

**New Jersey's Clean Energy Program
Energy Efficiency Committee Meeting
Tuesday, January 11, 2011
Hosted by Honeywell – CSG, Iselin**

Introductions

Program Coordinator and Regulatory Updates

Presenters: Mike Ambrosio (AEG)

1. 2011 Budget Order was approved and signed towards at the end December. So the majority of the program change notices have gone out including timing of the changes. Honeywell and TRC will follow up in later in the meeting on the specifics.
2. Treasury has approved the contract extension for one year. The Board approved them with the option of a second, six month renewal so at the Board's discretion the contracts can be continued up to a year.
3. The DCA is going to attempt to give some of the ARRA money to the Comfort Partners Program. \$10M and \$16M are the two numbers Mike Winka has mentioned. Still some hurdles to overcome, such as there is a DOE requirement that the money be use by a government entity or not-for-profit so they are reviewing whether the Board Order and some arrangements with the Utilities would meet those requirements.
4. ARRA Funding –Essentially the ARRA money has to be spent by April 2012. Staff does not want to cut it close, so they want to try and do everything they can to have the money spent in 2011.
 - a. EECBG Grant – In 2010 there was a grant of \$20k for 512 entities and there was a deadline of December 31st and they are currently counted at 466 out of 512. Not for the full \$20k. TRC is in the process of determining how much has been applied for. Essentially how the program worked is if you combine the EECBG Grant with the Direct Install Program any municipality could get \$50k worth of free work with \$20k paid by grant and \$30k by DI.
 - 1) The Board and the DOE have approved Phase 2 for EECBG which will be \$50k EECBG grants which will be first come, first serve until the money is gone and the announcement should go out hopefully today.
 - b. ARRA SEP Grant (Clean Energy Efficiency through the Clean Energy Program) – This was originally supposed to be used for the non IOU (i.e., oil, propane, muni electric customers, etc.). Last year, this was expanded to keep the Home Performance Program going. Based on our latest estimate, Honeywell spent about \$6M on the Home Performance Program supplemental and all total on all the other programs non-IOU was about \$1M. So based on best estimates, about half of the \$16.2M will be spent for 2010.
 - 1) In 2011 Staff will move money around as needed for programs with activity to ensure the money is spent.
 - c. SEEARP – Per Joe Gennello (Honeywell) they have spent somewhere in the neighborhood of \$4M-\$5M. Final numbers are just coming in now.
5. Program Transition – The White Paper, transition discussion document with 3-4 options for the transition was issued back in Oct or Nov. Comments were received through December. Staff is currently going through the comments and will hopefully be putting forth a proposal soon.
6. Anne Marie Perracchio (NJNG) asked if there was anything on the Energy Master Plan. Mona Mosser (BPU) thought it was just submitted to the Governor's office.
7. Alice Napoleon (Synapse Energy Economics Representing Rate Counsel) – Has the revised White Paper on the transition flushed out a little bit more the third arty trade organization option. Mike Ambrosio – Suggested that comments be directed to Mike Winka.
8. Anne Marie Perracchio (NJNG) asked about the Large Energy Users Pilot Program as it was pushed back. Mike Ambrosio responded he has not circled back on that yet with Mike Winka.

Utility Updates

1. South Jersey Gas, Bruce Grossman – Hoping to have their stipulation on the Jan 19th's agenda to be able to continue operating their programs throughout the balance of 2011. As importantly, to be able to carry over unspent funds from 2010 to 2011. There are some reallocations as well to meet the market demands and have been presenting data for these reallocations.
2. New Jersey Natural Gas, Anne Marie Perracchio - Do have approvals for 2011 for the Home Performance side they are launching the On Bill. Had the kick off meeting last week with the contractors on it and will follow up with active contractors in their territory that did not make it. They will start accepting applications next week. On the rebates side, the demand in the last quarter was 'off the charts' from where the pace had been. They have the auditors booked out about 3 months and working with subcontractors to pick up the other work. They do have permission to fund a certain portion of the Home Performance Program. They are waiting until the end of they year to do the calculation that was set out in the stipulation to figure out and kind of back into how much the expected demand was in that. They do not have the exact number on that yet, but looks like it could be an extra couple of 100 jobs from that.
 - a. Roger Kliemish asked about Direct Install and 2011. Per Anne Marie – nothing in 2011. There was money leftover from 2010, but they do not have a solution for that.
3. PSE&G, Elaine Bryant – Completely committed their Triple E funding and in the process of completing the projects that have been committed. The one interesting item is their Retro Commissioning Pilot is fully committed with five major grocery store chains and 46 sites participating. They are starting their initial assessments and bringing in their contractors for training them and developing their plans. PSE&G will be following them for one year after the completion of their projects so they can see how long and how well the measures exist. The 46 sites represent about 13% of the largest grocery stores that are located in their territory and they are very excited about the pilot.

Commercial/Industrial Programs

Presenters: Roger Kliemish and Brian Deluca (TRC)

Presentation/Handout – C&I Market Manager EE Meeting Presentation January 11, 2011

1. 2010 Program Results to Date:
 - a. New Construction Approved Applications – Reached their goal back in Sept.
 - b. New Construction Completed Applications – Exceeded goal as well on this.
 - c. Retrofit Completed – 1,561 completions as of November. Still finalizing for December. Ahead of goal.
 - d. LGEAP Approved Audits - Trending very, very well
 - e. P4P Existing Buildings -Approved ERPs – This program has picked up significantly in this last month.
 - 1) Annual cumulative statistics through December, 2010:
 - o 140 applications received (125 for existing and 15 new construction) of which 92 have been approved
 - o 43 ERPs received of which 24 have been approved - (40% increase over November)
 - o ERPs to date averaging ~ \$350,000
 - o Applications in hand total \$49.0million and ERPs (43) represent approximately \$15.05 million of incentives
 - f. Direct Install Completed Installations –
 - 1) Annual cumulative statistics through December 2010
 - o 835 Projects received and 636 approved. Of those approved:
 - 176 Projects completed
 - 281 EECBG funded Projects
 - 44 SEP (non-IOU) Projects

2. Launch 2010:

- a. TEACH- Discontinued but will work to coordinate with Sustainable Jersey to offer TRC benchmarking with their (SJ) educational services. Post benchmarking reports on NJCEP website for ESCOs to offer solutions through A1185 (provide check box to opt out)
- b. Direct Install – Entities ≤100kW moved directly to Direct Install.
 - 1) Market Manager will have the ability to grant exceptions in cases where the entity demonstrates interest in measures that are not available under the Direct Install Program, such as building shell measures and windows.
 - 2) Peak Demand reduced for all customers to ≤100kW with exemption for entities using their ARRA funding on that project.
 - 3) Participating Contractor services to be extended 3-6 months to provide uninterrupted services to entities using EECBG funds.
 - 4) TRC has the option to conduct the Energy Assessments.
- c. Pay for Performance:
 - 1) Lowered monthly peak demand threshold to >100kW.
 - 2) Adjusted incentive payout schedule.
 - 3) Pay 50% upon completion and remaining 50% for actual results.
 - 4) Developing Partner metrics/accomplishments, i.e., applications submitted, approved ERPs, projects completed for customers.
 - 5) Partner Criteria:
 - a. Existing Partners:
 - Developing new criteria for retention based on ERPs and applications.
 - Partners must submit proof of modeling expertise on their team.
 - 2011 partnership agreement with resumes of modeling personnel.
 - Allow entity's in-house professional engineering (PE) staff to become Partner on behalf of the facility's project.
 - Geared toward large customers ≥750kW demand, or those with multiple sites.
 - In-house PE's trained through a fast track process
 - b. P4P–Process Criteria (Being Implemented):
 - Includes such industries as plastics and packaging, chemicals, petrochemicals, metals, paper and pulp, transportation, biotechnology, pharmaceutical, food and beverage, mining and mineral processing, general manufacturing, equipment manufacturers and data centers.
 - Manufacturing and/or process-related loads, including data center consumption, consume 50% or more of total facility energy consumption.
 - Eligible targeted projects that provide a minimum energy savings of 100,000 kWh, 350,000 MMBTU or 4% of total facility consumption, whichever is greater.
- d. SmartStart:
 - 1) Lighting -Prescriptive and addition of LEDs
 - 2) Premium Motors –Revised efficiency requirements
 - 3) Gas Water Heating –Revised efficiency requirements
 - 4) VFDs –Cooling tower incentives
 - 5) Refrigeration –New prescriptive measures
 - 6) Expanded wording on Custom Measure minimum savings requirements

3. Annual Program Metrics:

- a. New Construction –75 completed jobs

- b. Existing Construction –1,500 completed jobs
 - c. LGEA Program –700 audits reviewed
 - d. P4P Existing –32 approved ERPs
 - e. P4P New –5 approved ERPs
 - f. Direct Install –1,250 completed installations
4. Launch 2010-2011 ARRA Status –EECBG
- a. 466 entities with EECBG applications by year end
 - b. \$9.3 million potential committed dollars (@\$20k)
 - c. \$10.4 million overall EECBG incentives
 - d. 100% “substantially committed” by March 15, 2011
 - e. 50% “draw-down” of funds by June 30, 2011
 - f. Average of 3 DI projects/entity (1,398 total)
 - g. 281 EECBG projects in the works (in 2010)
 - h. 1,117 more projects to approve before 03/15/11
 - i. Phase II Commitments (100% by 03/15/11)
 - 1,170 EATs completed to generate SOW
 - 10 weeks to get all signed SOWs approved
 - Committed and “as-builts” drive the remaining 2011 funding
 - Qualify acceptance of new applications as funds become available
 - (\$20k/entity -actual commitment = Additional 2011 funds)
 - Consider end date on SOW approvals and use of 2010 funding
 - j. Phase III Draw-Down (100% by 06/30/11)
 - About 450 entities at \$15-20k each and remaining 2011 entities at about \$40-50k each
 - SOWs approved by 03/15 (“as-builts” may change \$)
 - 14 weeks to order materials, complete work, inspect, approve for payment, submit, get payment)
 - Qualify acceptance of new applications as funds become available
 - (\$20k/entity -actual commitment = Additional 2011 funds)
 - Consider end date on SOW approvals and use of 2010 funding
 - k. Availability of Remaining EECBG Funds
 - Funds no longer reserved for all entities
 - “First come -First serve” but project application must be received with EECBG application
 - Cannot apply for funding on an existing 2010 project that is not completed
 - Higher funding -\$50K per entity
 - New “perfect model” is \$125k for DI

Residential Programs

Presenters: Dave Wolk (Honeywell) and Joe Gennello (Honeywell).

Handout: Residential Programs Progress toward Goals Statewide Results YTD December 2010 and Home Performance EE Meeting 1.11.11

1. Current Program Results
- a. COOLAdvantage – Surprisingly still receiving over 100 applications a day. Did move another \$3.2M into the HVAC program to support the influx.
 - b. 2011 COOLAdvantage – Eliminating the lower tiers for Central Air. Only will have the 16 SEER tier and is reduced to \$500.00. Effective on February 15th. A letter to the contractors is going out with details.

- c. COOL SEEARP – Continuing the SEEARP Program into 2011. Have spent approximately \$100K to date and this covers the muni’s electric, oil and propane customers. Note: As ARRA is available to all customers, technically non ARRA customers still have the lower tiers available to them it’s just now through the ARRA funding/applications.
- d. 2011 WARMAdvantage – Continuing the SEEARP program into 2011. However eliminating the .62 level for Water Heater [in both WARMAdvantage and SEEARP], effective on February 15th. A letter to the contractors is going out with details. We’ve seen more WARM SEEARP activity than COOL.
 - 1) Bruce Grossman – Concerns about aligning their materials with changes (.62 EF Water Heater).
- e. Room AC – Summer program ended slightly over goal. Deadline was in September. Still may be processing some that had missing information etc..
- f. Clothes Washers – Above program goal and is a very strong program. SEEARP Clothes Washer program continuing into 2011. However, the ENERGY STAR ® spec for the lower tier clothes washers (ARRA rebates only) changed on 1/1/2011. The new ENERGY STAR® spec requires a minimum MEF of 2.0 – that’s the only change.
- g. SEEARP Completions for dishwasher and refrigerators – Extended and will extend each month to year end if necessary to finish up funding.
- h. Dehumidifiers – Slightly above goal. In 2011 there will not be a dehumidifier rebate.
- i. Appliance Recycling – Will still see some activity to bring the year end number up.
- j. RNC – Still trying to identify 2011 kick off date due to sunset date change on EStar Homes standards.
- k. Home Performance – Under program goal with 5,229 enrollments and 4,438 Tier 3 completions.
- l. 2011 Home Performance (Janja Lypse) went into effect on January 3, 2011.
 - 1) Webinar for contractors completed. Also offering contractor calls every Wednesday to help get through new processes such as Auto Proceed.
 - 2) Website has been updated.
 - 3) Automated procedures are available. Stats for we 1.8.11:

2011 HPwES - Auto Proceed Step 1: Funds Claimed w/e 1/8/11	
Totals	
19	projects
11	different contractors
Incentives Claimed	
3	≥ 10% TES; \$1,000
1	≥ 20% TES; \$3,000
15	≥ 25% TES; \$4,000
Financing Claimed	
8	EFS Loan
1	HESP Loan
1	NJNG On-bill financing

2011 HPwES - Auto Proceed Step 2: Completed in Software w/e 1/8/11	
Totals	
9	Projects
1	Contractor
Incentives Claimed	
2	≥ 20% TES; Up to \$3,000
7	≥ 25% TES; Up to \$4,000
Financing Claimed	
7	EFS Loan
1	HESP Loan

2011 HPwES - Auto Proceed TOTALS w/e 1/8/11	
Total	
28	Projects
11	Contractors
Incentives Claimed	
3	≥ 10% TES; up to \$1,000
3	≥ 20% TES; up to \$3,000
22	≥ 25% TES; up to \$4,000
Financing Claimed	
15	EFS Loan
2	HESP Loan
1	NJNG On-bill financing

4) ARRA as of December 31, 2010:

ARRA as of December 31, 2010		
	# Projects	Total Funds Used
ARRA 1 – IOU	461	\$5,795,801
ARRA 2 - Oil, Propane, Muni	70	\$800,343
ARRA total	531	\$6,596,144

5) In December 2010:

- Work Scope approvals sent to contractors = 148
- 157 QC inspections performed.
- 445 Comprehensive Work Scope – Completed and Incentives Processed.
- 99 Air Sealing Only Projects – Incentives Processed.
- 11 Audit Only Projects – Incentives Processed.
- Pipeline Summary:
 - o Work Completions = 410
 - o Need review for QC/Processing = 41
 - o QC to be scheduled = 69
 - o QC Scheduled = 32
 - o QC Failed & contractor notified = 114
 - o In queue for processing = 154
- Loan Activity = Total 3,659
 - o Approved 470
 - o Sold 2,096
 - o Pre-Approved 110
 - o Total Approved 2,676 - 73%
 - o Total Denied 983 – 27%

Other Business, Next Meeting

- Next Meeting – Tuesday, February 8th. CSG Office. Iselin, NJ

Today's Attendees:

Name	Company	In Person	By Phone
Albucher, Chelsea	Consultant		
Ambrosio, Mike	AEG	X	

Berlin, Jake	Willdan	X	
Bovio, Brian	Bovio Heating		
Boyd, Mary Jo	CSG		
Brown, Mike	MaGrann		
Brown, Rubin	The E Cubed Company		
Bryant, Elaine	PSE&G		X
Carpenter, Joseph	NJ DEP		
Chaplin, Dawn	Honeywell		
Cinelli, Jim	Pepco Holdings		X
Courtney, Jim	AEG	X	
Cristofolo, Angelo	Air Group LLC	X	
Daniels, Kwesi	NJ HFMA	X	
Deangelis, Diana	Pepco		
DeLuca, Brian	TRC	X	
DeSeve, Julie	CSG		
Deverakanda, Puja	OPower		
Dewitt, Frank	Alternative Energy Assoc.	X	
Dolan, Brian	Intellidyne	X	
Donadio, Tom	JCP&L		
Donohue, John	Fuel Merchants Assoc	X	
England, Cheryl	Elizabethtown		
Esser, Danielle	NJ HMFA		
Evans, Deane	NJIT		
Firari, Fairlie	TRC		X
Flannery, Mike	MaGrann	X	
Fontaine, Greg	A&E Construction		
Foreman, Sheila	One Change	X	
Gallos, Peggy	BPU		
Gennello, Joe	Honeywell	X	
Graham, Mary Ann	ICS working in support of EPA ENERGY STAR ®		X
Grazul, Maria	CSG		X
Grossman, Bruce	SJG	X	
Grossman, Kate	Greenwich Energy Solutions		
Haddock, Kyle	EIC, Comfort Home		
Hambric, Steve	Opower	X	
Haaz, Frank	Blue Sky Power	X	
Hoff, Kim	CSG	X	
Holmes, Bill	SJG		X

Hunter, Scott	BPU		
Hutchinson, Ed	Hutchinson Mech. Services		X
Irlacher, Dana	NJ HFMA		
Jones, Sherri	BPU		
Kass, Lloyd	Willdan	X	
Kliemish, Roger	TRC	X	
Klockner, David	Eneractive Solutions		
Kudrick, Bob	NJNG		
Kuhn, Nikki	VEIC		X
Lupse, Janja	CSG	X	
Makowiecki, Colleen	FirstEnergy Corp.		X
Markwood, Scott	O&R		
Marx, Rick	EAM Assoc.		
McAllister, Bob	McAllister		
McCleery, Doug	Magrann		
Mitchell, Allison	BPU	X	
Miller, Ashley	TRC		
Mosser, Mona	BPU	X	
Murdach, Jay	Well Home		
Napoleon, Alice	Synapse Energy Economics Representing Rate Counsel	X	
Nathanson, Gabe	NJ HMFA		
Navarra, Joe	HVAC Consulting		
Nole, Meredith	American Efficient Lighting	X	
O'Brien, Nancy	EFS		X
O'Connor, Daniel	Trane Turnkey/Energy Services		X
Ortiz, Yenniara	Honeywell		
Paine, Karen	TRC		X
Patraju, Ravi	NJEDA		X
Payne, Clif	CMC		X
Pearson, Arthur	The E Cubed Company, LLC		
Pecora, Tom	Honeywell	X	
Perracchio, Anne-Marie	NJNG	X	
Pierce, Barbara	NJEDA		
Port, Darren	DCA	X	
Price, Jim	Freedom Solar	X	
Prowse, Gwen	NJ HFMA		
Puma, John	Kamson Corp	X	
Reisman, Ron	BPU		

Savkovich, Marko	American Efficient Lighting	X	
Schoen, Scott	Beehive Htg & Clg		
Shaikh, Siraj	JCPL		
Sheehy, Mary	NJ HFMA	X	
Siebens, Chris	First Energy Corp.		
Sillars, Scott	Isles		
Solomon, Randy	Sustainable Jersey	X	
Stone, Gordon	BPCA - NJ / Home Energy Matters		
Swift, Don	CSG	X	
Teague, John R.	BPU	X	
Teng, Elizabeth	BPU	X	
Waldman, Jeff	BPCA - NJ		
Walter, Xavier	BPCA - NJ		
Weiner, Elizabeth	CSG		
Wetzel, Linda	AEG		
Winka, Mike	BPU		
Wolfe, Sharon	BPU		
Wolk, Dave	Honeywell	X	
Zukas, Diane	TRC		X