

**New Jersey's Clean Energy Program**  
**Energy Efficiency Committee Meeting**  
**April 12<sup>th</sup>, 2011 9:30 to 12:00 noon**

Location: Conservation Services Group  
75 Lincoln Highway, Suite 100, Iselin, NJ 08830

<u>Attendees:</u>	<u>Via Phone:</u>
Vicky Schmidt, TRC	Dawn Chaplin, Honeywell
Brian DeLuca, TRC	Diane Zukas, TRC
Colleen Kling, TRC	Alice Napoleon, Synapse Energy
Fairlie Firari, TRC	Rick Marx, EAM
Frank Reilly, TRC	Ashley Miller, TRC
Nikki Kuhn, VEIC	Colleen Makowiecki, First Energy
Joe Genello, Honeywell	Joe Navarra, Iskair
Janja Lypse, CSG	Karen Paine, TRC
David Wolk, Honeywell	John Donohue, Fuel Merchants Assoc. of NJ
Jim Courtney, AEG	Jim Price, Freedom Solar Energy
Anne-Marie Peracchio, NJNG	Kristin Del Pino, HPwES
Kwesi Daniels, NJHMFA	Nancy O'Brien, Energy Finance Solutions
Don Swift, CSG	Michael Brown, MaGrann Assoc.
Asa Davis, Bloom Energy	Linda Wetzal, AEG
Kim Hoff, CSG	
Tom Pecora, Honeywell	
Don Flynn, Nexant	
Cheryl England, ETG	
Brian Bovio, Bovio Aces	
Tony O'Donnell, TCNJ Sus. Jersey	
Deane Evans, NJIT	
Michael Flett, Flett Exchange	
Bruce Grossman, SJG	
Brian Dolan, Intellidynk	
Sharon Wolfe, BPU	
Allison Mitchell, BPU	
Mona Mosser, BPU	
Mike Ambrosio, AEG	
Mike Winka, NJBPU	
Elizabeth Tong, BPU	
Angelo Cristofolo, Air Group LLC	
Lloyd Kass, Willdan	
Jerry Ryan, NJNG	
Susan Ellman, NJNG	
Bob Kudrick, NJNG	
Douglas Wong, BC Express Inc.	
Scott Markwood, Rockland Electric	

**Program Coordinator and Regulatory Updates**

Presenters: Mike Winka, Mona Mosser and Mike Ambrosio

**Updates on Filings, Board Orders and Regulatory Items**

- The true-up budget was approved for 42M. The carryover is partly made up of past commitments, and is set to make up for the difference for payouts of 2010. There is 5.3M in additional carryover into the HVAC program.
- 1M was added to the Comfort Partners program for Cool Roofs, the pilot program the DOE is promoting. This is for cooler shades, roofing material, insulation, etc. This works well in row houses, especially in urban areas.
- There was 3M added to the Commercial and Industrial retrofit program.
- The budget for reconciliation was reduced, pending one last proof for South Jersey Gas. It was adjusted because of overpayments into the funds. This will all be reported into the final report that will be circulated to everyone.
- There is a potential addition to Comfort Partners for Weatherization. It was reduced from 32M in 2010 to 24M. Currently working to add about 12M for the additions to the Comfort Partner program. The Weatherization program will be run through the utilities with six individual grant agreements.

### **ARRA activities**

- We are fast getting the point where we have to make a decision on when the NJCEP/NON-IOU program will wrap up. For the NON-IOU program, we are accepting applications through May 31<sup>st</sup> for Home Performance. A similar announcement will be issued shortly on the C/I side. The concern is that we need to spend the entire budget, and we do not want to undershoot the mark.

### **Smart growth policies**

- There are no changes.

### **Transition Status**

- The transition status will be out right after the energy master plan meetings.

### **100<sup>th</sup> Anniversary**

- On April 21<sup>st</sup>, we celebrate the 100<sup>th</sup> anniversary for the BPU. See web for details.

### **Last Comments**

- We will hopefully have a proposal for the Large Energy users pilot to the Board in May.

### **Utility Updates**

#### **South Jersey Gas**

- They are seeing the amount and rate of Home Performance loans dwindle.

- Still busy on C/I side, with a lot of Direct Install activity. A number of the municipalities are very engaged in the programs.
- Continue to work with large customers in the Pay for Performance and Smart Start programs.

#### New Jersey Natural Gas

- 1,739 seal-up's conducted on customers who have gone through the Warm Advantage program.
- Experiencing a drop off in Home Performance applications.

#### Rockland Electric

- Program is extended effective March 30<sup>th</sup>. Volume remains low.

#### Elizabethtown Gas

- Enhanced rebates have picked up (close to 1,000). Paid about \$70-80,000 in commercial loans.

### **Residential Program Updates**

Presenters: Honeywell Team

- 2011 Program Results
  - The Cool Advantage program has been extremely strong. We are starting to see the influx of the 2010 application decrease.
  - The Warm Advantage program is passing the program goal with over 9,800 completions. There is roughly an additional 3,000 applications in process. We are starting to see the intake drop a little.
  - The programs goals have already been adjusted, but the Cool Advantage may need to be adjusted again.
  - Roughly 8,000 dishwashers are in YTD, and roughly 11,000 refrigerator rebates are completed.
  - With CFL's, we have about 143,000. We will start to see more numbers come in as the partners ramp up their activity.
  - With the Large Appliance Recycling, we have 4,102 pick ups scheduled, and 3,422 pick ups completed.
  - Residential New Construction completions are at 983 year to date.
  - Home Performance with Energy Star Tier 2 enrollments are at 20 YTD (completions 0), Tier 3 enrollments are at 280 YTD (completions 627).
- Home Performance with Energy Star Program Enhancement Recommendations
  - All contractors notified that ARRA funding of Home Performance projects will end on May 31 (or until funding runs out).
  - As of March 31, 2011 the total number of projects for ARRA Oil, Propane, and Municipality Committed is 52 with total funds of \$390,887.
  - As of March 31, 2011 the total number of projects for ARRA Oil, Propane, Muni Incentives processed is 104 with total funds of \$1,141,102.
  - As of March 31, 2011 the total number of projects for ARRA-IOU Supplemental Incentives processed is 461 with total funds of \$5,884,425.

- Projects Claiming Funds through 2011 Auto Proceed Process – T2 and T3 are 135. There were 118 QC Inspections performed on T2 and T3.
- There were 185 comprehensive Work Scopes completed and the incentives processed.
- There are 36 Air sealing only projects with incentives processed, and 12 Audit Only projects with incentives processed.
- There are fewer completions in March, with fewer WC submittals.
- 204 work completions received but not processed for incentives.
- With EFS Loans, as of March 31, 2011, we have 2,715 approved. 97 pre-approved currently and 983 withdrawn after pre-approval. A good majority of withdrawals are due to files expiring.
- 2011 HMFA HESP Loanshave gained 6 loans (number of projects 18).
- NJNG on-bill repayment projects have gained loans.
- The 2011 Auto Proceed has increased in Tier 3 enrollment.
- Coming up
  - New Contractor Orientation on April 4<sup>th</sup>.
  - April 8<sup>th</sup> there is a newly accredited contractor program overview training with 6 new companies attending.
  - HESP webinar on April 19.
  - April 26<sup>th</sup> contractor technical working group meeting.
  - Contractor Portal (program forms & references)
  - Additional program software Online Tutorials which will include:
    1. Removing measure from a contract
    2. Claiming Home Performance with Energy Star incentives.
  - May 4<sup>th</sup> is the next software in-person training.
  - Program paperwork review webinar coming up (no date yet).
  - EPA Home Performance with Energy Star sales and marketing in-person training is tentatively set for May 13<sup>th</sup>
- Home Performance with Energy Star Recommendations
  - Increase customer incentives by \$1,000 for 25% TES level, increase 20% TES production incentive level by \$500, for 3 months, to steer HVAC only customers into Home Performance during the HVAC season.
  - Allow for more financing options. Allow contractors to buy-down the interest rate for loan amounts greater than \$10,000. In discussion with EFS and they are doing research to see what would be possible.
  - Expand co-op advertising to more than just print advertising.
  - Plan a fall promotion at the 10% TES level, to get homeowners who have already participated in WARM/COOL and Enhanced Rebate Programs over the summer to look at doing some of the envelope and health/safety upgrades that were missed by just going HVAC. We are currently seeing little conversion from the enhanced rebate audits into any actual upgrades.
  - All modifications will help jump start the Home Performance Program to regain its spot in the marketplace as well as provide immediate jobs for weatherization workers at a time they are desperately needed.
- EHCC update slides
  - Developing a plan to provide support to NJNG and SJG.

- BPI Certification training with A/C Heat Pump Class May 2-5<sup>th</sup>, Multi-family from June 6-10<sup>th</sup>, and B/A classes May 9-13<sup>th</sup> and June 20-24<sup>th</sup>.
- Attending the AREE show May 3-5<sup>th</sup>.
- Developing an HVAC Sales Course for technicians and sales staff, as well as developing a BPI one day refresher course.
- EHCC participated in an NJ Skills Competition, and we are planning on attending NAOHSM show in late May.

## **Commercial and Industrial Program Updates**

Presenters: TRC Team

- 2011 Program Results
  - For New Construction we ahead of goal with 20 approved applications (15 completed).
  - Retrofit completed projects are slightly above goal with 297 completions.
  - LGEA have opened up to Non-Profits but TRC is not seeing a huge push. 34 audits received in March, 103 year to date. We have 41 Audits approved in March, with 73 year to date.
  - Pay for Performance Existing Building is above goal with 6 completions. 6 applications received for New Construction with 4 apps approved.
  - Direct Install is gaining rapidly on the goal of jobs completed including ARRA. 1300 apps received year to date, and 1265 apps approved.
  - Some revisions include revised language to clarify CEE listing requirement for 4' T8 lamps only for Prescriptive Lighting. The ballast requirement still remains the same. The New Prescriptive Lighting incentive for LED Screw-in/Integral Lamps qualified by Energy Star for \$20/lamp. These changes were posted on the website April 11<sup>th</sup>.
- ARRA Update
  - 467 entities submitted master applications for 2010 and 425 continued on to submit signed scope of works. The project averages are \$7,700/project.
  - Letters went out last week cancelling the 2010 (47) projects that didn't submit signed scope of works.
  - In 2011 SEP funds replace NJCEP portion (60%) for the EECEBG projects.
    - 216 entities have submitted signed Scope of Works for 565 projects.
    - The estimated total project incentive value for EECEBG is \$6.4M.
  - Currently prioritizing the approvals for the 2011 applications.
  - For the 2011 SSB/Building Shell Applications, we have about \$131,000 committed to these EECEBG projects.
  - We are working towards weekly invoicing for ARRA/DI projects to accelerate draw down.
  - The BPU ARRA staff is working closely with the DI contractors for project schedules.
  - The TRC staff is working closely with the BPU ARRA staff to streamline the processes including:
    - Reviewing the ARRA requirements as work is being completed
    - Scheduling inspections while the work is in progress.

- Large C&I Customer Pilot
  - The draft framework and pilot design is under review. It is being discussed internally with large energy users and we are currently accepting comments. We will then be working on a formal draft.
    - In the pre-screening round we are looking at the top 25 to 50 largest users; they will be eligible for incentives up to a percentage of the amount they pay into the fund. They will submit an action plan and receive an approval letter. This simplifies the process for them where they can pre-qualify.

### **Bloom Energy – Fuel Cell CHP**

- Fuel cells have been under-represented in New Jersey despite exponential growth in customer demand.
- This proposal will help expand clean energy in New Jersey because many customers don't need/want heat and fuel cell technologies have evolved to make better use of heat internally for more electricity.
- This proposal expands the market without lowering the bar; preserves the intent of Pay for Performance Program. More choices for New Jersey customers.
- The Fuel Cell Value propositions:
  - Premium quality continuous power
  - Reduced CO2 emissions
  - Reduced operating costs
  - Protection against price volatility
  - Energy generation storage.
- The EE committee should recommend to the Board a modification to the CHP qualification requirements include fuel systems with annual system efficiency of less than 60%.
- Program requirement #6 should be modified to allow proportional incentives for systems achieving annual system efficiency between 40-60%, using a “sliding scale” approach.
- There is precedent for the sliding scale (see I/M/O CORE Program: Rebate for Mr. Maciorski and Modifications of CORE Program Guidelines, Docket No. EO09040300(June 5, 2009)).
- The CHP Program goals of promoting highly efficient, reliable and environmentally-friendly distributed generation projects are maintained by this minor modification.

### **Other Business, Next Meeting**

The next meeting will take place on May 10<sup>th</sup>.