

New Jersey's Clean Energy Council
Thursday, October 19, 2006, 1:00 – 3:30 pm
Offices of the NJBPU, Trenton, NJ

CEC Members in Attendance:

Joe Carpenter (NJDEP), Deanne Evans (NJIT), Jeanne M. Fox (NJBPU), Rev. Fletcher Harper (Partners for Environmental Equality), Fred Lynk (PSE&G), Cliff Reisser (IBEW, Local 269), Darren Port (NJDCA), Lyle Rawlings (Advanced Solar Products, Inc.), Bob Kudrick (NJNG), Mike Muller (Rutgers University), Henry Ogden (Rate Counsel), Sarah Bluhm (NJBIA)

Other Participants:

Michael Winka (NJBPU), Lance Miller (NJBPU), Mona Mosser (NJBPU), Ellen Bourbon (NJBPU), Scott Hunter (NJBPU), Ron Jackson (NJBPU), Alma Rivera (NJBPU), Joe Sullivan (NJBPU), John Zarzycki (NJBPU), Sharon Wolfe (NJBPU), Ron Reisman (NJBPU), Mike Ambrosio (M. Ambrosio & Associates), James A. Nappi, Esq. (Law Office of James A. Nappi), Dave Holland (Honeywell), Ben Adams (McGrann Associates), Maureen Quaid (CSG), Sam Pignatelli (South Jersey Gas), Delores Phillips (EPV), Dave Nichols (For the NJ Ratepayer Advocate) (By Phone), Andrew Cottrell (CEEEP), Bruce Grossman (South Jersey Gas Co.),

Schedule of Future Council Meetings:

<u>Day</u>	<u>Date</u>	<u>Host</u>	<u>Location</u>	<u>Time</u>
Tuesday	11/21/06	NJBPU	Trenton	1:00 pm

1. Opening Remarks

Lance Miller introduced Ron Reisman and Joe Sullivan, the newly appointed NJBPU business ombudsmen. Lance also announced that he will be moving over to a new position, Chief of Policy and Planning, which will include continued oversight of the Clean Energy Program, as well as oversight of the development of the State's Energy Master Plan.

2. Update on the Market Manager and Program Coordinator

Mike Winka indicated that Letters of Intent to Award had been issued to Honeywell for the renewable energy and energy efficiency programs and to TRC for the C&I programs. Transition planning has begun.

Program Coordinator - on the Board's agenda for the October 27th when the Board will be requested to approve the release of the program coordinator RFP.

3. Energy Master Plan

Lance Miller provided an update on the status of the development process to date, indicating that a website has been established – www.nj.gov/emp - and that much of the development will be conducted via the internet. He also noted that there is an ultimate hope that the energy planning process shift from its current periodic nature to a process that is a continuous, yearly review. Input from the public (via several public meetings scheduled to be held throughout the State) and from the CEC members is critical to the process.

4. Update on the Evaluation Activities

- a. Summit Blue EE Market Assessment – essentially complete. Three books: (1) Executive Summary, (2) Residential Programs, (3) Commercial and Industrial Programs. Includes recommended program changes.

- b. Summit Blue RE Market Assessment – awaiting approval of proposed work plan, which is expected sometime next week. Summit Blue has indicated that this project will be fast tracked
- c. NJCEP Fund Reconciliation 2001 thru 2005 – The accounting firm of MBC from Livingston, NJ, has been engaged to complete this project. The proposed work plan is currently being reviewed; the project is expected to be completed by the end of the year. (Note: Commissioner Fox has requested permission to engage an independent firm to audit the Clean Energy Program.
- d. Program Impact Assessment – Intent – to determine if the equipment and projects installed under the programs are producing the savings and efficiencies estimated by the protocols currently in place. The project should be underway by the end of the year.
- e. 2006/2007 Evaluation Plan – Major components for 2006 are the items noted above. For 2007, the work will be similar, but may have to be modified to address the introduction of the market managers and eventually the program coordinator. 2007 will also see the introduction of a number of modifications as a result of the evaluations currently being conducted, rather than significant additional evaluation.

5. Overall 2006 NJCEP Budget and Expenditure

Mike Ambrosio reviewed YTD 2006 expenditures vs budgets (spreadsheet attached).

6. CORE Program Update and REC Transition

Mike Ambrosio reviewed the status of the CORE program expenditures, commitments and projects in queue (spreadsheet attached).

Mike Winka discussed the process for transitioning from rebates to a market based approach for the CORE Program. He indicated OCE is developing a 17 MW pilot program proposal for implementation in 2007 as well as a more permanent change to the program which would have market based mechanisms replace the current rebates as the main source of financing renewable energy projects.

7. 2007 Overall Budget

Mike Ambrosio reviewed these topics in sequence using several spreadsheets, as follows:

- a. Program expenditures to date - Mike noted that to date, all programs are within budget.
- b. CORE expenditures to date and revised 2006 budget approved by the Board - Mike noted that CORE approval letters are again being issued.
- c. The current 2007 program budget estimates - These are based upon preliminary data and are subject to change.

8. Proposed Administration and Marketing and Outreach/Communication Budgets

Administration - Mike Winka reviewed a spreadsheet outlining the proposed 2007 budget for program administration expenses. Reverend Harper reviewed proposed 2007 budgets for Marketing and Outreach activities.

9. Proposed EE Budget – Darren Port

Sub-Committees have met, but the EE Committee has not met collectively; will do so before the November CEC meeting. The Summit Blue recommendations will also be considered.

Bruce Grossman – developments in Home Performance with ENERGY STAR – the first time a program marries EE and RE elements in one program. Training is currently underway; advertising in set to launch in November; a huge response is expected.

Fred Lynk – is preparing a memo outlining the significant development in the low income area with the Utility Comfort Partners program and the DCA Weather Assistance Programs now working together to deliver services.

Energy Conservation Kits – Bruce Grossman – similar to last year’s kit, but expect better results since it is easier to obtain and being offered on a more timely basis than last year. Price: \$5 and \$10 kits, which can be purchased on the web with a credit card. The \$10 kit includes a hand-held shower head. Timing is also better than last year.

Of note, since we are close to transition from utilities to market managers, every effort will be made to keep program changes to a minimum. The budget, therefore, is closer to where the programs are today and may be reworked in early 2007 when the market managers are in place and have had some time to acclimate themselves to the programs.

10. Proposed RE Budget –

Lyle Rawlings reviewed a proposed budget handout.

CORE is the bulk of the plan; the queue for small projects and commercial projects is extensive and is already approaching the funding that is scheduled to be available through 2008. The large commercial project queue is substantially larger than the funding anticipated to be available through 2008. There is uncertainty about what to tell customers who try to get on line now – in truth they should be told that it is unlikely that there will be monies available to fund any rebate payment to them by the time they get to the head of the queue.

Lyle provided an industry perspective on the basic components of the 17 MW pilot program described by Mike Winka.

11. Public Comments – Discussion

None

12. Meeting Close

The meeting was closed with brief summary of the November/December timeline to present the 2007 Program and Budget to the Board for review and approval. Of note, the council will take final action on the proposed budget at its November 21st meeting. The goal is to get the budgets before the Board at its December 6th agenda meeting.