizing and anticipate a launch in late April. The solicitation is designed as a competitive process. It will be open to NJ based governments including Federal, State and local, commercial, institutional and industrial entities, including non profits. Geared for large scale projects with installed capacity greater than 1MW. \$20M will be made available in the first solicitation. \$3M will be set aside for fuel cell projects. The full program details are forthcoming in the solicitation and will be posted on the EDA and NJCEP websites. A second solicitation round may be made available later in the year. Anne Marie Peracchio (NJNG) asked if the technical review would be by TRC. Sandy stated there will be an “evaluation committee” that will review projects. Mike Winka added that they do not speak about the Evaluation Committee, but that in general it is comprised of representatives from state agencies. Brian DeLuca (TRC) asked about communication to the public with projects in the works right now to discuss the transition. Mona responded that they will have to address the transition with the Board.

Commercial/Industrial Programs

Presenters: Brian Deluca (TRC) and Valentina Rozanova (TRC) The presentation is split into 2 sections – 1) True up Filing Program Highlights and 2) 2012 Programs and Results to Date. See presentations for details.

- a. Mike Ambrosio asked about feedback with regards to the Large Energy User Pilot Program. Brian DeLuca responded they have not received information on the reasons at this time. He believes they are just testing waters before the 2nd enrollment. Mike responded that he has suspicions that they are watching to see what program they can benefit more from. He requested that TRC actually reach out and get some actual feedback. Mike Winka added to specifically ask the ones that participated last year that did not this year.
- b. SEP Non-IOU's – Valentina reported that the applications are still coming in. Mike Winka added that any rebate over \$300K has to go to the Board for review first. Mona added that these payments are now being processed by Treasury.
- c. Mike Ambrosio asked if they were still finishing up on ARRA? How are the contractors doing on the non ARRA jobs? Diane Zukas responded that they are all done with all the ARRA work, both EECBG and SEP which just finished. DI Contractors are selling regular jobs, but less than TRC would like to see. Mona asked if we can send out a communication to the contractors. Mike Winka said that is an item to be discussed.

Residential Programs

Presenters: Dave Wolk (Honeywell) and Janja Lapse (CSG) 2012 proposed budget and plans and 2011 program results – see presentations.

1. Boiler Controls Pilot - Targeting May 1 launch.
2. Large Appliance Recycling - In addition to the numbers on the presentation there is an additional ~2,000 picked up not on this report as they are waiting for the JACO data.
3. RNC – They are currently processing applications manually. They are not in the system yet therefore not on this spreadsheet. The new Program Manager for this program is Yennaira Ortiz. Systems are in final testing now, so we will see these numbers on next month's spreadsheet.
4. Person on the phone asked if anyone could talk about the upstream programs that were presented in the compliance filing; for example Drain Water Heat Recovery. Dave Wolk responded that this would be a direct to customer program that is slated after the Boiler Control Pilot and is currently in the final stages of program design and will be out to OCE shortly.
5. Home Performance Presentation (Janja Lapse) - Tier 2 has been softer than expected; Tier 3 has higher enrollment than expected. Mike Winka said they had a meeting with the Credit Union Association who came back with some points in terms of overall look of the program and what could happen in terms of financing. They will continue that discussion and to evaluate different financing possibilities. The Credit Union Assoc. was pretty receptive to the process and it matches up well with what they do. There was a question if the credit unions were an alternative to the EFS? Mike said, right now it just looks to be another alternative. He says the more alternatives for the program the better. Honeywell is tracking TechniArt and One Change efforts on home performance leads to see what turns into an audit.

EHCC

Jill Sherako (EHCC) – Trainings are going very well. The goal for the year was 480 and they are already over 300. Every time they advertise they can get 10-12 registrations a day. Having a new furnace requirement is helping fuel this as the contractors want to know what the requirements are. Jill thanked NJNG for sharing their idea on these trainings. Their BPI class which was a combination class was filled and more are scheduled.

Utility Updates

1. Bill Holmes (SJG) – No longer accepting applications and finalizing program on April 30th. Tomorrow they start filing and meeting with Staff and Rate Counsel.
2. Anne Marie Perracchio (NJNG) – Started their Save Energy Save Money Promotion and this year's promotion is a little more fun with an energy efficiency matching game and prizes. Because of the prizes people keep coming back and they are referring people to do it for referral prizes as well, Already had 850 people playing as of this morning and the referral part has not even come into play yet. NJNG has a lot of outreach events coming up. Susan Ellman (NJNG) added that the Save Green Program is tracking as expected. Auditors are still doing about 3 to 4 audits a day with over 500 completed. On Bill participants with over 900 apps. Trainings are still going on. They had a meeting for bridging the gap to get seal up contractors and non BPI contractors to drive Tier 2. The contractors walked away with good leads. Anne Marie added that they signed an agreement with senior citizens group based out of the Monmouth mall and they have their own TV studio and they are going to do a Home Performance audit for one of the shows.
3. Mark Vogel (Elizabethtown) – Board approved on the stipulation. They will no longer be doing energy audits but will be offering cost cutter kits.

Other Business, Next Meeting - May 8th at BPU in Trenton

Attendees

Name	Company	In Person	By Phone
Ambrosio, Mike	AEG	x	
Barnett, Wayne	Constellation Energy		x

Bourbakis, Chris	Constellation Energy		x
Bowen, Mark	Franklin Energy	x	
Carpenter, Joseph	NJ DEP	x	
Chaplin, Dawn	Honeywell	x	
DeLuca, Brian	TRC	x	
Dempsey, Peter	South Jersey Energy Service Plus	x	
Dolan, Brian	Intellidyne	x	
Donohue, John	On behalf of Fuel Merchants Assoc	x	
Dubos, Tom	EnergySavvy		x
Ellman, Susan	NJNG	x	
Fisk, Andrew	CSG		x
Flynn, Don	Nexant, Inc.		x
Foreman, Sheila	One Change		x
Foster, Rebecca	VEIC	x	
Graham, Marianne	ICF working in support of EPA ENERGY STAR ®		x
Haddock, Kyle	EIC, Comfort Home	x	
Hambric, Steve	Opower	x	
Hoff, Kim	CSG	x	
Holmes, Bill	SJG	x	
Jones, Sherri	BPU	x	
Kace, Joshua	CrunchEnergy		x
Kliemish, Roger	TRC		x
Lembo, John	TRC	x	
Lupse, Janja	CSG	x	
Magrann, Mark	MaGrann Assoc.	x	
Makowiecki, Colleen	FirstEnergy Corp.		x
Marx, Rick	EAM Assoc.		x
Menk, Jonathan	Blue Sky Power		x
Mosser, Mona	BPU	x	
Napoleon, Alice	Synapse Energy Economics Representing Rate Counsel		x
O'Brien, Nancy	EFS		x
O'Donnell, Tony	Sustainable Jersey	x	
Ortiz, Yennaira	Honeywell	x	
Perracchio, Anne-Marie	NJNG	x	
Reilly, Frank	TRC	x	
Rozanova, Valentina	TRC	x	
Sutcliffe, S. Lynn	EnergySolve LLC		x
Teng, Elizabeth	BPU	x	
Tobian, Carol	National Resource Management, Inc.		x
Wetzel, Linda	AEG	x	
Winka, Mike	BPU	x	
Wolfe, Sharon	BPU	x	
Zaglarski, Sandy	NJ EDA	x	
Zukas, Diane	TRC		x