

Memo

To: EE List Serv

Date: May 12, 2011

Re: Summary of Proposed Program Plan Changes

Home Performance with ENERGY STAR® (HPwES) Program Program Change Summary and Proposed Enhancements

Changes to Offerings and Incentives - Background

Following receiving feedback from the contractor community, including the 2011 HPwES Program Enhancement Recommendations from Efficiency First/ACCA presented April 5th and again at the April 12th Energy Efficiency Committee Meeting, and in light of the current status of enrollments in the HPwES program, the Market Manager conducted discussions on how best to proceed to boost HPwES participation.

Following dialog at the above meetings and further internal deliberations, a limited-time seasonal promotion was selected as the most efficient way to boost program participation. A limited time offer would create urgency in the marketplace during the HVAC busy season and would serve to help steer HVAC customers into HPwES. This is intended to make HPwES more attractive compared to the combined *WARM/COOL* Advantage and Gas Utility Enhanced Rebate Programs. It would also help entice more contractors back into the program, creating and/or supporting jobs in the HPwES marketplace. Additionally, in a proposed change at the Tier 2 level, customers would be allowed to include domestic hot water heaters.

Changes to Offerings and Incentives

1. At the Tier 2 level, customers would be allowed to include domestic hot water heater replacements from the Eligible Measures List in their projects and scope of work. Resulting savings would be included in the Total Energy Savings (TES) calculations and costs would be included in the project total scope of work.

2. A limited-time offer or “Summer Promotion” would be offered and structured as a discount to reduce the homeowner’s total dollar amount of the HPwES project.

The Summer 2011 Promotion Period would be in effect following the signed Board Order (subject to approval at the June 15th Board Meeting) and would continue through August 31, 2011. Projects with enrollments during this period would be eligible for Summer Promotion Discounts. Active projects enrolled in the Program since January 4, 2011, but not yet submitted as completed, would also be eligible.

Discounts offered during the Summer Promotion would scale according to the TES Tiers.

At Tier 2, where TES are 10-19.99%, the current incentive is a \$1,000 cash rebate, not to exceed 50% of the total work cost. Customers who enroll during the Summer 2011 Promotion Period would be eligible for a discount of \$500.

At Tier 3 Level 1, where TES are between 20-24.99%, the current incentive is a \$3,000 cash rebate, not to exceed 50% of the total work cost. Customers who enroll during the Summer 2011 Promotion Period would be eligible for a discount of \$750.

At Tier 3 Level 2, where TES are at least 25%, the current incentive is a \$4,000 cash rebate, not to exceed 50% of the total work cost. Customers who enroll during the Summer 2011 Promotion Period would be eligible for a discount of \$1000.

Contractors would be then reimbursed for the appropriate discounted amount shown above upon satisfactory project completion.

Changes to Current Target Market/Eligibility

The R&D project approved in 2010 and funded in 2011 has been discontinued. The project was aimed at developing a more streamlined approach to handling and reporting multi family projects; however, DOE has addressed those concerns in their most recent program reporting rules regarding multi family buildings, making this R&D project no longer necessary.

Residential HVAC Electric and Gas Program Changes to Budget

Due to overwhelming market response to the *COOL* and *WARM* Advantage 2010 Programs and the resulting applications received for processing in 2011, an adjustment is proposed to the budget. The change would support processing an additional 28,000 units, while not increasing the overall Residential HVAC Electric and Gas Program budget, and would entail moving \$987,496.90 from the Rebates, Grants and other Direct Incentives category to the Rebate Processing, Inspections and other Quality Control category.

ENERGY STAR Products Program Changes to Budget

The consumer response to the ENERGY STAR® Clothes Washer Appliance Rebate Program combined with the success of the ARRA State Energy Efficient Appliance Rebate Program (SEEARP) has resulted in an influx of rebate applications in excess of planned units. Therefore, an adjustment is proposed to the budget to support processing an additional 29,000 units (24,750 washers and 6,500 ARRA SEEARP units), while not changing the overall ENERGY STAR Products Program budget. This change would entail moving \$240,537.96 from the Rebates, Grants and other Direct Incentives category to the Rebate Processing, Inspections and other Quality Control category.

**New Jersey's Clean Energy Program
Energy Efficiency Programs**

Proposed June 2011 Residential Efficiency Budget

Program	Total	Administration, IT and Program Development	Sales & Marketing	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections and Other Quality Control	Performance Incentives	Evaluation and Related Research
Residential HVAC - Electric & Gas	\$19,786,157.98	\$1,306,764.00		\$354,001.80	\$15,172,918.52	\$2,820,231.26		\$132,242.40
Residential New Construction	\$19,943,969.50	\$1,249,392.00			\$16,497,157.80	\$1,951,092.50		\$246,327.20
ENERGY STAR Products	\$16,006,633.80	\$1,655,032.84			\$13,446,343.30	\$746,421.96		\$158,835.70
Home Performance with Energy Star	\$34,885,329.29	\$1,044,421.08			\$31,117,858.22	\$2,723,049.99		
Marketing	\$1,309,984.00		\$1,309,984.00					
Sub Total Residential Programs	\$91,932,074.57	\$5,255,609.92	\$1,309,984.00	\$354,001.80	\$76,234,277.84	\$8,240,795.71		\$537,405.30

\$987,496.90
\$240,537.96

HW revised 2011 EE RE Program Plan FINAL 3-23-11

Program	Total	Administration, IT and Program Development	Sales & Marketing	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections and Other Quality Control	Performance Incentives	Evaluation and Related Research
Residential HVAC - Electric & Gas	\$19,786,157.98	\$1,306,764.00		\$354,001.80	\$16,160,415.42	\$1,832,734.36		\$132,242.40
Residential New Construction	\$19,943,969.50	\$1,249,392.00			\$16,497,157.80	\$1,951,092.50		\$246,327.20
ENERGY STAR Products	\$16,006,633.80	\$1,655,032.84			\$13,686,881.26	\$505,884.00		\$158,835.70
Home Performance with Energy Star	\$34,885,329.29	\$1,044,421.08			\$31,117,858.22	\$2,723,049.99		
Marketing	\$1,309,984.00		\$1,309,984.00					
Sub Total Residential Programs	\$91,932,074.57	\$5,255,609.92	\$1,309,984.00	\$354,001.80	\$77,462,312.70	\$7,012,760.85		\$537,405.30

Please submit your comments to publiccomments@njcleanenergy.com by 5:00pm on Friday, May 20, 2011.