

New Jersey's Clean Energy Program  
Energy Efficiency Committee Meeting  
Tuesday, July 21, 2009  
Hosted by TRC  
BPU Trenton Office

**Attendees:**

Roger Kliemisch (TRC), Frank Reilly (TRC), Tom Rooney (TRC), Karen Paine (TRC), Linda Wetzel (AEG), Mike Ambrosio (AEG), Fred Hauber (Eastern Energy), Dale Congo (5<sup>th</sup> Street Renewable), Yennaira Ortiz (Honeywell), Dawn Chaplin (Honeywell), Jason Steinberg, Don Swift (CSG), Mona Mosser (BPU), Mike Winka (BPU), Jeffrey Mark Miller (Quadrillion), Lance Miller (BPU), Scott Sillars (Isles Inc.), Maria Grazul (CSG), Kimberly Hoff (CSG), Bob Gallo (NJNG), Brian Dolan (Intellidyne), Ron Reisman (BPU), Elaine Bryant (PSE&G), Bruce Grossman (SJG), Gabe Nathanson (GHO/HMFA), Scott Moberg (Energy Smart NJ), Deane Evans (NJIT), Patrick Stanton (Positive Energy), Joe Gennello (Honeywell), Nikki Kuhn (VEIC), Ruben Brown (E Cubed), Arthur Pearson (E Cubed), Dave Holland (Honeywell), Craig Moran (AEG)

**On Phone:**

Joe Carlamere (TRC), Diane Zukas (TRC), Mary Sheehy (NJHMFA), Jamal Garner (OCE), Tom Donadio (JCP&L), Laura Magee (ACE), Nicholas Kikis (NJ Apartment Assoc.), Dave Nichols (Rate Counsel), Diana DeAngelis (Pepco Holdings), Jaci Trzaska (CEEEP), David Sims, Dave Klockner (Eneractive Solutions), Laura Magee (ACE), David Pirtle (ACE), Christine Hoh (DH Services Group), Tom Pecora (Honeywell), S. Lynn Sutcliffe (EnergySolve), Will Lawes (Lawes Co), John Zarzycki (BPU), Pat Murray (Solar Home Energy Solutions), Anthony Gude (Veridian Consulting), Fred Hutchinson, Steve DeFranco (Johnson Controls)

**Program Coordinator and Regulatory Updates**

Presenters: (Mike Winka and Mike Ambrosio)

- Updates on Filings, Board Orders and Regulatory Items
  - Voted on and approved by the Board.
  - Waiting for written order.
  - Key changes are to incentive levels ,
  - Three of the utilities (PSE&G, South Jersey Gas and New Jersey Natural Gas) are approved. Other four are forthcoming.
  - Upon approval the utilities have 60 to 90 days to get up and running
  - Working out details regarding coordinating utility programs with existing programs.
  
- State Economic Stimulus Plans
  - Board approved the solicitation for the state entity portion. Applications are due August 7 (only open to specific agencies as listed on web site)
  - Evaluation committee has been established.

- Findings will be presented to the Board on August 19.
- Remaining portions are working on memorandums of understanding.
- Goal is to have executed and on next week agenda meeting.
- Honeywell and TRC are putting in place their programs to start taking applications.
- No compliance filings needed. Should be able to announce this soon.
  
- Market Manager/Utility Coordination
  - Working out details regarding coordinating utility programs with existing programs.
  
- Federal Stimulus Funding
  - Energy efficiency and conservation block grants.
  - Applications from municipalities are forthcoming.
  - Will provide assistance to them so they know what is available to them
  - Money that is coming is being allocated to municipalities that are not receiving \$ directly.
  - Will receive \$ to incorporate cost thru an audit (LGEA), hope to get all municipalities and counties to take 1 building and have it upgraded. Remaining money going to state projects.
  - Combined heat and power closed last week.
  
- Prevailing Wage Legislation:
  - <http://www.state.nj.us/njbusiness/workforce/responsibilities/prevailing.shtml>
  - The New Jersey Prevailing Wage Act (N.J.S.A. 34:11-56.25 et seq.) requires that the Department of Labor and Workforce Development establish and enforce a prevailing wage level for workers engaged in public works in order to safeguard their efficiency and general well being and to protect them as well as their employers from the effects of serious and unfair competition. Prevailing wage rates are wage and fringe benefit rates based on the collective bargaining agreements established for a particular craft or trade in the locality in which the public work is performed. In New Jersey, these rates vary by county and by the type of work performed.
  - Signed into law last week by Governor.
  - BPU will adopt rules and regulations (do not know terms)

### **Commercial/Industrial Programs**

Presenters: TRC Team

### ***Update on Current Commercial/Industrial Programs and Recommended Changes for 2010***

#### **ARRA Grant Programs for Non-IOU Customers**

- Pay for Performance
- Direct Install
- LGEA Program

### **Existing Programs Funding Recommendations**

- Direct Install and Pay for Performance budgets
- Increase Sector Specific budget (within other programs)
  - Add more Sectors – data centers, chain accounts, technology specific
  - Expand technical offerings
- Maintain Schools and Retrofit budgets

### **Proposed Prescriptive Program Changes**

- Lighting:
  - T-8 to T-8 incentive for delamping will require new ballast to address higher THD
  - Change incentive from \$10/20 for T-12 to T-5 or T-8 to \$15 (1-4 lamps)
  - New incentive for T-8 to reduced wattage T-8 of \$10 fixture (1-4 lamps)
  - New incentive of \$50 (retrofit) and \$70 (new) for exterior HID to induction fixtures
  - Increase incentive for fluorescent daylighting dimming (office only) to \$50 per fixture controlled

Q: What about LED's?

A: Looking into this for refrigerant cases.

This is new TRC is watching the market.

- Gas Heating
  - Remove incentive for electrically commutated motor
  - Change the incentive to \$500 for 90% AFUE or Energy Star gas furnace
- Electric Chiller
  - Base incentive on kW/ton of the compressor and not the system
- Gas Water Heater
  - Create incentive for tankless water heater to move customers towards that technology
- Other
  - Create incentive for interval meter to take advantage of demand response opportunities. Provide incentive of \$50/meter. It must enable 40kW of demand response and the meters must be accurate to <2%

### **Existing Programs – Proposed Policy Recommendations**

- Define guidelines related to handling (single-metered) campus-type clients, for example:
  - Need to benchmark building
  - Develop multi-year plan for addressing installation
  - Develop specific M&V for campuses
- LGEAP – Change procedures to assign payment directly to auditing firm

Q: Is LGEA taking applications for new partners?

A: Contractors are looking for sub contractors. Not going out for bid but asking contractors to hire subs.

Q: What is the procedural change for this?

A: 25% would still be out of municipality pocket if they don't initiate any of the recommended measures.

- Offer LGEAP audit-type service to not-for-profits
  - Look at threshold (75/25 or 70/30?) for incentive reimbursement
- TEACH - Increase quantity of kits to 1/school
- For schools that participated in TEACH and have installed efficiency measures within the following 12 months, provide a post installation benchmark with recognition (plaque, certificate, etc.)
- Allow multiple measure bonus for lighting and lighting controls

Q: Why this change?

A: Trying to increase participation in the program. Currently MMB is for lighting and another technology (not controls). Would like to encourage customers to have lighting and controls done simultaneously.

- Drives customers to look at both simultaneously, more savings/bldg
- Increase multiple measures bonus to 15%
- Direct Install – Financing options through Program or utilities

### **Proposed New Programs**

- Commercial Audit Benchmarking – reimburse 75% for service and if owner moves ahead with improvements within 6 months, reimburse balance
- Retro-commissioning – test systems, make recommendations for improvements
- Provide tie-in to PJM Interconnect (DR) Programs
- Clean and Tune HVAC Maintenance Program
  - Identify old equipment and increase efficiency of existing units
  - Provide incentives to purchase existing old HVAC equipment if new equipment meets specific thresholds (bounty on old units)
  - Drive proactive change-outs to more efficient equipment
  - Deliver through contractor network
  -

### **Newer Technologies – Transitioning**

Further define and develop prescriptive level incentives for the following technologies:

- Refrigerator case LEDs
- ECM (fractional motors under 1HP)
- Occupancy thermostats (hotels, etc.)

## ***Integration of “Caps” on Custom Incentives***

### **Proposed Custom Program Changes**

- Immediate changes:
  - Implementation of custom incentive cap
    - Provide guidance for payments based on the specific technology
    - Aligns with other regional programs
- Proposed changes for 2010
  - Elimination of Custom Screening Tool
    - More performance based relative to savings
    - Allows transparency
  - Continued movement of custom measures to prescriptive

### **Residential Programs**

Presenters: Honeywell MM Team

- Update on Current Residential Programs and Recommended Changes for 2010

### **Timeline for Honeywell 2010 NJCEP Filing**

2010 program overview to Committee:	July 21
Committee feedback to MM:	July 24
Present to Clean Energy Council:	July 31?
Complete Plan Draft to OCE staff:	Aug 14
2010 program final Committee review:	Aug 18
Final Plan filed with BPU:	Sept 15

### **Purpose of Presentation**

- Review proposed residential program changes
- Review proposed residential budgets
  - (new allocations)
- Review proposed residential goals

### **Themes for 2010**

- Optimize program operations based on lessons learned
- Utility filings (HPwES)
- Results from pilots (RNC, HVAC)
- ARRA (HVAC and Products)

### **2010 Proposed Changes for HVAC**

- Evaluate and refine Solar Domestic Hot Water
- Evaluate implications of new initiatives:
  - Solar Domestic Hot Water
  - AC QIV R&D
  - Duct sealing
- Evaluate technology and installation incentives
- Review other potential technologies

- Understand impact evaluation on HVAC savings

## **2010 Proposed HVAC Budget**

- \$9.0 mil (new allocation)
  - 2009 \$13.5 mil (total)
- \$8.3 in federal appliance incentives available
- Key budget changes
  - Success of SDHW incentives
  - Review market penetration
  - Review impact of utility programs

## **2010 Proposed HVAC Goals**

- Key metrics:
  - 16,000+ electric HVAC installs
  - 17,000+ gas HVAC installs
  - AC QIV, SDHW, duct sealing
    - Successful monitoring and analysis

## **2010 Proposed Changes for RNC**

- Implement marketplace for open HERS rating services
- Continue implementation of 3 tier approach
  - Big (>4000 ft<sup>2</sup>) homes must meet Tier 2 requirements
- Hold incentives constant, shift marketing focus to customers
- Finalize intensive Tier 3 savings study
- Review and respond to pending code changes

## **2010 Proposed RNC Budget**

- \$ 28.2 mil (new allocation)
  - 2009 \$42.6 mil (total)
- Key budget impacts
  - Open market for HERS rating
  - Continued market uncertainty
  - Tier 3 uptake rate

## **2010 Proposed RNC Goals**

- Key metrics:
  - Review appropriate levels for completions and sign-ins
  - Reviewing implications of open rater marketplace
  - Slight changes to metrics from 2010
    - Continued difficult market conditions
    -

## **2010 Proposed Changes for Products**

- New offerings for 2010
  - Consumer electronics (set top boxes)

- Social marketing customer feedback in coordination with utilities
  - Real time feedback to utility customers
  - Started conversations with utility companies to see how to coordinate (cost effective approach to incorporate customers into program).
  - This offers the closest level of participation between Honeywell and the utilities in years.
- Refinements to appliance early retirement initiative
- ARRA appliance program
- Pool pumps
  - For larger residential pools.
    - Example timer on the pump
- Prioritize CFL recycling
  - Home Depot currently does this.
  - Would like to make this a requirement to participate in the program
- R&D, heat pump clothes dryers
  - No Energy Star for clothes dryers because historically has not been much saving here.

## **2010 Proposed Products Budget**

- \$16.8 mil (new allocation)
  - 2009 \$25.3 mil (total)
- \$8.3 in federal appliance incentives available
- Key budget changes
  - Optimize CFL incentives
  - Pool pumps, consumer electronics
  - Refine appliance early retirement

## **2010 Proposed Products Goals**

- Key metrics:
  - 5 million+ CFLs
  - 40,000 refrigerators/freezer early retirements
  - Clothes washers
  - Introduce consumer electronics
  - Introduce pool pumps

Q What about LED's?

A: LED not ready for residential yet.

## **2010 Proposed Changes for Existing Homes**

- Coordinate with utility loan programs
- Accommodate utility-generated participation
- Evaluate participation rates and incentives levels
- Support activities that develop additional BPI-certified contractor resources

## **2010 Proposed Existing Homes Budget**

- \$15.7 mil (new allocation)
  - 2009 \$23.7 mil (total)
- Key budget changes
  - Support utility filings

## **2010 Proposed Existing Homes Goals**

- Key metrics:
  - Number of audits completed (Tier 1)
  - Number of air-sealing jobs completed (Tier 2)
  - Number of comprehensive jobs completed (Tier 3)

Q: What percentage is this?

A: Not able to provide actual percent.

Q: Folks in the poverty level do not qualify is this a significant barrier?

A: Two of the utilities New Jersey Natural Gas and South Jersey Gas incorporated paying the \$125 up front.

Q: Only paying for income qualified people:

A: Yes

Q: How do you know who these people are?

A: Currently working this out.

## **2010 Community Partners Initiative**

- Implement collaboration with Sustainable Jersey
  - Moving from 20 – 25 partners to 200.
- Review municipal incentives
  - Look at how to generate people in the program
- Develop intensive community partner initiatives

## **2010 Community Partners Budget**

- \$1.7 mil (new allocation)
  - 2009 \$848 K (total)
- Key budget changes
  - Implement intensive community partner initiatives

## **2010 Community Partners Goals**

- Develop NJ communities as a channel to increase participation in NJCEP
- Provide single point-of-contact for NJCEP programs to NJ communities
- Broaden value proposition for community partners
- Promote NJCEP programs in support of EMP 20/20 goals
  - NJ Porch Light Program as an outrageous government program



## **Preliminary 2010 EE Budgets presented listing new allocations**

Q: When will program incentive go to \$10,000?

A: The program incentive will go to \$10,000 once signed.

Q: Water heater incentive?

A: There is an HVAC program that provides water heater rebate.

## **Current Programs**

### **HVAC Program COOL Advantage QIV Pilot**

- QIV of New Units and Tune-Ups of existing units
- Verification of Proper Charge and Air Flow for Increased Efficiency
- Studies report units installed with improper charge and air flow
- QIV Pilot went live July 15, 2009
- 6 participating contractors with 15 trained technicians
- New Installs (COOLAdvantage) and Existing Units

### **HVAC Program WARM Advantage SDHW Pilot**

- Solar Domestic Hot Water Pilot for electric water heating customers
- Purchase and installation of solar domestic water heating systems
- SDHW Pilot Roll out August 2009
- Working Group Friday 7/24.
- \$1200 rebate

## **ARRA Funding to NJ for Energy Star Appliances (DOE State Energy Efficient Appliance Rebate Program)**

Presenter: Dave Holland

### **Program Background**

- Established as part of section 124 under the Energy Policy Act of 2005;
- Goal to save energy, stimulate the economy by encouraging consumers to replace old appliances with new ENERGY STAR qualified models;
- No appropriation of funds to the Program therefore never materialized.

### **Program Offer**

- \$300M allocated for Program (\$4M for DOE admin)
- \$8.33M reserved for NJ (based upon population formula)
- Funds released at two points (10% Initial app, 90% final app approval)
- Funds cover 50% of State's admin costs and 100% of product rebates
- DOE suggests heating/cooling equipment, appliances and water heaters

### **Program Requirements**

- States apply for funds electronically (Initial app 8/15/09; Detail 10/15/09)
- States must put up 50% of the Program admin costs
- Program should compliment existing programs
- No mixing of other ARRA Programs (SEP)

- Funds cannot be used to supplant current State's programming (can be used to supplement)
- No specific launch date, must be utilized by 2/2012
- Transparent and complete Program tracking/reporting

### **Next Steps**

- Consideration of Program concepts in conjunction with NJ CEP current programming
- Definition from DOE regarding "Made in America" and "Davis – Bacon Act" as they relate to Program
- Discussions with NEEP (rolling out guidance to State's within the Northeast Region)
- Review of Initial and Detailed application requirements

### **Utility Updates on Filings:**

<http://www.nj.gov/bpu/agenda/announcements/stimulus.html>

Presenters: PSE&G, NJNG, AE, SJG,

**SJG:** Closely aligned programs with Clean Energy Program . Plan to work with C/I and residential marketing managers for coordination and implementation. SJG requests that any future discussions include utility input as programs are to be transitioned back to the utilities in a few years.

Q: When are offers going to be available? Would like to enable market place to go forward with what was approved prior to program being launched.

A: Mike W and Mike A will discuss off-line.

**NJNG:** Receiving calls about the programs and are informing customers that the programs should be ready by Labor Day. Since customers are aware of the programs, they would like to participate in the programs now and not have to wait.

**PSE&G** (has 8 programs – discussed a few)

*Hospital Efficiency Sub-Program* Customers will receive an investment grade audit of their hospital campus at no cost (energy efficiency measure, other than CHP).

*Hospital Efficiency Sub-Program (CHP Component)* Designed to reduce carbon emissions by lowering the energy consumption of hospitals. This program is identical to PSE&G's Carbon Abatement Program and will use the same capabilities. This program will add funding to a sub-program already in the marketplace and address more customers.

*Small Business Direct Install Program*, in municipalities that contain UEZs in PSE&G electric and/or gas service territory. If a portion of the targeted municipality does not reside in the UEZ, it will not be excluded from sub-program participation.

*Small Commercial Customer Energy Efficiency Program* Designed to enhance existing NJCEP programs.

**Evaluations:**

- All should have received an email from Mike A.
- KEMA evaluation program reports are posted on web site.
- KEMA is recommending numerous changes to protocols.
- Once report is finalized, OCE will put together a draft evaluation plan (3 year plan).

**Next Meeting:**

9:30 am on Tuesday, August 18 @ CSG