

**New Jersey's Clean Energy Program  
Energy Efficiency Committee Meeting  
Tuesday, September 21, 2010  
Hosted by Honeywell – CSG, Iselin**

## **Introductions**

### **Program Coordinator and Regulatory Updates**

Presenters: Mike Winka (BPU), Mona Mosser (BPU), and Mike Ambrosio (AEG)

1. Mike Ambrosio –
2. Mike Winka –

- a. **Updates on Filings, Board Orders and Regulatory Items** –NJNG filing approved by board last Thurs September 16, 2010 that order is going through last DAG review . It added an additional year. One of the things it did is reserve some of the programs they filed for as we go through the transition, there were very innovative programs they filed as you read. Those are great issues lets go through transition first; lets have the discussion during transition. Approved a rebate for CHP. All gas utilities have a CHP component to them. It also had economic development portion. The board requested that additional components not be added however the economic development portion does not add cost to rate payers. Allows operation to go through end of 2011 unless the Board hasn't decided on a transition issue.

Comment: Anne Marie Peracchio (NJNG) added, Save Green shifting to on-bill financing component as of January and will work with contractors. Per Mike Winka, keeps buy down on interest rate puts remaining on bill. Mike Ambrosio important to know that as we are develop 2011 other than NJNG that I believe PSE&G and Rockland Electric stop accepting new apps end of this year, SJG to goes until April, E-Town expires Dec 31 but will file extension. Programs do not continue in 2011 unless they file extension.

3. **Comfort Partners Funding Reallocation** Approved budget order for Comfort partners 3<sup>rd</sup> revision. Comfort Partners was running out of money, money was moved to have the program continue until the end of the year.
4. At this point we are reviewing 4<sup>th</sup> revision for program moving dollars in TRC budget in regards to smart start.

Mike Ambrosio: TRC has proposed reducing P4P budget by \$5 million and allocating half a million to C&I New construction and \$4.5 million C&I retrofit, both have seen an uptake in apps and there's pressure on budget. TRC believes without reallocation retrofit would run out October and new Construction end of year so in order to keep this programs running until the end of year they submitted a proposal to the board, it was circulated and also put on agenda for discussion. Staff is drafting an order that is scheduled to be on the Board's Oct 5<sup>th</sup> board agenda. Topic was opened up for comment. No Comments.

Mike Winka: We are looking at possible line item transfer in E3 filings for direct install and Home Performance it all depends on the uptake in DI program on Muni side and on EECBG program on table. Allows some flexibility we are looking at when we need. Offshore wind rebate extension not that that had to do with EE we reduced \$4 million to \$3 million; firm deadline end of this year. Staff taking firm position on rebates and extensions if you are not ready we will probably deny extension, but you are welcome to appeal to board. E3 transfers anticipated to be addressed next board meeting reviewed by DAGs. ARRA protocols up as far as line item agenda.

#### **5. Federal Stimulus Funding –**

- a. **ARRA Activities** – Approval from feds for ARRA SEP - EDA CHP solicitation out on street with a return date OCT 4<sup>th</sup>. Project CHP solicitation had to be within the existing structure substantially complete title 5 air permit 90% statement. Had to have a project far along for contracts.

Mike Ambrosio: As a part of DOE approval original SEP program was for customers not served by investor owned utilities. The approval expanded it to allow some of the funds to be allocated to keep programs that were otherwise out of money. Thanks HPwES for getting information need first bill for ARRA supplemental was

submitted and paid Treasury today. Apps you submitted required additional info to bill to ARRA. Thanks HPwES community for working with us. It goes a long way stretching budget dollars.

Mike Winka: Feds are putting pressure to bill 100% by September. End of their fiscal year. If we don't spend there is a potential threat that it will be taken. Approval from Board of SEEARP moved 3.2 mil from HVAC to appliance. Over 10,000 products moving out.

Fuel oil merchants and non IOU's if you have applications in the works if you can accelerate them so we can get them in process so we can get spending those dollars.

Energy Master Plan meeting at Eco-complex. Another meeting on 24<sup>th</sup> general purpose EMP on comments on revisited EMP.

Stakeholder CEP transition that will follow EMP meeting. Started process for extension sitting with Treasury. Currently expires Jan 19, 2011. All ties to 2011 budget and admin costs. Hired Scott Goldman from LBL to be an expert input on clean energy programs across the country on what would work.

Number bills on SBC in terms of how SBC should be allocated split and used. Number of changes RPS would allow EE to be a component in RPS. Would allow micro industrial by product geothermal.

## **6. 2011 Programs and Budgets –**

Mike Ambrosio: HW and TRC contracts expire Jan 19 2011. We want to start process by early October to get extension. HW and TRC will make presentations on budget and changes. Staff will make decisions on recommendations on both. They will submit high level summary of proposed changes budgets and contract modifications by the end of week and getting them to Treasury.

2008 Board setup funding from 2009 to 2012. Fiscal year budget took \$77 million out of that. Numbers will probably change. Those were the numbers to start the process and 2011 budgets.

EE budget two important numbers EE \$60 million to new programs estimated \$25million carryover \$17 million is committed.

TRC \$73 million carryover \$53 million estimated committed.

Flip to EE focus HW tRCX EE budgetg (10:01) nto as much \$\$\$ working with staff gieven directon sharpen look at admin portion mabage program less costly program design complex program simplify or chane given less money important thememe shoifft cosdts

## **Commercial/Industrial Programs**

Presenters: Roger Kliemish (TRC)

Presentation/Handout –

### **1. 2010 Funding Reallocation**

- SmartStart Program - September 2010
  - Approximately 94% of the Retrofit budget has been committed or expended
  - Requested line item transfer is expected to meet Program demand for the remainder of 2010
  - Request for transfer of funds for New Construction is preemptive
  - Reduce P4P by \$5 million
  - Add \$4.5 million to C&I Retrofit
  - Add \$ .5 million to C&I New Construction

### **2. Proposed 2011 Changes to Existing Programs:**

- a. SmartStart Program – Sector Specific
  - Reduce scope of services by eliminating the following:
    - Training on EE building management
    - Technical Assistance - Development of new “Tools”, Case Studies
    - Maintain Outreach to support sector specific approach to ECMs and customers

- Continue to target major NJ segments for program participation
- Provide Benchmarking to help customers determine if they do need to evaluate EE improvements

#### SmartStart Program – Technical Assistance / Design Support Incentives

- Reduce scope of services by eliminating the following offerings:
  - Technical study incentives
  - Comprehensive support incentives
  - Pre-Design planning session
  - Design simulation and screening
  - Final design additional incentives
- Continue to move custom measures to a prescriptive application
- LED fixture must be listed on Energy Star's or Design Lights Consortium Qualified (DLC) Products Lists
- For replacement of incandescent, fluorescent and HID only
- Fixture or Lamp must be listed by UL listed or other OSHA approved Nationally Recognized Testing Laboratories (NRTL's) US standards
- LEDs categories not listed by Energy Star or DLC qualified products will not be evaluated through Custom for incentive eligibility

#### SmartStart Equipment Incentives – Premium Motors & Variable Frequency Drives

- Revise minimum efficiency standards per Federal requirements -Independence and Security Act of 2007 (EISA)
- No change to current incentives
- Motors >200HP, continue to be evaluated under Custom application
- Custom to Prescriptive Incentive – VFD's for existing cooling tower fans > 10HP (\$60/HP)

#### SmartStart Equipment Incentives – Refrigeration

- Continue to move custom measures to a prescriptive application
- Develop market-based approach
- Market to specific customer segments
- Identify major segments
- Package measures applicable to each
- Drive multiple EE measures per customer

#### SmartStart Equipment Incentives – Custom

- Revised minimum savings requirement language
- “To be eligible, a proposed custom project must offer a minimum first-year energy savings of 75,000 kWh for electric projects or 1,500 therms for gas projects. This requirement may be waived by the Market Manager on a case-by-case basis if project savings are within 10% of these minimum requirements. Projects with both electric and gas savings may be considered for incentives if either of the minimum savings requirements are met. Multiple smaller applications may not be grouped to meet minimum savings requirements”

**TIMELINE:** MM will provide clear definition of what level of application submittal is required and dates (immediately, within 30 days, etc.) for new incentives to become active on a program specific level

#### b. Pay for Performance –

- Lower monthly peak demand threshold from 200kW to 100kW
- Offer modeling training to Partners
- Adjust incentive payout schedule

- Pay 50% upon completion and remaining 50% for actual results
- On website, identify Partner metrics/accomplishments, i.e., applications submitted, approved ERPs, projects completed
- Industrial projects allowing minimal Btu savings to qualify for incentives (waiver of 15%)
- Drive eligible entities to ESIP where appropriate

Pay for Performance – Revised Partner Criteria

- Set additional guidelines to maintain eligible, active Partners
- Existing Partners active one year or more with no ERPs in pipeline, removed from program
- Existing Partners active less than one year with no active applications in pipeline, removed from program
- Partner must submit exclusion request to the MM
- Partners must submit proof of modeling expertise on their team; 2011 partnership agreement with resume of modeling personnel
- Allow entity's in-house professional engineering (PE) staff to become Partner on behalf of the facility. Geared toward large customers  $\geq 750\text{kW}$  demand, or those with multiple sites.
- In house PE's trained through a fast track process
- Program requirements still in play

c. Direct Install –

- Peak Monthly Demand reduced for all customers to 100kW from 200kW
- Building Envelope Measures/Air-Sealing not being proposed
- Administratively burdensome
- Potentially not cost-effective
- Rebid Participating Contractor services:
  - Goal is to potentially increase number of contractors; restructure regions, allow more flexibility in project assignments and reduce contractor pricing. TRC would conduct the Energy Assessments.
  - Eliminate need for pre-inspections
  - Provide “unbiased” analysis of facility by third party
  - Improve the ability to manage the backlog, move contractor resources as needed and improve delivery time of new Scope of Work contracts.
  - Allow contractors to focus on what they do best, install the measures in a highly qualitative fashion

d. LGEAP –

- Entities  $\leq 100\text{kW}$  moved directly to Direct Install
- Requests for exceptions, with sufficient customer justification, may be evaluated and approved by the MM
- Examples may include windows, doors insulation and other major shell improvements not available through DI
- More buildings moving through DI would lessen the amount of audits being completed and save administrative fees for their processing
- At Staff's direction, TRC to have the option to rebid the audit services and have audit firms contract directly with TRC
- Benefits may include less need for RFPs being sent to all, tighter direct control of QA/QC and result in quicker delivery time for the audit report

e. TEACH

- Discontinue TEACH

- Expand benchmarking services to K-12 schools under Sector Specific Initiative
  - Post benchmarking reports on NJCEP website for ESCOs
- f. EECBG  
 Funds no longer reserved for all entities
- First come, first serve approach
  - More aggressive funding - \$50K or \$100K per entity?
  - Evaluate 2010 participation numbers
    - Determine remaining funding available

## 2011 Proposed Budgeting of Funds

Proposed 2011 Commercial & Industrial Program Budget

	Estimated 2010	New 2011	Estimated 2011
Programs	Carryover	Funding	Budgets
<b>C&amp;I EE Programs</b>			
C&I New Construction	\$4,275,462.98	\$5,000,000.00	\$9,275,462.98
C&I Retrofit	\$12,995,295.13	\$24,000,000.00	\$36,995,295.13
Pay-for-Performance New Construction	\$4,487,494.56	\$3,000,000.00	\$7,487,494.56
Pay-for-Performance	\$34,556,343.30	\$20,000,000.00	\$54,556,343.30
CHP	\$1,153,352.16	\$0.00	\$1,153,352.16
Local Government Energy Audit	\$5,150,170.97	\$6,965,000.00	\$12,115,170.97
Direct Install	\$10,996,781.70	\$19,000,000.00	\$29,996,781.70
TEACH	\$338,462.00	\$0.00	\$338,462.00
Marketing	\$0.00	\$1,035,000.00	\$1,035,000.00
Business Conference	\$0.00	\$0.00	\$0.00
<b>Total C&amp;I</b>	<b>\$73,953,362.80</b>	<b>\$79,000,000.00</b>	<b>\$152,953,362.80</b>
Available New Funding C&I		\$79,000,000.00	



### Residential Programs

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

Proposed budgets per PPT( carryover and commitments)

### 2010 Approved Budget

2010 Residential Energy Efficiency Programs Budget								
Program	Total	Administration, IT and Program Development	Sales & Marketing	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections and Other Quality	Performance Incentives	Evaluation and Related Research
Residential HVAC - Electric & Gas	\$13,050,547.66	\$1,306,764.00	\$0.00	\$628,413.30	\$9,336,948.17	\$1,526,749.29	\$104,669.90	\$147,003.00
Residential New Construction	\$20,262,610.00	\$1,537,392.00	\$0.00	\$31,888.80	\$15,071,491.99	\$3,254,749.39	\$104,669.90	\$262,418.00
ENERGY STAR Products	\$17,635,073.74	\$1,382,132.84	\$0.00	\$0.00	\$15,474,934.00	\$639,205.00	\$104,669.90	\$165,132.00
Home Performance with Energy Star	\$62,000,347.08	\$1,154,421.08	\$0.00	\$642,410.70	\$55,818,377.06	\$4,132,926.33	\$104,669.90	\$147,542.00
Community Initiative	\$547,612.00	\$447,612.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00
Sales and Marketing	\$3,260,238.50	\$0.00	\$3,260,238.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sub Total Residential Programs	\$117,057,429.06	\$5,798,321.92	\$3,260,238.50	\$1,302,712.80	\$95,801,751.22	\$9,783,630.01	\$418,679.61	\$722,095.00
2010 Renewable Energy Programs Budget								
Programs	Proposed 2010 Budget	Administration, IT and Program Development	Sales And Marketing	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections and Other Quality	Performance Incentives	Evaluation and Related Research
CORE Program (Rebates Only)	\$56,000,000.00	\$0.00	\$0.00	\$0.00	\$56,000,000.00	\$0.00	\$0.00	\$0.00
Clean Power Choice	\$27,016.25	\$27,016.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Renewable Energy Incentive Program	\$66,436,898.39	\$1,554,086.04	\$0.00	\$290,202.50	\$61,781,294.00	\$2,652,994.85	\$158,311.00	\$0.00
Sales and Marketing	\$394,755.50	\$0.00	\$394,755.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HW Total Renewable Energy	\$122,859,669.14	\$1,581,102.29	\$394,755.50	\$290,202.50	\$117,781,294.00	\$2,652,994.85	\$158,311.00	\$0.00

EE Programs - \$21,255,678  
 RE Programs - \$5,077,356  
 Total Budget - \$26,333,044



## 2011 Proposed Budget

2011 Residential Energy Efficiency Programs Budget								
Program	Total	Administration, IT and Program Development	Sales & Marketing	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections and Other Quality	Performance Incentive	Evaluation and Related Research
Residential HVAC - Electric & Gas	\$10,366,176.45	\$1,306,764.00	\$0.00	\$0.00	\$7,730,716.73	\$1,328,693.72	\$0.00	\$0.00
Residential New Construction	\$9,329,343.50	\$1,249,392.00	\$0.00	\$0.00	\$6,726,859.00	\$1,351,092.50	\$0.00	\$0.00
ENERGY STAR Products	\$9,569,616.53	\$1,655,032.84	\$0.00	\$0.00	\$7,782,022.68	\$132,561.00	\$0.00	\$0.00
Home Performance with Energy Star	\$29,472,911.10	\$1,044,421.08	\$0.00	\$0.00	\$24,540,690.00	\$3,887,800.00	\$0.00	\$0.00
Community Initiative	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sales and Marketing	\$835,000.00	\$0.00	\$835,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Sub Total Residential Programs</b>	<b>\$60,173,047.57</b>	<b>\$5,255,609.92</b>	<b>\$835,000.00</b>	<b>\$0.00</b>	<b>\$46,782,290.41</b>	<b>\$7,300,147.24</b>	<b>\$0.00</b>	<b>\$0.00</b>

2011 Renewable Energy Programs Budget								
Programs	Proposed 2010 Budget	Administration, IT and Program Development	Sales And Marketing	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections and Other Quality	Performance Incentive	Evaluation and Related Research
CORE Program (Rebates Only)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Clean Power Choice	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Renewable Energy Incentive Program	\$11,835,000.00	\$1,393,246.92	\$0.00	\$26,352.00	\$8,542,455.50	\$1,872,945.58	\$0.00	\$0.00
Sales and Marketing	\$165,000.00	\$0.00	\$165,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>HW Total Renewable Energy</b>	<b>\$12,000,000.00</b>	<b>\$1,393,246.92</b>	<b>\$165,000.00</b>	<b>\$26,352.00</b>	<b>\$8,542,455.50</b>	<b>\$1,872,945.58</b>	<b>\$0.00</b>	<b>\$0.00</b>

**EE Programs - \$13,390,757**  
**RE Programs - \$3,457,545**  
**Total Budget - \$16,848,302**  
**Projected Savings - \$9,484,742**



1. Proposed 2011 Budget

a. **2011 Proposed Changes for HVAC**

- 1) Maintain Cool Program – 16.0 SEER/EER Incentives
- 2) Pilot Cool Upstream Incentives for Lower Tiers
- 3) Streamline Warm Incentive Application
- 4) Review QIV
- 5) Eliminate SDHW
- 6) Eliminate .62 Hot Water Heater Incentive And Review Upstream
- 7) Opportunities On .67 Units & HP Units. Maintain .85 Incentives
- 8) Coordinate With Utility Programs (When Known)
- 9) Maintain Minimal Cool Incentives to Coordinate SEARP, Focus On Warm Rebates & Cool Upstream Opportunities

**10) 2011 HVAC Activity**

- i. 2010 Carryover
- ii. 7,800 Carryover units through May 1<sup>st</sup>
- iii. Processing through August 1<sup>st</sup>
- iv. 2011 Program Goals
  - 20,000 Warm Incentives
  - 600 Units @ SEER 16.0
  - Upstream COOL Incentives
  - 50% Reduction in Customer Facing Rebates

b. **2011 Proposed Changes for Products**

- 1) Eliminate, Room A/C, Dehumidifiers & Creative Lighting Offering
- 2) Reduce Refrigerator Recycling Program
- 3) Maintain 3.8 Million CFLs And 25K Fixtures

- 4) Maintain Washer Incentives, Evaluate Upstream Options
  - 5) Refine Upstream Electronics Incentives
  - 6) Maintain ARRA Support & Develop New Upstream Opportunities
- c. 2011 Products Activity**
- 1) 2010 Carryover
    - 755,000 Carryover Units Through April 1<sup>st</sup>
    - Processing Through July 1<sup>st</sup>
  - 2) 2011 Program Goals
    - 3,800,000 CFL
    - 25,000 Fixtures
    - 12,000 Washers
    - - \$2,400,000 In Electronics Upstream Incentives
- d. RNC 2011 Proposed changes**
- Eliminate Tier 1
- Tier 2 Transitions To Energy Star Version 3
  - Scale Back Tier 3 To 50 Units
  - Eliminate Lighting Units
  - Roll Builder Progress Payments Into Incentive Payment. Reduce Administration.
  - Turn Multifamily High-rise Over To Open Rater Market
  - Establish Builder/Customer Incentive @ An Average Of \$2,000
    - Builder Provides E-star Certificate. Program Pays Half The Incentive.
    - Builder Provides Closing Documents That Indicates Buyer Incentive Credited @ \$1,000. Program Pays Second Half Of The Incentive.
  - Affordable Builder Retains All Incentives.
    - Complete Backlog Units, Shift Towards Customer Incentives & New Technical Requirements
- 2011 RNC Activity**
- 2010 Carryover
    - 3,800 Carryover Units Through December 31st
    - Processing Through December 31st
  - 2011 Program Goals
    - 2,500 New Tier @ An Average Of \$2,000 Per Unit
    - 50 Climate Choice Units @ An Average Of \$15,000
    - Incorporate High-rise Multifamily Units Into Open Rater Marketplace
- e. Community Partners –**
- 1) Eliminate MM CPI Program
  - 2) Coordinate Collaboration With Sustainable Jersey
  - 3) Provide Support To Sustainable Jersey
- f. Home Performance:**
- 1) • Eliminate Initial Application Review. Automate Approval.
  - 2) • Create Customer Incentive Tiers:
    - TES 10% - 19.9%: Envelope Upgrades Only: Air Sealing And Insulation Required. \$1,000 Homeowner Rebate (Project Could Also Qualify For Warm/ Cool Advantage Rebates If Not Achieving 20% Savings)
    - TES 20% - 24.9%: Air Sealing, Insulation Plus HVAC/DHW \$3,000 Homeowner Rebate Or Equivalent Financing
    - TES 25% Plus: Air Sealing, Insulation Plus HVAC/DHW \$4,000 Homeowner Rebate Or Equivalent Financing
  - 3) Low Interest Loan Option Will Be Equivalent \$ Value To Incentive. Will Require Buydowns Above 0%.
  - 4) More Tiers Equal Greater Access to the Program. Shift Towards Streamlined & More Efficient Processing

## Incentive Table

Incentive Tables / Assumptions - ALIGNED with Home Star				
TES %	Incentive Level	Loan Options	Estimated % Of Customers	Description of Required Measures
10.0% - 19.9%	\$1,000	No Loan Option	20%	A/S, insulations
20.0% - 24.9%	\$3,000	\$15,000 loan at 7.5% OR \$10,000 loan at 3.5%	40%	A/S, insulations + other measures
25% +	\$4,000	\$15,000 loan at 7.5% OR \$10,000 loan at 3.5%	40%	A/S, insulations + other measures

### Assessing Other Vehicles For Loan Options



- 5) Reduce Contractor Production Incentive To \$500 Per Project. Initiate Inspection Failure Penalty Of \$250 To Be Deducted From Production Incentive.
- 6) Implement Contractor Remediation Procedure To Impact Projected Inspection Rates & Failure Rates Discontinue Audit Reimbursement Incentives.
- 7) Appliances, Windows And Doors Will Not Be Eligible Measures For Which Incentive Will Apply
- 8) Coordinate With Utility Programs (When Known)
- 9) More Tiers Equal Greater Access to the Program. Shift Towards Streamlined & More Efficient Processing
- 10) 2011 Activity
  - i. 2010 Carryover
    - 3,000 (1,500 Loans) Carryover units through May 1<sup>st</sup>
    - Processing through August 1<sup>st</sup>
  - ii. 2011 Program Goals
    - 6,820 Completions
    - - Inspection Rate 25%

## **EDA PROGRAMS**

### **NJEDA CLEAN ENERGY SOLUTIONS PROGRAMS**

- Portfolio of EDA “Green” Programs to Support State Energy Master Plan, introduced in 2009
- Designed and developed in consultation with Governor’s Office, state partners (including BPU, DEP, Treasury), and industry stakeholders
- Supporting Renewable Energy and Energy Efficiency Technologies, Clean Energy Industry in New Jersey, Green Jobs Growth, Positive Impact to Ratepayers
- Helping companies “go green”
- Helping companies develop the products to help other companies “go green” (clean tech)

### **EDISON INNOVATION CLEAN ENERGY MANUFACTURING FUND (CEMF)**

- \$60 Million 5 Year Program Funded by NJBPU Office of Clean Energy, officially launched in January 2009 (soft launch Fall ‘08)
  - \$12M/year in program funds



- Grant and 0% interest loan of up to \$3,300,000 per facility project for funding Energy Efficiency and Class I Renewable Energy equipment manufacturers
  - For-Profit Company that currently, or plans to, manufacture in NJ and is entering or expanding within the manufacturing stage of commercial development
  - Prototype, beta/pre-commercialization ineligible
- Grant up to \$300,000 for identifying and securing a site and completing initial facility design
- Zero-interest 10 year loan up to \$3,000,000 to support equipment procurement and facility construction and completion
  - Up to one third (\$1M) may be converted to a performance grant
- No Customer Fees, Rolling Application
- Currently exploring as program conditions:
  - Requirement for awardee “Best Efforts” for discounted pricing to NJ consumers
  - Interest rate and term adjustments
- More favorable terms if awardee provides discount to customer (installer etc)
- Very strong customer interest and demand for program
- Currently 4 awardees, 3 more undergoing final due diligence. Others in pipeline
  - Awardees: Petra Solar, AppliCAD, Noveda Technologies, Princeton Power Systems
  - Currently, firms receiving CEMF funds employ 197 people in NJ. So far, these firms have created 73 new jobs with the assistance of EDA deployment of clean energy funding.
- >>> **Request for \$12M in 2011 Clean Energy Program Funds to support ongoing demand**

#### **ARRA COMBINED HEAT AND POWER PROGRAM (ARRA CHP)**

- \$18 Million competitive grant to support development, design and construction of high efficiency commercial, institutional, and industrial entity Combined Heat and Power Projects in New Jersey
- Funded by the American Recovery and Reinvestment Act (ARRA) of 2009, via the State Energy Program (SEP).
- Grants equal to \$450 per kW (not to exceed \$5 million) of installed electric generation. Aggregate federal and state funding may not exceed 50% of the total project costs
- Solicitation opened Sept 13, 2010, Closes October 4, 2010.
- \$500 Application fee, 1% closing fee, 1% commitment fee
- Eligibility:
  - NJ-based CHP installation and upgrade projects with electric generating capacity > 1 MW
  - Entering into commercial operation after Jan 1, 2011, must commence construction by Sept 30, 2011, Reimbursement of costs until April 30, 2012
  - Requires project achieve thermal efficiency levels of at least 65% for facilities up to 20MW; 70% for above 20MW
  - Other program requirements apply. For more information, including the program Solicitation and FAQs, visit [www.njeda.com/ARRACHP](http://www.njeda.com/ARRACHP).

#### **Clean Energy Solutions Capital Investment Program (CESCI)**

- Regional Greenhouse Gas Initiative (RGGI)-funded Program, launched in June 2009

- Loan/Grant program with a \$5 Million cap to support Commercial, Institutional, and Industrial end-use EE projects, CHP facilities, and SOTA electric generation facilities
  - Up to 80% grant, 20% zero interest loan subject to applicant industry sector, scoring. Not to exceed \$2.5 M
- Very high demand for program; Currently closed.
- Currently 10 awardees, additional in pipeline, undergoing review.

### **Retail Margin Fund Combined Heat and Power Program (RMF CHP)**

- Performance-based Grant Program to support high efficiency commercial, institutional, and industrial entity Combined Heat and Power Projects in New Jersey
- \$60M-Retail Margin-funded program, Launched July 2009 under Competitive Solicitation
- Grants equal to \$450 per kW of installed electric generation
- Based on CHP plant operation subject to certain production quantities, efficiencies, including
- CHP project shall be designed to achieve thermal efficiency levels of at least 65% for facilities with up to 20 MW of electric generating capacity, and at least 70% for > 20 MW
- Strong demand for program. Currently closed (lack of funding)

### **NJEDA Clean Energy Solutions Programs under Development/ Proposed**

#### **Edison Innovation Green Growth Fund (EIGGF)**

- Filling a hole in marketplace for green funding not currently satisfied by current EDA or partner programs (post-R&D)
  - Address current economic conditions of scarce capital, growing jobs
  - Companion to CEMF, working capital focused (not manufacturing line-focused)
- Low Interest Loans to Class 1 Renewable or Energy Efficient technology businesses that and are looking to grow and support their technology businesses
  - Selling to customers in market, revenue-producing, can service debt
  - Company growth, job creation is key
  - Growth capital needs
- Up to \$1M per company. Interest rate fixed for 5 year term, based on risk profile and related criteria
  - Up to 50% of the funding may be converted to a performance grant at the end of Year 5
- Best efforts for discounted rates to NJ consumers, concomitant interest rate reduction (\* exploring as program condition, similar to CEMF)

#### **>>> Request for \$5M in 2011 Clean Energy Program Funds to support this critical segment**

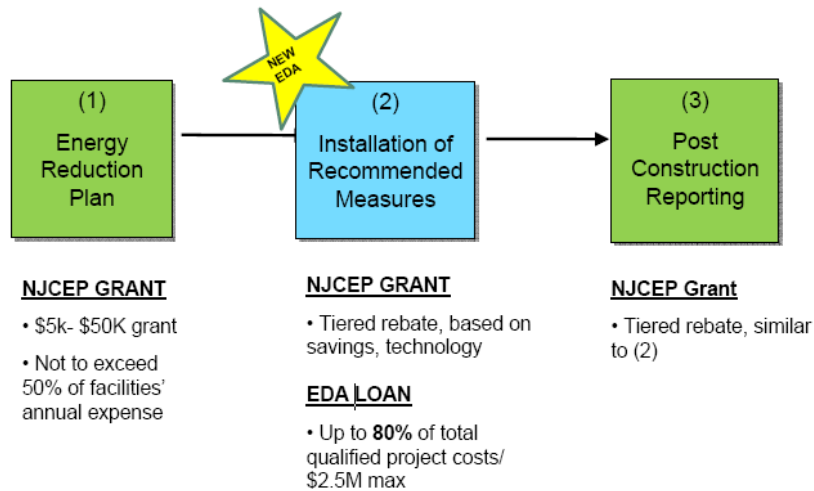
#### **ENERGY EFFICIENCY REVOLVING LOAN FUND (EE RLF)**

- Companion Loan Program to the current NJBPU C&I Pay for Performance Incentive Program
  - To facilitate installation of qualified EE upgrades identified under PFP for entities that cannot self-fund
- Support of up to 100% of project costs (coincident with PFP incentive and related awards), minimum \$250K, maximum of \$2.5 million per awardee or 80% loan

– Financing only those costs of the project that contribute to the energy savings, exclusive of energy reduction plan costs and other non-qualified project costs

**>>> Request for \$20M in 2011 Clean Energy Program Funds to support program**

**Proposed EDA-Supported PFP Program Incentive Structure: Enhancing the Current PFP Incentive Program**



**ENERGY EFFICIENCY REVOLVING LOAN FUND (EE RLF)**

**Program Eligibility:**

- New Jersey-based projects meeting C&I PFP program baseline requirements
  - C&I buildings with peak demand in excess of 200KW in preceding 12 months (current requirement)
  - Minimum threshold energy savings (currently 15%)
- Applicants required to complete Energy Reduction Plan to identify EE upgrades required and funded (through NJCEP PFP Program)
- Should create or maintain jobs in New Jersey
- Projects must comply with State/Local requirements

**Program Terms and Conditions:**

- Minimum loan/guarantee = \$250K, Maximum loan/guarantee = 80% of eligible project cost (maximum \$2.5M per applicant regardless of # of sites)
- Loan Interest Rate:
  - 2%; amortization up to 3 years
  - 3%; amortization up to 5 years
  - 4%; amortization up to 7 years
- Minimum 1.1:1 DSCR; Personal Guarantees required for any entity with 10% of more ownership in project; Applicant must evidence source of funds needed to complete project
- Applicant approved under NJCEP PFP

## **Other Business, Next Meeting**

- **Next Meeting - Iselin, NJ – CSG Office.**

## **Today's Attendees:**

<b>Name</b>	<b>Company</b>	<b>In Person</b>	<b>By Phone</b>
Ambrosio, Mike	AEG	X	
Bedin, Jake	Willdan	X	
Bovio, Brian	Bovio Heating	X	
Boyd, MaryJo	CSG	X	
Bryant, Elaine	PSE&G	X	
Carpenter, Joseph	NJ DEP	X	
Carrington, Theodore	GreenFaith	X	
Conforte, John	Air Group	X	
Congo, Dale	Congo Capital Management	X	
Crisfufolo, Angelo	Air Group, LLC	X	
DeLuca, Brian	TRC	X	
DeSeve, Julie	CSG	X	
Dewitt, Frank	Alternative Energy Solutions	X	
Dolan, Brian	Intellidyne	X	
Edlestein, Chris	McGrann	X	
Fisk, Andrew	CSG	X	
Gennello, Joe	Honeywell	X	
Grazul, Maria	CSG	X	
Grossman, Bruce	SJG	X	
Hambric, Steve	OPOWER	X	
Hines, Angela	Rubino Service	X	
Hoff, Kim	CSG	X	
Holmes, Bill	SJG	X	
Hutchinson, Fred	Hutchinson	X	
Jones, Sherri	BPU	X	
Kass, Lloyd	Willdan	X	
Kliemish, Roger	TRC	X	
Kudrick, Bob	NJNG	X	
Lupse, Janja	CSG	X	

Makowiecki, Colleen	JCP&L	X	
MARkwood, Scott	Rockland Electric	X	
Martin, John	Pro-Tech	X	
Marx, Rick	EAM Associates	X	
Mosser, Mona	BPU	X	
Navarra, Joe	HVAC Consulting	X	
Needham, Scott	Princeton Air	X	
Ortiz, Yennaira	Honeywell	X	
Pecora, Tom	Honeywell	X	
Perracchio, Anne-Marie	NJNG	X	
Pierce, Barbara	NJEDA	X	
Pugliese, Tony	ETG	X	
Schmidt, Vicky	TRC	X	
Schultz, Scott	Advanced Solar Products	X	
Scott	Beehive Heating and Cooling	X	
Sheehy, Mary	NJ HFMA	X	
Sherako, Jill	Eastern Heating and Cooling Council	X	
Sillars, Scott	Isles	X	
Solomon, Randy	Sustainable Jersey	X	
Swift, Don	CSG	X	
Vacora, Sam	South Jersey Gas	X	
Waldman, Jeff	BPCA – NJ	X	
Wetzel, Linda	AEG	X	
Winka, Mike	BPU	X	
Wolfe, Sharon	BPU	X	
Wolk, Dave	Honeywell	X	
York, David	Noveda	X	
Younghans, Sally	Energy Solutions	X	
Bitner, Angela	Energy Finance Solutions		X
Deangelis, Diana	Pepco		X
Donohue, John	Fuel Merchants Assoc		X
Fernandez, Richard	WellHome		X
Firari, Fairlie	TRC		X
Fleming, Candice	Walters Group		X
Garner, Jamaal	BPU		X
Graham, Mary Ann	ICS working in support of EPA ENERGY STAR ®		X
Hauber, Fred	Eastern Energy Services, Inc.		X
Kliwinski, Jason	SPIEZLE ARCHITECTURAL GROUP, INC.		X
Kuhn, Nikki	VEIC		X
Miller, Ashley	TRC		X
Napoleon, Alice	Synapse Energy Economics Representing Rate Counsel		X

