

**Clean Energy Public Meeting  
October 13, 2009  
DEP Hearing Room, Trenton**

Attendees:

|                  |                  |                    |                       |
|------------------|------------------|--------------------|-----------------------|
| Rick Walker      | Cooper Levinson  | Maria Grazul       | CSG/Honeywell         |
| Tom Pecora       | Honeywell        | Deane Evans        | NJIT                  |
| Mark Loeser      | CSG/Honeywell    | Art Ondish         | CHA                   |
| William Polidore | SunRay Solar     | Holly Thompson     | RECO                  |
| Sara Bluhm       | NJBIA            | Diane Zukas        | TRC                   |
| Roger Kliemisch  | TRC              | P. St. Onge        | Gibbons               |
| Linda Wetzel     | AEG              | Mike Ambrosio      | AEG                   |
| Charlie Garrison | Honeywell        | Donna Drewes       | NJSSI/MLUC            |
| Bruce Grossman   | South Jersey Gas | Mike Jarvis        | Green Power NJ        |
| Dave Nichols     | Synapse Energy   | Mike Brown         | MaGrann/Honeywell     |
| Kim Ehrlich      | NJEDA            | Scott Sillars      | Isles                 |
| John Miller      | The Solar Center | Will Cronin        | Tiger Foam Insulation |
| Darren Port      | DCA-Codes        | Kim El-Sadek       | HMFA-Green Homes      |
| Mary Sheehy      | HMFA-Green Homes | Henry Ogden        | NJ Rate Counsel       |
| Jeanne Fox       | NJBPU            | Mike Winka         | NJBPU                 |
| Joe Gennello     | Honeywell        | David Hill         | VEIC/Honeywell        |
| Alma Rivera      | NJBPU            | Lyle Rawlings      | MSEIA                 |
| Tracy Thayer     | NJNG             | Jennifer Bredehoft | NJ Comm. Capital      |
| Marie Mascheria  | NJ Comm. Capital | Bob Kudrick        | NJNG                  |

President Fox opened the meeting at 2pm.

Mike Ambrosio reviewed the latest draft of the 2010 program funding levels. The total budget for 2010 is approximately \$552M including new money and carryover unspent from previous years.

There will be a Special Board Meeting on December 16 to consider approval of the 2010 Market Manager plans so they need to be close to final by Thanksgiving.

Mike Winka asked that comments be memorialized in writing and submitted by November 4 to [oce@bpu.state.nj.us](mailto:oce@bpu.state.nj.us) with Comments on 2010 Budget in the subject line.

Dave Nichol asked if there will be a meeting of the Clean Energy Council between now and then.

**Roger Kliemisch - TRC Market Manager Presentation**

Roger reviewed the TRC plan and budget for the commercial and industrial sector.

Q: Sarah Bluhm: Is there any reason why other high energy users (additional sectors like large manufacturers) are not included for the higher P4P cap?

A: Mike Ambrosio responded that this is a new program, the initial response has been extremely positive – they were anticipating 10-15 partners but have 90+ and that there was a lot of consideration given to how many customers we can serve within the current budget – can it tolerate the higher rebate levels if it was open to even more classes of customers. Roger added that since program launch TRC has received 45 applications.

Q: Dave Nichol questioned the inspection rates for the Direct Install program – he assumes there is an intent to inspect but is not reflected in program description. This is especially important for the first year of any new program launch.

A: Roger will add inspection level targets to the program description.

Q: It was asked how the Direct Install goal of 1700 projects was calculated?

A: Roger responded that they considered data from other markets, such as National Grid, and also that the numbers are based on available marketplace outside PSEG service territory.

Q: Mary Sheehy asked if the Retro Commissioning can be done separately from P4P?

A: Yes, the program is designed to assist existing buildings get back to where they should be performing.

Q: Dave Nichol noted that in the KEMA report there was a suggestion to consider differentiating the rebate levels for the various types of CHP projects. Should that be considered for 2010?

### **David Hill - Honeywell Market Manager Renewable Energy Presentation**

Q: Dave Nichol asked about the CleanPower Choice Program. The enrollment is relatively low and the program appears to be in maintenance mode – is program restructuring considered for 2010?

A: David Hill suggested that focus from the RE Committee may be helpful, and noted that the program has fallen prey to economic conditions. Mike Ambrosio clarified that Dave was asking about restructuring the program, but also what level of support does the program require from the Clean Energy Program? Should the utilities continue to do bill stuffers? Should the CleanPower Marketers do their own marketing? Enrollment remains flat at just under 15,000 participants, with 90% of them residential. Charlie Garrison remarked that the RE committee did review the CPC program at last month's meeting and did not recommend substantial program changes for 2010.

### **Joe Gennello - Honeywell Market Manager Residential Presentation**

Q: Bob Kudrick asked about builders that are only building a handful of homes per year. It was his understanding they were cut off from the Warm Advantage Program.

A: Joe believes this is not the intent of the program and asked Bob contact the program manager for clarification.

Q: Sara Bluhm asked if the program was considering a focus on Xbox or Nintendo for improvements on gaming systems?

A: The Research Team is working with EPA on several options for new program offerings and they will consider these technologies along with others.

Q: Is the refrigerator/freezer recycling program working with retailers?

A: The program set aside a percentage of units (10-15%) for the retail side as a pilot. The primary objective of this program is to get the second refrigerator off the grid, not to become a recycling agent.

Q: What is the process to bring new energy efficient products into the program during the year?

A: Joe replied that Honeywell is always looking for new products that make sense, and the process would be to provide information at the EE meeting and get information to the Market Managers and OCE staff. If there is something midway through the year that makes sense to launch we can do a revision to the compliance filing and the budget.

Q: Darren Port asked if the program was considering incentives directed to the homebuyers within the NJ Energy Star Homes Program.

A: Joe explained that in the current program the entire incentive goes to the builder. For 2010, there is a proposal to redirect that incentive from the builder to the consumer. Honeywell has worked with the New Jersey Builders Association, and they feel the homebuyer will benefit from working the incentive into the closing somehow.

Q: What will happen when the energy code changes take place? Darren Port would like to see the program target existing homes somehow.

A: The program will be modified to reflect the changes when they take effect.

Q: Mary Sheehy asked what the new incentives were proposed to be?

A: Joe said the incentive is a combination of a flat dollar amount and then so much per square foot, and noted it would be easier if homes were a flat price.

Q: Dave Nichol noted from the KEMA report that the NJESH baseline is what is used to estimate program savings and asked why are we waiting to revise incentives? Non participating builders are building way above code already – so why are we waiting to raise the program bar?

Q: It was asked why there is a \$1M research and evaluation budget within the Market Manager budgets if there is also a line item in the OCE oversight budget.

A: It was explained that the funds are allocated over the five programs and are really a placeholder to give the Market Manager the ability to review a technology in marketplace or to set up a pilot. All proposals to spend these funds are reviewed and approved in advance by OCE staff.

### **Gibbons – Wayne Meyer – President NJ Community Capital**

The goal is to create a loan fund – to provide affordable capital to support integration of energy efficient technologies to stabilize neighborhoods. Requesting \$7.5M. Mike Winka stated that he thought it was a great presentation - we would have to do a competitive solicitation as it is not as simple as putting it in the budget. Mike Ambrosio reinforced that new programs should coordinate and complement existing programs and suggested that Mr. Meyer speak with the Honeywell Market Manager team.

### **Kim Ehrlich – EDA**

NJCEP is already supporting EDA with two programs, this is a new proposal for Edison Innovation Green Growth Fund to bridge the gap between two existing programs. EDA feels it is important to support these companies and keep these innovations in New Jersey. Requesting \$14M.

Mike Winka prefers to make a commitment and then see how the program rolls out – if strong projects are coming in then we will make a line item transfer to fund the budget. OCE wants to make sure we can manage the budget with the new program launches we already have.

Ruben Brown asked if they have considered programs for graduates of incubator programs.

### **Mary Sheehy –HMFA**

HMFA presented a proposal for homebuyers of newly constructed homes. Mary indicated that there is a current inventory of Energy Star certified homes but they are having trouble finding homebuyers who can afford these units because they are in difficult markets. The additional cash would go directly to homebuyers to help to reduce their mortgage. A second proposal would target existing homes whereby the agency provides a first time homebuyer mortgage and then will provide a second mortgage to help them implement energy efficiency improvements funded by NJCEP. Or, use NJCEP

funds to fund the entire mortgage that would be expanded to include those energy efficiency improvements. Request is for \$10K with 5% admin fee.

Dave Nichol likes the existing homes program since these improvements would not otherwise occur, but is nervous about NJCEP writing mortgages even indirectly. Within the Choice program they are built to NJ Energy Star Homes standards already – he sees this as taking money to put on top of something you are already doing – and prefers to see money put into existing homes or raise the bar for Choice homes.

**Darren Port – Department of Community Affairs Division of Codes & Standards**

DCA is requesting funding to do training targeted to building code officials. The state will adopt new codes by end of 2009; the most stringent since 1995. They would target 3,500 building officials in New Jersey (building and electrical inspectors) and 500 other interested parties for a total of 4,000.

Sarah Bluhm asked since this is a workforce training why not go through the Department of Labor or the county colleges? Darren felt it was in direct requirement to ARRA and working with NJCEP was a better fit. Mike Winka suggested that Darren might work with the Honeywell team since the officials may benefit from open rater training as well.

**Donna Drewes – Sustainable Jersey – Municipal Land Use Center**

Looking for continued funding to support the goals of Sustainable Jersey and NJCEP. Asking for \$245K.

**Ruben Brown – E Cubed Company**

Ruben presented a summary of the Micro CHP from the August EE meeting. He is looking for the Market Manager to include \$750K to support a three year pilot for 200 units in 2010; 900 in 2011 and 1800 in 2012.

Mike Jarvis asked What does a 1.2kw cost and what is the payback? Ruben explained the cost is \$9K incrementally beyond a high efficiency furnace – about \$20K total. The savings are \$600/year without incentives – long slow climb but you benefit from both electricity and gas savings.

**Open comments from general public:**

Mike Jarvis asked about the Solar ACP process and Mike Winka explained that this is not part of this meeting. He supports the expansion of financing SRECs to 15 years.