

Sustainable Jersey Clean Energy Program Compliance Filing

December 8, 2011

I. INTRODUCTION

Sustainable Jersey[®] is a 501(c)(3) non-profit corporation that represents municipal governments and leading organizations working to assist communities in working toward a sustainable future. Sustainable Jersey[™] is a comprehensive suite of policies, resources, support, and incentives to help New Jersey municipalities make progress on a suite of sustainability issues. The program confers a prestigious certification as part of an awards program that recognizes Sustainable Jersey[®] certified communities in New Jersey.

Since the program was launched in February 2009, 62% of the municipalities in New Jersey have joined the Sustainable Jersey program and passed resolutions stating their intent to become certified. Sustainable Jersey has a comprehensive program of policy development, marketing, technical and financial support, and recognition, designed to support local governments and individual citizens in moving toward more sustainable lifestyles.

Although the program covers a broad array of sustainability issues, energy is the single greatest component. Sustainable Jersey (SJ) specifically develops local policy, trainings, written guidance, and outreach efforts, in support of the New Jersey Board of Public Utilities (NJBP) Clean Energy Program's (CEP) initiatives. The total annual operating budget for FY 2012 for the Sustainable Jersey program is \$2,018,387. Assuming annual program support from NJBP of \$500,000, CEP program funding would constitute 24.8% of the total program's annual operating costs. Other sources of funding are an estimated in-kind contribution of 5 FTEs from New Jersey Department of Environmental Protection (NJDEP) valued at \$475,000, \$330,000 from the GR Dodge Foundation, \$75,000 from PSEG Foundation, \$25,000 from New Jersey Resources, \$175,000 from Walmart, and the balance from smaller contributions from individuals and corporations. In addition, support for sustainable energy, and for CEP programs in particular, constitutes a major component of all of the basic SJ functions. For example:

- Energy issues constitute approximately 25% of the support questions and emails fielded by our phone and email technical support services.
- The subsidies municipalities can receive for renewable and energy efficiency measures, and the corresponding SJ actions, are part of the standard SJ stump speech and highlighted at every SJ outreach and recruitment event.
- SJ's extensive marketing and communications program is available, and often used to support CEP programs by promoting CEP incentives, deadlines, workshops and events. This includes email updates, a newsletter, a monthly blog, earned media, and a list serve with approximately 3,000 subscribers. We also write articles and other informational material in support of CEP programs in a regular basis.

II. SCOPE TASKS

This section details the intended scope of services for the Sustainable Jersey/Clean Energy Program in 2012.

1. Operations and Program Coordination

Our ability to attract hundreds of participants to energy related workshops, and attract attention to CEP programs, is a consequence of having a successful overall program that supports municipalities in achieving their sustainability goals. In addition, we believe that strong program coordination along a number of fronts, utilizing the infrastructure of SJ to support CEP programs, is critical. This section covers the basic operational cost of the SJ program and general coordination with CEP. The basic SJ infrastructure that is brought to bear includes:

- A sophisticated web platform
- Marketing, external communications, and information sharing through a newsletter, email list-serves, an events calendar, and other outreach
- A Help Line and email service that provides technical assistance to municipalities
- A Tracking and monitoring system
- Administration, processing, and review of the municipal applications for certification

The process of reviewing municipal applications for certification is an important opportunity for technical support. SJ has three deadlines for certification each year where we review a cohort of applicants, one each in May, August, and January. Each application for certification undergoes three rounds of review and revision between SJ staff and the applicant. During this process, SJ works intensively with the applicant(s) to help them fix deficiencies in their application and correctly document their actions. The applicants undertake significant work and improvement during this phase.

A significant portion of the bandwidth of the SJ infrastructure and operations are used to promote sustainable energy generally, and CEP in particular. For example, there are ten (10) actions that directly promote CEP programs worth a total of 170 points. A significant portion (approximately 20%) of the SJ infrastructure is utilized in support of these actions. There are an additional twenty two (22) actions that have a direct bearing on energy sustainability but not CEP programs specifically.

CEP Specific SJ Actions:

- Energy Star Portfolio Manager (coordinated with TRC)

- Energy Audit for One Building (Local Government Energy Audit (LGEA))
- Audit and Upgrade all Buildings (a decision tree that guides municipalities to Free Benchmarking, LGEA, Pay for Performance (P4P), Smart Start, Direct Install(DI), and Energy Savings Improvement Programs(ESIPs))
- Green Purchasing (requires all appliances be Energy Star)
- Energy Education and Outreach (rewards municipalities for holding education events on CEP programs)
- School Energy Conservation Programs
- Wind Ordinance (the BPU model wind siting ordinance)
- Geothermal Installations
- Solar Installations
- Wind Installations

Non-CEP Actions that address sustainable energy (and likely drive interest and participation in CEP programming indirectly) include:

- Energy Star Buildings (Achieve the USEPA Energy Star label for one building)
- Energy Star Leader (Energy Star rating achieved for entire building portfolio)
- Carbon Footprint
- Greenhouse Gas Action Plan
- Green Fleets (including CNG and electric vehicles).
- Adopt Behavioral Policies (mandating turning off lights and office machines, setting efficiency controls, raising thermostats etc.)

Within this category, specific CEP related support includes direct cross promoting such as adding the CEP logo and links to all relevant actions. For example, when the Residential program develops its on-line “decision tree” for residential customers, SJ will coordinate with the relevant Market Manager (MM) , Program Coordinator (PC) and NJBPU staff on marketing materials. SJ will add this to the website and promote it through all of the methods described above. If warranted, it will be included in a relevant SJ Action, and SJ staff will provide technical support on the action to municipalities and review it when municipalities apply for points.

Project Deliverables: Sustainable Jersey will maintain a program administration and municipal support center providing all of the above services for the duration of the contract period. All client contacts will be tracked. 4 quarterly newsletters and 48 email blasts to over 3000 municipal personnel will be developed. The newsletters and all email communications will contain any relevant CEP program information and updates. The website will be updated

continuously with events and information, including all relevant CEP programming. Three cycles of certification reviews will occur.

Quarterly Deliverables:

Q1:

- The website will be maintained and updated throughout the quarter.
- CEP logo and information will be placed in all relevant SJ outreach materials and website
- One newsletter will be produced. All available and appropriate CEP information and program updates will be included.
- 12 email blasts to the SJ list serves will be produced.
- A round of certification applications will be processed and completed in January.

Q2:

- The website will be maintained and updated throughout the quarter
- One newsletter will be produced. All available and appropriate CEP information and program updates will be included.
- 12 email blasts to the SJ list serves will be produced.
- A round of certification applications will be processed and completed in May.

Q3:

- The website will be maintained and updated throughout the quarter
- One newsletter will be produced. All available and appropriate CEP information and program updates will be included.
- 12 email blasts to the SJ list serves will be produced.
- A round of certification applications will be processed and completed in August.

Q4:

- The website will be maintained and updated throughout the quarter
- One newsletter will be produced. All available and appropriate CEP information and program updates will be included.
- 12 email blasts to the SJ list serves will be produced.

2. Grants Portal

In order to enhance municipalities' ability to identify funding available to support and subsidize their activities in pursuit of sustainability, the Sustainable Jersey website is being modified to include a portal for funding resources. The Board allocated \$45,000 for the production and population in our previous compliance filing. That work was not completed because we did not have a signed contract until July 2011 and could not release an RFP. An RFP for the Sustainable Jersey website development, updates, and maintenance was released in July 2011. Once a no-cost extension and budget modification for these funds for 2012 is approved we will formally award the RFP and begin work. The scope of work includes the development of a grants portal that enables entities to search grants and financial incentives in two different ways. Municipalities and other entities can conduct active searches based on set criteria determining their eligibility, such as geography. Alternately, they may create profiles linked to participating communities' accounts which will automatically match search preferences with known grants. Site administrators as well as external entities with administrators' permission will be able to add new entries (new grants) to the database in a standardized format.

For the third and fourth quarters of 2012 additional funding is requested to service the Grants Portal and keep the grants and incentives up to date. All current CEP grants and incentives will be included in the portal. SJ staff will take responsibility for keeping the portal updated with CEP/NJBPU data; but will also develop a protocol that enables authorized program partners, including CEP/NJBPU staff where convenient, to directly update the portal. . Where appropriate, CEP incentives will be flagged as "non-competitive" funding sources which will always be separated and highlighted from the larger list of "competitive" funding opportunities.

Project Deliverables: Sustainable Jersey will maintain a searchable grants portal/database for quarters 3 and 4. This will include adding all CEP grants, incentives, program changes, that are relevant to municipalities and likely applicants. SJ will coordinate with CEP staff and the MM team to provide a training and access to updating the portal.

Quarterly Deliverables:

Q1: Conduct the programming, database development, and design (this is covered in our 2011 contract and is not a deliverable for this contract, but is noted here as an activity for your information)

Q2: Populate the grants portal with data, train program partners on its use and how to add new grants design (this is covered in our 2011 contract and is not a deliverable, but is noted as an activity for your information)

Q3:

- Conduct Outreach and promotional activities, including a webinar, for the portal

- Maintain the portal and add new grants including new CEP related grants and program changes

Q4:

- Conduct Outreach and promotional activities, including a webinar, for the portal. Provide training on the use of the portal, technical assistance on how to apply for CEP and other energy related programs included in the grants portal. Additional activities will also be determined through municipal feedback.
- Maintain the portal and add new grants including new CEP related grants and program changes

3. Training and Outreach

A core of the SJ program is to provide direct outreach and training to municipalities. In our first three years of operation we are averaging over 50 events per year. As with all aspects of the program, energy issues, and specific CEP related programming, constitute a significant portion of the total. For 2012 we anticipate:

- A minimum of 5 ESIP trainings, information sessions, and outreach events. However, we anticipate more than 5, and activities will be added as needed on a regular basis until demand is satisfied without additional cost.
- A minimum of 5 other CEP related trainings and outreach events. These trainings will be coordinated with CEP staff and the MM team. Likely topics will include:
 - Utilizing Energy Star Portfolio Manager to Save Energy and Money
 - Energy Education and Outreach in the Community
 - New Direct Install and HPwES actions (described later)

The above trainings do not include additional events that will be held for School Energy Conservation which are detailed in the School Certification Program below.

Project Deliverables: A minimum of 5 ESIP trainings and outreach events will be held. We anticipate more than 5, and sessions will be added as needed on a regular basis until demand is satisfied. A minimum of 5 other CEP related trainings and outreach events will be held. There will be at least 20 SJ outreach and marketing events at which CEP programs will be highlighted.

Quarterly Deliverables:

Q1:

- 2 trainings or workshops that address CEP content
- 5 general SJ outreach and marketing activities where CEP content is highlighted

Q2:

- 2 trainings or workshops that address CEP content
- 5 general SJ outreach and marketing activities where CEP content is highlighted

Q3:

- 3 ESIP trainings or outreach activities
- 5 general SJ outreach and marketing activities where CEP content is highlighted

Q4:

- 2 ESIP trainings or outreach activities
- 1 trainings or workshops that address CEP content
- 5 general SJ outreach and marketing activities where CEP content is highlighted

4. School Education and Certification Program

To achieve our long term and short term clean energy goals, it is essential that sustainability programs address schools; both as consumers of energy in the short term, and as educational institutions that will set consumption patterns for generations of children. SJ intends to address this need in 2012 in two ways:

- Implement workshops and trainings for schools on programs such as SEE, TEACH (no longer offered, but the curriculum is available), and “See the Light.” We anticipate at least three (3) trainings on this topic.
- Work to establish a new Sustainable Jersey Schools Certification. The municipal certification reaches 566 municipalities and thousands of buildings. There are over 600 school districts and many thousands more school buildings. Many of the SJ Actions are directly transferable to schools. In fact, we have received dozens of requests to offer a Sustainable Jersey for Schools Certification. We believe we can launch a SJ Schools Certification for a fraction of the cost of the launch of the Municipal program, and greatly expand our reach. As with the municipal certification, energy and CEP programs would be a significant focus. For 2012 we propose to develop and pilot test the energy portion of a new schools certification.

Project Deliverables: 3 schools workshops that address both curriculum and building facilities will be held. Significant work toward launching a SJ Schools Certification will be complete, including establishing a coordinating committee (to which BPU will be invited), developing the energy actions related to schools, and the recruitment of two pilot schools to test the energy sections.

Quarterly Deliverables:

Q1:

- One meeting of the coordinating committee will be held

Q2:

- One meeting of the coordinating committee will be held
- Research, analysis, and scoping of the energy module will be completed

Q3:

- One meeting of the coordinating committee will be held
- A complete draft of the energy module will be completed
- Recruit two schools to pilot the energy module
- Conduct 2 school energy conservation workshops

Q4:

- One meeting of the coordinating committee will be held
- The pilot programs with the two schools will be launched
- Conduct 1 school energy conservation workshop

5. Energy Savings Improvement Programs

Energy Savings Improvement Programs (ESIPs) and performance contracting are theoretically a cost effective way to implement energy efficiency upgrades for local government entities with no public funds or accumulated debt. However, there are significant hurdles to the widespread implementation of these programs. We are implementing a series of programs that, with minimal public funds, are intended to result in vast increase in the number of municipalities undertaking a wide array of energy efficiency building upgrades.

Promoting Energy Savings Improvement Programs: ESIPs and performance contracting for energy are still poorly understood in local governments. In addition to all the other approaches described below, we would engage in a focused effort to promote and provide information on ESIPs and increase their utilization in the public sector.

Technical Support and Financial Analysis: Due to the technical sophistication needed to utilize the best financial instruments, many municipalities are making suboptimal choices for financing efficiency and generation measures. Other municipalities are not moving forward at all due to indecision. Utilizing academic rigor, and a clear public interest, we would produce white papers and fiscal analysis of different financial instruments, and model scenarios for implementing available energy generation and efficiency measures.

Training and Representation: In addition to written guidance and analysis, Sustainable Jersey will provide financial technical assistance, and direct information in response to questions, to represent and support municipalities in securing private financing for their energy upgrades. This will happen in various forms, including workshops and technical support where we provide expertise to municipalities, to organizing local governments into cohorts and provide representation for them to engage in group purchasing. SJ staff will also seek to work with a cohort of NJ municipalities to do a group ESIP. An ESIP Working Group will be convened to guide this effort.

Project Deliverables:

- Update our written guidance materials (produced under the previous contract) in the form a Guidance Manual, case studies, and frequently asked questions, and promote widely.
- Conduct at least five (5) ESIP workshops, outreach events, or information sessions (these 5 workshops will be tallied as deliverables in Section 3 Training and Outreach where they are also described).
- Continue to work with one or more cohorts of local governments to go through the process of doing an ESIP. This will include Sustainable Jersey actively organizing group ESIPs if legally, economically, and technically feasible. This action will determine, though research and working with local governments if a group effort is economical under current rules; and will make recommendations for change if it is not feasible.

Quarterly Deliverables:

Q1: Development of written materials and workshops, convening of a working group to support the development of a group ESIP, will be completed in this quarter. This work is part of our 2011 grant and is not part of the 2012 contract.

Q2: Release of written materials and workshops, convening of a working group to support the development of a group ESIP, will be completed in this quarter. This work is part of our 2011 grant and will not be billed here.

Q3:

- Update written guidance material with new rules, case studies, and tips, as appropriate.
- Conduct two ESIP workshops, outreach events, or information sessions (this is tallied as part of Section 3, but is recounted here for reference)
- Create a report of the findings from the ESIP Working Group with parameters for doing a group purchase, and an identification of obstacles and improvements that could be made to the ESIP program

Q4:

- Update written guidance material with new rules, case studies, and tips, as appropriate.
- Conduct three ESIP workshops, outreach events, or information sessions (this is tallied as part of Section 3, but is recounted here for reference)
- Based on progress to date and findings from Working Group report, proceed with group ESIP or continue researching and structuring group ESIP

6. Policy Development, New Sustainable Jersey Actions, Integrating CEP Programs

SJ revises and adds new SJ Actions to the program to support CEP programs on an ongoing basis. This work is done by working through a series of Task Forces that guide policy and standards. Administration of Task Forces on the various topic areas is a major undertaking.

The main Task Forces that SJ convenes that deal with CEP related programs are:

- Community Outreach and Education
- Energy and Greenhouse Gas
- Green Purchasing
- Operations and Maintenance

In 2012 SJ will convene each of these Task Forces and upgrade each of the CEP and energy related actions as follows:

- Upgrade actions to reflect new science and new program and funding availability
- Upgrade actions to reflect community feedback

- Add new actions developed in coordination with CEP, the MM, utility partners, and other stakeholders.

In addition to adding new actions, we also develop new programs and support to encourage municipal adoption of the actions. Our focus for 2012 will be supporting Home Performance with Energy Star and Direct Install, by leveraging municipal actions and influence to drive participation in the programs. For 2012 we will develop programming to accomplish this by working cooperatively with the MMs and supported by the SJ Task Forces. Program design will be ongoing.

Two new actions that are mostly likely for 2012 that exemplify new actions we are considering are:

Promoting Direct Install (DI): Working with pilot municipalities TCNJ has gotten municipal governments to partner with DI contractors to jointly market the DI program to local businesses. This entails the municipal government soliciting local businesses, on municipal letterhead, on behalf of, and in partnership with, the DI contractor. The municipality also recognizes and rewards those businesses that participate.

Promoting Home Performance with Energy Star (HPwES): Pilot municipalities are also taking the lead in marketing HPwES to their communities. Two advancements are:

- Municipalities putting out RFPs or RFQs and hiring a HPwES home energy audit contractor and allow residents to participate in the “Town-wide Energy Audit”. This takes the confusion and risk away from homeowners and overcomes one of the major obstacles that has been identified in the program.
- Municipalities recognizing community groups and congregations that distribute literature and provide rewards to their membership for participating in HPwES.

To expand these pilots we propose to work with the MM’s and our Task Force to adapt them into new SJ Actions and promote them through a series of workshops. The MM’s participate on the SJ Task Forces and that is the official process whereby SJ actions get adopted. Nothing would be done without the cooperation and approval of the MM’s.

Project Deliverables: All CEP related SJ Actions will be updated based on latest program rules feedback from the municipalities, CEP and SJ Task Force. Task Forces will be convened at least once, and likely more, to consider new actions that could be developed to advance CEP programming and energy issues in general. At least two new actions will be developed and promoted relating to CEP programs.

Quarterly Deliverables:

Q1:

- Convene CEP related Task Forces to review existing SJ Actions, CEP programs, and also to generate ideas for new 2013 Actions
- CEP related Task Forces will consider and vet new DI and HPwES promotional actions
- Complete drafts of new HPwES and DI promotional actions will be produced and shared for review

Q2:

- Review and vet newly proposed actions with project partners and stakeholders and identify candidates for 2013
- New HPwES and DI promotional actions will be unveiled and three trainings/promotional events will be held
- Provide technical support to municipalities implementing new HPwES and DI promotional actions

Q3:

- Develop complete drafts of all new candidate actions for 2013
- Develop draft revisions for all existing and revised actions for 2013
- Provide technical support to municipalities implementing new HPwES and DI promotional actions
- Make incentive payments as needed based on first successful cohort of municipalities implementing new HPwES and DI promotional actions

Q4:

- Finalize new Actions for 2013, produce final copy, notify municipalities and upload to the website
- Finalize revisions to existing Actions for 2013, produce final copy, notify municipalities and upload to the website.
- Make incentive payments as needed based on municipalities implementing new HPwES and DI promotional actions (Additional incentive payments will be paid in 2013 based on 2012 work)

III. 2012 BUDGET

Salary and Contractor Expenses by Task and Hours

TASKS	MLUC Salary Totals	Consultant Salary Total	Salary Total	Salary % By Task	Total Hours by Task	Hours % by Task
<u>OPERATIONS AND COORDINATION</u>						
Web Maintenance and Upgrades	\$10,824	\$20,000	30,824	7.0%	296.10	3%
External Communications, Outreach, Marketing	\$6,893	\$20,250	27,143	6.2%	86.57	1%
Technical Assistance and Support	\$24,022	\$0	24,022	5.5%	646.21	7%
Tracking and Monitoring	\$20,019	\$2,250	22,269	5.1%	858.64	9%
Certification Process	\$39,308	\$0	39,308	9.0%	1082.32	11%
<u>GRANTS PORTAL</u>	\$11,795	\$0	11,795	2.7%	765.77	8%
<u>TRAINING AND OUTREACH</u>						
Outreach Events	\$25,163	\$20,250	45,413	10.4%	862.07	9%
Training Events	\$48,908	\$0	48,908	11.2%	1234.47	13%
<u>SCHOOL EDUCATION AND CERTIFICATION</u>						
Workshops on Efficiency and Curriculum	\$22,248	\$0	22,248	5.1%	354.77	4%
Launch SJ for Schools	\$30,483	\$0	30,483	7.0%	457.17	5%
<u>ESIPS</u>						
Workshops and Promotion	\$18,546	\$2,250	20,796	4.7%	592.11	6%
Technical Support and Written Guides	\$14,901	\$0	14,901	3.4%	265.99	3%
Group Purchase	\$6,468	\$0	6,468	1.5%	86.02	1%
<u>POLICY DEVELOPMENT, NEW ACTIONS</u>						
Task Force Administration (policy development)	\$59,487	\$0	59,487	13.6%	1651.77	17%
Develop new CEP Related Actions	\$33,882	\$0	33,882	7.7%	594.28	6%
<u>SUB TOTAL</u>	\$372,945	\$65,000	437,945	100%	9834.26	100%

Budget Summary

Salary	\$372,945
Consultants	\$65,000
Incentive Payments to Municipalities	0
Other Direct Expenses (supplies, travel, etc)	\$16,600
Indirect (Facilities and Administration)	\$45,455
Grand Total	\$500,000

Expenses by Program Reporting Categories

Total	Admin and Program Development	Sales, Marketing, Call Centers, Website	Training and Technical Support	Rebates, Grants and Other Direct Incentives	Rebate, Processing, Inspections, Other Quality Control	Performance Incentives	Total
Salary and Fringe	174,954	125,648	137,342	0	0	0	437,945
Non-Salary Direct Expenses*	1,996	4,150	10,454	0	0	0	16,600
Indirect	17,695	12,980	14,780	0	0	0	45,455
Total	194,646	142,778	162,576	0	0	0	500,000
*Non-salary direct expenses are allocated to the expense categories based on approximations of how much of each expense is utilized by the activities within that category							