Fiscal Year 2016 Recommended Program Changes

TRC is submitting the following recommendations for the NJ Clean Energy Commercial and Industrial (C&I) Programs for Fiscal Year 2016.

These recommendations were identified following several meetings with C&I program customers, contractors, partners and interested stakeholders as part of the recent Program Planning effort. They also reflect staff recommendations based upon program experience, research into comparable programs elsewhere in the US as well as discussions at recent Energy Efficiency, Program Coordinator and Program Planning Committee meetings.

The Planning process also identified longer term program changes that will be explored for consideration at a later date since they would require contract modifications and/or further research.

Smart Start

These recommendations reflect input from stakeholders and staff and seek to be more responsive to frequent changes in lighting technology and opportunities to streamline the process and be responsive to common program trends.

- Remove pre-inspection and pre-approval prior to installation requirement for all prescriptive measures with the exception of lighting and lighting controls.
- Revise gas boiler and electric chiller incentive structure. Boilers - Add specific categories for condensing and non-condensing boilers. Revise efficiency requirements to achieve ASHRAE 90.1-2013 or better.
- Evaluate current and potentially new LED measures that can now be moved from custom to prescriptive. Currently working on recommendations for measures to be moved.
- For LED products only, allow Board Staff to authorize and approve the addition of new measures to the prescriptive rebate list and set initial rebate levels, and to reduce rebates for LED products. Program changes will be subject to confirmation by the Board at a future agenda meeting.
- Revise existing prescriptive lighting incentives as needed. Reviewing T8 and T5 replacing HID and reduced wattage/delamping T8 incentives.
- Revise performance lighting program to allow existing facilities to qualify with the following requirements:
    1) Proposed space where work is to be performed must have all lighting removed. Confirmed by pre-inspection (100%)
    2) Only new fixtures will be eligible for incentives
    3) Fixtures must adhere to prescriptive guidelines where applicable.
    4) 100% post inspection for all projects
    5) Customer may submit multiple apps for phased projects.
- Eliminate the Sandy enhancement completely.
- Allow building shell improvements to be evaluated through custom path.
- Eliminate IRR requirement for Custom.

Direct Install

Our regular communication with the DI contractors and other stakeholder involved in the program planning process indicated that many of the recent program changes have been successful in improving the DI program. Several program changes discussed at the Program Planning and other meetings are long term in nature or would requiring contract modifications such as opening up with program to new contractors. Below are those that can be implemented within the FY '16.

- Add series boilers for K12 schools.
- Identify additional/enhanced incentives for distressed communities.
- Increase the capacity of boilers on a one (like for like) for one replacement for all applicants. Currently, the maximum capacity for a one for one boiler replacement is 500mbh. We are proposing increasing the maximum capacity for a one for one boiler replacement to 1,500mbh to be more in line with commercial and industrial facilities.
- Allow religious facilities which are metered residentially in Orange & Rockland territory to participate in Direct Install. Historically, the program has handled this issue on a case by case basis through the appeals process. Applicant will still be required to meet all other program requirements.

Pay for Performance

These recommendations will eliminate overlap with the DI program and also eliminate requirements staff, program partners and participants determined were unnecessary and do not impact program effectiveness. Recommendations also reflect changes that will assist certain sectors in participating in the programs.

Existing Buildings

- Increase minimum size to participate from 100kW peak demand to 200kW to align with Direct Install and eliminate the overlap.
- Eliminate kW peak demand waiver currently in place for hospitals, public colleges/universities, 501(c) 3 non-profits, local governments and K-12 public schools, and affordable rate multifamily housing.
- Eliminate IRR requirement.
- Expand high energy intensity reduced (4%) savings requirement to hospitals. Further, create incentive adders for savings over 4%. P4P EB only (P4P NC has guideline provision to address high energy intensity planned projects).
    - Base incentive $0.09/kWh with $0.005 additional for each % over 4% up to max $0.11/kWh
    - Base incentive of $0.90/therm with $0.05 additional for % over 4% up to max of $1.25
- Increase lighting percent limit from 50% to a maximum of 70% - will require an increase in the minimum source energy target by 1% for every additional 1% of lighting over 50% of project. Exceptions can be made case by case by TRC.
- Add rule stating a project may not apply for incentives in other programs while doing P4P. Exceptions can be made case by case by TRC.

- Develop alternative path for ICP compliance. Proposal under review detailing added requirements and additional incentives.
- Reduce partner revision turnaround time from 90 days to 30 days. Informal exceptions may be granted case by case by TRC.
- Allow TRC to conduct expedited pre-inspections without the AEG appeal/exemption process. This will require Partner at minimum to complete ERP tables with all existing equipment and recommended measures information. A pre-inspection will not be conducted again upon full ERP submittal. For instances where specific/spot equipment needs to be replaced prior to ERP submittal, such as failed boiler/chiller, allow TRC to use an approved LGEA report to verify existing conditions and allow equipment to be replaced and still be included in ERP. If a LGEA report is not available, the partner/customer will need to follow regular AEG appeal process and TRC may have to visit the site. Regardless, TRC will still perform blanket pre-inspection upon full ERP submittal.

New Construction

- Eliminate square feet waiver currently in place for hospitals, public colleges/universities, 501(c) 3 non-profits, local governments and K-12 public schools, and affordable rate multifamily housing.
- Eliminate IRR requirement.
- Increase lighting percent limit from 50% to a maximum of 70% - will require an increase in the minimum energy target by 1% for every additional 1% of lighting over 50% of project. Exceptions can be made case by case by TRC.
- Add rule stating a project may not apply for incentives in other programs while doing P4P. Exceptions can be made case by case by TRC.

Local Government Energy Audit

These recommendations align the program better with the DI program and reflect comments received from stakeholders regarding larger school districts. We also reviewed the preliminary Sustainable Jersey recommendations for program improvements and noted that the building shell issue could be addressed immediately, while the others would require further discussion and significant program modifications.

- Increase minimum size to participate from 150kW peak demand to 200kW to align with Direct Install and P4P to eliminate the overlap. Existing waivers to remain.
- Establish process with Staff for TRC to allow for higher entity incentive cap on certain projects. Relevant mostly in larger entities (e.g. Newark School District). Current cap is $100,000. Work with staff to approve caps as high as $300,000 (highest program cap from previous years).
    - Perform outreach to larger entities for LGEA participation.
- TRC will work with the audit firms to require a better representation of building shell assessments and recommendations (if applicable) in the audit reports, as well as refine the way the existing conditions are documented (reference P4P EB guidelines). These adjustments fall within the existing contracts with Treasury.

- Building shell evaluations are used as a basis to waive the minimum kW requirement and therefore should be better evaluated.

Combined Heat and Power/Fuel Cells

These recommended changes reflect comments from stakeholders as well as researching comparable programs and incentives in other neighboring states.

- Change small-scale fixed incentive to be tiered, which creates a tiered incentive structure across all system sizes. Change only applies to CHP and Waste Heat to Power; does not apply to Fuel Cells.
- Clarify that incentives are paid per project per site. Prevent submittals of modular installations at the same site/facility within a short period of time. Example language: "CHP and Fuel Cell projects will be evaluated on a per site basis and incentives awarded accordingly. Installations of multiple systems planned for the same site within a 12 month period must be combined into a single project."
- Revise filing language regarding entity cap. Current language says that entity cap per program year is $4 million and goes up to $5 million if a CHP project is pursued. Needs to be clarified that cap is $5 million if same entity/facility also participates in other programs addressing EE measures during the program year.
- Current incentive structure for CHP up to 1MW calls for a 30% project cost cap, which goes up to 40% if an absorption chiller is part of the project. Consider extending this to all system sizes, but need to do research to see if this is viable (may need to roll into evaluation process).

Large Energy Users Program

No significant changes to this program were identified through the stakeholder process for immediate implementation. The elimination of the IRR requirement is recommended to make this program consistent with other C&I programs.

- Eliminate IRR and payback requirement.

General

- Marketing and Outreach Plans will be updates to reflect most recent data, research and program participation levels.
- Coordination with utility programs needed for marketing, utility bill information and sector identification
- Enhanced sector-specific marketing and outreach needed to better promote programs and build awareness.

Summary of Proposed Changes to the FY16 Residential EE Programs

****Areas *footnoted* and *italicized* indicate items that were clarified or changed from the originally posted documents.**

The following summarizes the proposed changes to the FY16 Residential EE programs:

Residential HVAC Program
The Market Manager Team has proposed modifications to existing equipment and eligibility levels to improve alignment with available technology and recently revised regional and national efficiency specifications. These recommendations include:

- Adjusting *WARMAdvantage* and *COOLAdvantage* highest tier incentive requirements to match performance levels for CEE Tier 3 and ENERGYSTAR Most Efficient versus ENERGY STAR labeling.
- Modify the incentive amount and eligibility levels to better match the most efficient generally available ductless equipment. Expand Manual J Load sizing requirements to include ductless equipment.
- Restore *COOLAdvantage* entry tier, align with performance levels for CEE Tier 2.
- Explore *WARMAdvantage* support for high efficiency boiler circulation pumps through mid-upstream offering in line with addressing the key market barriers for this measure.
- Explore transitioning *WARMAdvantage* support for water heating equipment to mid and upstream channels for greater equipment availability, participation, and savings yield.
- Discontinue the Boiler Reset Controls due to a lack of participation in the program.

The Market Manager Team has identified areas where changes to performance criteria and incentive amounts can improve overall program performance with negligible tradeoffs. They are as follows:

COOLAdvantage

Area of Change	Summary	FY2015	Proposed FY2016
Central Air Conditioners & Air-Source Heat Pumps	Align $500 incentive specification with CEE's highest tier levels.	*17 SEER, 13 EER, 8.5 HSPF*	**18 SEER, 13 EER, 10 HSPF $500 incentive w/Manual J**
	Restore "Entry Tier" aligned with	*N/A*	**16 SEER, 13 EER, 9 HSPF**

	CEE Tier 2 performance levels.		**$300 incentive w/Manual J**
Ductless Mini-Splits	Expand program presence in market category, align with savings opportunity	*17 SEER, 13 EER, 8.5 HSPF $500 incentive*	**20 SEER, 12.5 EER, 10 HSPF $300 incentive w/Manual J**

WARMAdvantage

Area of Change	Summary	FY2015	Proposed FY2016
Furnaces	Reflect changing standards and market for gas and oil fired units	*Gas Tier 2: 95 AFUE (and ENERGY STAR)*	**Gas Tier 2: 97 AFUE (level of ENERGY STAR Most Efficient)**
Boilers	Align and differentiate between gas and oil fired units.	*Gas:* 85% AFUE (old ENERGY STAR) Oil: 85 AFUE (old ENERGY STAR)	**Gas: 90% AFUE (equiv. new level of ENERGY STAR) Oil: 87% AFUE, (equiv. new level of ENERGY STAR)**
After-market Boiler Rest Controls	Discontinue	*Less than 20 expected rebates.*	**Eliminate due to small size, lack of growth, closing window for cost-effective opportunities.**
Circulator Pumps	New efficient variable speed motors save 80%. Need lift.	*N/A*	**Explore incentive offering at retailer/wholesale/mfr level to increase availability, and access to customers at key times.**

Residential New Construction Program

The NJ Clean Energy Program's Residential New Construction (RNC) Program is designed to increase the energy efficiency and performance of residential new construction in New Jersey. The RNC Program has the long-term objective of transforming the market to one in which a majority of residential new construction in the state is "net zero-energy," i.e., extremely efficient buildings whose low energy needs can be met by renewable energy generation. The changes proposed for FY16 are designed to incentivize builders to become familiar with IECC2015 code and encourage the adoption of the Energy Rating Index (ERI) compliance path within the code as well as promote energy efficiency through a performance based incentive structure. Proposed changes include:

- Performance based incentive matrix incorporating IECC 2015 energy efficiency requirements
- Provide flexibility around Tier 3 renewable requirements
- Transition to a performance based incentive structure for Multi-family
- Increase communication from the program to the participants
- Increase marketing and outreach
- ***Provide flexibility for multifamily units with extended construction timelines by removing annual re-enrollment requirement*[1]

While the Market Manager has reviewed a great deal of data from this and other programs, recommendations are made with the understanding that builders, rating companies and other stakeholders must have greater input into a final recommendation. Given that, the proposed restructuring for single family, multi-single, and multifamily units creates multiple paths for builder participation, rewards increased savings and performance, and provides incentives for homes to be DOE ZERH Certified with or without renewables. This structure will help builders move up the pathway toward greater energy efficiency and become familiar with new codes, in particular IECC 2015 which allows for a compliance path similar to HERS called the Energy Rating Index (ERI). While providing flexibility for builders to determine least cost performance path, IECC 2015 will require a significant improvement in efficiency compared to IECC 2009 and the NJCEP can help to prepare the NJ building industry for that level of performance.

The following table shows the paths and incentive structures currently under development for adoption in FY16.

****Proposed RNC Incentive Matrix for *Single Family*[2]**

	Tier 1	Tier 2	Tier 3	Tier 3 Plus
HERS (before renewables)	*ENERGYEfficient Home*	*ENERGY STAR Home*	*Zero Energy Ready Home*	*Zero Energy Home 100% Renewables*
65	*$750*	*$1,750*		
60	*$1,000*	*$2,000*		
55	*$2,000*	*$3,000*		
50	*$3,500*	*$4,500*	*$6,500*	*$9,500*
45	*$6,250*	*$7,250*	*$9,250*	*$12,250*
40	*$9,250*	*$10,250*	*$12,250*	*$15,250*
35	*$12,750*	*$13,750*	*$15,750*	*$18,750*
30	*$16,250*	*$17,250*	*$19,250*	*$22,250*
25	*$17,250*	*$18,250*	*$20,250*	*$23,250*
20	*$18,250*	*$19,250*	*$21,250*	*$24,250*

[1] *This is an additional bullet*
[2] *The table is clarified for Single Family and incentive matrix corrected to match compliance filing*

The new incentive structure is heavily weighted toward lower HERS scores and is intended to increase energy saving. ***Multi single units receive 75% of the incentive and multifamily units 50% of the incentive. See compliance filing for incentive matrix for all units.*[3]

Proposed Incentive Restructuring for Multifamily High Rise
The Multifamily High Rise program currently offers a flat incentive of $1000 per unit. In response to comments provided by builders and raters and given new information on incremental costs, the Market Manager is developing a performance-based incentive structure to align this component of the program with the others. When looking individually at MFHR savings relative to baseline, the unit average is about 25% better than code.

Proposed Multifamily High Rise Incentive Structure

Savings before RE	Incentive per unit
15%	$1,250
20%	$1,500
25%	$1,750
30%	$2,000
35%	$2,250

Increase in Technical Support Offered by the Program
As noted above, the residential new construction industry is approaching a critical transition as NJ looks to adopt IECC 2015. To support that transition, the program proposes to increase technical and field outreach, increase training opportunities, and support a BPU/DCA collaboration with code officials around the State so that the expertise within the NJCEP can be brought to bear and support a successful transition to the new code.

Home Performance with Energy Star Program
The Market Manager team has developed a set of proposals designed to increase the savings associated with each dollar spent in the HPwES program while increasing the savings on a per project basis. FY2016 proposals include:

- Reduce incentive and financing costs
  - Lower incentives and interest rate buy-downs to a sustainable level
- Boost Savings for single-family projects
  - Increase savings through insulation and duct sealing requirements
- Increase program participation to drive savings
  - Ramp up multifamily projects
  - Increase program driven marketing
  - Develop pilot program for insulation and remodeling projects

[3] *Incorrect language was removed and the italicized language was added for clarification*

Expand Insulation and Duct Sealing to Increase Per Project Savings
The Market Manager has identified several opportunities to increase HPwES program savings. The program currently requires air sealing of attics and attached garages for all projects, but does not require attic insulation. Attic insulation is currently included in more than 70% of projects, but there continue to be missed opportunities. The Program will require installation of insulation in at least one open, accessible area of the thermal boundary of the home for every HPwES project.

The Market Manager also believes that the program can obtain more savings by strengthening its focus on duct sealing using the pressure pan test, which is less cumbersome than the previously required Duct Blaster test. We estimate that increased installation of attic insulation and duct sealing would result in a 4-5% increase in energy savings per project.

Increase Multifamily Participation
Contractors have indicated that there are opportunities to significantly ramp up the number of multifamily buildings completing HPwES upgrades. Multifamily HPwES projects must be completed at the whole-building level, and due to building size and complexity, it is more difficult to achieve 10% Total Energy Savings requirement in a multifamily building than in a single-family building. We recommend maintaining the current incentive structure for multifamily units, while adjusting the Total Energy Savings tiers to enable more projects to qualify.

****Proposed Single-Family Incentive Tiers[4]***

	Current Total Energy Savings	***Proposed Total Energy Savings***
Tier 2	*10%*	*5%*
Tier 3 Level 1	*20%*	*20%*
Tier 3 Level 2	*25%*	*25%*

Proposed Multifamily Savings Tiers and Customer Rebates

	Current Total Energy Savings	**Proposed Total Energy Savings**
Tier 2	10%	5%

[4] *This table was added for clarity between Single Family and Multi-Family differences*

Tier 3 Level 1	20%	15%
Tier 3 Level 2	25%	20%

Increase Program Participation through Enhanced Customer Marketing
Building on approaches currently being tested by the Market Manager, we recommend that the HPwES marketing strategy focus on engaging customers through new channels, including:

- Market segmentation to understand which segments of the NJ residential market are the best prospects for HPwES upgrades;
- Targeted marketing to new homeowners, HVAC/appliance customers, multifamily property owners, and other market segments identified through the market segmentation work; and
- Community-based marketing in partnership with municipalities and community-based organizations, to spread awareness of HPwES via word-of-mouth.

Reduce Customer Incentives
We recommend maintaining the current incentive structure, in which incentives are based on the percentage of total site energy savings. The Market Manager proposes a maximum customer incentive of $4,000 for a project with total energy savings greater than 25%.

It is important to maintain HPwES incentives at a level higher than WARMAdvantage and COOLAdvantage, in order to enable contractors to upsell customers into HPwES. Assuming that HVAC rebates are maintained at current levels, a customer installing a combination gas furnace and water heater, plus a central air conditioner, would qualify for a rebate of $1,500 from the NJCEP and a $500 rebate from the New Jersey Natural Gas or South Jersey Gas, for a total of $2,000. The maximum HPwES incentive of $4,000 is double at that level, and combined with the low-interest loan, will continue to provide a powerful inducement for many customers to jump to HPwES and undertake more comprehensive projects.

Proposed Single-Family Savings Tiers and Customer Rebates

	Total Energy Savings	**Current Rebate**	**Proposed Rebate**
Tier 2	***5%*[5]	50% of cost up to $2,000	50% of cost up to $2,000
Tier 3 Level 1	20%	50% of cost up to $4,000	50% of cost up to $3,000
Tier 3 Level 2	25%	50% of cost up to $5,000	50% of cost up to $4,000

[5] *Corrected Total Energy Savings requirement reflected in the Compliance Filing*

Reduce Program Costs Associated with Financing

The zero interest, 10-year loan offered by the HPwES is extremely popular among customers and contractors alike, with more than 80% of customers taking program financing. Currently the cost to the program to buy down interest rates from a starting rate of 10-13% to 0% for a 10 year, $10,000 loan is approximately $4,500 per loan. Contractors have also suggested that more flexibility in loan amounts and terms would be helpful. For example, currently loans are capped at $10,000, but some customers would like to finance a larger amount. Additionally, not all customers require 10-year loan terms. Under the current program, the full buy-down amount is paid up front, so the program has still paid $4,500 even if the customer chooses to pay off the loan early.

We believe that there is potential to reduce the cost to the program associated with the interest rate buy-down by approximately 20%, even while enabling larger loans up to $12,000, by:

- Raising the interest rate paid by the customer, for example to 1.99% or 2.99%;
- Offering shorter loan terms;
- A combination of the above strategies.

The following table illustrates how changes to interest rates and loan terms affect the cost to the program per loan.

Cost to the Program of Interest Rate Buy-Down for $10,000 Loan

	Buy-Down from 11% to 0%	Buy-Down from 11% to 1.99%	Buy-Down from 11% to 2.99%
3 Year Term	$1,591	$1,315	$1,173
5 Year Term	$2,523	$2,095	$1,874
10 Year Term	$4,520	$3,786	$3,402

The following table provides two financing scenarios for FY2016 that would reduce the program costs associated with financing.

Current and Proposed Financing Options

	Total Energy Savings	**Current Financing**	**Proposed Financing**
Tier 2	***5%*[6]	0% up to $5,000, 5 year loan	0% up to $5,000, 5 year loan, where a utility financing offer is unavailable
Tier 3 Level 1	20%	0% up to $10,000, 10 year loan	Either 0% financing up to $10,000 or 4.99% financing up to $15,000, where a utility financing offer is unavailable

[6] *Corrected Total Energy Savings requirement reflected in the Compliance Filing*

Tier 3 Level 2	25%	0% up to $10,000, 10 year loan	Either 0% financing up to $10,000 or 4.99% financing up to $15,000, where a utility financing offer is unavailable

Reduce Contractor Incentives
The HPwES program currently offers a contractor incentive tied to their performance. Contractors receive a $700 incentive if their completed project passes field inspection the first time the project is inspected. They are not eligible to receive this incentive if the project fails the field inspection. To maintain the quality of work done by contractors, the program should continue to offer this incentive, but we recommend reducing it to $500 for single family homes and $50 per unit for multifamily buildings.

Energy Efficient Products Program
The Market Manager Team's recommendations are aimed at two main areas of opportunity to boost savings associated with each dollar spent: 1) specific recommendations on equipment categories and eligibility levels, and 2) new approaches to greater market penetration, driving demand, and impact.

In the first category, qualifying products, the Market Manager Team has proposed modifications to existing equipment and eligibility levels to improve alignment with available technology and recently revised regional and national efficiency specifications. These recommendations include:

- Increase shift to LEDs in lighting and eliminate the incentive for single package CFLs;
- Reduce CFL & LED incentives by a minimum of 10% and increase multi-pack sales;
- Update clothes washer and refrigerator rebates to include a two-tiered specification at ENERGY STAR and CEE Tier 2, based on a review of available models in the NJ market;
- Add a Tier 2 Advanced Power Strip rebate to offer deeper savings opportunities for addressing plug loads;

In the second category, increasing market penetration, the Market Manager Team has proposed new approaches to driving demand and generating impacts. These recommendations include:

- Run a new annual solicitation for service provider promotions of whole-home set top box replacements;
- Review options for consolidating rebates for a combined ENERGY STAR clothes dryer and washer pair and shift to a paired rebate for new ENERGY STAR refrigerator with recycling of old refrigerator; and
- Evaluate a New Jersey pilot of the ENERGY STAR Retail Products Platform to maintain a viable long-term, cost-effective products program and leverage a

national platform for greater engagement with retailers to accelerate the stocking and sales of certain ENERGY STAR product categories.

Proposed Adjustments to Incentives

Lighting

- Modest reductions (~ 10%) in markdown incentives will continue based on the continued market shift to higher performing LEDs and continued price reductions for standard CFLs;
- The same growing market share of LED and CFL replacement lamps support the removal of most fixture incentives with the exception of down lights; and
- Removal of incentives for standard single pack CFLs to reflect the low cost of multi-packs as a more cost-effective option for customers and the program.
- ***The removal of most fixture incentives with the exception of down lights based on the growing market share of LED and CFL replacement lamps*[7].

Appliances, Advanced Power Strips, Refrigerator Recycling & Cable Set Top Boxes

- Monitor clothes dryer participation and consider a future shift to a single paired incentive for ENERGY STAR and 2014 ETA clothes dryers purchased with an ENERGY STAR clothes washer;
- Increase advanced power strip rebates for Tier 1 to $15 and introduce a new Tier 2 rebate at $40maximum;
- Engage retailers partnering on point-of-sale rebates to support a new refrigerator recycling "piggy-back" rebate to combine with the existing ENERGY STAR refrigerator rebate; and
- Add a two-tier rebate structure for clothes washers and refrigerators at $50 and $75 for products meeting the new ENERGY STAR and CEE Tier 2 performance criteria.

Current and proposed incentive levels and proposed modifications are shown in the table below.

Proposed Efficient Products Incentives

	Current Rebate	**FY2016 Proposed Rebate**
Lighting	• Avg. $0.73 CFLs • Avg. $5.40 LEDs	• Reduction of average incentives by 10% in markdown promotions • Removal of standard single pack CFL incentive • Removal of fixture incentives except LED down lights

[7] *Additional bullet for clarification on fixtures included in the program*

Clothes Washer	• $50 for CEE Tier 2 (pre-specification update in 2015)	• $50 for new ENERGY STAR V7.0 • $75 for CEE Tier 2 • Potential shift to paired rebate with ENERGY STAR and 2014 ETA clothes dryers
Refrigerator	• $50 for CEE Tier 2 (pre-specification update in 2014)	• $50 for new ENERGY STAR V5.0 • $75 for CEE Tier 2 • Potential pilot of piggy-back rebate for refrigerator recycling with POS retailers
Advanced Power Strips	• $7-10 for Tier 1	• $15 for Tier 1 • $40 for Tier 2
Cable Set Top Boxes	• $11.20 for ENERGY STAR V4.1 deployed STBS	• Add additional rebate of up to $100 for whole-home replacement of existing STBs with thin client technology
Refrigerator Recycling	• $50 customer rebate • >$100 JACO processing payment	• Potential pilot of piggy-back rebate for refrigerator recycling with POS retailers

**Renewable Energy[8]

Recommended Program Modifications

This section recommends modifications to the Renewable Energy programs for FY2016. Recommendations in this section are designed to result in incremental improvements to the current program model and meet the program objectives.

SREC Registration Program (SRP)

The most significant change in the SREC Registration Program going into FY2016 will be the transition from a paper-based registration system to an electronic portal that will enable registrants to do online data entry and document uploads. This will create a more streamlined and automated registration submittal and acceptance process, and will allow the Market Manager to more effectively manage the robust registration volumes it has been experiencing. It will also help control administrative costs and improve the experience of program participants.

The Honeywell Market Manager will continue to update program procedures and requirements as necessary to ensure that the SRP registration process complies with the Solar Act and all applicable Rules governing the program. Additionally, the Market Manager will work closely with Navigant Consulting, the administrator of the EDC SREC Based Financing Program, to coordinate the implementation of that program.

REIP Sustainable Biopower

The stakeholder process will be utilized to identify methods of ensuring that sustainable biopower projects can continue to be developed in a timely manner with appropriate incentives. Elements of the program design and incentive structure will be discussed with the Biopower Technical Working Group. The Honeywell Market Manager will expand its efforts on targeted outreach to biopower industry organizations to ensure a more robust working group. Based on that stakeholder input, Board Staff and the Market Manager will prepare a recommendation that will be presented to the Board for review and approval at a regularly scheduled Board meeting. The incentive budget available for new commitments for this program will be $3.0 million in FY2016.

REIP Renewable Electric Storage

The stakeholder process will be utilized to recommend improvements to the program design and incentive structure of the renewable electric storage incentive, informed by the results of the FY2015 solicitation. Following public comment and stakeholder discussion through the Renewable Electric Storage Working Group, Board Staff and the Market Manager will develop a proposed program design and incentive structure that Staff will present to the Board for review and approval at a regularly scheduled Board

[8] *Entire new section added into the summary. Previously a separate document*

meeting. The incentive budget for new commitments for this program will increase from $3.0 Million available in FY2015 to $6.0 million available in FY2016.