

New Jersey's Clean Energy Program
Clean Energy Council Meeting
November 27, 2007
1:00pm – 5:10pm – Trenton, NJ

Attendees: Lance Miller, Mike Winka, Mona Mosser, Anne Marie McShea, Alma Rivera, Sharon Wolfe, Cam Johnson, Ron Jackson, John Zarzyki (NJBPU/OCE); Ann Marie Perrachio (NJNG); Linda Wetzel, Mike Ambrosio, Jim Courtney (Applied Energy Group); Greg Coleman (TRC); Chris Siebens (JCP&L); Dave Holland, Charlie Garrison (Honeywell); David Hill, Larry Barth (VEIC); Jason Bacharach (Grafica); Fred Lynk (PSEG); Ben Larkey, Kimberly Hoff (CSG); Dave Nichol, Judith Appel (Rate Counsel); Fred Hauber (Eastern Energy Services); Lyle Rawlings (ASP/MSEIA); Erin Bijas (MWW); Don Kasten (CAES, Rutgers); Joe Carpenter (NJ DEP); Matt Elliott (Environment NJ); Mary Uschak, Maura Fennessy (HMFA); Deane Evans (NJIT); Nathalie Shapiro (Clean Power Markets); Darren Port (NJDCA); Ben Adams (MaGrann); Jason Kliwinski (Spiezle Architectural Group); Lauren Cranmer (Johnson & Johnson Health Care Systems); Keith Wojciechowski (Johnson & Johnson); Bill Hoey (NJ Solar Power).

By Phone: Dave Cobain (?); Steve Rubin (Sun Power); Frank Reilly, Diane Zukas (TRC); Chris Neme (VEIC); Sarah Bluhm (NJBIA).

1. Introduction – Lance Miller

Lance thanked everyone for their continued participation and support of New Jersey's Clean Energy Program (NJCEP). 2007 was a significant year, including the successful transition from the utilities to the Market Managers and the start of an ambitious Energy Master Plan (EMP). It will be critical to align NJCEP to the goals and EMP funding levels, and to maximize energy efficiency. Plans for 2008 include strengthening of appliance standards and building codes, and a whole building approach for businesses, municipalities and residents.

2. Overview of the Process and Timeframe (Mike Winka)

The compliance filing will include the budgets and program descriptions, including protocols and Market Manager contract modifications. It will be presented at the December 19th Board Meeting (or possibly a special meeting on December 20th) to review in detail. Final comments should be submitted to the Market Managers by December 5th in order to meet that timeframe. The utilities have prepared a filing for the Comfort Partners Program and the NJDEP has filed for Cool Cities. DCA proposes to revise the existing MOA and extend it into 2008. The additional filings/MOU will be on the same schedule.

3. Solar Transition Update (Mike Winka)

Solar Transition is in the final stages of DAG review (50 pages+) and should be completed shortly. There will be no presentation on allocations at this meeting. Staff is not prepared to make a final recommendation on the 2008 allocation at this time, once a final CORE budget is established the allocations will be shared.

4. General Overview of the EMP Process (Lance Miller)

The draft plan is targeted to be released before the holidays. There will be a tremendous emphasis on energy efficiency to meet the 20% by 2020 goal. The plan will also include demand response and combined heat & power projects in an effort to develop a significant amount of capacity. Once the draft plan is released there will be an open public forum of 60 days for stakeholder input on budgets and plans. Public hearings will likely be held in February, and a

revised plan will be released in early spring. The CRA proceeding will likely be a parallel process.

5. 2007 Expenditures and 2008 Budget including new funding and commitments (Mike Ambrosio)

Mike reviewed spreadsheets and program funding proposals by budget category. Lance reinforced that the \$10M for the Treasury HVAC Program should not be presented as clean energy monies. This program allocated \$4.5M in 2007 and \$5.5M in 2008 towards energy efficiency projects in state facilities.

Mike explained that the utilities operated on cash budgets, but moving forward we will be encumbering funds for all commitments made. The resultant increase in several program budgets allows for the increase to cover the switch from cash to accrual budgets.

Mike will distribute revised spreadsheets in the next few days.

Within the renewable budget, the Edison Fund is budgeted at \$3M. The fund will be managed by EDA and there will be a committee to review projects for the commercialization of NJ EE/RE companies. The OCE will have a member on the committee.

The DEP ecological baseline study is a carry forward from last year, an offshore wind study authorized and directed by the legislature

Lance explained that the offshore wind solicitation released recently for up to \$19M will likely not to be spent in 2008, but the full amount has to be allocated for budgeting purposes. It is anticipated that \$1.9M will be expended in 2008, with the balance reallocated once funding is established for 2009-2012.

The program is also expecting an interest payment of approximately \$5M to \$6M in the July timeframe.

Within the OCE budgets, several sponsorships were discussed. In 2007 the NEEP budget was under \$200K; additional funds are allocated in 2008 for a potential special project that will focus on energy efficiency in existing buildings. NASEO will be reduced significantly (state energy offices). CEE maintains lists of eligible equipment and provides a valuable service to programs. CESA is involved in regional planning on renewable best practices. In many cases these sponsorships are regional initiatives so we are benefitting from cost sharing with other states. Dues are typically proportionally to utility customers.

Mike Winka shared that the OCE staff and overhead costs are less than 1% of the budget, with evaluation costs at 1%. Marketing is being scaled back, and as the Market Managers get up to speed the OCE marketing budget will be reduced further.

Jason Bacharach of Grafica presented OCE marketing plans for 2008. The goal is to support the overall delivery of the programs and support the state in the EMP 20% by 2020 initiatives. Recent market research indicates that awareness of the NJCEP is approximately 40% so there is still opportunity to do more and provide general brand leadership. The 2008 campaign will utilize a whole building/whole community platform – using in a more holistic approach with the goal of the installation of multiple measures. Darren Port suggested considering a celebrity spokesperson as this has been successful in other states.

6. Residential Energy Efficiency Programs (Honeywell)

The Honeywell team led by Dave Holland reviewed the Residential presentation. Comments are due by December 5th.

Several CPC Community Partner Awards were recognized as pledge drivers for the 2007 Change a Light Program. Johnson & Johnson Global Energy Worldwide Marketing Program collected 236 pledges while Johnson & Johnson Healthcare had 409 pledges. Other key pledge drivers included ACUA at 226; NJNG with over 1,000 pledges; PSE& G 715 pledges and JCP&L 318 pledges. Overall NJCEP is still one of the top ten pledge drivers nationally with over 6,000 pledges to date.

7. Commercial and Industrial Energy Efficiency Programs (TRC)

Greg Coleman reviewed the Commercial/Industrial presentation. Comments are due by December 5th. The proposed launch dates for the new programs are as follows: Municipal Audit and SEEP – January 2008; Direct Install and Pay for Performance – April 2008.

8. Renewable Energy Programs (Honeywell)

The Honeywell team led by David Hill reviewed the Residential presentation. Comments are due by December 5th.

The meeting adjourned at 5:10pm.