

**New Jersey's Clean Energy Program
Clean Energy Council Meeting
New Brunswick, NJ
October 24, 2008**

Attendees: Jeanne Fox, Lance Miller, John Zarzyki, Mike Winka, Sam Wolfe, Mona Mosser, Sharon Wolfe, Alma Rivera, Ron Reisman, Scott Hunter, Ron Jackson, Brian Loos (NJBPU/OCE); Linda Wetzel (Applied Energy Group); Susanna Chiu (PSEG); Bruce Grossman (South Jersey Gas); Charlie Garrison, Mark Valori, Maureen Quaid, Larry Barth, Dave Holland, Ben Adams, Mark MaGrann (Honeywell Market Manager Team); Lyle Rawlings, Scott Schultz (MSEIA); Deane Evans (NJIT); Sara Bluhm (NJBIA); Greg Coleman (TRC); Fred Hauber (Eastern Energy Services); Kevin Connelly (JCP&L); Scott Sillars, Marty Johnson (Isles Inc.); Paula Durand, Barbara Pierce (NJEDA); Jerry Flach (FDU-SBI); Joe Carpenter (NJDEP); Erin Coughlin (CEEEP); Jennifer McDonnell (ESI/West Orange); Darren Port (NJDCA); Anne-Marie Peracchio, Bob Kudrick, (NJNG)

By Phone: Chris Siebens (JCP&L); Dave Nichols (Rate Counsel); Sandy Ziglarski (EDA); Cynthia Holland (Division of Law); Clif Payne (CMC Energy); Phil Ammand (USGBC) and others.

Introduction – President Jeanne Fox

President Fox opened the meeting at 1:05, and announced that the Energy Master Plan (EMP) was launched this week. The EMP has received a positive response and she thanked the many people who have contributed to this effort. An Implementation Plan will be available next week.

\$500 M Economic Stimulus Package – Sam Wolfe

The Governor announced a statewide energy efficiency initiative to be implemented by the state's electric and gas utilities in 2009. This is in addition to NJCEP funds. The goal is to get this up and running early in 2009 as a priority to create new jobs. The programs will have to generate real energy savings and will have third party contractors working with the utilities. Every effort will be made to minimize the impacts on customer bills. Utility filings will be submitted under RGGI law to make sure it goes smoothly. The Governor's office will work closely with NJBPU and utilities during the development stage to move the initiatives quickly through hearings and action by the board.

Office of Clean Energy and EDA 2009 Budgets – Mike Winka

Mike Winka presented an overview of the funding levels for 2009 including the OCE oversight budget. Paula Durand added that the Edison Innovation Clean Energy Manufacturing Fund will be offering up to \$3.3 million in grants and zero interest loans to customers that will site manufacturing facilities in New Jersey for class one renewable or energy efficient technologies. The company does not

have to be headquartered in New Jersey. The funds are intended to support capital expenditures to get facilities up and running – getting the money into the market place where it is needed.

Residential and Renewable 2009 Program Filing – Dave Holland

The residential and renewable energy filings were submitted on October 6. Comments are being accepted through October 24, with a final version targeted to be submitted on November 7. The Market Managers continue to work with OCE staff to modify the program filing. Dave Holland and Maureen Quaid reviewed PowerPoint presentations that highlighted the major changes proposed.

Lyle Rawlings asked for clarification on the domestic solar hot water program and Dave Holland confirmed it will be for residential customers with electric hot water.

Mike Winka clarified the process – there will be a special board agenda meeting held on November 21 (tentative) for the 2009 presentations and subsequent Board decision in December. The contract modifications would then have to be developed, with the goal of all being in place by 1/1/09.

Mike Winka asked for utility comments as it relates to CIP, carbon abatement, etc. Anne-Marie Peracchio stated that NJNG is aggressively promoting the Home Performance program and also offering conservation kits again. Both NJNG and SJG are working to complement the NJCEP programs, and offering their customers the Dashboard via their websites to help customers better understand and manage their home energy use. The participation rate has increased dramatically over the past six months, with many customers learning about NJCEP programs and offers through the utility sites.

Jeanne Fox added that a recent J.D. Powers survey ranked gas companies from Maine to Washington DC and she congratulated the four New Jersey gas companies who placed in the top seven based on how their customers view them.

Commercial/Industrial 2009 Program Filing - Greg Coleman

The commercial/industrial filing was submitted on October 3 and will work along the same path as the Honeywell filing. Greg Coleman reviewed a PowerPoint presentation that highlighted the major changes to each program, and announced that the Local Government Energy Audit Program has recently been launched and is receiving a very positive response. Deane Evans suggested that the BOC classes proposed may be a candidate for on-line academy.

Federal Tax Credits – Impacts on Rebates – Mike Winka

Mike Winka stated that the federal tax credits have been extended through 2016. He added that the residential tax credit has seen a lifting of the \$2,000 cap and residential customers can now claim up to a 30% tax credit on the installation of a renewable energy system. OCE staff is working with Honeywell to determine

how to treat those customers with pending solar projects. The Board is requesting public comments, and a proposal will be distributed next week with a 20 day comment period, and a final recommendation to be included on the December 8 Board Agenda.

Lyle Rawlings and Fred Hauber expressed concern about customer financing challenges. Lyle suggested the OCE consider Connecticut's leasing model, perhaps run by EDA or HFMA. Fred agreed that the rebate levels do need to be lowered to compensate for the tax changes, but is looking for an equitable solution. Jeanne Fox requested that all creative ideas be submitted for review. Mike Winka clarified that if an approved project is completed in 2008 they will be paid as stated in their approval letter; it is the installations which will be completed as of 1/1/09 which will be affected with new program rules.

NEEP/EMP Update

The October 30th presentation has been rescheduled to November 20th. Jeanne Fox stated that she wanted the NEEP information to help shape the utility plans.

RGGI Filing Update

The PSEG solar proposal is scheduled for the November 7th Board Agenda. JCP&L and ACE are going through completeness review.

Susanna Chiu stated that PSEG is working with OCE staff on changes to the original carbon abatement program. As of now, there is a proposed residential tune up program which will kick off the first year in Newark and Trenton and then potentially expand. The program will be consistent with the NJCEP audit – but the difference is that the amount of the customer contribution will be based on income. PSEG is confident they can work with the Market Managers regarding coordination and program launches to avoid confusion by the customers. A second program will focus on thermostats, whereby PSEG service technicians will install a programmable thermostat and a number of CFLs while they are in home, and also leave behind NJCEP program information. There is also a small business direct install program proposed.

The meeting was adjourned at 3:15.