

**New Jersey's Clean Energy Program
Energy Efficiency Committee Meeting
March 13th, 2012 at BPU Offices
44 South Clinton Avenue, Trenton, NJ**

Program Coordinator and Regulatory Updates

Presenters: Mike Winka, Mona Mosser, Mike Ambrosio

O Governor's Proposed 2013 Budget / 2013-2016 Funding Levels/CRA Proceeding

- MW. The Governor's budget that was recently presented included a proposal to transfer \$252.5M from Clean Energy to the state general operating fund. This is what the Governor proposed, and it is not yet approved. This will impact the programs to a certain degree. There are some programs that haven't started that we are looking at postponing. Since we operate on a calendar year and not a fiscal year, we may pay part of the money in the one fiscal year, and the rest during the next fiscal year. (fiscal year goes from July 1-June 30)
- MW. One of the things we are looking at is the Comprehensive Resource Analysis (CRA) which sets the funding levels for the next four years. The legislation provides that the Board needs to have at least two four year funding levels, and then after that, they can determine on its own the extent of the funding level. We have been doing it in four year increments. This process is going on while we are trying to address the Governor's proposed budget.
- MW. We will not discuss what all these actions are until we get further down the road within the fiscal year, and either they become real and we have to start implementing those, or they are not real and we go along with the programs as is. At this point there isn't a whole lot of clarity.
- MW. We will see a straw proposal soon. It's not going to have everything associated with it as we go through the process. We have a whole lot of data in terms of what we spent over the past 11 years; what programs work and how many people responded to the programs. Regulations and a lot of standards on the programs are changing.
- MA. The important message for right now is there will be no changes to the programs. There are still a lot of decisions to be made but unlike last time where we had to go back through and gut the programs, I don't think that will happen this time. But until we know more about the few issues we have, programs will continue as is. There are still a lot of decisions to be made as to where the dollars will come from. Staff still intends to do evaluations, and look at the programs to see which ones should continue and which ones should not.
- MA. Revised the budget spreadsheet. These are the final 2011 budgets approved by the Board as well as an indication of the carry over amounts. Staff will be making decisions on where the carryover funds go; however this decision is being deferred until Staff gets some more direction and completes additional research; this is just a holding pattern for now.

O Updates on Filings, Board Orders and Regulatory Items

- MW. There are no energy efficiency regulatory issues. The Smart Growth Policy was deferred until the Governor releases the State Action Plan in regard to economic growth.
- Rockland Electric's Energy Efficiency Economic Stimulus program extension was approved. The only item that the Board approved was the extension for the Low Income Program through the end of the year - everything else was deferred.
- Green Growth fund was approved. This is a software technology that helps data warehouses become more efficient
- The Wind farm was extended till September based on the Board's Boston Pacific Report and the Rate Counsel Report.
- E-town will be on the agenda for April and PSE&G has had a pre-filing meeting for solar and energy efficiency programs.

O Transition Status

- MW. Quickly moving along. We are in our final review of the RFP and it is close.

O 2012 Program & Budgets

O SBC Law – A2528

- MW. A work group has been established, and they have submitted questions last week asking for some feedback. Based on that feedback we are setting up work group meetings to discuss how to proceed. This law provides ability for commercial and industrial (C&I) customers to access their full SBC money, not just clean energy, but everything that they pay in. They can access 100% of their SBC money for 50% of an energy efficiency upgrade that they do in that year. That SBC money can be used if the Board approves that program process. This can be collected by the C&I customer for a 10 year period of time. The details are left up to us, and we are going through them to put some definition of what this legislation will mean. This is going to affect the budget, and there are varying opinions amongst staff on how this should be used, who should be using it, and how it's going to affect the SBC fund.
- Question: Bruce Grossman SJG- This affects all C&I no matter how big or small?

- Answer: MW. Yes. It was defined as all C&I customers. This includes government entities, non-profits, and anyone who isn't a residential customer.
- Question: How would multifamily fit in?
 - Answer: MW. Unless they are residential, or have a residential tariff, they would be a C&I customer. It would be based on the tariff that they have. If they have individual meters, they would be residential. If they do not, they would be a commercial customer.
- Question: Does the Board have any discretion in terms of setting a minimum?
 - Answer: MW. All of this will be determined as we go through this process. The way the law was written, there's no minimum number. There's nothing in the law that says you can allocate that based on size.
- MW. We have asked the utilities to update the 25 largest customers and that will be part of the work group. We are trying to figure out how to match up the gas customers with the electric customers. We are trying to get data for the largest SBC users in the state of NJ.

O ARRA Activities

O CHP Program

- MW. We are still proceeding with a great supply of solicitation based on comments from the front office. We are working with EDA in terms of the large CHP and fuel cell programs, and a lot of that will look like the comments that we received from the CHP and fuel cell work group. This will be on the agenda for April, and we can talk about next steps.

O Smart Growth

O Globalcon Feedback (Mona)

- MM. Globalcon was a very good session. Brian Deluca and Valentina Rozanova were also on the panel with me. We had a lot of good questions. And lots of questions about CHP particularly. They did two case studies about P4P and Custom Measures. Roger added it was well attended with a lot of interest in the programs.
- Ann Marie- There was some people who were already familiar with the Clean Energy Program, and they were just trying to get a sense on what the changes are. But, when you sit in the sessions, there were still plenty of C&I customers who had no knowledge of the programs that we have.

Residential Programs: Presenters: Honeywell Team

o 2012 Programs

- At present we are on track with cool and warm. We have 2,103 completions right now at 96% of the goal for cool. Warm we have processed 3,987 completions.
- With washers we are at 2,711 completions. There are 1500 additional applications on their way. The goal of 30,000 was a split between direct consumers and upstream. As we start to see those two different facets come in I will report on those separately.
 - From 2009 there were about 221,000 washers that were collected. The 2011 completions will put us at 15%. We believe this has slumped in 2012 due to the economic turndown and new construction. Sears has given us a 15% estimate.
 - MA Question: Do we have any idea how that compares to programs in other states?
 - Answer: In the north east in general their numbers are slightly softer than ours, but I did not do a comparison state by state to see who has and doesn't have programs, but I will follow up on that.
- CFL is early for us to be seeing any completions come in, but we will see that build as the year progresses.
- Fridge recycling, we have processed 722 completions. 1,800 have been scheduled with a goal of 4,000 this year.
- With consumer electronics, we will see those a little bit later on. The 10,443 listed for February is actually the carry over.
- Residential New Construction, Honeywell has taken the role over to process new construction for the Market Manager team. Since Feb we have processed 358. We have 566 enrollments right now, which put us at about 88% of program goal. We expect to see a similar incremental amount for March completions. We are a little bit behind our own schedule as far as processing competitions goes. You will see these listed on the next report.
 - Joe Gennello- We are processing new applications and completions manually right now. We are not processing completions IMS yet. We are at least two weeks behind on the internal side and probably another week with our IT to get our system set up. We had a call Friday with a small set of builders to get this process moving.
- HPwES- We are not seeing as much uptake as we thought we would on the Tier 2 enrollments. We are looking at 28 enrollments against the 54 we have for a program goal. On the flip side, Tier 3 enrollments are right where we anticipated. .
- Tier 2 completions are similarly soft at 20, but Tier 3 completions are at 555 which exceeds the program goal by 39% YTD.
- Tony O'Donnell Sustainable NJ- Highland Park had an RFP out, and we have had 16 responses to the RFP. They have approved to do the audits for \$49 which includes blower door test and follows the basic requirements. They have opened a shop right on Route 27 in Highland Park.

- Question: Is there any sense on the activity coming from the audits?
 - Answer: On March 21st, they are holding a press conference where they will be formal announcing the introduction of the program.
- HPWES Slides. Janja Lupse.
 - To show the trend for enrollments and completions. Those two peaks are from the two multifamily projects we had come through. If compared to last year, Q1 we had 300 enrollments including March. We are doing much better last year around the same time.
 - We are continuing to see a good volume coming through. We are close to the goal for Tier 3. For Tier 2 we are not seeing the interest we were expecting. We had a working group last week and asked a lot of the contractors that participated what they can do with Tier 2. They really have been pushing it and trying to sell it, but a lot of the customers are more enticed by going into Tier 3.
 - Update on ARRA. We are still cleaning up. There is still \$26,125 remaining in commitments. This is about six projects still in different stages. For the ARRA supplemental, we have already completed all of those projects. The SEP Oil Propane we have about 34 projects in commitments and completions. We have committed \$149,347 for those projects. This is about 40% of the budget and will run through June 30th.
 - In total, we have a little over 1,000 projects that are in different steps of the process and not paid yet.
 - For the February activity we have an in person training that took place on February 1st. New contractor orientation took place on February 28th, and Contractor general program working group took place on March 6th.
 - Upcoming we have selling NJ HPWES webinar on March 14th, program software in person training on March 28th, new contractor orientation on April 3rd, New Contractor program overview training on April 4th, and Contractor general program working group scheduled on June 5th.
- EHCC update. Jill Sherako.
 - Our numbers are great with a 300% increase. We continue to reach out to the contractors and they are all coming back. We have 140 technicians trained in OWH seminars YTD. Our goal for 2012 is 480 technicians to be trained. We have 44 classes remaining until June. Also, the BPI discounts are going over well.

Commercial and Industrial Programs: Presenters: TRC Team

○ 2012 Programs

- RK- DI. We had proposed that TRC conduct some assessments in addition to the DI contractors who currently provide the assessments. We are now not going to be providing any of those assessments so we will be leaning on the contractors to help out with that. We are also not going to re-bid the DI contract. The timing between now and July 19th doesn't give us enough time to get the companies to ramp-up.
- Right now we are transitioning to the post-ARRA world out there with our contractors, with a push to wrap up the ARRA projects. We are moving heavily into marketing and sales with our contractors. Our strategy moving forward is to have these contractors gear up and add staff and new sales resources. At the same time TRC is starting to leverage relationships we gained in 2011 with municipalities during the ARRA work to try to approach their businesses.
 - The first one we are doing this with is Lodi. We are working with Sustainable Jersey for this project. We are going to campaign throughout their town to their local businesses. We are also trying to coordinate with PSE&G, as they have a similar program that they are offering to customers, and we want to make sure we work together.
 - Tony O'Donnell - Speaking on the Lodi campaign. For the program in Lodi, we have preliminary results. Lime Energy agreed to pay for a mailing that went out to businesses. 31 responded within a week, and 16 of those 31 are on track to move forward so this is really picking up.
- January was a slow month, with only 52 new applications. We received 103 in February and March is still slow. We are having meetings with the individual DI contractors and getting their commitments to staff up with sales resources to bring new projects in to the program.
- Question: Do you have an update on how contractors are doing on the sales side? Or any feedback on the challenges.
 - Answer: This is something that they have been doing currently, so this isn't that big of a jump for them. We are really pushing them to get these jobs done. We are arming them with training, and marketing materials.
- LGEA- The intent was originally to open the existing contract for re-bid and this isn't going to happen. They are under contract with Treasury. We have a number of customers coming to us because they want to go through ESIP. If their buildings are under 150kw demand or less, we direct them to Direct Install. A lot of the entities are saying that this isn't where they want to go; they want to go through ESIP. We have been allowing them to go through ESIP with a confirmation that this is where they want to go.

- What we have done is opened up the scope of work for the audit outside of what Treasury normally allows including those measures and demanding for greenhouse gas emissions that allow for the energy savings plan that's part of ESIP as well.
- BD. CHP program. There is no maximum system size issues for incentive, but the incentives are capped at the first megawatt. At this time if you are looking for a CHP in Jersey, this is the place to start with. There is an additional bonus incentive of .25 per watt for CHP/FC within P4P and also an increased cap from \$1M to \$1.25M to account for the bonus.
 - The incentive payment structure is broken into three tiers. The first 20% is paid at equipment purchase. The second 60% is paid at completion. The third 20% is paid at the efficiency verification (12 months post construction)
 - There is a utility match on CHP/P4P projects with an incentive cap moved from \$1M to \$2M.
 - Currently we have received 3 projects in 2012, with a number of projects interested and working with a few different firms. Those firms are in the process of getting the first project in and making sure they understand everything and have the process down before submitting new projects.
- RK. LEUP program. For 2011 we had 19 entities enrolled, we had 22 that applied. We have 18 Draft Energy Efficiency Plan submissions, and 1 Final Energy Efficiency Plan submission. There are 8 draft energy plan submissions approved and the others are under review. The first final plan should be coming along very soon to get finalized.
 - 2012 results. We are still in the enrollment period which ends March 28th. We have application coming in for 2012 enrollment and many from 2011 program have moved over to 2012. This means the same people are applying again. They like the program and want to go through the 2012 program as well.
- RK. SEP Non-IOU results to date. We have 16 SEP Non-IOU applications received (11 projects are DI and 5 projects are LGEA). We have committed and approved for payment \$112,653.37 (\$95,898.20 Committed and \$16,755.17 Approved).
- 2012 YTD results. At the end of 2011 we had a huge intake of applications. A few chain accounts that submitted a few hundred apps each. We have staffed up in our offices and are processing and approving those applications.
 - On NC we have approved as many as we were supposed to and are on goal for completed projects as well.
 - On retrofit we have hit our goal for Jan.
 - For LGEAP we have also hit our goal for Jan.
 - On the P4P programs, we are just finishing enrollment for a training class. We are adding new partners to the program. We are gaining in popularity. The time to get the Energy Reduction Plans approved has been decreasing. It was 5-6 months, but as they become more experiences, we are seeing that time decreasing.
 - NC right on goal so far.
 - DI we had a good start in Jan as far as completed installations. This will drop off and pick back up again as the new post ARRA program continues.

Utility Updates

- Elaine PSE&G- No program results for an update. We have hospital multi-family and government non-profit Direct Install program which will be active this year and probably the next couple years. We are in process of rebidding contracts. We have new vendors in place for these programs. It's taking a while to get through all internal contracting processing but they are all set and ready to go now.
- Cheryl ETG- We are still working though filing at the final stages. Trying to help Honeywell promote Tier 2. We have an E-news email blast going out to help, and links on website to help promote this as well.
- Sam SJG- We are putting together programs to be submitted and approved by the Board which won't happen till later this year. We finished up our 2011 programs and have till April 30 to pay out the incentives. We paid out a CHP through our CHP program in the month of Feb., and we have another one coming in April.
- Bruce SJG- One of the things we are looking at is having some kind of discussion on a type on bill repayment program. Seriously looking into information for this and will have an update soon.
- Ann Marie NJNG- Our filing was extended back in Jan. for working through new elements. We are looking for new ideas on how to support programs. We are trying to have a strong push on outreach events we can attend.
 - We have started a program for proactive audits and currently have 12 scheduled. We have completed the first one recently. We also have 900 rebate programs. We are trying to move people from that into tier 2 after we complete the energy audit.
 - We had a meeting trying to match up the BPI contractors with the non BPI contractors to team them up to push the customers into Home Performance. We know the small contractors are having financial issues getting all the training. We are trying to team them up so they can get a firsthand look of the programs and work that gets done to get them interested.

Other Business, Next Meeting

- Dani Heise/TechniArt. With the contractor meeting you had one of the BPI contractors there teamed up with us for the weekend. We used the green box that we offer as a conduit. The contractor signed up 54 people for audits, and we have another 50+ that requested more information.
- Question: Is there an update on the economizer control program?

- Answer: We are currently in the final stages and expected to launch shortly.
- Next Meeting April 10th.

Attendees	Company	In Person	By Phone
Acampora, Robbi	Sustainable Jersey		X
Ambrosio, Mike	AEG		X
Berlin, Jake	Willdan	X	
Carpenter, Joseph	NJ DEP	X	
Chaplin, Dawn	Honeywell		X
Davidson, Tom	DLB	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	
Dugan, Matt	ICF International	X	
England, Cheryl	Elizabethtown	X	
Fisk, Andrew	CSG	X	
Flannery, Mike	MaGrann	X	
Flynn, Don	Nexant	X	
Foreman, Sheila	One Change		X
Foster, Rebecca	VEIC	X	
Graham, Marianne	ICF Working in support of EPA ENERGY STAR		X
Grossman, Bruce	SJG	X	
Haddock, Kyle	EIC, Comfort Home	X	
Heise, Danielle	TechniArt	X	
Hoff, Kim	CSG		X
Holland, Dave	Honeywell	X	
Holmes, Bill	SJG		X
Kass, Lloyd	Willdan	X	
Kliemisch, Roger	TRC	X	
Loukellis, Athena	UTC Power		X
Lupse, Janja	CSG	X	
Magrann, Mark	MaGrann Assoc.		X
Napoleon, Alice	Synapse Energy Economics Representing Rate Counsel		X
Ortiz, Yennaira	Honeywell	X	
Perracchio, Anne-Marie	NJNG	X	
Schmidt, Victoria	TRC	X	
Shaw, Richard	UTC Power		X
Sherako, Jill	Eastern Heating and Cooling Council	X	
Sparrow-Hood, Walt	PSE&G		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	
Zukas, Diane	TRC		X