

**New Jersey's Clean Energy Program  
Energy Efficiency Committee Meeting  
Tuesday May 10, 2011  
Hosted by Honeywell – CSG, Iselin**

**Introductions**

**Program Coordinator and Regulatory Updates**

Presenters: Mike Winka (BPU)

1. One of the outcomes of the Net Metering stake holder meeting last month was that they will be developing a monthly reporting system to track complaints/issues/comments (general) that are filed with the utilities about interconnection processes.
2. Stakeholder meetings :
  - a. They will be putting together the proceedings for 2013-16 for the June Agenda. This will then start the process of taking in comments and discussing the issues, such as moving some of the programs from a rebate structure to revolving loan programs.
  - b. Also tied into this is also the transition from the current structure of a Program Coordinator (PC) and Market Manager (MM) to another structure.
  - c. Budget processes will be discussed later in Honeywell (HW) and TRC presentations. Budget amount is currently \$379M for the calendar year 2012.
  - d. Need to have discussions about onsite generation. They have been getting petitions on what qualifies and will be looking at the definition of onsite generation and the possibility of changes. Also will be looking at the Net Metering Pilot programs in discussion with the utilities. Will probably also deal with the ACE appeal in terms of their line capacity issues.
    - 1) Bob Kudrick (NJNG) – Asked about onsite generation and if that is regarding renewables or for distribution. Mike Winka answered that the discussion is around solar and providing electricity to someone else and not onsite. Opening discussions to see what everyone thinks about it.
3. Straw Transition – Waiting for the Energy Master Plan (EMP) to come out. That Straw draft will be tied in with the EMP which President Solomon has said is weeks away, not months. The transition is tied into the funding level issues and will set the budgets for the next four years. It also deals with the transition to revolving loans and the assignment to an Energy Efficiency Utility and/or the Program Administrator (PA) structure.
4. Anne Marie Perracchio (NJNG) – Questioned the EMP status. Mike Winka can only say the EMP should be ready in weeks not months.
5. Transition - The current PC and MM structure has a one year waiver on the contract. Moving to issue a new RFP for the new PA position with a transition period built into that RFP structure. All these RFP discussions are happening internally and no discussion is occurring with the current MM or PC.
6. Small Wind – An incident of wind turbine in South Jersey put the program on hold and we are currently in the process of reopening some program elements. Scott Hunter (BPU) clarified that it is for projects with certain turbines only at this time. There is a notice on website. On the front end (opening full program) there continues to be no new commitments until they can develop a proper program response to this issue.
7. Some of the other proceedings to be talked about are the extension of the EDC and SREC contract and of the SREC Registration Program.
8. Board Orders:
  - a. In last agenda the Off Shore Wind RFQ was approved by the Board.
  - b. There is a Meteorological Tower extension rebate for Fisherman and Blue Water. There was a reduction in the Blue Water rebate from \$4M to \$3M.
  - c. There was a notification to DCA about the Comfort Partners WAP program not proceeding. The Board had to approve a notification to the DCA that they were activating the termination clause.

- d. On the Agenda for May 16<sup>th</sup>, is a Back Stop Order for some programs that are being phased out because we are reaching or exceeding some ARRA budgets. To ensure we spend all the Federal money, we will ask the Board to allow overshooting the budget so we can backfill it with NJCEP money if needed and because of the Comfort Partner weatherization 'no go' we are adding to the budget the Comfort Partner \$5M budget. Open for public comment until today.
  - 1) Want to increase the Comfort Partners budget to pre-2011 budget amounts or thereabout.
  - 2) Recommending a transfer of ARRA monies with a potential new solicitation for State Entity Grants.
  - 3) Internally transferring some HFMA monies from the HESP that is not picking up as quickly as they expected.
9. ARRA Audit, Betsy Ackerman (BPU) - Will submit all paperwork by Monday and all of the ARRA programs will be scrutinized by an upper level of DOE. Need a 50% spend rate on all our ARRA programs by June.
10. April 30<sup>th</sup> Agenda had a transfer for the Solar for All Program from 1a to 1b. Staff did not object, but also did not sign. Board's position is that the market is in balance and should defer that capacity into the future if and when we need it. On the Agenda for May 16<sup>th</sup> is an issue in that same Solar for All proceeding, that allows PSE&G to sell some of that energy. This was required because of a third extension of the Meadowlands rebate. This rebate program requires the use of that energy within the Meadowlands district.
11. PSE&G E3 filings – Have had the first discovery conference and have gotten through all the hearings. Going through the second round of discovery and trying to move to settlement from there. Three programs are being extended – (Multi-family, Hospital and Municipal Programs) and the filings are on the website.
12. The 2010 RPS is out for draft. That market will be in balance pretty quickly. This market will be over supplied or in balance going into the next year.
13. Programs that will be out for comments shortly or are already out for comment are: 1) Large Energy User Pilot – getting close to finalizing, 2) Home Performance Summer Promo – will circulate for comments and 3) Fuel cell discussion for CHP. That fuel cell they cannot specifically define as CHP, but looking into other alternatives and what the statute allows them to provide incentives for in terms of fuel cells.
  - a. David Brooks asked a question about the Fuel Cell program – Mike Winka said that there is a Fuel Cell CHP program now. What the Mid Atlantic CHP group said was that based on their presentation of Bloomenergy it was not defined as CHP and they would be hard pressed to make that defined for CHP. So they are looking at other alternatives. The statute says the Board can provide incentives for fuel cells. Need to get with the attorneys for their input and circulate for comments.
14. Contract extension for AEG and the Local Government Energy Audit will be on the Agenda for June 15<sup>th</sup>. Contracts have been approved by Treasury.

## **Utility Updates**

1. **New Jersey Natural Gas**, Bob Kudrick - 8,200 rebates and audits since the start, and on pace for about 50% more this year than last year. Expect to get to 11k-12k. They are hosting a Home Performance training on how to sell the program and with about 65 contactors attending. Activity was down in February, but has since jumped up a little. They hired additional contractors to do more audits and those contractors completed ~700 audits. Home Performance On-Bill Refinancing is seeing about an 18% rejection rate due to unpaid gas utility bills. Anne Marie Perracchio – There is a lot going on through the CIP that is moving right now and is with the shareholder dollars that are funding those things such as energy efficiency outreach, the Prize program and big outreach events coming up. Training with Eastern Heating and Cooling Council (EHCC) - Bob added that it has been really good working with EHCC and what they are doing is trying to get the non-BPI contractors to understand the program and they are also going to pay for the EHCC membership (specific contractors only) and/or for a course for them. Hoping to get 30-50 contractors to come to this training.
2. **South Jersey Gas**, Bruce Grossman – On the residential side, through April, 727 homes completed. The Enhanced Rebate Program (ERP) is touching around 2,300. Yesterday, Bill Holmes did a presentation at Magellan apartments in Atlantic City, where the units went from a master meter account to a single meter account, as well as having installed high efficiency boilers in each unit and they will get a WARMAdvantage and an ERP rebate. SJG is also looking at partnering with EHCC like NJNG has. Besides the outreach they do with multimedia, they introduced water conservation and energy efficiency through the 6<sup>th</sup> grade classrooms last year. They started out with 5 schools with about 700 students and have grown to about 2,500 students and have a waiting list. They bring it in as part of the curriculum and the homework assignments are engaging the family to help install energy savings measures to generate awareness and actual savings. They

use Niagara Conservation Corp. for resources. They are also putting together a true-up filing to file on June 1<sup>st</sup> regarding their energy efficiency programs.

3. **Etown**, Tony Pugliese - Good pick up in the last 6 months or so – have distributed 600 thermostats and weatherization kits. Have completed 437 ERP projects, 53 water heaters, 31 loans closed and 5 commercial rebates closed out. They met with their contractors last month and the contractors are asking for more advertising. They have been on the radio and have added to that and they recently started TV as well. Cheryl England added the contractor meeting went well with healthy talks on what they can do.
4. **RECO**, Scott Markwood – 3 initiatives were extended right at end of March, just as the 2010 programs were timing out. The online audit is up and operating and they were able to partner with a sister utility to get a good price break on initiating that. The ERP is for central air, so it is seasonal and therefore they have not seen a lot of pick up yet on it. The Home Perf. contractors under this program are pushing it though. Note: He is hearing from customers that they are having trouble about getting contractors to respond to their request. Dave Wolk requested that as he hears these complaints to pass this onto the MM so we do some hand holding to find contractors. Scott responded saying he does send them over the NJCEP Call Center for that. They are re-upping their contract with their implementation contractor on the Low Income Program - runs through June.
5. **PSE&G**, Elaine Bryant said Mike did a good job covering PSE&G earlier in the presentation.

### **Commercial/Industrial Programs**

Presenters: Roger Kliemish and Brian Deluca (TRC)

Presentation/Handout – C&I Market Manager EE Meeting Presentation May 10, 2011

1. 2011 results and metrics through March in presentation. Overall, over goal on all programs except for P4P New Construction as there were none as of March, but they just recently received two. They should be caught up by May if not over goal though.
2. Program Filing Revisions also in presentation.
3. EECBG Budget – Status, operations plan and goals is in the presentation.

### **Residential Programs**

Presenters: Dave Wolk (Honeywell).

Presentation/Handout: 2011 Energy Savings by Program Spreadsheet & Residential Programs Progress toward Goals Statewide Results YTD April 2011

1. 2011 results through April in presentation.
  - a. Request for clarification on the SEEARP funds from someone on the phone - Are all of those covered by the proposal to backstop the ARRA funds with the NJCEP funds? Dave Wolk answered yes.
  - b. Is the SEEARP Programs all mentioned, including the recycling, be used for non-IOU customers as well as IOU customers? Dave Wolk answered yes and followed up with 'for what they have talked about in this presentation thus far'.
  - c. CFL's – will see it start to pick up as the year goes on and contracts awarded.
  - d. RNC – 166 are multifamily.
  - e. Mark Magrann presented the EPA ENERGY STAR® Partner of the Year award to the program and BPU received. Noted that the main reason for us winning this year is the BPU's sustained commitment to the program and the consistent numbers within the market share.

### **Home Performance**

Presenters: Janja Lypse (CSG)

Presentation/Handout: Home Performance with ENERGY STAR® April 2011 & Home Performance with ENERGY STAR Proposed Program Changes

1. Activity:
  - a. ARRA - On April 6th a notice was posted on the website stating that the program would be closed by the end of May. They still have 44 commitments where funds are committed, but not yet spent. They have 2 more commitments for ARRA IOU and they are very close to the original budgeted funds. Looks like there will be about 619 total to date that are ARRA funded.

- b. April Activity – Below what we want. Has been slightly increasing.
  - c. HFMA HESP Loan – Mona Mosser commented that she thought when they met with HFMA there was a larger number. Janja responded that that is a potential number, but this is what has been submitted and approved.
  - d. NJNG On Bill Repayment Program – Bob Kudrick said there is over 150 applications.
  - e. Question arose about applications being withdrawn and if we know what is occurring. Janja said next month she will provide a breakdown for the withdrawal reasons. She believes it is mainly expirations.
  - f. April May and upcoming activities listed as well in presentation.
2. Proposed Changes – Revised Compliance Filing for June 2011:
- a. Create a Seasonal Promotion in an attempt to make it more attractive than the Warm/CoolAdvantage combined with the utility ERP incentives.
    - Temporary offer to create urgency in the marketplace
    - During busy HVAC season
    - Help entice more contractors back.
  - b. Will be in effect following the signed Board Order (subject to approval at the June 15th Board Meeting) and will continue through August 31st.
  - c. Discounts to reduce the dollar amount of the total scope of work. Believed “discounts” is more attractive to customers.
  - d. Contractors will be reimbursed for the discounted amount upon satisfactory project completion.
  - e. Discounted amounts for each Tier detailed in presentation.
  - f. Question arose about the new inclusion of water heaters and if this is just for the promotion or permanent. The program will look at.
  - g. Dave Wolk added that although this is a limited time promotion, results may impact future promotions and/or permanent changes.
  - h. Anne Marie Perracchio – Noted that with this timeline, there is not enough lead time for utilities to use all their resources (e.g. bill insert wording and reserving space) to promote it and to take that into consideration for the future. When possible (and it may not have been for this) to consider a few months lead time for bill insert wording.
    - 1) Brian Bovio – They do not understand the retroactive part of it, stating it seems “messy”. Dave Wolk responded they evaluated retail coupons for example, which typically has a statement of ‘Not Applicable to Previous Purchases’ and wanted to cover this. However, what they believed would happen is that some would simply then cancel the project to only reactivate to then qualify (a retail equivalent of returning and repurchasing). The program felt this would then result in more work for everyone. Brian added that his concern is for already approved projects and talked about contractors timing their submitted paperwork around this. His suggestion is to go with date of Board Order date and added that he cannot sell it today because this has not passed yet. Mike Winka responded that discussions have been made in a public forum and it is up to the contractors if they want to speak about it now to customers. Dave Wolk added that a precedent has also been set with our other incentive programs to include people already in the program, which is another reason to do it this way, adding that we do not want to slight early or willing adopters. Janja Lapse added that now that we have put this out there, we will see a slow down to wait and see when to submit for approval of this program and that it is what it is. Bovio added if we can help compensate for manufacturers rebates that go away at end of June. Mike Winka added that we can’t make ‘perfection the enemy of the good’ here.

## **ARRA Updates**

Presenters: Dave Wolk (Honeywell)

- 1. To date in the supplemental ARRA there is about ~\$5.9M and just over \$29K pending. Determined to use up every penny of it.

- ARRA SEARRP- Still juggling between spending all the money and not going too far over. With the comfort of the potential Backstop Order they are looking to continue the SEEARP HVAC portions through its initial termination at the end of June. Targeting the end of May for products, but are watching the numbers closely.
- Mona Mosser asked Roger Kliemish about C/I ARRA non-IOU announcement – Roger responded saying that it is ending at the end of May.

**Proposed EE Budget**

Presenters: Dave Wolk (Honeywell)

Handout: NJCEP EE Programs Proposed June 2011 Residential Efficiency Budget

**2012 Filing – Draft Timeline**

Presenter: Niki Kuhn (VEIC)

Handout: NJCEP 2012 DRAFT EE Filing

- Mimics standard timeframe and similar to last 2 years.
- Mike Winka added the schedule for TRC will be the same. Rough numbers based on last year. Budget funding level is \$379M right now.

**EHCC**

Presentation – Jill Sherako (EHCC)

- Working with NJNG and training for contactors. Trying to get the non-BPI contractors thinking more about the whole house - Not necessarily trying to get them to join Home Performance.
- They are joining forces with Lincoln Tech in Mahwah. Instructing hands on classes for the fall, not just at the Mahwah campus. Also in June there will be a meet and greet/career day at Lincoln Tech.
- Typically do not do training during summer months, but lots of interest so they will be doing this year.
- Fall/winter schedule is in development and will ready by July 1, 2011 – see [www.ehcc.org](http://www.ehcc.org) to learn more.

**Other Business, Next Meeting**

- Next Meeting – Tuesday, June 7<sup>th</sup>.

**Today’s Attendees:**

| <b>Name</b>         | <b>Company</b>                    | <b>In Person</b> | <b>By Phone</b> |
|---------------------|-----------------------------------|------------------|-----------------|
| Ackerman, Elizabeth | BPU                               | X                |                 |
| Basher, Devon       | Eco Energy Options                | X                |                 |
| Berlin, Jake        | Willdan                           | X                |                 |
| Bovio, Brian        | Bovio Heating                     | X                |                 |
| Boyd, Mary Jo       | CSG                               | X                |                 |
| Brooks, David       | Gibbons P.C.                      | X                |                 |
| Bryant, Elaine      | PSE&G                             |                  | X               |
| Chaplin, Dawn       | Honeywell                         | X                |                 |
| Courtney, Jim       | AEG                               | X                |                 |
| Davis, Asa          | Bloomenergy                       |                  | X               |
| DeLuca, Brian       | TRC                               | X                |                 |
| Dewitt, Frank       | Alternative Energy Assoc.         | X                |                 |
| Dolan, Brian        | Intellidyne                       | X                |                 |
| Donohue, John       | On behalf of Fuel Merchants Assoc |                  | X               |
| Ellman, S           | NJNG                              | X                |                 |
| England, Cheryl     | Elizabethtown                     | X                |                 |
| Fisk, Andrew        | CSG                               | X                |                 |

|                        |  |   |   |
|------------------------|--|---|---|
| Foreman, Sheila        | One Change   | X |   |
| Foster, Rebecca        | VEIC   | X |   |
| Giblin, Noreen         | Gibbons P.C.                                       |   | X |
| Grossman, Bruce        | SJG  | X |   |
| Heise, Dani            | Techniart – Energy Saving Outlet                   | X |   |
| Holland, Dave          | Honeywell  | X |   |
| Holmes, Bill           | SJG  | X |   |
| Hunter, Scott          | BPU  | X |   |
| Hutchinson, Ed         | Hutchinson Mech. Services                          |   | X |
| Jones, Sherri          | BPU  |   | X |
| Kass, Lloyd            | Willdan  | X |   |
| Kliemish, Roger        | TRC  | X |   |
| Kudrick, Bob           | NJNG   | X |   |
| Kuhn, Nikki            | VEIC   |   | X |
| Langford, Carolyn      | Willdan  | X |   |
| Lewandowski, Kurt      | NJ Rate Counsel                                    |   |   |
| Lupse, Janja           | CSG  | X |   |
| Magrann, Mark          | Magrann Assoc.                                     | X |   |
| Makowiecki, Colleen    | FirstEnergy Corp.                                  |   | X |
| Markwood, Scott        | O&R  | X |   |
| Marx, Rick             | EAM Assoc.   |   | X |
| Mosser, Mona           | BPU  | X |   |
| Napoleon, Alice        | Synapse Energy Economics Representing Rate Counsel |   | X |
| O'Donnell, Tony        | Sustainable Jersey                                 | X |   |
| Paine, Karen           | TRC  |   | X |
| Pecora, Tom            | Honeywell  | X |   |
| Perracchio, Anne-Marie | NJNG   | X |   |
| Pugliese, Tony         | ETG  | X |   |
| Puma, John             | Kamson Corp  | X |   |
| Reisman, Ron           | VEIC   | X |   |
| Sherako, Jill          | Eastern Heating and Cooling Council                | X |   |
| Teng, Elizabeth        | BPU  | X |   |
| Wetzel, Linda          | AEG  |   | X |
| Winka, Mike            | BPU  | X |   |
| Wolfe, Sharon          | BPU  | X |   |
| Wolk, Dave             | Honeywell  | X |   |
| Wong, Doug             | BC Express Inc                                     | X |   |
| Zoppa, Bob             | CSG  | X |   |